

Affordable/Workforce Housing Tax Reimbursement Application

I. Overview

Date Submitted: 9/16/2024

The Affordable/Workforce Housing Tax Reimbursement Program Application (AWHTRA) is required with all requests for all tax reimbursement requests for the City of Fort Lauderdale. It is important to complete the AWHTRA as accurately and completely as possible (as applicable); however, changes will be permitted as the request is being processed. Please type responses or print legibly for clarity.

II. Housing Project Name

Name as Registered: The Cove
Entity to be formed: 1055 N Federal, LLC
Doing Business As: _____

III. Applicant Information

Primary Point of Contact Michael Joffe
Contact Method: Cell Phone 732-547-4982 Other Phone: 954-953-6733
E-mail mjoffe@affiliateddevelopment.com
Mailing Address 613 NW 3rd Ave, Suite 104, Ft Lauderdale, FL 33311

Point of Contact/Authorized Agent Same as above
Contact Method: Cell Phone _____ Other Phone: _____
E-mail _____
Mailing Address _____

IV. Multifamily Rental Housing Project Information

Property Location: 1055 N Federal Hwy, Ft Lauderdale, FL 33304

- Property type: Apartment Townhome _____
- Number of floors with leasable/occupiable units: 8
- Number of housing units: Studio _____, 1 BR 282, 2 BR 88, 3 BR 6, Other _____
- Breakdown of affordable housing units: Studio _____, 1 BR 113, 2 BR 35, 3 BR 2, Other _____
- # of Affordable Unit Type: ≤60% AMI _____, 80% AMI _____, 120% AMI 150, 140% AMI _____
- Private Amenities: See attached
- Public Amenities: See attached



Affordable/Workforce Housing Tax Reimbursement Application

V. Property Information (Real Estate Location and Info)

Broward County Property Appraiser RE #: 494236090030 & 494236090191

Broward County Property Appraiser: Value: \$8,302,290 As of Date 2024 /

Appraised value (Provide a copy of any appraisals completed within the past year): \$15,700,000 BOV March 2024

- a. As Is: Value: \$15,700,000 As of Date 9/10/2024
- b. Upon Completion: Value: \$148,658,107 As of Date October 2027
- c. As Stabilized: Value: \$163,049,018 As of Date March 2029
- d. Acquisition price: \$13,140,000 Date of Acquisition 9/10/2024

VI. Additional Information

1. All projects must provide the following information:

- Attached a. *A project narrative that details the target market niche, product offerings, management team info, relevant experience, and similar factors will be required to complete the application review.*
- Attached b. *Sources and Uses of Capital (Development Budget) – During Construction and Following Completion and with identification of lenders and term sheets or LOIs where available.*
- Attached c. *Construction Budget – Should reconcile to the Development Budget as well.*
- Attached d. *Operating Pro Forma – Preferably ten years, three years at minimum.*
- N/A e. *Copy of any lease agreements being negotiated or already executed. (If applicable)*
- N/A f. *Copy of any appraisal of the property completed within the past year.*
- N/A g. *Copy of any market study for the project completed within the past year.*

2. Additional information to support this application may be requested by the department.

- a. Site Plan
- b. Developer Qualifications

Applicant's Signature

Date

10/14/2024

Amenities

Private Amenities:

- Co-”Werk” Lounge with micro offices
- State of the art Fitness Facility
- Yoga Studio/Spin Room
- Infrared Sauna
- Resort Pool with Private Cabanas
- Rooftop Observation Deck
- ”Pub Room” with private beverage lockers & games
- Hi-Speed WIFI
- Free Bike Share Program
- Outdoor BBQ Area
- Fire Pit
- Gated Off-Leash Dog Park
- Secure Entry with Cameras
- Gated Garage Parking

Public Amenities:

- Affordable and Workforce Housing

Elimination of slum and blight

PUBLIC BENEFIT NARRATIVE

The Cove will be a mixed-use mixed-income workforce housing project containing approximately 376 rental units, ground level commercial and amenity space, a parking garage and other public infrastructure improvements (the “Project”).

There exists within the City of Fort Lauderdale (the “City”) a severe shortage of housing affordable to residents of low, moderate and middle income, and this condition is impacting the health, safety, and welfare of the residents of the City, and retarding the growth and economic/social development of residents of the City. The purpose of the tax incentives is to facilitate development of the Project for purposes of economic development, the elimination of slum and blight and the creation of affordable workforce housing to improve the health, safety and welfare of individual residents and the City at large, all in accordance with and in furtherance of this public purpose as outlined in Section 163.335, Florida Statutes.



△ Revisions

NOT FOR CONSTRUCTION

DRC SUBMITTAL
 THE COVE

1055 N Federal Hwy,
 Fort Lauderdale, FL 33304
 Date Issued: 10/11/2024
 RINKA project #: 23211
 Sheet Title

CONCEPTUAL SITE
 PLAN

Sheet # **00-01**

1 THE COVE - CONCEPT SITE PLAN SITE
 1" = 20'-0"



Affiliated Development

*Developing Communities for
Florida's Workforce*

Company Overview



Local real estate **development and investment** company with offices in Fort Lauderdale and West Palm Beach

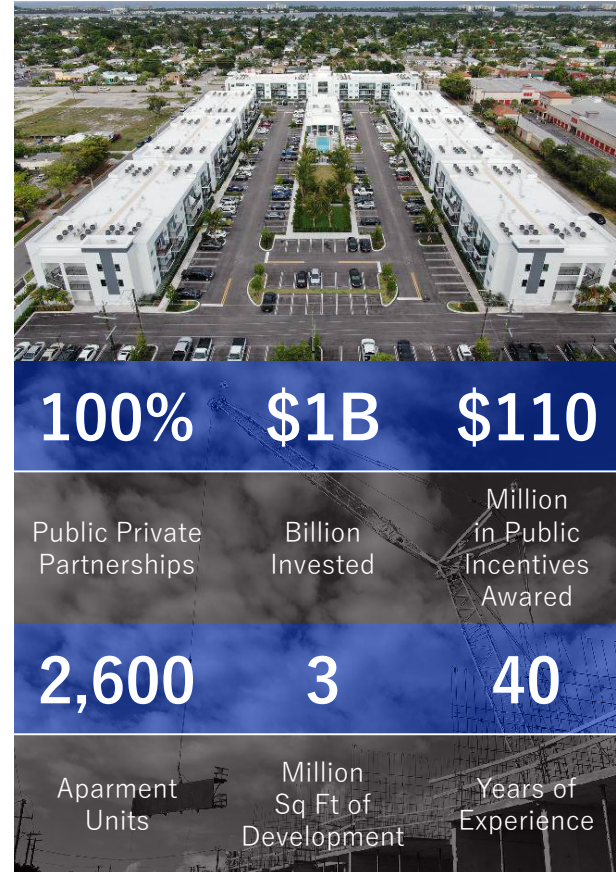
Mission Based organization building **Class A mixed-use multifamily developments** in underserved areas

Focused exclusively on **Public Private Partnerships**

Leader in utilizing innovative public finance strategies to **spur new development, economic growth & workforce housing**

Long Term owner developing **quality assets built to last**

Track Record of delivering **transformative projects** that **positively impact** communities



Core Principles



Honoring Relationships

Collaboration and open communication with our public partners is critical to our success. Our goal is to do multiple deals in the communities we invest in and have consistently done repeat business with our public partners, general contractor, subcontractors, and property manager.

Integrity

Our company ethos is simple: **Do what you say you are going to do.** Our word is our bond, and we stand out by consistently delivering on our promises. We are defined by the work that we do and the values we hold. We take our responsibility as stewards of public dollars very seriously.



Vision

We invest in communities that have traditionally been overlooked. Our pioneering efforts have led to hundreds of millions of dollars in **private investment** and the **revitalization** of communities and **economic opportunity** for local residents.

Our Core Principles are Our Foundation



Honoring our Principles from Groundbreaking...



...through Grand Opening

Testimonials from Civic Leaders



Pam Triolo
Former Mayor
Lake Worth Beach

“ Affiliated has been a **dream partner** to have in the redevelopment of our Dixie Highway corridor with the MID project. They not only did everything promised, **they exceeded expectations and deadlines**. They have contributed much to our city’s positive transformation over the past decade and I’m **grateful to have worked with them.** ”

“ **Build it and they will come.** ”

This type of project embodies the intended purpose of the CRA. ”



Robert McKenzie
Commissioner
Broward County



Romney Rogers
Former Commissioner
Fort Lauderdale

“ I am **pleased to recommend Affiliated Development**, Jeff Burns and his development company came **highly recommended by our CRA staff** and Advisory Board for the award of grant money to build a 7 story workforce housing structure on the main thoroughfare of our NW CRA community, that our Commission had prioritized for redevelopment. The results of this building being completed and occupied has been **transformative to the community** and certainly helped **jumpstart further development** along the important corridor to our NW community. ”



Dean Trantalis
Mayor, Fort Lauderdale

“ Jeff and his [Affiliated] team have **exceeded expectations and delivered a truly remarkable project** that not only addresses workforce housing, but is **leading the charge in revitalizing** an area of our city so deserving of this type of investment. ”

Testimonials from Civic Staff



Jennifer Ferriol

Director, Housing and Community Development, City of West Palm Beach

Affiliated Development delivered on their commitment to the City of West Palm Beach by bringing forward a mixed-income, mix-use project to the city's historic Northwest neighborhood. Affiliated Development's visionary and results-driven approach resulted in **a transformational \$81 million investment** representing the single largest private investment in this neighborhood's history. I personally enjoyed working alongside principals Jeff Burns and Nick Rojo as they are **experienced, trustworthy, and easy to work with.**



Clarence E. Woods, III

Manager, Northwest/Progresso/Flagler Heights CRA (Fort Lauderdale) & Former Director, Overtown/Park West CRA (Miami)

I've had the privilege of leading two of the most dynamic Community Redevelopment Agencies in the State of Florida. This distinction has afforded me the privilege of working with Affiliated Development in both CRAs. Their experience and **proven track record** of successfully delivering a quality product gives me confidence when partnering with them. **They can be trusted to deliver a quality product** while being willing community partners.



Joan Oliva
Executive Director,
City of Lake Worth
Beach CRA

I've been working in development, in one capacity or another, for over 20 years. My experience with Jeff and his team at Affiliated is **by far the best I have ever had.** They are professional, smart and easy to work with, and **I would recommend working with them to anyone** who is thinking of doing a project.



Jonathan Brown
Executive Director,
PBC Housing &
Economic Dev.

The project completed by Affiliated Development in the City of Fort Lauderdale was nothing short of a game changer. Sistrunk Boulevard carried historical significance, but had seen better days. As we devised a plan to redevelop the area, we needed a developer who had the confidence and expertise to be the first one in. **Affiliated accepted the challenge** and produced the Six13, a catalyst project that has stimulated growth, development and revitalization in this historical area.



Glendon Hall

Former Economic Developer Manager, City of Hallandale Beach

Jeff Burns and Nick Rojo are **not afraid of being pioneers** and taking carefully calculated risks to spur sustainable, equitable and attainable Class A mixed-use multifamily development in the urban core. As principals of Affiliated Development, they have a **successful track record** of identifying opportunities, site selection, extensive community outreach, consensus building, creating innovative sources of financing, and consistent compliance with all requisite regulatory requirements.

Developing Communities for Florida's Workforce



Projects with a Purpose

Affiliated Development specializes in offering a **luxury living** experience **at attainable rents** in supply constrained, **high growth markets**. Our mixed-income approach removes the stigma from the traditional housing model, providing the highest quality finishes and amenities regardless of one's income.

The Spruce West Palm Beach

- **Units:** 270 apartments
- **Workforce:** 117 units (43%)
- **Public Partner:** CRA, City, County, Nonprofit
- **Project Cost:** \$90M



The Grand West Palm Beach

- **Units:** 309 apartments
- **Workforce:** 206 units (67%)
- **Public Partner:** CRA, City
- **Project Cost:** \$81M



The Bohemian Lake Worth Beach

- **Units:** 200 apartments
- **Workforce:** 42 units (21%)
- **Public Partner:** CRA, City, County
- **Project Cost:** \$48M



The Pierce Boynton Beach

- **Units:** 300 apartments
- **Workforce:** 300 units (100%)
- **Public Partner:** CRA
- **Project Cost:** \$100M



The MID Lake Worth Beach

- **Units:** 230 apartments (10 retail)
- **Workforce:** 230 units (100%)
- **Public Partner:** CRA, City
- **Project Cost:** \$43.6M



The Dune Boynton Beach

- **Units:** 338 apartments
- **Workforce:** 338 units (100%)
- **Public Partner:** CRA, City
- **Project Cost:** \$115M



The Era Fort Lauderdale

- **Units:** 400 apartments
- **Workforce:** 210 units (53%)
- **Public Partner:** City, County
- **Project Cost:** \$135M



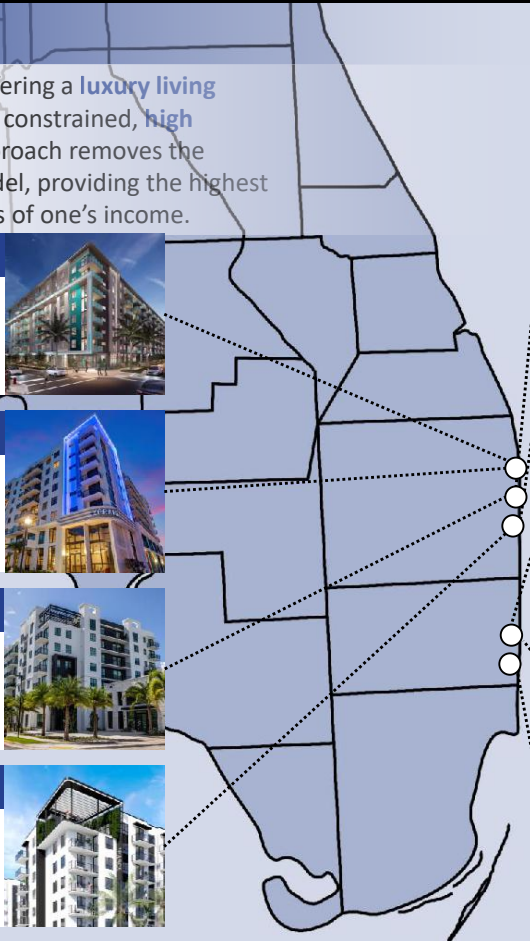
The Six13 Fort Lauderdale

- **Units:** 142 apartments
- **Workforce:** 142 units (100%)
- **Public Partner:** CRA
- **Project Cost:** \$41M



The Tropic Hollywood

- **Units:** 223 apartments
- **Workforce:** 112 units (50%)
- **Public Partner:** CRA, City, County
- **Project Cost:** \$83M



Public Private Partnership Experience



Executing Public Private Partnerships is a Core Competency

The MID

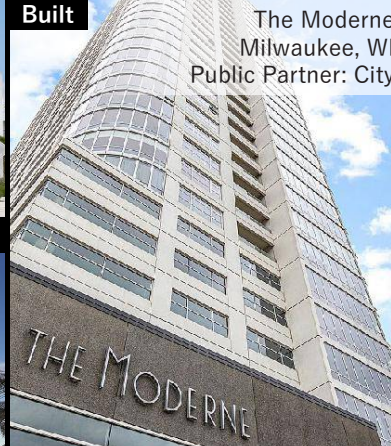
Lake Worth Beach, FL
Public Partner: City & CRA

Built



Built

The Moderne
Milwaukee, WI
Public Partner: City



Under Development

The Pierce
Boynton Beach, FL
Public Partner: City & CRA



The Spruce

West Palm Beach, FL
Public Partner: City & CRA

Under Construction



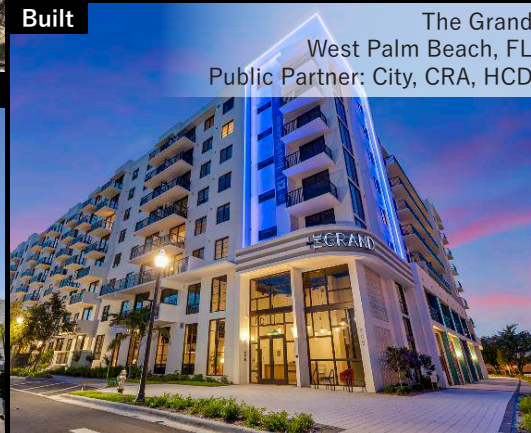
Built

The Six13
Fort Lauderdale, FL
Public Partner: CRA



Built

The Grand
West Palm Beach, FL
Public Partner: City, CRA, HCD



Under Construction

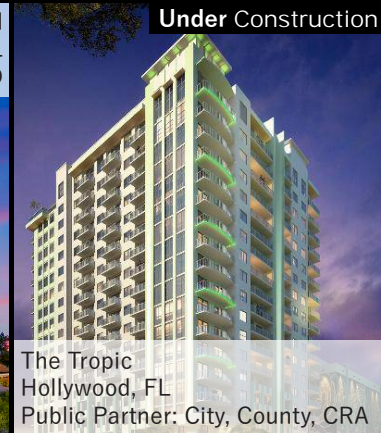
The Bohemian

Lake Worth Beach, FL
Public Partner: City, County, CRA

Built



The Tropic
Hollywood, FL
Public Partner: City, County, CRA



The Six13, Fort Lauderdale



Fully Stabilized

- Public Private Partnership with CRA
 - \$7M grant
- 142 Class A Apartments: 100% Workforce Housing
- One of the first Qualified Opportunity Zone projects in South Florida
- 6,500 square foot restaurant
- Project completed on time and on budget
- Fully leased in 6 months and currently 100% occupied



The MID, Lake Worth Beach



Fully Stabilized

- Public Private Partnership with City & CRA
 - \$5.3M in upfront incentives
 - \$2.7M TIF
- 230 Class A Apartments
- 10,000 square feet of retail space
- First large scale development in East Lake Worth Beach in 30 years
- Project delivered 3 months ahead of schedule
- Fully leased in 6 months and currently 100% occupied

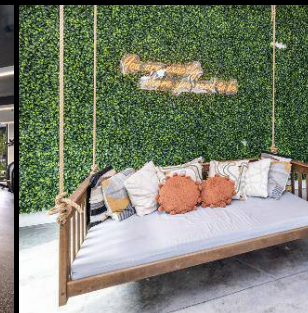


The Bohemian, Lake Worth Beach



Fully Stabilized

- Public Private Partnership with City, CRA & County
- \$6.3M in upfront incentives
- \$1.8M TIF
- 200 Class A Apartments: 22% Workforce, 78% Market
- 4,100 square feet of retail space
- Project completed on schedule and on budget
- Fully leased in 7 months

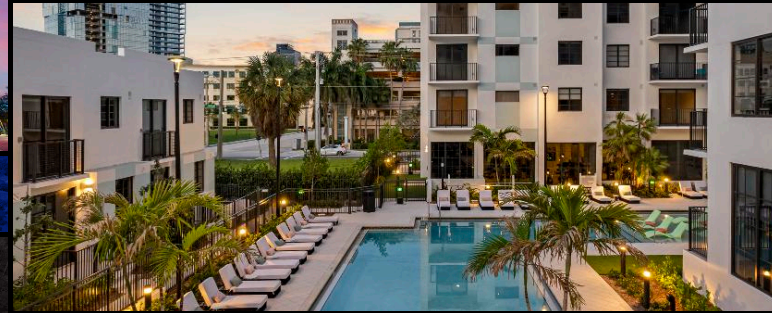


The Grand, West Palm Beach



Completed

- Public Private Partnership
 - \$10M in upfront incentives
 - \$5M TIF from City, HCD & CRA
- 309 Class A Apartments: 67% Workforce, 33% Market
- 3,100 square feet of attainably priced retail space
- First major private investment in historic Northwest since segregation
- Recently completed and 95% occupied in 7 months
- Project will address dire housing needs in downtown



Capital Markets Experience: Equity



Institutional Capital Commitments

Affiliated Development's current equity investors include real estate funds, 12 public pension plans and several family offices



Recent Successful Project Financings



Track Record of Success

Affiliated Development is a well-capitalized development company with a history of delivering innovative and successful projects. Affiliated's principals are **experienced construction borrowers** with a **track record of repeat business** with our lending partners; honoring relations is a key Company mission statement. We are afforded access to an array of permanent loan programs by virtue of our business model of developing in CRA/LMI census tracts and offering attainably priced housing to supply constrained markets.

Financing Partners



Affiliated Development – Executive Team



Jeff Burns
CEO & Co-Founder

Jeff Burns is the CEO of Affiliated Development, Mr. Burns has over 18 years of experience in the acquisition, development and financing of mixed-use and multi-family properties in markets across the United States.

Mr. Burns is a Midwestern native and got his start in the real estate industry as a commercial real estate lender, where he originated, underwrote, and funded construction financing for large-scale projects throughout the country.

After a successful stint in the banking industry, Mr. Burns shifted his focus to ground-up mixed-use multifamily development and created a niche in public-private-partnership development that focused on catalyzing redevelopment in underserved communities and the creation of Class-A workforce and affordable housing.

Mr. Burns was honored as a 40 under 40 by the South Florida Business Journal, and was named as one of South Florida's Power Leaders in Real Estate for multiple consecutive years. Mr. Burns is active within Habitat for Humanity Broward County, Nova Southeastern University School of Real Estate Development, Locality Bank, and several local area Chambers of Commerce. Mr. Burns is a graduate of the University of Missouri and spends his free time with his wife and three daughters.



Nick Rojo
President & Co-Founder

Nick Rojo is the President of Affiliated Development. Mr. Rojo has more than 16 years of experience in the acquisition, financing and development of commercial real estate and has developed over 2,000 apartment units through public-private partnerships.

Mr. Rojo is a South Florida native and got his start in the real estate industry in 2005 as an investment banker at Wachovia Securities, where he focused on providing capital raising and advisory

services to public and private homebuilders and developers. Mr. Rojo left Wachovia to return to South Florida in 2009 to focus on property acquisition and subsequently teamed up with a family office in 2011 to lead their commercial real estate team. In 2014, Mr. Rojo teamed with Mr. Burns to expand Affiliated Development.

Mr. Rojo graduated cum laude with a B.S.B.A. in Finance and New and Small Business Management from Georgetown University where he was also a four-year letterman and Academic All-American on the Georgetown Hoya football team. He is a resident of North Palm Beach, FL, and sits on the Broward County Sheriff's advisory council. He is also a board member of the West Palm Beach Police Athletic League and a member of the Palm Beach chapter of the Young President's Organization (YPO).

PROJECT SOURCES & USES

PROJECT SOURCES:	Total	%/Total
First Mortgage Debt	\$72,559,280	59%
Equity	\$49,499,673	41%
Total	\$122,058,952	100%

PROJECT USES:	Total	%/Total
Land	\$13,140,000	11%
Hard Costs	\$82,626,493	68%
Soft Costs	\$26,292,459	22%
Total	\$122,058,952	100%

Development Budget

Line Item	Total
LAND AND HARD COSTS	
Land Acquisition	\$13,140,000
GMP	\$78,145,227
Precon Site Work and Utility Relocation	\$2,549,500
TI Allowance	\$102,750
Signage	\$169,200
BDA/ERRS	\$370,916
Low Voltage	\$526,400
FF&E	\$762,500
Land and Building Costs	\$95,766,493
SOFT COSTS	
County Impact Fee	\$706,316
Permitting, Utility and Other Fees	\$2,708,572
Inspections and Reports	\$982,732
Architect Design, Supervision and Engineering	\$1,771,400
Legal and Professional	\$1,490,000
Property Taxes	\$250,000
OCIP/Builders Risk	\$1,211,251
Developer Fee	\$3,305,060
Project Contingency	\$3,907,261
Financing Fees and Costs	\$1,632,584
Construction Loan Interest Reserve	\$8,327,283
Total Soft Costs	\$26,292,459
TOTAL PROJECT COSTS	\$122,058,952

Taxing Authority	Mill Rate	Tax Revenues			
		Current Tax Rev	Future Tax Rev	Tax Revenue Shares	
				City, County, and Project Share	
City	4.1193	\$34,200	\$416,702	\$34,200	\$382,503
Other	14.4654	\$120,096	\$1,463,298	\$1,463,298	\$0
Total	18.5847	\$154,296	\$1,880,000	\$1,497,497	\$382,503

Rent Loss & Gap Needs Analysis	
Avg Market Rate Rent	\$2,878
Avg WFH Rent	\$2,497
Rent Loss Per Unit	(\$380)
# WFH Units	150
Annual Rent Loss	(\$684,579)
Value of Rent Loss	(\$10,979,901)
Gross TIF 30 YR Value	\$6,693,209
Breakeven	(\$4,286,691)

Project Set Asides		
Units	120% AMI	Market
One Bed Rent	\$2,374	\$2,750
Two Bed rent	\$2,850	\$3,200
Three Bed Rent	\$3,294	\$4,000
% of Total units	40%	60%
Total Units	150	226

The Cove
Cashflow Analysis

PERIOD	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	
	1	2	3	4	5	6	7	8	9	10	
	CONSTRUCTION	CONSTRUCTION	LEASEUP	STABILIZED	PERFORMING	PERFORMING	PERFORMING	PERFORMING	PERFORMING	PERFORMING	
REVENUE											
Gross Potential Rent	\$0	\$174,017	\$6,039,231	\$13,160,357	\$14,129,668	\$14,559,436	\$15,002,275	\$15,458,583	\$15,928,771	\$16,413,260	
Vacancy	5.00%	\$0	(\$158,004)	(\$2,840,169)	(\$933,628)	(\$704,103)	(\$725,519)	(\$747,587)	(\$770,325)	(\$793,755)	(\$817,898)
Non-Revenue	0.27%	\$0	(\$461)	(\$16,004)	(\$34,881)	(\$37,452)	(\$38,591)	(\$39,765)	(\$40,975)	(\$42,221)	(\$43,505)
Bad Debt	0.50%	\$0	(\$867)	(\$30,088)	(\$65,577)	(\$70,410)	(\$72,552)	(\$74,759)	(\$77,033)	(\$79,376)	(\$81,790)
Concessions	0.50%	\$0	(\$867)	(\$30,088)	(\$65,577)	(\$70,410)	(\$72,552)	(\$74,759)	(\$77,033)	(\$79,376)	(\$81,790)
Effective Rental Income	\$0	\$13,818	\$3,122,883	\$12,060,694	\$13,247,292	\$13,650,221	\$14,065,406	\$14,493,218	\$14,934,043	\$15,388,277	
Other Income	\$0	\$3,453	\$119,752	\$261,001	\$280,238	\$288,762	\$297,545	\$306,595	\$315,921	\$325,530	
Retail Income	\$0	\$7,992	\$48,736	\$50,219	\$51,746	\$53,320	\$54,942	\$56,613	\$58,335	\$60,109	
Retail Vacancy	\$0	(\$1,598)	(\$9,747)	(\$10,044)	(\$10,349)	(\$10,664)	(\$10,988)	(\$11,323)	(\$11,667)	(\$12,022)	
EFFECTIVE GROSS INCOME	\$0	\$23,665	\$3,281,623	\$12,361,870	\$13,568,927	\$13,981,639	\$14,406,904	\$14,845,104	\$15,296,632	\$15,761,894	
EXPENSES											
Payroll	\$0	\$277,750	\$666,600	\$660,736	\$672,324	\$692,774	\$713,845	\$735,558	\$757,930	\$780,983	
Contract Services	\$0	\$67,632	\$275,653	\$284,037	\$292,677	\$301,579	\$310,752	\$320,203	\$329,943	\$339,978	
Utilities	\$0	\$72,463	\$295,343	\$304,326	\$313,582	\$323,120	\$332,948	\$343,075	\$353,510	\$364,262	
Commercial Expenses	\$0	\$3,520	\$14,348	\$14,785	\$15,234	\$15,698	\$16,175	\$16,667	\$17,174	\$17,696	
Repair & Maintenance	\$0	\$38,647	\$157,516	\$162,307	\$167,244	\$172,331	\$177,572	\$182,973	\$188,539	\$194,273	
Advertising & Marketing	\$0	\$33,816	\$137,827	\$142,019	\$146,338	\$150,789	\$155,376	\$160,102	\$164,971	\$169,989	
General & Administrative	\$0	\$28,985	\$118,137	\$121,730	\$125,433	\$129,248	\$133,179	\$137,230	\$141,404	\$145,705	
Management Fee	\$0	\$18,000	\$114,912	\$370,856	\$407,068	\$419,449	\$432,207	\$445,353	\$458,899	\$472,857	
Insurance	\$0	\$169,081	\$689,133	\$710,094	\$731,692	\$753,947	\$776,879	\$800,509	\$824,857	\$849,946	
Redecorating	\$0	\$19,324	\$78,758	\$81,154	\$83,622	\$86,165	\$88,786	\$91,487	\$94,269	\$97,137	
Real Estate Taxes	\$0	\$40,358	\$1,725,895	\$2,028,839	\$2,090,548	\$2,154,134	\$2,219,654	\$2,287,167	\$2,356,734	\$2,428,416	
Capital Reserves	\$0	\$19,324	\$78,758	\$81,154	\$83,622	\$86,165	\$88,786	\$91,487	\$94,269	\$97,137	
Total	\$0	\$788,901	\$4,352,880	\$4,962,037	\$5,129,385	\$5,285,400	\$5,446,160	\$5,611,810	\$5,782,499	\$5,958,379	
Tax Rebate	\$0	\$0	\$382,503	\$390,837	\$399,337	\$408,008	\$416,852	\$425,873	\$435,075	\$444,460	
NET OPERATING INCOME	NA	NA	NA	\$7,790,669	\$8,838,880	\$9,104,247	\$9,377,596	\$9,659,167	\$9,949,208	\$10,247,975	

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