



October 12, 2022

Mr. Robert Dearduff
Special Programs Director
Florida Housing Finance Corporation
City Centre Building
227 North Bronough Street, Suite 5000
Tallahassee, Florida 32301-1329

Re: CCSD Goulds Homes
2022-002P-09 (PLP)

Dear Mr. Dearduff:

CCSD Goulds Homes (“Development”) as proposed will consist of 9 single family affordable homes to be constructed on six non-contiguous, undeveloped parcels located in Goulds, Florida, 33170. Community Coalition of South Dade, Inc. (“CCSD” or “Applicant”) applied for a \$600,000 Florida Housing Finance Corporation (“FHFC” or “Florida Housing”) Pre-Development Loan Program (“PLP”) Loan. The assigned Technical Assistance Provider (“TAP”) recommended a PLP Loan in the amount of \$600,000 of which \$200,000 is requested for site acquisition. The remaining \$400,000 in requested PLP funds will be used for eligible pre-development costs. At the April 29, 2022 FHFC Board meeting, the recommended loan amount was approved subject to review of the requested acquisition portion by the assigned Credit Underwriter. First Housing Development Corporation of Florida (“First Housing”, “FHDC”, “Credit Underwriter”, or “Servicer”) is recommending approval of \$140,000 as the acquisition portion of this request.

The PLP Loan will bear an interest rate of 1% per annum. The PLP Loan is non-amortizing, with principal and interest deferred until loan maturity. With respect to HOME Ownership, the PLP Loan shall mature on the earlier of (a) a prorated basis upon the sale of each home, upon the recommendation of the Credit Underwriter or TAP and a partial release payment in an amount acceptable to the Credit Underwriter or TAP and FHFC; or (b) three years from the date of execution of the loan documents by Florida Housing or other such extended loan maturity date approved by the FHFC Board.

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The Applicant has committed to sell a minimum of 50% of the completed housing units (5 units) to families/individuals with households whose income does not exceed 80% of the Area Median Income (“AMI”), as determined by United States Department of Housing and Urban Development (“HUD”) and adjusted for family size, for the metropolitan statistical area or county in which the individual homes are located, and sell the remaining housing units (4 units) to families/individuals with households whose income does not exceed 120% AMI. If the Development obtains construction or permanent financing from other Florida Housing programs, the set-asides committed to by the Applicant under the particular FHFC program providing the additional funding shall be in effect.

The Applicant proposes to utilize the PLP funds to finance the acquisition of the site and for certain other pre-development activities. It is anticipated that financing will be provided through a Miami-Dade Public Housing and Community Development (“PHCD”) Construction Surtax Loan and a Neighborhood Lending Partnership (“NLP”) Loan.

For the Applicant to utilize PLP funds for the purchase of land, a Preliminary Assessment must be performed. The Preliminary Assessment is primarily limited to a review of the Application and Project Development Plan, an analytical review of the Development’s sources and uses of funds, a determination that PLP funds drawn for acquisition costs are adequately collateralized, and the performance of limited due diligence relating to the Applicant. The Project Development Plan has been separately reviewed and approved by the TAP, Florida Housing Coalition. The results of First Housing’s findings are presented below.

Applicant Information

The Applicant is a 501(c)(3) Not-for-Profit Corporation formed on October 3, 2011. The Articles of Incorporation indicate that CCSD’s corporate purpose is to engage in community development activities (which may include housing and economic development activities) which are intended to lead to an improvement to the physical, economic, or social environment of its geographic area of operation by addressing one or more of the critical problems of the area with attention to the needs of persons with low income.

CCSD’s mission is mainly focused on the communities and neighborhoods in the southern end of Miami-Dade County referred to as South Dade. CCSD was formed as a local response to the devastating social economic downturn, that the low-income neighborhoods of South Dade suffered as a result of the market crash of 2009. CCSD started as a strategic planning and coordination type of organization, advocating for the South Dade neighborhoods and communities needing resources to help stabilize their respective social economic situations that arose from the market crash.

First Housing has received two satisfactory trade references and one satisfactory bank reference for the Applicant. First Housing also received a statement indicating the Applicant has only the

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\$400,000 non-acquisition PLP Loan outstanding at this time. A Dun and Bradstreet Report was not available for CCSD.

First Housing reviewed an unaudited Balance Sheet dated September 14, 2022, which indicates current assets in the amount of \$3,509 and equity in the amount of \$3,509. First Housing also reviewed an Electric Notice (e-Postcard) of Form 990-N for the 2021 Calendar year, indicating the entity is not required to file Tax Form 990 or 990-EZ.

Land Cost

Based on a conversation with a CCSD representative, CCSD has already secured 5 parcels of land which will produce 7 units. CCSD is currently under contract for one parcel of land, containing 0.26 acres. It is anticipated that the Parcel under contract will be split into two equal 5,600 square foot lots. CCSD is anticipating on developing a 1,650 square foot home consisting of 4 bedrooms and 2 bathrooms on each lot. First Housing received an executed Vacant Land Contract between Oregur LLC (“Seller”) and Community Coalition of South Dade. (“Buyer”). The Vacant Land Contract calls for a purchase price of \$140,000 and a closing date of November 4, 2022.

Appraisal

First Housing has received and reviewed an appraisal, dated September 21, 2022, from Integra Realty Resources Tampa Bay (“Integra”). The subject site is located in the Goulds area of Miami-Dade County. Primary highway access to the area is via US Highway 1. Public transportation is provided by Miami-Dade County and provides access to most neighborhoods throughout the county.

The subject site is a parcel of vacant land containing an area of 0.26 acres or 11,200 square feet. The property is zoned AU, Agricultural District, which allows agricultural uses and single-family residences on five-acre lots and every customary use associated with it, including pools, sheds, private garages, carports, etc. The Buyer has approved plans to extend water and sewer to the site from SW 224th Street. After this work is completed, the Buyer will rezone the property for residential use, split the lot via the waiver of plat process and develop two single family homes.

Rezoning the site to allow for single family development is the only use which meets the four tests of highest and best use. Therefore, it is concluded to be the highest and best use of the property as though vacant. The appraisal concludes to an as is market value of the fee simple interest, as of September 20, 2022, of \$140,000. The Vacant Land Contract calls for a purchase price of \$140,000 which is supported by the appraisal.

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Phase I

A Phase I Environmental Site Assessment Report (“ESA”) was completed on June 5, 2020 by Professional Service Industries, Inc. (“PSI”). The ESA was performed on nine non-contiguous, undeveloped parcels totaling 2.46+/- acres. The Parcel under contract is Parcel 9, within the report. The ESA was performed in accordance with ASTM Standard E 1527-13 and concludes that there are no recognized environmental conditions, controlled recognized environmental conditions, or historical recognized environmental conditions in connection with the property. Based on the above, PSI recommends no further assessment in connection with the property.

PLP Budget

The TAP had provided an approved PLP budget, as of April 8, 2022, totaling \$600,000 (see Exhibit A for original PLP Budget). The non-acquisition portion of the PLP Loan totaling \$400,000 will be used for eligible pre-development activities and the acquisition cost was estimated at \$200,000. Based on a conversation with a CCSD representative, it was originally anticipated that 2 Parcels of land would be purchased with the PLP Funds; however, land costs have increased and CCSD will only have enough funds to purchase one Parcel for \$140,000 (see Exhibit B for updated PLP Budget).

Development Cost

The Applicant’s total development costs is estimated at \$2,406,772 (after Impact Fee Reimbursement) or \$267,419 per unit. The total development costs include land, hard costs, pre-development, general development costs, interest expense, and infrastructure costs. A summary of the total development costs is included in Exhibit C.

At this time the Applicant is estimating that each house will sell for \$352,000 per unit. The Applicant has indicated that there will be several home buying programs (such as PHCD SURTAX and HOME/CDBG, Miami-Dade Economic Advocate Trust, SHIP, Federal Home Loan Bank of Atlanta, and other first time home buyer programs) that will be available to assist the homebuyer with the purchase of the home. Based on a conversation with the Applicant, after taking into account the home buying assistance programs, the average mortgage would be approximately \$180,000. The income limit on a family of four at 80% AMI is \$78,000; therefore, an income qualified homebuyer should be able to obtain a mortgage in this amount.

After taking into consideration a real estate broker fee of \$10,560 per house, the total income generated from the sell of the homes would be \$3,072,960, leaving a total profit of \$666,188 or \$74,021 per house, which gives CCSD some flexibility in the home price.

Conclusion and Recommendation

First Housing's review of the Appraisal indicate that the land acquisition cost appears reasonable. First Housing recommends approval of the PLP Loan in the amount of \$140,000 for the acquisition cost, subject to the following conditions:

1. Satisfactory resolution of any outstanding past due and/or noncompliance issues by the closing of the PLP Loan.
2. Payment of any outstanding arrearages to the Corporation, its legal counsel, Servicer or any agent or assignee of the Corporation for past due issues applicable to the development team (Applicant or Developer or Principal, Affiliate or Financial Beneficiary).
3. Any other reasonable requests by FHFC, its legal counsel, or the Servicer.

Prepared by:



Stephanie Petty
Credit Underwriter

Reviewed by:



Edward Busansky
Senior Vice President

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Exhibit A**PLP Loan Original Budget**

PLP Source	
FHFC PLP Loan	\$600,000
PLP Uses	
Appraisal	\$12,000
Acquisition	\$200,000
Closing Costs	\$15,000
Surveys	\$17,000
Credit Underwriting	\$5,500
Environmental Assessments	\$21,000
Administrative	\$1,500
Consultant	\$35,000
Legal	\$11,000
Market Study	\$3,500
Architect/Engineer	\$95,000
Permitting, Impact, and Zoning Fees	\$95,000
Utility Fees	\$28,500
Finance Commitment Fees	\$36,000
Contingency	\$24,000
Total	\$600,000

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Exhibit B**PLP Loan Updated Budget**

PLP Source	
FHFC PLP Loan	\$540,000
PLP Uses	
Appraisal	\$12,000
Acquisition	\$140,000
Closing Costs	\$15,000
Surveys	\$17,000
Credit Underwriting	\$5,500
Environmental Assessments	\$21,000
Administrative	\$1,500
Consultant	\$35,000
Legal	\$11,000
Market Study	\$3,500
Architect/Engineer	\$95,000
Permitting, Impact, and Zoning Fees	\$95,000
Utility Fees	\$28,500
Finance Commitment Fees	\$36,000
Contingency	\$24,000
Total	\$540,000

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Exhibit C

Total Development Costs	
Acquisition	\$140,000
Predevelopment Cost	\$99,225
Infrastructure	\$217,452
General Development	\$187,142
Hard Construction	\$1,661,742
Construction Management Cost	\$83,087
Origination Fee @ 1%	\$21,656
Construction Loan Interest	\$54,390
Construction Closing Cost	\$33,730
Impact Fee Reimbursement	-\$91,652
Total	\$2,406,772