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Developers eye land for affordable housing project

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A parcel of land that was to have duplexes could be the site of an affordable housing project in Lake Placid.

It would be more than a year - if a deal is worked out - before ground is broken on the 12.85-acre parcel on Hillcrest Street.

The Lake Placid Town Council, in a 2-1 vote Monday night, agreed to defer utility fees for the 64-unit development contingent on its attorney being able to reach an agreement between the owner, the developers who want to buy the property and the town.

Ray Royce and Carol Smart voted for it, while Councilman Steve Bastardi was opposed. Councilman Charles Wilson wasn't at the meeting.

Marty Wohl of Heartland Real Estate Corp. and partners in the development with his father, Jimmy, said the idea is to provide "new quality apartments at very affordable rates." The development will include townhomes and garden-style apartments with two, three and four bedrooms.

Marty Wohl said it is "not a done deal by any means."

If everything works out, Wohl said it would probably be near the end of 2010 before construction begins.

"I love the project; it's good for the community," said Mayor Tom Katsanis.

The Wohls are making an application to the Florida Housing Finance Corp. In a letter to Lake Placid Town Clerk Arlene Tuck, Jimmy Wohl said the Florida Housing application process requires a local government contribution for any FHFC funded development.

The contribution can be a cash contribution, a waiver of fees or even a deferral of fees provided such future fees have a net present value equal to \$40,000.

Wohl went on to explain that Highlands County previously had State Housing Incentive Program money to make a cash contribution. However, those funds aren't available.

Another alternative for the local government contribution is waiting impact fees in the amount of \$40,000. But the Highlands County Commission has suspended impact fees for one year.

The third option was to request the town to defer regarding fees for sewer and/or water.

Ted Schiafone, who owns the land, was intending to build duplexes on the site, according to Tuck. Schiafone took out a mortgage, but he has been in default since June 2008.

Tuck said Schiafone owes \$563,200 on the promissory note and combined with the interest of \$101,370 the total is \$664,576.

The council initially voted against the deferral request, with Smart and Bastardi opposed and Royce in favor.

But Mike Gallaher, a Lake Wales attorney who said he has a relationship with Schiafone, questioned whether the town would win in court if it tried to sue Schiafone. Gallaher noted there would be attorney fees incurred because Schiafone "will defend it vigorously."

That apparently convinced the council to reconsider and then reverse its decision.

Bastardi said he was shocked that the council didn't come up with a plan to collect the money.