



Predevelopment Loan Program

Development Plan

A.

General Information

Development Name	Douglas Gardens North II (DGN II)
Development Address	705 SW 88 th Avenue, Pembroke Pines, FL
Developer Entity Name	DGN, INC. II
Development Team	Same as above
Contact Person	Litha S. Berger
Development Type	<input checked="" type="checkbox"/> Rental <input type="checkbox"/> Homeownership
Total Units	52
Target Population (other than income set-asides)	<input type="checkbox"/> Farmworker <input type="checkbox"/> ALF <input type="checkbox"/> Elderly <input type="checkbox"/> Homeless <input checked="" type="checkbox"/> Other Section 202
Construction Type	<input type="checkbox"/> Rehabilitation <input checked="" type="checkbox"/> New Construction <input type="checkbox"/> Combined

Applicant comments and/or explanation:

DGN, INC. II will consist of 52 affordable rental housing units for very low income elderly. The Douglas Gardens Senior Housing Inc. (DGN, Inc. II) a 501 (c) 3, is an affiliate organization of Miami Jewish Home and Hospital for the Aged, Inc. (MJHHA) and is the approved Management Agent for all HUD projects. Through a partnership with the State of Florida, The City of Pembroke Pines and MJHHA, 26 acres of land are leased by the State (\$1.00 per year) to develop a unique project. DGN, Inc. II is responsible for the development of independent and assisted living residential projects. The first phase, a 94 unit HUD Section 202 project, was opened on February 1, 2005 and fully occupied by March 2006. DGN II represents the second phase of the overall project plan and the third phase will include special care beds, assisted living units, a medical clinic and specialty programs.

TAP comments:

DGN II has experience in the development and operations of Phase I, a 96 unit elderly project. In addition, it has extensive experience in managing and operating HUD 202 projects.



B.

Loan Information

PLP Requested Amount	\$539,500
TAP Recommended Amount	\$500,000
Total Predevelopment Costs	\$500,000
Total Development Costs	\$6,967,600
Amount of Loan Requested for Acquisition	0
Applicant comments and/or explanation:	
DGN, INC. II, through its HUD consultant, John Hazelroth, is seeking additional funding from both U.S. HUD for Section 202 funds (\$670,900) and the City of Pembroke Pines for CDBG funds (\$500,000).	
TAP comments:	
The DGN II project is able to leverage project costs through the value of the donated land which is appraised at \$670,000. In addition, its other HUD 202s buildings on the Douglas Gardens site are facilities that the state and federal governments consider as model projects.	

C.

Development Team

Team Member	Name	Status
Developer	DGN, INC. II, Pembroke Pines, Fl	<input type="checkbox"/> Contracted <input type="checkbox"/> Negotiating <input type="checkbox"/> Not Identified <input checked="" type="checkbox"/> N/A
Contractor	Beauchamp Construction, Ed Bell, Construction Sup. Miami, FL	<input checked="" type="checkbox"/> Contracted <input type="checkbox"/> Negotiating <input type="checkbox"/> Not Identified <input type="checkbox"/> N/A
Architect	Dorsky Architect	<input checked="" type="checkbox"/> Contracted <input type="checkbox"/> Negotiating <input type="checkbox"/> Not Identified <input type="checkbox"/> N/A
Engineer	Steven Fuller	<input checked="" type="checkbox"/> Contracted <input type="checkbox"/> Negotiating <input type="checkbox"/> Not Identified <input type="checkbox"/> N/A
Consultant	John Hazelroth	<input checked="" type="checkbox"/> Contracted <input type="checkbox"/> Negotiating <input type="checkbox"/> Not Identified <input type="checkbox"/> N/A
Other	Sandy Miot, Construction Sup. DGN, II Staff	<input type="checkbox"/> Contracted <input type="checkbox"/> Negotiating <input type="checkbox"/> Not Identified <input checked="" type="checkbox"/> N/A
Applicant comments and/or explanation:		



The project is progressing with its plans and several soft cost related services for the project have been conducted such as the environmental report, architectural drawings, and permit applications to name a few.
TAP comments:
Based on the experience and current development team it appears that the project is on the appropriate development track.

D.

Market and Feasibility

Type of Study	Name	Status
Formal Market Study	Not Conducted	<input type="checkbox"/> Complete <input type="checkbox"/> Contracted <input type="checkbox"/> N/A
Informal Study	See below	<input type="checkbox"/> Complete <input type="checkbox"/> Planned
TAP Evaluation		Describe Below
Applicant comments and/or explanation:		
DGN, INC. II reports that rental housing for elderly is at a high demand and is evidenced by their rental applications for the Albert and Ann Jacobs building (newly opened Phase I of its overall elderly housing projects) and their estimated three month waiting list.		
TAP comments:		
A market study will be completed as part of the underwriting process.		



E.

Site Control

Evidence	80 Year Lease Agreement
Warranty Deed	N/A
Contract for Purchase	N/A
Lease Agreement	80 Year Lease Agreement
Not Under Contract	N/A
Not Identified	N/A
Applicant comments and/or explanation:	
TAP comments:	
<p>The project's overall development costs will be leveraged given that it was not necessary to purchase property and that it is a long term lease.</p>	

F.

Zoning

	Status
Zoning on Property	Multi-family Rental
Current Use	Vacant Land
Future Land Use Plan	Multi-family Rental
No Zoning Evidence	N/A
Location map	In PLP application
Site Plan Approval	Project has site plan approval
Applicant comments and/or explanation:	
TAP comments:	
<p>Zoning is appropriate for intended use.</p>	



G.**Development Elements**

	Status
Survey	Completed 2/24/2006
Soil Test	Completed 04/10/06
Building Permit	Submitted
Other Permits	Submitted
Availability of Utilities	Yes, included in Phase I development
Availability of Water and Sewer	Yes, included in Phase I development
Availability of Roads	Yes, included in Phase I development
Environmental Assessment	Completed 3/1/05
Appraisal	Completed 3/1/06 (land valued at \$670,000)
Financial Statements	Audited Financials completed
Drawings, Plans and/or Specs	Completed 3/23/06
Applicant comments and/or explanation:	
TAP comments:	

H.**Marketing and Sales/Lease Up**

Please Provide Narrative Describing Marketing and Sales/ Lease Up
<p>Litha Berger, Director, reported that the senior housing rental demand is high and that there is an extensive waiting list. Three months prior to the opening of the DGN II project, an advertisement will be placed announcing rental availability. A leasing office will be set up to accept applications. Persons on the current waiting list will also be able to apply.</p>
TAP comments:
<p>Area agencies report high demand for elderly rental projects.</p>



I.**Sources**

Funding Source	Status	Amount
PLP Loan	Applied For	539,000
U.S. HUD - 202	Fund Reservation	5,796,700
U.S. HUD – 202	9/06 additional funding request-expected response 2/2007	670,900
City of Pembroke Pines- CDBG	Submitted application to be considered with rollover funds from previous years-expected response 2/2007	500,000
Total		
TAP comments:		
There appears to be support for the project given the unique structure of state and local involvement and leveraging of donated land.		

J.**Overall Uses**

Title and Recording	49,000
Land Acquisition	0
Construction	5,378,139
Construction Contingency	411,853
Bond Premium Fee	46,508
*Developer Fees	143,500
Other Fees	299,700
Cost Certification Audit	8,000
Pre-Marketing	15,000
Soft Cost Contingency	115,900
TOTAL	6,467,600

***Developer Fees include \$166,900 in various line items of the PLP Budget for a total of \$310,400**



K.

PLP Budget

Item	Paid To	Amount
Title Search/Recording		20,000
Legal Fees		25,000
Boundary Survey		8,000
Administrative Expenses		4,000
Consulting Fees		25,000
Environmental Assessments		3,500
Soil Tests		8,000
Appraisal Fee		3,500
Architectural/Engineering		274,500
Insurance		105,000
Impact Fees		23,500
TOTAL		500,000

L.

Narrative

Please describe any facts regarding this development that are not covered previously in this report

The 52 unit rental project will provide much needed housing for elderly and complete Phase II of the three phase project. The overall development is designed to provide independent and assisted living along with medical and supportive programs for elderly housing and services. The project will assist elderly living in Broward and Palm Beach Counties.



