



Sweetwater Apartments – Phase II

An Affordable Housing Community

Request for Financial Support

Submitted by:



Section I

Executive Summary

Executive Summary

Sweetwater Apartments – Phase II (“Sweetwater” or the “Project”), the first of a multiphase affordable housing community, will be a 48-units situated on a portion of a 6.58 acre vacant land parcel, located near the intersection of NE Martin Luther King Jr. St. and NE Joe Coney Ter., Lake City, FL, consisting of two 3-story residential buildings utilizing concrete construction along with other features that will meet NGBS Green Building certification standards. All 48 units will be set aside for residents earning 60% or less of the area median income (“AMI”), with 5 units allocated to households earning 40% AMI or below.

The apartment unit mix is comprised of (24) one and (24) two-bedroom units. Residents of the community will enjoy amenities, including a clubhouse with a full-time leasing staff on site.

Project Information

Developers:	Greater Lake City Community Development Corp. ReVital Development Group Birdsong Housing Partners
Units:	48 affordable units
Land Lease:	Land will be owned by the Greater Lake City Community Development Corp. and leased to Sweetwater Housing II, LLC, the Project’s ownership entity, for 99 years for an annual lease rate of \$10.
Buildings:	Two 3- story residential buildings with One clubhouse, concrete construction that will meet NGBS Green Building certification standards
Project Cost:	\$19,535,888
Projected Start Date:	December 2024

Section II

Development Team

Development Team



Greater Lake City Community Development Corporation, Inc.

The Greater Lake City Community Development Corporation, Inc. (“CDC”) is a non-profit organization established in 1966. The mission of the CDC is to assist low to moderate income families and individuals to become homeowners and renters of decent, sanitary and safe affordable housing and home ownership. The CDC is committed to operating in an efficient, ethical, and professional manner, and will create and maintain partnerships with its clients and appropriate community agencies in order to accomplish this mission.

www.thegreaterlakecity-cdc.org

Revital Development Group, LLC

ReVital Development Group, LLC (“Revital”) is a Florida limited liability company. ReVital is a real estate development firm whose mission is to preserve, create and sustain high quality, safe and affordable housing that supports economic security and access to opportunity for all. Offering extensive knowledge of real estate finance combined with an expertise in multifamily development, ReVital works closely with community stakeholders and partners with nonprofit organizations, housing authorities and local government agencies to design, plan, and deliver projects that support community objectives, with an emphasis on neighborhood revitalization through affordable and workforce housing. www.revitaldevelopment.com

Birdsong Housing Partners

Birdsong is a team with successful experience in the development and construction of affordable housing communities of significant size and complexity. This experience spans the affordable housing industry and includes housing for low-income families and seniors, housing with supportive services for households at risk of homelessness, housing for Farmworkers and their families, and Housing for Persons with Special Needs. The staff possess expertise in State and Federal regulatory compliance, including the requirements of the Florida Housing Finance Corporation (FHFC), the US Department of Housing and Urban Development (HUD), and the Internal Revenue Service (IRS). www.birdsonghousing.com



Development Team



Lester McKellum, Executive Director

Greater Lake City Community Development Corporation

Lester McKellum is Executive Director for the Greater Lake City Community Development Corporation (“CDC”), where he is responsible for overseeing the day-to-day operations of the organization, which includes the development and management of affordable housing projects. As a founder of the CDC, Mr. McKellum has led the CDC since 1999. Under Lester’s direction, the CDC has built 4 single family homes and 2 duplexes.

Prior to forming the Greater Lake City Community Development Corporation, Lester spent 9 years with the VA Medical Center as an Environmental Management Supervisor, where he was responsible for the oversight of a full and part-time staff.

Lester, and his wife Mary, have been residents in Lake City for over 40 years. Each actively involved within the Columbia County and Lake City communities for the majority of their time living in the area.



Michael Allan, President

ReVital Development Group, LLC

Michael Allan is the founder and President of ReVital Development Group, and leads ReVital’s efforts and strategic plans for developing and acquiring diverse multifamily housing projects throughout Florida.

Prior to forming ReVital, Michael Allan was the Executive VP of a Tampa-based 501(c)3 organization, and Managing Director of a public benefit corporation (B-Corp), where he was responsible for leading the company’s affordable housing development platform, as well as the continued growth of the firm’s multifamily and mixed-use development pipeline, including all aspects of the real estate development process from initial conception through construction, to lease up and stabilization.

Previously, as the former Vice President of Development and Opportunistic Investments at Aileron Investment Management, a Tampa-based investment banking and real estate firm, he was a lead component to the development of over 1,000 multifamily units throughout Lee County. While working in collaboration with community stakeholders, projects under Michael’s management have received development incentives including TIF, nutrient bank credits, waived and deferred impacted fees, waived and reduced permit fees, NSP, HOME, CDBG, and several others. He is actively involved in local, statewide and national advocacy efforts, and is a member of the Lee County Attainable Housing Coalition. Mr. Allan has over 18 years of diversified real estate development and finance experience.

Development Team



Steve Auger, Chief Executive Officer

Birdsong Housing Partners

Prior to joining Birdsong, Steve served from 2005 to 2017 as Executive Director of Florida Housing Finance Corporation, the state's housing finance agency. He was Florida Housing's second longest serving Executive Director, serving through three gubernatorial administrations. Before becoming Executive Director, he held the positions of Director of Multifamily Programs, Operations Director, Senior Housing Policy Analyst, and Contracts Administrator. Recognized as a national leader in affordable housing policy, his peers elected him to the Board of Directors of the National Council of State Housing Agencies (NCSHA) in 2007. In 2010 he became a member of the Board's Executive Committee. In 2007 he was appointed to the Affordable Housing Advisory Council of the Federal Home Loan Bank of Atlanta, where he served as Vice Chair, and subsequently as Chair. He also served as Chair and Vice Chair of Florida's State Council on Homelessness.

In 2006, Governor Jeb Bush appointed Mr. Auger to serve on the Property Tax Reform Committee. The committee recommended improvements to the system of property taxation in Florida. Two years later, Governor Charlie Crist appointed Mr. Auger to the H.O.P.E. (Home Ownership Promotes the Economy) Task Force. Members of the Task Force worked together to create a plan of action to address escalating foreclosure rates and identify ways to preserve homeownership for Floridians.

Steve earned a bachelor's degree from Rollins College and master's degree in social work (MSW) from Florida State University and is a licensed clinical social worker.



Tyler Peterson, President

PDS Architecture

Tyler Peterson is President of PDS Architecture, a Ft Myers-based design firm that specializes in multifamily projects. Tyler has over 20 years' experience designing a wide range of projects, including high-rise residential buildings, seniors housing, commercial properties and hotels. PDS and the Civitas development team have worked together on projects totaling in excess of \$150MM in total cost, delivering over 1,000 residential units and 109 seniors housing units in Southwest Florida.

Prior to forming PDS, Tyler worked for Sheely Architecture, where he worked on a number of large-scale projects, including Renaissance Preserve, an affordable housing project located in Fort Myers, FL that was developed by the City of Fort Myers Housing Authority using HOPE VI and LIHTC funding.

Other Key Team Members



Marmer Construction

General Contractor

Marmer Construction, Inc. is a privately held General Contractor based in Sebring, FL. The company is experienced in commercial, industrial and residential building, Marmer is a trusted name in the construction industry, providing exceptional service across Florida. The construction professionals at Marmer pay meticulous attention to the details of each project and communicate openly and honestly with every client, to ensure complete job satisfaction. Precise planning and expert execution by the Marmer staff and its select subcontractors results in organized, efficient projects completed on budget in a timely manner.

Marmer Construction is owned by Martin Wohl, a licensed General Contractor. Mr. Wohl is involved in all aspects of the company's day-to-day operations. www.marmerconstruction.com



PDS Architecture

Architect

PDS Architecture is an award winning architecture firm and among the most innovative commercial architecture and design firms in Southwest Florida. With a combined 60 years of experience, the company has practiced a sustainable approach to architecture through a strikingly wide range of work from hospitality and retail environments to multi-family residential properties. Headquartered in Fort Myers, Florida and projects throughout the state, the service based practice includes architecture, construction administration, planning, rendering and animation. www.pdsarchitecture.com



Professional Management, Inc.

Property Management

Professional Management, Inc. ("PMI") is headquartered in Miami, FL, founded in 1969 to provide capable and qualified real estate management for institutional and private investors throughout the state of Florida. Throughout over 50 years' PMI has managed more than 15,000 apartments units, commercial office buildings and condominiums throughout Florida. With headquarters in Miami, FL and a regional office in Orlando, FL, PMI is uniquely equipped and able to service clients and properties throughout Florida. www.pmiflorida.com

Relevant Development Experience



Civitas of Cape Coral

96 Units | Affordable & Workforce Housing | Cape Coral, FL



Tanager Square

88 Units | Affordable Housing | New Port Richey, FL



Los Altos Apartments

100 Units | Affordable Housing | Kissimmee, FL



Falcon Trace II

354 Units | Affordable Housing | Kissimmee, FL

Relevant Development Experience



Hermosa North Fort Myers I & II

160 Units | Senior Affordable Housing | North Fort Myers, FL



Cardinal Point

120 Units | Senior Affordable Housing | Kissimmee, FL



Pinnacle at the Wesleyan

96 Units | Affordable Housing | Kissimmee, FL



Midtown Apartments

90 Units | Market-Rate Apartments | Cape Coral, FL

Additional experience and/or project detail is available upon request

Section III

Project Overview

Property Overview

Site Address: NE Martin Luther King Jr. St. and NE Joe Coney Ter., Lake City, FL 32055; Parcel #00-00-00-10845-000

Site Description: The subject site is located on NE Davis Ave, southeast of Trinity United Methodist Church. The parcel consists of approximately 6.58 acres of vacant land, located within an Opportunity Zone, a designation certified by the US Treasury to spur economic development and job creation in economically distressed areas, as well as a HUD identified Qualified Census Tract ("QCT") and Non-Metro Difficult to Development Area (DDA).

Zoning & Land Use: The site is currently zoned for Residential, Single Family-3 (RSF-3), however pursuant to section 166.04151(6), Florida Statutes, and Resolution Number 2020-079 adopted by Lake City on September 14, 2020, the development of affordable housing is allowed and based upon the Residential, Multi-Family-1 zoning with a Future Land Use designation of Residential, High Density. The approved zoning allows for a maximum density of 20 units per acre or 131 units for the 6.58 acre subject site.



Project Overview

The Development team is currently in the design and planning phase of a new 48-unit affordable housing community to be known as the Sweetwater Apartments Phase II. This will be the initial phase of a multifamily development with up to 120 affordable housing units. Sweetwater will transform the underutilized land into a vibrant neighborhood within Lake City, Columbia County.

Sweetwater will be a result of a public-private partnership between the Columbia County, Lake City, Greater Lake City Community Development Corporation (“CDC”), ReVital Development Group (“ReVital”) and Birdsong Housing Partners (“Birdsong”). Through a highly competitive, statewide application process, Florida Housing Finance Corporation’s (FHFC) Board of Directors unanimously selected and approved Sweetwater to receive funds through the 9% Low-Income Housing Tax Credit (“LIHTC” or “tax credits”) program, in the annual amount of \$1,596,420. The annual tax credits will result in approximately \$13.5 million in tax credit equity to offset the Project cost. Sweetwater was the only application awarded in a Small County for the 9% tax credits through FHFC’s 2023/2024 funding cycle.

The 6.58 acre +/- site, located near the intersection of NE Martin Luther King Jr. St. and NE Joe Coney Ter., Lake City, FL, was acquired by the CDC utilizing funding previously provided by Columbia County. The CDC has entered into a 99-year ground lease with Sweetwater Housing II, LLC; the joint venture entity formed between CDC, ReVital and Birdsong. The total development budget is currently estimated at approximately \$19.5 million and is slated to have an estimated start date of December 2024 for construction. Upon completion, the Project will have a 50-year Land Use Restrictive Agreement (LURA) in efforts to maintain long-term affordability, which will further be enforced by the CDC’s ground lease in perpetuity.

Community Services

The focal point of Sweetwater will be to provide high quality affordable and safe apartment homes with close proximity and easy access to amenities, employment and community services.

Service locations within a 1.00 mile radius of Sweetwater:

- ❑ **Access to Healthy Foods:** Save A Lot (0.94mi), Winn Dixie (1.00mi)
- ❑ **Pharmacy:** North Florida Pharmacy (0.90mi); CVS Pharmacy (0.94mi)
- ❑ **Medical Facility:** Magnolia Family Care (1.00mi)
- ❑ **Schools:** Niblack Elementary School (0.40mi); Melrose Park Elementary school (0.91mi)

Resident Programs offered at Sweetwater; *at no cost to the residents*

Employment Assistance Program: Employment counseling and employability skills workshops providing instruction in the basic skills necessary for getting, keeping and doing well in a job. The training will include an evaluation of current job skills, assistance in setting job goals, resume assistance, interview preparation, and placement and follow-up services.

Financial Management Program: A series of classes offering residents training in various aspects of personal financial management. Topic areas include financial budgeting and bill paying, tax preparation, fraud prevention, retirement planning and savings options, and homebuyer education.

Adult Literacy Program: Literacy tutor(s) will provide weekly literacy lessons to the residents, such as but not limited to programs that strengthens participants' reading, writing skills, and/or comprehension.

AMI Unit Set Aside Levels

Set Aside (AMI)	# of Units	% of Units
40% AMI	24	50.0%
60% AMI	24	50.0%
Market-Rate	0	0.0%
% Affordable	48	100.0%

FY 2023 Income Limits for Columbia County			
Median Family Income / Area Median Income (AMI)		\$	79,100
Unit Type	40% AMI	60% AMI	
One-Bedroom*	\$ 20,820	\$ 51,100	
Two-Bedroom**	\$ 24,960	\$ 61,300	

**Based off 1.5 Persons in Family/Household*

***Based off 3 Persons in Family/Household*

Income and rent limits are based upon FY 2023 figures provided by the United States Department of Housing and Urban Development (HUD) and are subject to change. Income and Rental Limits are typically adjusted annually by HUD, often around April 1st of each year.

Unit Mix and Rental Rates

Unit Type Bed / Bath	AMI Rent % Set- Aside	Number of Units	Gross Rent per Unit	Utility Allowance*	Net Rent <i>Gross Rent - UA</i>	Difference to Market-Rent**	Percentage Difference
1 Bedroom/ 1 Bath	40% AMI	3	\$520	\$53	\$467	\$533	114%
1 Bedroom/ 1 Bath	60% AMI	21	\$780	\$53	\$727	\$273	38%
1 Bedroom/ 1 Bath	Market-Rate	0	\$1,000	\$0	\$1,000	\$0	0%
2 Bedroom/ 2 Bath	40% AMI	2	\$624	\$57	\$567	\$608	107%
2 Bedroom/ 2 Bath	60% AMI	22	\$936	\$57	\$879	\$296	34%
2 Bedroom/ 2 Bath	Market-Rate	0	\$1,175	\$0	\$1,175	\$0	0%
Total		48					

* Owner (Sweetwater Housing II) pays for unit's water and sewer and provides a monthly Utility Allowance to tenants for electricity in an amount determined by a 3rd party engineer and based upon a utility consumption analysis

** Market Rate determined by Market Study dated February 26, 2024, provided by Intergra Realty Resources

FHFC income and rent limits are based upon figures provided by the United States Department of Housing and Urban Development (HUD) and are subject to change.
The unit mix, unit count and unit size may vary from final project design, however the Project total unit count will not be less than 48.

Site Plan



The site plan is subject to change during the design and permitting process, however the Project total unit count will not be less than 48 for the 1st phase.

Section IV

Financing Overview

Project Costs

Description		Total	Per Unit
Land Lease - Capitalized Payment		\$150,000	\$3,125
Land Lease - Annual Payment (99 years)		\$990	\$21
Hard Costs		\$12,209,719	\$254,369
Soft Costs		\$6,052,348	\$126,091
Reserve Accounts		\$409,710	\$8,536
Hard Cost Contingency	5.0%	\$610,486	\$12,718
Soft Cost Contingency	5.0%	\$102,635	\$2,138
Totals		\$19,535,888	\$406,998

Notes & Assumptions

Land Lease: Includes one-time capitalized lease payment to the CDC, and 99 years’ worth of annual payments at \$10/year

Hard Costs: Includes site and vertical construction costs, including general contractor fees, insurance and payment & performance bond.

Soft Costs: Includes all costs associated with pre-development, i.e. 3rd party testing, design fees, impact/permit fees, etc. Also includes, but not limited to construction loan and permanent financing fees, construction interest, legal fees, FF&E, marketing, closing/recording fees, insurance (builder’s risk, GL and initial annual premium of permanent policy).

Reserves: Includes lease-up deficit, operating deficit, and lender good faith deposits

Soft cost Contingency: 5% based upon eligible items, per FHFC rules

Financial Sources

SOURCES OF FINANCING (CONSTRUCTION AND PERMANENT PHASES)		
	Construction	Permanent
<u>Sources</u>		
First Mortgage	\$ 12,750,000	\$ 970,000
9% Low-Income Housing Tax Credits	\$ 2,035,232	\$ 13,568,213
Local Contribution: Lake City	\$ 200,000	\$ 200,000
Local Contribution: Columbia County	\$ 500,000	\$ 500,000
Developer Equity/Contribution	\$ 1,050,656	\$ 1,297,675
<i>Financial Gap to be Filled</i>	<i>\$ 3,000,000</i>	<i>\$ 3,000,000</i>
Total Sources	\$ 19,535,888	\$ 19,535,888

Projections

Year 1 Projections		Annual	Per Unit
Income			
Base Rent		\$ 445,680	\$ 9,285
Other Income		\$ 23,328	\$ 486
Total Income		\$ 469,008	\$ 9,771
Vacancy	4.0%	\$ (18,760)	\$ (391)
Collection Loss	3.0%	\$ (14,070)	\$ (293)
Effective Income		\$ 436,177	\$ 9,087
Expenses			
Management Fee	6.0%	\$ 26,171	\$ 545
General and Admin		\$ 21,600	\$ 450
Insurance		\$ 84,000	\$ 1,750
Staff		\$ 66,000	\$ 1,375
Repairs & Maintenance and Supplies		\$ 15,600	\$ 325
Marketing		\$ 2,400	\$ 50
Reserves (Replacement)		\$ 14,400	\$ 300
Property Taxes		\$ 36,000	\$ 750
Contract Services		\$ 14,400	\$ 300
Utilities		\$ 55,200	\$ 1,150
Total Expenses		\$ 335,771	\$ 6,995
Net Operating Income		\$ 100,407	\$ 2,092
Debt Service Payments			
First Mortgage Loan		\$ 83,733	\$ 1,744
FHFC Annual Fees		\$ -	\$ -
Total Debt Service		\$ 83,733	\$ 1,744
Cash Flow after Debt Service		\$ 16,674	\$ 347

Notes & Assumptions

Base Rent: Rent is net of allowance for electric allowance paid to tenant; based on \$53/mo for 1BR and \$57/mo for 2BR

Other Income: Includes late rent fees, application fees, and other miscellaneous revenue

Vacancy & Collection Loss: Percentages anticipated to be used by lenders in underwriting

Management Fee: Reflects negotiated rate with third party management company

Utilities: Includes all common areas, plus water and sewer for all residential units.

Debt Service Payment of First Loan: Assumes loan amount of \$970,000, 8.125% rate and 35 year amortization

Section V

Request for Financial Support

Summary of Proposed Terms

Borrower:	Sweetwater Housing II, LLC, The Greater Lake City Community Development Corporation, Inc. or an entity affiliated with either
Loan Amounts:	\$3,000,000
Interest Rate:	0.000%
Term:	20 years
Repayment:	Interest accrued with full principal and interest due upon loan maturity date; if Borrower remains in compliance for the loan term, the loan shall be forgivable upon the loan maturity date.
Affordability Period:	50 years
Eligible Uses:	Expenses associated with pre-development, construction and operation of Project



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