



## Newtown Revitalization

### Sarasota, Florida

In December 2006, the Sarasota Housing Authority through a competitive procurement process chose Michaels Development Company as the Master Redeveloper of three existing public housing developments, which encompass 388 rental units. Michaels and its team of professionals are currently executing the redevelopment plan for the three existing sites known as Janie Poe, Bertha Mitchell, and Orange Ave/The Courts which when completed will yield approximately 850 units of rental and homeownership for a mixed-income population of public housing, low-income, Section 8, and market-rate households. Michaels took on the responsibility to complete development of the plan by 2014 without the commitment of any capital funds from the Housing Authority. Since December 2006, Michaels and the Housing Authority have been able to secure commitments from the City and County of Sarasota for an allocation of \$16.9 million to execute the redevelopment plan.

#### Janie Poe Revitalization – Phase I (86 mixed income rental units)

After receiving notification of the award for Master Developer in December 2006, Michaels began immediate implementation of its short-term plans to begin the first redevelopment phase at the Janie Poe site. This included execution of a Master Developer Agreement and Ground Lease with the Sarasota Housing Authority, which also included the approval of U.S. Department of Housing and Urban Development (HUD). With all of the necessary approvals quickly in place, Michaels was able to submit an application to Florida Housing Finance Corporation in March 2007 for 9% tax credits and gap financing. In September 2007, FHFC notified Michaels that it had been conditionally awarded both the 9% credits and ELI Loan. In November 2007, FHLB of Chicago awarded an AHP Loan to Michaels for Janie Poe Phase I. The Michaels team is now on schedule for a March 2008 Closing, with construction to start soon thereafter. When completed, the revitalized first phase of Janie Poe will make available a mix of public housing, low-income, and market-rate rental units.

#### Financial Structure - Janie Poe Revitalization Phase I

|  |              |
|--|--------------|
| <b>Investor Equity from sale of 9% LIHTC</b> | \$10,970,300 |
| <b>SHA Loan (from City/County funds)</b>     | \$1,869,500  |
| <b>1st Mortgage Permanent Loan</b>           | \$1,900,000  |
| <b>FHFC ELI Loan</b>                         | \$765,000    |
| <b>FHLB of Chicago AHP Loan</b>              | \$325,000    |
| <b>SHA Reinvested Developer Fees</b>         | \$408,300    |
| <b>Total Development Costs</b>               | \$16,238,100 |

#### Remaining Phased Redevelopment

Michaels is currently working on the redevelopment of the remainder of the Janie Poe site, as well as the redevelopment of the Bertha Mitchell and Orange Ave/The Courts sites. Please revisit our website in the near future for further updates on our progress.