



The State Apartment Incentive Loan (SAIL) Program: **PROJECT SHOWCASE**

PART 3 April 21, 2022



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AFFORDABLE HOUSING CATALYST PROGRAM

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Catalyst Training Schedule



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Conference Registration Now Open
<https://fhc.wildapricot.org/event-4693298>

ANNUAL STATEWIDE HOME MATTERS CONFERENCE
AUGUST 29-31
IN-PERSON AT THE ROSEN CENTRE, ORLANDO FL

AUG 29-31 ORLANDO, FL **www.flhousing.org**

**HOME
MATTERS**



Presenters



Gladys Cook
Florida Housing
Coalition



Steve Kirk
CEO Rural
Neighborhoods



Tim Marks
CEO Metropolitan
Ministries



Jack Humburg
Exec. VP Boley
Centers



Scott Zimmerman
AGPM

*Invited Doug Mayer, CEO Stone Soup Development

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Logistics for Today's Webinar

- All attendees are muted
- Please type in your questions. We will answer questions throughout the webinar.
- Webinar is being recorded and will be posted to our website
- Handouts
 - PowerPoint for today's webinar
 - SAIL Rule

Today's Agenda

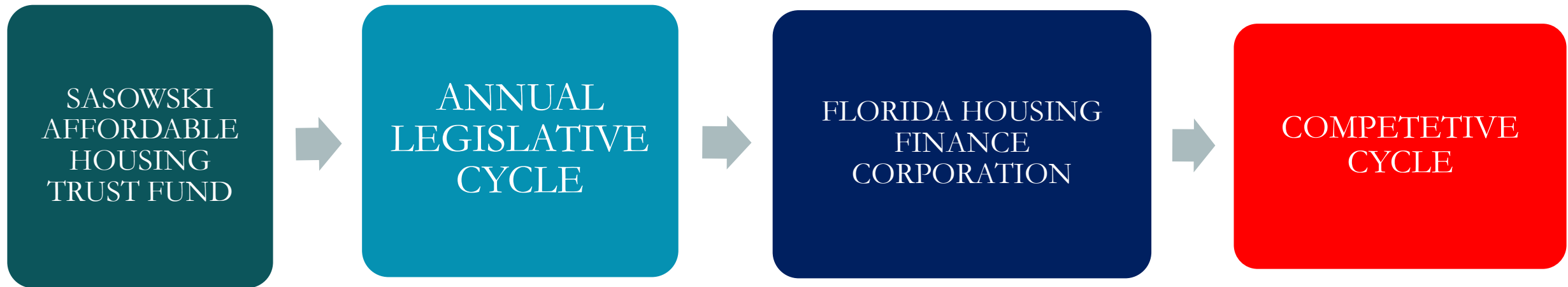
- Quick Overview of SAIL Program
- Putting SAIL to work – SHOWCASE
- Q&A
- Affordable Housing Development Using SAIL Funds Part 1 – [Recording](#) – [Powerpoint](#) (April 2022)
- Affordable Housing Development Using SAIL Funds Part 2 – [Recording](#) – [Powerpoint](#) (April 2022)
- TODAY'S PRESENTATION WILL BE POSTED TO OUR WEBSITE [HERE](#)

About the Program

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Source of SAIL: Sadowski Trust Funds



- 22-23 BUDGET = \$28,250,000
- 21-22 BUDGET = 62,500,000

Main Purpose SAIL: Fill Funding Gaps

ORIGINAL PURPOSE FOR SAIL- TO FILL GAP IN 4% HOUSING CREDIT/BOND DEALS

WORKFORCE HOUSING

LARGE PERMANENT SUPPORTIVE HOUSING

SMALL PERMANENT SUPPORTIVE HOUSING

FARMWORKER-FISHERWORKER

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The Basics

- Administered by Florida Housing Finance Corporation
- Accessed through Request for Applications (RFA) process
- Can be used for
 - New Construction
 - Acquisition/Rehab
- Available in 2022/2023
 - \$28,250,000 PLUS
 - \$25,000,000 of non-recurring general revenue
- <https://sadowskicoalition.org/wp-content/uploads/2022/03/Budget-Chart-3-11-22-FINAL.pdf>

Terms

- Part of gap financing, not to exceed 25 % of development costs (with some exceptions)
- Usually paired with:
 - Multifamily Mortgage Revenue Bonds
 - Housing Credits 4% OR 9%
 - HOME

Terms

- Exceptions to 25% cap include:
 - Nonprofit/public sponsors with at least 10% from other sources
 - Developments with at least 80% set aside for defined demographics
 - Committing units for Extremely Low-Income households
 - 10% if using Competitive Housing Credits
 - 5% if not using Competitive Housing Credits

Other General Terms of SAIL Loans

- Non-amortizing
- May be in first or subordinate position
- Interest rate: 0-1%
- Annual interest payment based on development cash flow and lien position of SAIL loan
- Not more than 15 years, unless
 - Longer term required for housing credit investor
 - Loan is in subordinate position – then may be coterminous with longest term of a superior loan
- Full balance due at maturity

Set-asides

- Income Set-asides
 - Minimum 40% at 60% AMI or 20% at 50% AMI (unless otherwise stated in RFA)
 - Extremely low-income households
- Other Demographic Set-asides
 - Family
 - Elderly
 - Homeless
 - Commercial Fishing Workers and Farmworkers
 - Persons with Special Needs
 - Youths Aging out of Foster Care

SAIL Funding Breakdown - Demographic

Demographic Category	% to be Allocated, per Ch. 420.5087(3) F.S.	Funding made available
Commercial Fishing Workers and Farmworkers	5.0%	\$6,396,250
Families	47.4%	\$60,636,450
Persons who are Homeless	10%	\$12,792,500
Persons with Special Needs	13.0%	\$16,630,250
Elderly Persons	24.6%	\$31,469,550

Permanent Sources Comparison

Item	9% Housing Credits	MMRB and 4% Housing Credits
Senior Mortgage	\$3,240,000	\$3,540,000
Tax Credit Equity	\$17,744,225	\$8,992,380
SAIL	N/A	\$5,880,000
FUNDING GAP	\$472,511	\$3,433,991



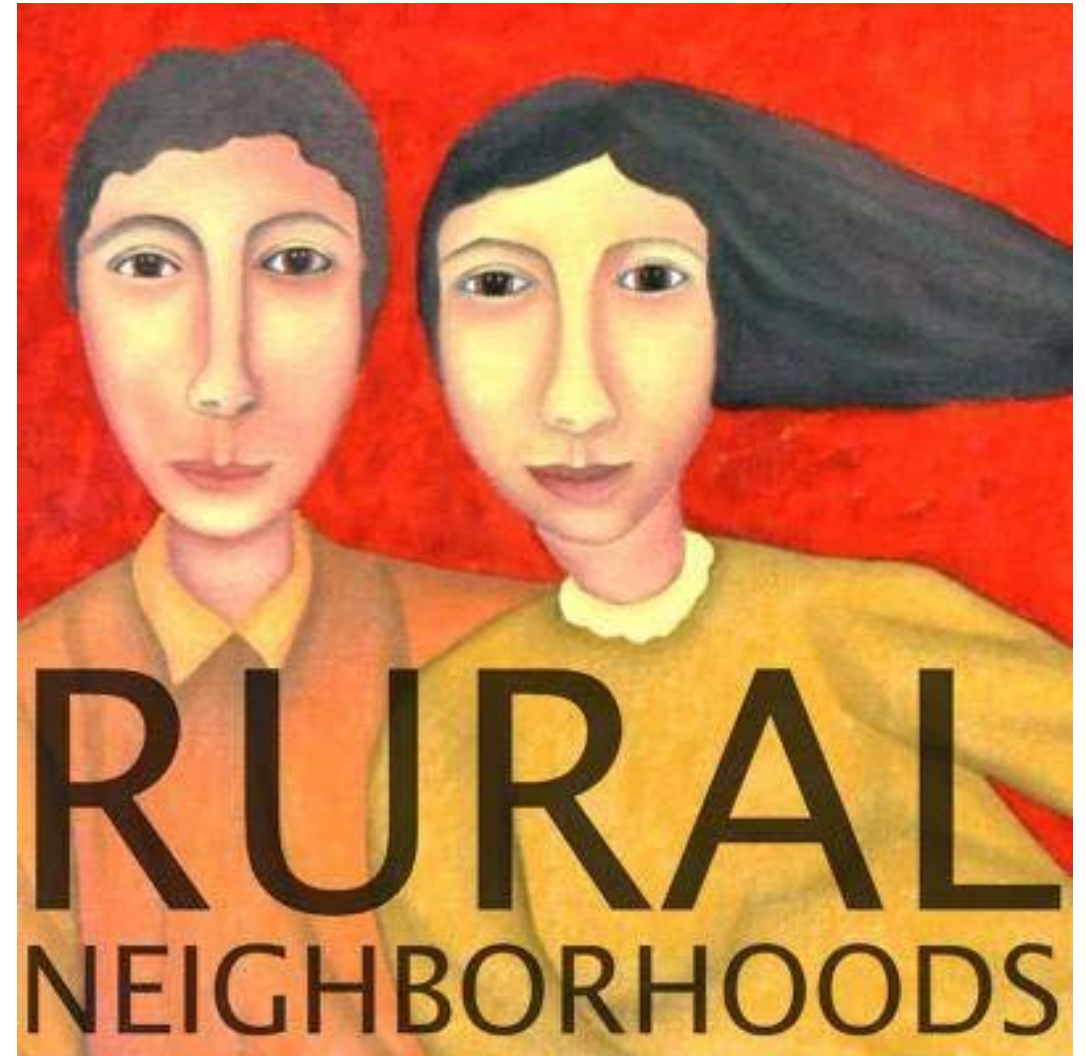
Showcase of SAIL Projects



SAIL Financing for Farmworker Housing



Steve Kirk, Executive Director



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Rural Neighborhoods

Building Livable Places for Working
Families

Casa Juarez: FHFC SAIL



Farmworker and Commercial Fishing Worker

RFA 2022-104 *Most Recent*

- Historic use is 95% targeted toward Farmworkers (1 or 2 Fisheries)
- Unaccompanied Farmworkers vs. Families
- Not solely FWs – minimum 40% /interest rate varies with % occupational set-aside
- \$5,125,000 - \$6,500,000 recent \$
- 50% of Income in past 12 months from farm/fish occupation



8. Commercial Fishing Workers

This section of the Rental Market Study discusses the affordable housing needs of commercial fishing workers in Florida. The 2019 study uses a different method to estimate the number of fishing workers than previous Rental Market Studies. Therefore, results are not comparable to earlier years.

Rural Neighborhood SAIL FW Properties

Families

- Manatee Village 4 27 Units + USDA
- Pollywog Creek Commons 40 Units + USDA
- Pollywog Creek Commons 64 Units + USDA
- Eden Gardens II 37 Units + USDA
- Everglades Migrant 30 Units + USDA

Unaccompanied Workers

- Casa Cesar Chavez 144 Beds + FHLB
- Casa Juarez 128 Beds + FHLB
- Casa Amigos 96 Beds + FHLB
- Casa Delores Huerta 80 Beds + FHLB



Unaccompanied

Unique Characteristics



Local Land Use Regulation Concerns Vary



P\$250-\$275 per person per month
Shared accommodations



Build as convertible family apartments



Target Marketing

- Farmworkers
- Formerly Homeless
- Persons Facing Barriers to Forming Households
- Fair Housing

BUILDING LIVABLE
PLACES FOR
WORKING FAMILIES

Rural Neighborhoods

SteveKirk@ruralneighborhoods.org

305-242-2142

Sail for Supportive Housing



Jack Humburg
Executive Vice President of Housing
Development and Americans with
Disabilities Act for Boley Centers, Inc.



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Using SAIL for Small Projects

- Jack Humburg,
Chief Operating Officer
Boley Centers, Inc.
- Executive Director
Pinellas Affordable Living
- Provider of services and supports to
individuals with mental illness and others
in need since 1970
- Currently operating over 1,200 units of
affordable housing in Pinellas County
- Private Non-profit 501(c) 3



The Ranch @ Pinellas Park
9625 66th Street North
Pinellas Park, Florida
(Photo Above)



EVERGREEN VILLAGE 6323 66TH LANE N PINELLAS PARK, FL

- 21 Units financed by Florida Housing Finance Corporation & Pinellas County.
- RFA: 2018-101
- Issued: February 1, 2018
- Due: March 1, 2018
- Credit Underwriting Report
Issued: July 18, 2019
- Closing: November 14, 2019
- Certificate of Occupancy:
August 31, 2021*

Evergreen Village



EVERGREEN VILLAGE: TARGET POPULATION

- **Persons with Special Needs:**

Adult persons requiring independent living services in order to maintain housing or develop independent living skills and who have a disabling condition that neither currently impairs nor is likely to impair their physical mobility, such as persons with a mental illness.

- 80% (17) units set aside for Permanent Supportive Housing for Persons with Special Needs
- 20% (5) Permanent Supportive Housing for individuals/families that meet the definition of Homeless (420.621(5) F.S.)
- 20% (5) units must be individuals/families who are Extremely Low Income ($ELI \leq 40\%$ AMI for Pinellas in 2018)



EVERGREEN VILLAGE

- SAIL: \$4,305,000
- ELI: \$ 235,300
- Pinellas County: \$ 698,045
- Deferred DF: \$ 465,002
- Total: \$5,703,347

An aerial photograph of the Evergreen Village apartment complex. The image shows two long, single-story apartment buildings with bright yellow walls and red metal roofs. The buildings are arranged on either side of a central asphalt parking lot. Several parking spaces are marked with white lines, and some have blue markings for handicapped access. Small, conical evergreen trees are planted in landscaped areas between the buildings and along the parking lot. In the background, more trees and a clear sky are visible.

Evergreen Village

11 One Bedroom Units ~ 657 Sq. Ft.

5 Two Bedroom Units ~ 1,152 Sq. Ft.

5 Three Bedroom Units ~ 1,179 Sq. Ft.

Office/Laundry/Meeting Room

21 Project Based Vouchers from the
Pinellas County Housing Authority



BUTTERFLY GROVE

715 5th AVE N.

ST. PETERSBRG, FL 33701

- 20 New One Bedroom Units financed by Florida Housing Finance Corporation, the City of St. Petersburg and Pinellas County.
- RFA: 2019-104
- Issued: February 26, 2019
- Due: March 28, 2019
- Credit Underwriting Report Issued: July 6, 2020
- Closing: October 30, 2020
- Certificates of Occupancy: March 23rd, 2022



**Butterfly
Apartments**
715 5th Avenue North



**Grove Street
Apartments**
506 Grove Street North

Butterfly Grove
was the
redevelopment of
two existing
buildings.

BUTTERFLY GROVE: TARGET POPULATION

- **Persons with Special Needs:**

Adult persons requiring independent living services in order to maintain housing or develop independent living skills and who have a disabling condition that neither currently impairs nor is likely to impair their physical mobility, such as persons with a mental illness.

- 80% (16) units set aside for Permanent Supportive Housing for Persons with Special Needs
- 20% (4) Permanent Supportive Housing for individuals that meet the definition of Homeless (420.621(5) F.S.)
- 20% (4) units must be individuals who are Extremely Low Income (ELI \leq 35% AMI for Pinellas in 2019)



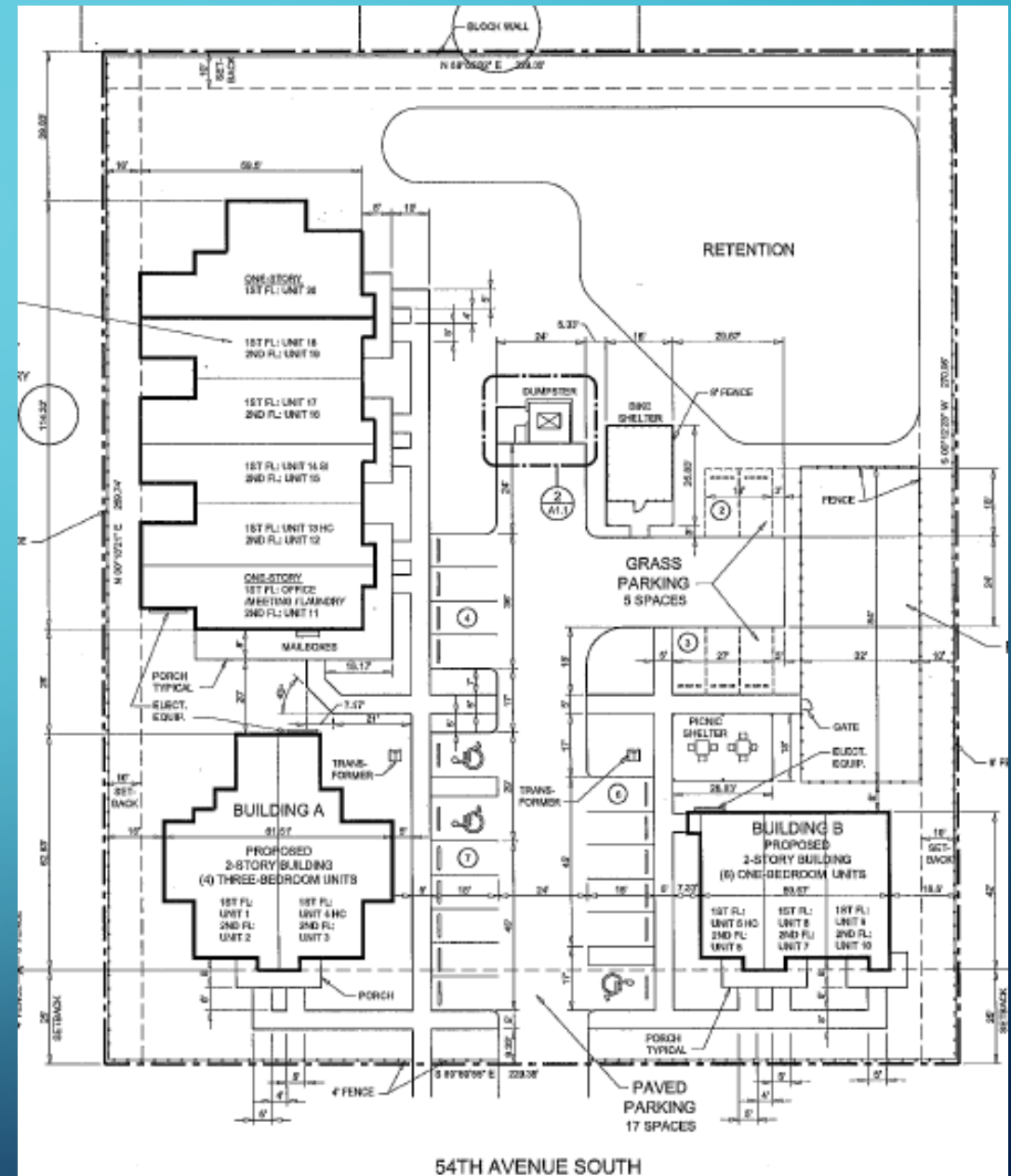


Whispering Pines



Whispering Pines

- REF 2021-102
- An additional \$910,000 from the City of St. Petersburg was approved on September 17th.
- Penny IV Pinellas application was approved by the County Commission for land (\$680,000)
 - This means the land will be sold to the County and leased back on a 99 year term.
 - \$677,043 outstanding loan to the BBF will be paid back at closing.
- Application for project based vouchers approved by the Board of Directors for St. Petersburg Housing Authority





FOUNDER'S POINT 2945 31ST STREET SOUTH

- Florida Housing Finance Corp
- RFA: 2022-102
- Recommended for funding yesterday!
- Project Based Vouchers have been approved by St. Pete Housing Authority for 15 units.
- Loan of \$335,000 from the Bessie Boley Foundation will be repaid by Pinellas County Penny IV funds



Jack D. Humburg
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www.boleycenters.org





Tim Marks, CEO
Metropolitan Ministries



Sabal Place

RFA 2018-103- Housing Credit and SAIL Financing for the Development of Housing for Homeless Persons

- At least 70% but less than 80% will be set aside for Homeless individuals and families: at least 20 percent of the total units for Persons with Special Needs
- Focus on homeless persons living in an emergency or transitional shelter.
- 20% set aside to focus on persons meeting state definition of survivor of domestic violence.
- Residents identified through the Tampa Hillsborough Homeless Initiative coordinated entry system



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Sabal Place



- Co-Developers: Blue Sky Communities;(Blue Broadway 2, LLC) and Metropolitan Ministries Developer, LLC
- New Construction 112 units- Mid-Rise
 - 46 1br/1ba (7 ELI)
 - 38 2br/2ba (6 ELI)
 - 28 3br/2ba (4 ELI)
- Resident Services
- Tenant Selection Plan

Sabal Place

- Total Development Cost \$25,000,000
- SAIL Loan \$4,214,500
- ELI Loan \$285,500
- HC Equity \$2.9M
- First Mortgage Financing \$14.7 M
- Deferred Dev fee \$3M
- Land Cost \$1.5 million



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Sabal Place: SAIL Takeaways



- 112 Families, self Sufficient
- Onsite Case Management
- Positive Cash Flow
- 99.6% Occupancy Rate
- Would never have happened without SAIL to address the Gap.
- \$25MM Project – No Capital Campaign



Tim Marks

Metropolitan Ministries

President & CEO

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Scott Zimmerman
AGPM- Banyan Development Group

SAIL Financing with Tax-Exempt Bonds and Non-Competitive (4%) Housing Credits



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Banyan Reserve Seniors

- New Construction 139 units for Elderly 55+ in Lakeland, Florida
- RFA 2017-108 SAIL Financing for Affordable Multifamily Housing to be used in conjunction with Tax-Exempt Bonds and Non-Competitive Housing Credits
- Total Project Cost \$24 M
- Garden Style Apartments
 - First Mortgage \$6 M
 - **SAIL \$6 M (25.9% of Total Costs)**
 - NHTF ELI \$429,800
 - Housing Trust for ELI \$438,340
 - Housing Credit equity \$9.29 M
 - City of Lakeland grant \$75,000
- Enterprise Community Equity



Banyan Reserve Seniors

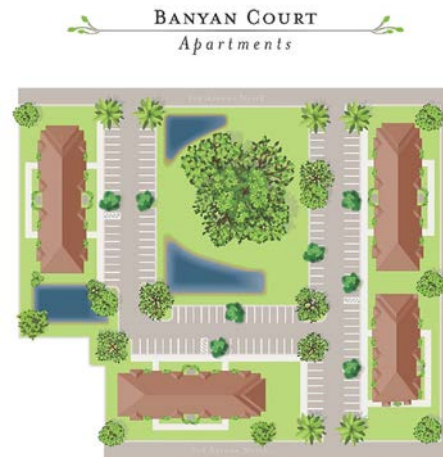
- 80% reserved for Elderly
- Special Needs Component- 10 units set aside as Link Units
- 1 br 1 ba 70 units Rents from \$215 to 630 per month
- 2 br 1.5 ba 69 units Rents from \$560 to \$757 per month
- 50 year affordability period
- SAIL Term is 17.5 years 1% simple interest per annum



Banyan Reserve Seniors SAIL Takeaways



Banyan Court Lake Worth





Banyan Court

- Newly constructed, 85-unit, apartment home community located Lake Worth Beach, FL.
- 4 garden-style, 3-story buildings; 2-and 3-bedroom units with a clubhouse/leasing office
- Serves families earning 60% of the Area Median Income (AMI) or \$36,900 (individual); with 10% of these units reserved for those earning at or below 33% of AMI or \$20,300 (individual)
- 50- year affordability period required by the State Apartment Incentive Loan (SAIL) program



Banyan Court

- \$20.1 mm financing closed in 2018 with SAIL loan (\$6 mm), Tax-Exempt Bonds (\$5 mm) and 4% Housing Credits (\$7.4 MM) from the Florida Housing Finance Corporation (FHFC) plus a SHIP loan (\$115,000) from Palm Beach County and Deferred Developer Fee (\$1.6 mm)
- **Annual** debt service--\$471,000 or \$5,541 per unit; Breakeven economic occupancy – 95%
- Since opening in June of 2019, Banyan Court has been 100% occupied with a waiting list.



Brisas del Sur Fort Myers





Boatworks Residences
Three Bedroom - Type D2 - ADA



Boatworks Marathon

Boatworks Residences
Site Map



Boatworks Residences
One Bedroom - Type A



SAIL – Public/Private Partnership Takeaways

- Bond financing with housing credits have high fixed costs
- Larger developments spread fixed costs across more units
- SAIL provides the soft gap financing that makes the numbers work
- Multiple sources make these deals more complicated and riskier
- Revenues must cover operations over a long affordability period
- Sound ownership and property management are keys to success
- Eventually SAIL must be repaid so the loan can be recycled
- SAIL attracts private capital and investment to affordable housing

- Scott Zimmerman
- AGPM – Banyan Development Group
- 501 N Magnolia Ave
- Orlando, Florida 32801
- www.agpmonline.com
- 407-447-1780 Ext 2001





Doug Mayer, President
Stone Soup Development

SAIL w/ 4% Bonds Family



Tuscany Cove Senior

- City of Miami donated land in Liberty City – 160 units
- Target 55+ seniors
- New 6-story apartment developed by nonprofit Tacolcy Economic Development Corporation and Stone Soup Development, Inc.
- 2014 RFA SAIL with Tax Exempt Bonds and 4% Housing Credits
 - SAIL \$2.5 M
 - \$1.2 M ELI Grant
 - \$7.3 M Bonds
 - \$9.7 M 4% tax credit equity
 - County Surtax \$3.3 M
 - Total development Cost \$25 M



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Development Name: Woodwinds	Location: Lake County
Applicant/Borrower: Woodwinds Clermont, LLC	Set-Aside(s): 15% @ 40% AMI & 85% @ 60% AMI
Developers/Principals: NB Woodwinds Developer, LLC and Blue Sky Clermont Developer, LLC	Demographic/Number of Units: Homeless/96
Requested Amounts: SAIL \$4,000,000, 9% HC \$1,510,000	Development Category/Type: New Construction/Garden Apartments

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The Non-Profit Housing Developer in Florida

- Non-Profit Definition Defined in Section 42(h)(5)(C) and subsection 501-C-3 or 501-c-4 of the IRC Code
- Organized under Chapter 617 Florida Statutes
- ❖ 67.48.0075 Misc. Criteria- for profit entity that is wholly owned by a one or more qualified non-profit organizations will qualify as a Non-Profit entity. The purpose of the Non-Profit must be to foster low-income housing...
- ❖ SAIL 67-48.009 Non-profits can apply for over 25% of the SAIL portion of total development costs (vs. for profits not to exceed 25%)
- ❖ Expect Non-profit to secure 10% of total development costs in grants, donations of land

Definition of Non-Profit Organization

- Rule Chapter 67-48, F.A.C. Or 67-21 F.A.C.
- Verified during credit underwriting- if not eligible, application rescinded
 - IRS Determination letter
 - Explanation how Non-Profit entity is **SUBSTANTIALLY AND MATERIALLY** participating in the **MANAGEMENT AND OPERATION** of the Development (see Role of the Non-Profit)
 - Names and addresses of governing board of Non-Profit
 - Articles of Incorporation OR most recent 990 filed with the IRS (no earlier than 2020) :
 - One of the purposes of the Non-Profit is “**to foster low-income housing.**”

ANY
QUESTIONS
?

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FLORIDA HOUSING COALITION PUBLICATIONS

Access these valuable resources and more under the Publications tab at Flhousing.org

Housing News Network Journal

Florida Home Matters Report

Accessory Dwelling Unit (ADU) Guidebook

Adaptive Reuse of Vacant Rentals

Affordable Housing Resource Guide

Affordable Housing Incentive Strategies

CLT (Community Land Trust) Primer

CLT Homebuyer Education – Teacher’s Guide

CLT Homebuyer Education – Buyer’s Guide

Community Allies Guide to Opportunity Zones

Community-Based Planning Guide

Creating a Local Housing Disaster Recovery

Creating Inclusive Communities in Florida

Credit Underwriting Guide for Multi-Family
Affordable Housing in Florida

Developing & Operating Small Scale Rental
Properties

Disaster Management Guide for Housing
Landlord Collaboration Guidebook

PSH Property Management Guidebook

Residential Rehabilitation Guide

SHIP Administrators Guidebook

Surplus Lands Guidebook

Supporting Households Moving Out of
Homelessness

Using SHIP For Rental Housing



More questions? Need help with a project? Just ask!

- **Technical Assistance Hotline**
800-677-4548
www.flhousing.org
- **Gladys Cook**
813-830-3450
cook@flhousing.org

Thank you!

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