



**PUBLIC RESOURCES ADVISORY GROUP**

**MEMORANDUM TO:** Brevard County Housing Finance Authority (“HFA”)  
**FROM:** Public Resources Advisory Group, Inc. (“PRAG”)  
**SUBJECT:** Southlake Towers  
Summary of Tax-Exempt Project Loan Application  
**DATE:** June 17, 2019

**Introduction:**

Southlake Towers, LLLP (the “Applicant”) has requested a Multifamily Mortgage Tax-Exempt Project Loan from the Brevard County Housing Finance Authority (the “HFA”) in an amount not to exceed \$11,000,000 for the acquisition and rehabilitation of Southlake Towers.

**The Development:**

Southlake Towers is an existing senior apartment facility located at 5501 Pinewood Dr. NE, in Palm Bay, Florida and consists of 85 units which will be rented exclusively to elderly residents age 62 and above. Pursuant to the requirements for the use of tax exempt financing, a Land Use Restriction Agreement encumbering the property will require that 40% of the apartment units will be set aside and available only to persons earning less than 60% of median income for as long as the financing is outstanding, or for a term of 30 years, whichever is longer. 100% of the units will be housing credit units and will also be subject to income limits pursuant to the IRS tax credit rules. Existing amenities include laundry facilities, community rooms, dog park and outdoor gazebo.

The Applicant, Southlake Towers, LLP, has entered into an Agreement of Sale and Purchase of the property with South Atlantic Housing of Brevard, a Florida not-for-profit corporation. The Applicant has received a preliminary SAIL and ELI Loan commitment from FHFC and was invited to enter credit underwriting.

**Rehabilitation Plan:**

Renovations to the existing apartments will include upgrading of kitchens and bathrooms, replacing appliances, flooring, enhancing lighting and security features and completion of deferred maintenance.

**Unit Mix:**

	Square Fee	Lower Income (30% of AMI)		Low Income (60% of AMI)		80% of AMI	
		Number of Units	Rent	Number of Units	Rent	Number of Units	Rent
<b>Studio</b>	415	4	\$1,182	14	\$1,182	4	\$1,182
<b>1 BR</b>	540	9	1,217	39	1,217	15	1,217
<b>Total</b>		13		53		19	



**Proposed Financing Plan:**

The Applicant is requesting a Tax-Exempt Project Loan from the HFA in an amount not to exceed \$11,000,000. The Applicant expects to receive a SAIL Loan of \$3,500,000, and ELI Loan of \$522,900 from FHFC. Other sources of funds include a Seller Note, Housing Credit Equity and Deferred Developer Fee.

Sources and Uses of Funds (per application)			
Sources	Construction	Permanent	Uses
Tax-Exempt Bond	\$10,641,924	\$4,650,000	Acquisition \$7,200,000
SAIL		3,500,000	Construction – Hard Costs 5,610,000
ELI Loan		522,900	Construction – Soft Costs 2,574,081
Seller Note	4,045,034	4,045,034	Reserves 531,480
Tax Credit Equity	2,353,970	4,238,240	Developer Fee 2,250,735
Deferred Developer Fee	1,125,367	1,210,121	
<b>Total</b>	<b>\$18,166,295</b>	<b>\$18,166,295</b>	<b>Total \$18,166,295</b>

**Next Steps:**

Upon approval of this application and adoption of the inducement resolution, the Applicant may begin credit underwriting. Upon request by the Applicant, the Authority will schedule the TEFRA hearing. Upon payment of the Authority’s Good Faith Deposit, the Authority’s financing team will begin work on documentation of the transaction.

**Map:**

