

MILTON JONES DEVELOPMENT CORPORATION

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September 20, 2013

City of Fort Lauderdale
Community Redevelopment Agency
914 NW Sixth St., Suite 200
Fort Lauderdale, Florida 33311
Attention: Mr. Alfred Battle

**Re: Development Agreement/Phase II Project
Village Of The Arts, Ltd.**

Dear Al:

As you are aware, Florida Housing Finance Corporation ("FHFC") issued Request for Applications 2013-003 for Affordable Housing Developments Located in Broward, Miami-Dade and Palm Beach Counties ("RFA") which response is due November 12, 2013. FHFC included in the RFA a Total Development Cost Per Unit Limitation, a copy of which is attached. The Total Development Cost Per Unit Limitation did not exist under the FHFC's Universal Cycle process that the Developer previously submitted an application for housing credits.

The Total Development Cost Per Unit Limitation provides a maximum total development cost per unit by development type. Phase II Project as presently defined in the Development Agreement would be classified as a Mid-Rise-Concrete development type in the RFA because Mid-Rise with Elevator is defined as 4 stories, 5 stories or 6 stories. The Total Development Cost Per Unit Limitation for a Mid-Rise Concrete is \$216,000. The total development cost per unit for Phase II Project exceeds the \$216,000. Therefore, we need to be categorized in the RFA as a High-Rise (7 or more stories) which allows the Total Development Cost Per Unit Limitation of \$263,000 per unit.

Therefore, we are requesting an amendment to the definition of *Mixed Use Development* in the Development Agreement to allow for the project to be 7 stories instead of 5 stories. A copy of the proposed Eighth Amendment to the Development Agreement is attached for your review and submission for approval by the City of Fort Lauderdale Commission for the regular meeting on October 15, 2013. If you have any questions or comments, please do not hesitate to contact me.

Sincerely,

MILTON JONES DEVELOPMENT CORPORATION


Sean F. Jones

Attachments

services to persons with Alzheimer’s disease and other related disorders that are specific to each affected resident and pursuant to ALF licensure requirements.

6. Limited Development Areas (LDA):

Use the following LDA Chart to determine whether the proposed Development qualifies as an LDA Development for purposes of this RFA.

LDA Chart

County	Demographic Category	Location Description
Miami-Dade	Family and Elderly	Beginning at the intersection of SW 264 th Street and SW 157 th Avenue, follow SW 264 th Street east to Biscayne Bay. Follow the Bay around the remaining southern portion of the county, then north to a point that is west of the intersection of SW 264 th Street and SW 157 th Avenue. Follow that point east to that intersection.
Palm Beach	Family and Elderly	5 mile radius around the following latitude/longitude coordinates: *N 26 43 8.4, W 80 5 7.7 (Malibu Bay) *N 26 35 11.4, W 80 5 0.6 (Marina Bay) *N 26 47 58.6, W 80 5 11.1 (Venetian Isles I) *N 26 48 3.3, W 80 5 6.4 (Venetian Isles II) With the exception of 0.25 mile radius around each of the following latitude/longitude coordinates where all Demographics will be permitted: N 26 42 44.3, W 80 03 44.2

*These areas surround Guarantee Fund Developments. In the event that both the Guarantee Fund loan and any SMI loan for one of these Developments are paid off prior to the Application Deadline, the Corporation will treat the LDA restriction around that Development as if it was never included on the LDA chart and the LDA restriction related to that Guarantee Fund Development will no longer apply.

7. ELI County Chart:

ELI County Chart	
County	ELI Set-Aside AMI Level
Broward	30%
Miami-Dade	33%
Palm Beach	30%

8. Total Development Cost Per Unit Limitation:

The Corporation shall limit the Total Development Cost (TDC) per unit for all Developments categorized by the construction type of the units as indicated by the Applicant in the RFA. The maximum amounts are provided on the TDC Per Unit Limitation chart set out below (the maximum TDC per unit exclusive of land costs, applying any applicable TDC multiplier) and will be tested during the scoring of the RFA, during the credit underwriting process, and during the final allocation process, as outlined below.

These TDC Per Unit Base Limitation amounts are effective from the Application Deadline through Final Cost Certification.

Total Development Cost Per Unit Base Limitations

Measure	New Construction Units					Rehabilitation Units	
	Garden Wood*	Garden Concrete*	Mid-Rise-Wood*	Mid-Rise-Concrete*	High-Rise*	Garden*	Non-Garden*
Maximum TDC Per Unit exclusive of Land Costs	\$163,000	\$196,000	\$196,000	\$216,000	\$263,000	\$137,000	\$193,000

* Garden includes all Development Types other than Mid-Rise and High-Rise; Non-Garden includes Development Types of Mid-Rise with Elevator (4 stories, 5 stories, or 6 stories) and High-Rise (7 or more stories); Mid-Rise includes Development Types of Mid-Rise with Elevator (4 stories, 5 stories, or 6 stories); and High-Rise includes Development Type of High Rise (7 or more stories)

- a. Any Application that has an amount that exceeds these limitations will not be eligible to be considered for funding.
- b. Any Applicant that has the Credit Underwriter present a credit underwriting report with an amount that exceeds these limitations by more than 5 percent, taking into consideration an escalation factor for construction costs rising after the Application Deadline of either (i) 1.8 percent for any Applicant with the Development Category of New Construction, Redevelopment, or Acquisition and Redevelopment, or (ii) 1.4 percent for any Applicant with the Development Category of Rehabilitation or Acquisition and Rehabilitation, and incorporating any applicable TDC reduction and adjustments processes provided below will receive a negative recommendation by the Credit Underwriter.

Any Applicant that has the Credit Underwriter present a credit underwriting report with an amount that exceeds these limitations, taking into consideration the applicable escalation factor outlined above, will require staff to review the credit underwriting report for compliance to the TDC reduction and adjustment procedure provided below:

- (1) The Developer fee will be limited to the maximum allowable within the TDC Per Unit Base Limitation, inclusive of any applicable escalation factor, in all instances. A Developer fee can be earned on qualifying TDC exclusive of land up to the TDC Per Unit Base Limitation, inclusive of any applicable escalation factor, but it cannot be earned on costs in excess of said limitation. If the Development costs exceed the amount allowed by the TDC Per Unit Base Limitation, inclusive of any applicable escalation factor, then the maximum allowable Developer fee will be adjusted as outlined below. The maximum allowable Developer fee can be determined by multiplying the applicable TDC Per Unit Base Limitation with respect to the Development as provided in this RFA, inclusive of any applicable escalation factor, by the number of total units in the Development. Second, divide this product by 1.16 and then multiply the result by 16 percent*. This will yield the maximum allowable Developer fee within the TDC Per Unit Base Limitation, inclusive of any applicable escalation factor.
- (2) Prior to determining any necessary adjustment, if the Developer fee initially stated by the Applicant or Credit Underwriter is in excess of the maximum allowable Developer fee as provided in (1) above, the Developer fee will be reduced to said maximum allowable Developer fee and the TDC will be equally reduced to incorporate the cost reduction.

Subsequent to reducing the Developer fee to the maximum allowable amount, additional adjustments may be necessary if the TDC Per Unit Base Limitation remains exceeded. An adjustment shall be determined by reducing the maximum allowable Developer fee as determined in (1) above dollar-for-dollar for any costs in excess of the amount allowed by the