



## Housing Authority of the City of Key West, Florida

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### Board of Commissioners

Frank Toppino  
Bob Dean  
Mary Sanchez  
John G. Parks, Jr.  
Roosevelt Sands, Jr.

### Executive Director

J. Manuel Castillo, Sr.

June 23, 2014

Mayor Craig Cates and City Commissioners  
525 Angela Street  
Key West, FL 33040

Dear Mayor and Commissioners:

At the request of the City Commission, the Housing Authority prepared and advertised a Request for Proposals (RFP) for a Developer/Operator for Senior Residential Care Facility. The Housing Authority received two proposals, Jackson Development Company & MIA Senior Living Solutions (JDC/MIA) and Key West Senior Development LLC (KWSD) an affiliate of American House Senior Living.

The proposals were reviewed and ranked based on the Evaluation and Scoring Criteria in the RFP. Enclosed please find the Executive Summary presented to the Housing Authority Board of Commissioners on June 16, 2014. The summary provides some general information from both proposals, the evaluation and scoring breakdown, the Committee's ranking of the proposals and a recommendation.

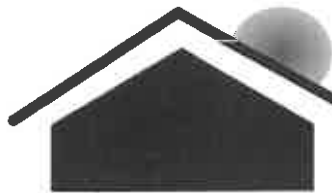
Please do not hesitate to contact me if you have any questions and I look forward to providing a brief report at your next meeting.

Sincerely,

J. Manuel Castillo, Sr.  
Executive Director

JMC:cac





To: Board of Commissioner

From: Evaluation and Scoring Committee  
(Joan Higgs, John G. Parks, Jr. and J. Manuel Castillo, Sr.)

Date: June 16, 2014

Re: Senior Residential Care Facility – Request for Proposal

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EXECUTIVE SUMMARY

**Background:**

The Housing Authority of the City of Key West, Florida (the Housing Authority), received sealed proposals for a Developer/Operator to design, build and operate a Senior Residential Care Facility consisting of 75 to 110 units to provide for the needs of elderly residents of Key West and Monroe County transitioning from Independent Living to Assisted Living, including basic level assisted living, extended congregate care and respite care in Key West, Florida.

**General Summary:**

Number of Units

JDC/MIA: 100 units

KWSD: 100 units

Unit Mix

JDC/MIA: 1 BR / 1 Bath (Pro-forma at 100%)  
(May have some 2 BR units)

KWSD: 10 – Eff. / 1/2 Bath  
20 – Studio /1 Bath  
20 – 1 BR / 1 Bath  
50 – 2 BR / 2 Bath  
(Converts to 1BR/1Bath & 1Studio/1Bath)

Tenant/Income Mix

JDC/MIA: 50% @ Market  
40% @ 60% AMI  
10% @ 25% AMI

KWSD: 30% AMI to 120% AMI

Projected Rents

JDC/MIA: 25% AMI = \$394  
60% AMI = \$846  
Market = \$1,300

	30% AMI	50% AMI	80% AMI	100% AMI	120% AMI
Eff. /Studio	\$432	\$759	\$1,214	\$1,518	\$1,821
One Bedroom	\$463	\$868	\$1,388	\$1,735	\$2,082
Two Bedroom	\$556	\$976	\$1,561	\$1,953	\$2,343

Services/Features

JDC/MIA: See Exhibit A  
KWSD:

Project Schedule

JDC/MIA: 36 Months  
KWSD: 30 Months

Funding Source

JDC/MIA: Low Income Housing Tax Credits (FHFC)  
Section 232 – Construction/Permanent Loan (HUD)  
City of Key West (\$10,000-Matching Grant)  
GAP Funding (\$2,417,526-City, County, KWHA or other) \*  
Deferred Developer Fee (Partial-\$1,000,000)  
KWSD: Negotiations with KWHA to determine.  
Private Financing (Love Funding)  
Low Income Housing Tax Credits

Source & Use

JDC/MIA:

Sources:

Tax credit Equity	\$	11,960,000
Permanent Mortgage	\$	13,620,677
City of Key West Grant	\$	10,000
GAP Funding	\$	2,417,526
Deferred Developer Fee	\$	<u>1,000,000</u>
Total Sources of funds	\$	29,008,203

Uses:

Hard Construction Costs	\$	19,500,000
Construction Contingency	\$	975,000
Architecture / Engineering	\$	485,000
Soft Costs	\$	5,878,954
Financing Costs	\$	1,269,249
Reserves	\$	<u>900,000</u>
Total Uses of Funds	\$	29,008,203

KWSD:

Sources:

Mortgage Loan (85% of TDC)	\$	13,972,785
Equity or Land Contribution	\$	<u>1,465,786</u>
Total Sources of Funds	\$	16,438,570

Uses:

Total Construction Costs	\$	14,322,000
City and Third party Fees	\$	985,000
Furnishings, Fixtures & Equipment	\$	250,000
Pre-Opening Marketing	\$	100,000
Equity Finder's Fee	\$	125,000
Development Fee	\$	156,000
Initial Lease-Up Reserves	\$	<u>500,000</u>
Total Uses of Funds	\$	16,438,570

**Evaluation and Scoring:**

1. Respondent's Experience  
(Point Value 0 – 20)

JDC/MIA: 20                      JDC/MIA: 20                      JDC/MIA: 18

KWSD: 18                              KWSD: 15                              KWSD: 15

Comments:

More Florida experience; mix of affordable development and senior care operation by two separate entities; fairly even.

2. Respondent's Resources and Services  
(Point Value 0 – 20)

JDC/MIA:   18        JDC/MIA:   19        JDC/MIA:   15  

KWSD:   18        KWSD:   18        KWSD:   15  

Comments:

Resources and developments in Florida; no mention Extended Congregate Care by either; more information preferred; fairly even.

3. Respondent's Management Team  
(Point Value 0 – 20)

JDC/MIA:   20        JDC/MIA:   20        JDC/MIA:   15  

KWSD:   20        KWSD:   18        KWSD:   15  

Comments:

Developer and Operator experienced; comparable general information.

4. Respondent's Management Approach  
(Point Value 0 – 20)

JDC/MIA:   18        JDC/MIA:   17        JDC/MIA:   17  

KWSD:   20        KWSD:   19        KWSD:   20  

Comments:

Better detail in approach by JDC/MIA; preferred tenant mix and unit mix by KWSD; preferred proposed site plan by KWSD.

5. Project Financing  
(Point Value 0 – 20)

JDC/MIA: 12      JDC/MIA: 10      JDC/MIA: 12

KWSD: 18      KWSD: 20      KWSD: 20

Comments:

Total cost; GAP funding-local contribution; Developer Fee

Total Points:

JDC/MIA: 88      JDC/MIA: 87      JDC/MIA: 77

KWSD: 94      KWSD: 90      KWSD: 85

Maximum possible points: 100

**Committee Ranking:**

Average Score:

JDC/MIA: 84      KWSD: 90

Based on the Evaluation and Selection Criteria as scored by the Committee the respondents are ranked as follows:

1. Key West Senior Development LLC
2. Jackson Development Company / MIA Senior Living Solutions

**Staff Recommendation:**

Enter into negotiations with the Respondent ranked first and report back to the Board.