



Proposal

**Bahama Village Truman Waterfront
Affordable/Workforce Housing
Development**

Submitted to

The City of Key West

by

Wendover Housing Partners

March 13, 2021

I. Bahama Village Truman Waterfront Development Proposal

Wendover Housing Partners is excited to present this unsolicited proposal to partner with the City of Key West and the Bahama Village Redevelopment Advisory Committee to develop the 3.2 acres **Bahama Village Truman Waterfront** (BVTW) site for high quality multifamily affordable rental housing for citizens of the community.

Based on our participation in the Bahama Village affordable housing workshop hosted by the City, we recognize the tremendous desire and passion to finally realize the opportunity for affordable housing on the BV Truman Waterfront location. This site is one of the most valuable pieces of undeveloped property in historic Key West and we understand the importance of selecting a development partner that will meet and exceed the community's expectation for much needed affordable housing for residents of Bahama Village and others while generating precious property taxes and lease payments for the city and CRA.

The WHP team has extensive experience with the development of workforce affordable housing in Key West and Monroe County as well as specific knowledge of the 3.2-acre site and its development potential for affordable housing.

The lead for the project development team, Jonathan **Wolf**, **Dr. Jeffrey Sharkey**, and the entire Wendover Housing team, have over a decade of experience developing and advising on affordable workforce housing in Key West and Monroe County and tremendous success in securing funding from the Florida Housing Finance Corporation for projects in the Keys and around the state. The RFA's are extremely competitive and WHP believes its experience with competing successfully against other housing applications from Monroe County will provide the highest probability of successful funding for BVTW community.

I. Florida Keys Affordable Housing Experience

The WHP team is very familiar with the 3.2-acre Truman site having been selected in 2013 by the Florida Keys Assisted Care Coalition (FKACC) to submit a proposal for the development of an affordable Assisted Living Facility on the site. The WHP team spent an entire year developing engineering, architectural designs, construction plans and financing strategies to provide up to 100 units of full service affordable Assisted Living units for KW elderly.

WHP is intimately familiar with the development characteristics and potential of 3.2 acres site, the neighborhood inputs, surrounding building facilities, design requirements, etc. We will build on this experience and input from Bahama Village Residents and community stakeholders to ensure that the affordable community meets the highest expectations and standards.

In addition, WHP has developed and currently manages two tax credit financed affordable housing communities on Stock Island serving Key West and Stock Island residents that provide the necessary understanding for permitting, financing,

engineering, constructing, and managing properties like the BVTW community. The two properties include:

- **Flagler Village Apartments** – a **49-unit** single story duplex affordable housing community on Flagler Avenue designed to complement the Keys architectural styles. Financed with Low Income Housing Tax Credits from Florida Housing in 2012, the community is the result of a strong partnership between Monroe County, the Florida Housing Finance Corporation, Wells Fargo Bank, and the project developers. Rents for the 1-, 2-, and 3-bedroom duplexes range from \$546- \$1,271 per month for the 2-bedroom units and from \$548 to \$1,465 per month for a 3-bedroom unit based on income of the tenants.



- **Banyan Grove Apartments** - a **48-unit** affordable housing community located on McDonald Avenue developed in **2013**. The community has 2- & 3-bedroom units with rents ranging from \$477 to \$1465. Banyan Grove is a unique multifamily rental housing development financed with \$13 million in private investor equity from federal housing credits from the Florida Housing Finance Corporation. The project contains a mix of bedroom duplex units with energy star appliances, a wide variety of resident amenities, recreational activities, and other attractive characteristics. Rents range from





WHP Development Experience

Wendover Housing Partners have been developing exceptional multifamily properties in the Southeast US for over 20 years. Wendover has developed 41 properties totaling more than 6500 units which include affordable family and senior communities as well as market rate properties. Wendover Housing Partners currently has an additional 9 communities and 900 plus units under construction and in development. Wendover Housing Partners builds, finances, and services affordable housing communities for families and active seniors. As one of the Southeast's premier affordable and workforce housing companies, our expansive portfolio of affordable and mixed-income developments demonstrates our continuing ability to create housing opportunities in a variety of economically and socially diverse neighborhoods.

Wendover's partnerships are diverse, working with both public and private enterprises to develop high quality affordable housing inventory. We have procured funding through state and local housing finance authorities, as well as international financial institutions and pension advisory firms. Wendover is particularly adept at working with the State and Federal government to secure financing and construct new, sustainable, and affordable multifamily communities.

Wendover believes that giving back to the community is crucial to the success of the company. Wendover is and remains committed to using environmentally sustainable and safe methods in building and managing our properties. We also believe in supporting charities and community initiatives that provide a better standard of living for those in the community.

Wendover's dedication to the highest possible standards in every aspect of our business is visible in everything we do. It is reflected in the distinctive design of our developments, in the quality of our construction, in the amenities we offer, in the distinction of our partners, and in the consistently high level at which our properties operate. It is also apparent in our long-term commitment to owning and managing our properties.

III. BVTW Apartment Project Proposal Details

WHP is submitting this proposal to partner with the City of Key West to lease the 3.2-acre BVTW site to develop up to 85 units of affordable housing for residents with a continuum of affordable income limits. The project would remain affordable for the community for a minimum of 50 years. WHP would provide the City with annual lease payments and pay property taxes to benefit the Bahama Village CRA and Bahama Village Redevelopment Advisory Committee (BVRAC). WHP is committed to a marketing and education strategy that would provide opportunities for Bahama Village and city residents to submit applications for units in a timely and successful fashion.

The ability to secure financing for this project is critical for success. WHP's experience with Florida Housing's funding application process, advocating for set aside tax credit funding for the Keys and ability to attract investment from leading national and international financial institutions based on their relationship with WHP will increase the potential for a successful project and partnership with the City.

➤ **Resident Incomes:**

- Resident incomes would range from **100% of AMI** (moderate), **80% AMI** (low income), **60% AMI** to as low as **25% AMI** (very low income).
- The income average of all the tenants in the community would be in the range of **60% AMI**.

➤ **Density and Unit Mix** - The 40 units per acre density provides flexibility in maximizing the number of units for a family oriented, affordable housing community.

- Restricted by the 35 ft height restriction, the most appropriate density would be **25 units per acre**.
- This would allow **75 to 85 650-800 sf apartments** in a 2-story elevated design configuration.
- Unit mix would include 15% 1 bedroom, 60% 2 bedroom, 15% 3 bedrooms.

➤ **50 Year Affordability** – WHP is committed to providing long term affordability, at a minimum 50 years memorialized in the Land Use Deed Restriction and lease, for the Bahama Village Sunset Apartment. The community will have confidence that the community will stay affordable for many generations.

➤ **Revenue for Community** - Bahama Village Apartments will pay annual lease payments to the City and ad valorem taxes to the CRA. The terms and timeline of the lease will be negotiated with the City.

➤ **Cooperative Design Planning** – WHP would work closely with the BVRAC to finalize design of the community to ensure it meets the historic and cultural character of the adjoining community and Key West as a whole. Community design meetings would be held to ensure the final plans meet the city requirements as well as reflect the interests of the community.

- **Commercial Options** - If the community desires retail or commercial as part of the development it would be best to utilize adjacent properties, such as the historic electric facility. To maximize the available space for housing, and with the proximity to retail close to the site, it would not be wise or efficient to place retail or commercial on the 3.2-acre site.
- **Financing Structure** – WHP would utilize Low Income Housing Tax Credits and other private and public financial resources to finance the community. WHP would apply to Florida Housing Finance Corporations under the Monroe County RFA for workforce affordable housing as well as utilizing funds from the Monroe County Land Development Trust Fund.
- **Tenant Amenities and Services**
 - All units would be energy star compliant appliances, water saving plumbing, sustainable design, granite counters, Monroe County building code windstorm compliant construction.
 - Community Clubhouse, computer center, day care support, garden plots, walking trails, parking and micro mobility storage, and EV charging station.
 - Tenants would be provided a variety of educational, cultural, artistic and employment training programs.
 - The tenants would have a portion of their affordable rents set aside into a home ownership down payment program that they could use in the future for buying a home.

IV. Process & Timeline

Once the city selects its development partner, we would work immediately to organize planning meetings with City staff, BV stakeholders and others to discuss density intensity, design elements, tenant amenity options, funding source timeframe as well as meetings with Monroe county legislative delegation to ensure that tax credits and SAIL funding will be available for the next round of RFA's. Although FHFC has an application for the "Monroe County Workforce Housing RFA" (**RFA 2021-208**) due on April 13, we do not believe rushing the design, community input and finalizing the design and important components of the Bahama Village Truman Waterfront development would serve the community best.

This year, FHFC plans to issue **RFA 2021-208** in **March 2021** for the construction of Workforce Housing that includes specific funding for the development of an affordable rental project in Monroe County. The applications are due on **April 13, 2021**. This will be the only Monroe County focused RFA this year.

If this year's RFA is missed, Florida Housing may issue a similar RFA next year at this time, but it is too early to discern. There are other financial resources available to develop the site for workforce affordable housing, such as Multifamily revenue bonds, SAIL funds and 4% tax credits. It is critical is that the city needs to select a development partner that can identify the financial resources, has extensive and successful experience in

structuring a financial development plan to complete the project and has the ability to apply successfully for funding and complete the project. WHP has experience with securing Tax Credit funding for over 25 affordable housing communities.

As with every development funded with resources from Florida Housing Finance Corporation, this proposal outlines details for unit density, bedroom mix, rental rates, and other details, which may be revised based on Florida Housing's RFA requirements.

WHP believes it has the affordable and workforce housing development experience, local Keys knowledge, financial relationships, expertise in successfully applying for Florida Housing funding and ability to ensure that tax credit and SAIL funding for Monroe County would be included in the state legislative budget for next year to position it as the best partner for the City and community to develop the 3.2 BVTW site.

V. WHP Commitment to Community Partnership & Collaboration

WHP is committed to a strong community partnership with the City and the multiple stakeholders who have been working hard on identifying the highest and best use for the very valuable 3.2 piece of property on the Truman Waterfront location. We are committed to providing long term lease payments to the City, ad valorem property taxes to fund the CRA and activities within the Bahama Village neighborhood and providing a wide range of tenant services to assist with job skills development, education, recreation and wellness activities, and exceptional resident-focused management supervision of the community. We are confident that partnering with Wendover Housing Partners will ensure that the BVTW affordable rental apartment community will be a recognized as an award-winning signature housing development for Key West.

VI. Wendover Housing Partners Team

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Jonathan L. Wolf is the founder and president of Wendover Housing Partners LLC, a Florida-based, privately held real estate development, investment, and management company.

Mr. Wolf oversees the strategic direction of both Wendover Housing Partners -which consists of a portfolio of affordable, workforce and market-rate multifamily communities, senior housing, transit-oriented communities, and student housing –and Wendover Management, which provides full-service property management for Wendover's own properties as well as other properties throughout the country.

Mr. Wolf founded Wendover Housing Partners in 1995 and has built the company into one of the premier housing companies in the southeastern United States. His mission is to provide housing opportunities in a variety of economically and socially diverse neighborhoods. Mr. Wolf works actively at the local, state, and national level to encourage lawmakers and governments to take the necessary measures to address the critical need for affordable housing nationwide.

Mr. Wolf's success in developing affordable housing communities has earned him a reputation as a leading authority in affordable tax credit housing development. He also has expertise in creating public-private partnerships to bring housing developments to fruition.

Prior to his career in real estate development, Mr. Wolf worked in finance, which included executive positions at The Chase Manhattan Bank and Citicorp.

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Dr Sharkey is one of the premier strategic affordable and workforce housing consultants in Florida specializing in the field of affordable housing finance and development. Dr. Sharkey is a partner with Wendover Housing on a variety of affordable housing developments.

He **has** decades of experience working with state, federal, and local governments, and special districts, as well as private and non-profit developers, to create innovative policy, programs, and strategies for successful developing sustainable workforce affordable housing communities. He has extensive experience working with county and city governments in the Florida Keys on affordable housing policies and strategies. in the Florida Keys and has been a partner in developing 2 tax credit financed affordable rental housing properties.

The firm is recognized for its active involvement in creating and interpreting affordable housing policies and program at the state level and advising local housing developers and community organizations on the best strategies to acquire multilevel funding to achieve their dreams of building workforce affordable housing in their neighborhoods. In addition, the firm has worked on the development of sustainable communities and energy efficient homes and neighborhoods, focusing on energy green building practices, energy efficiency audits, and the use of renewable energy technologies in affordable housing.

