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### MAIN OFFICE

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August 26, 2022

Larry T. Hayes, Director, Jacksonville Field Office  
U.S. Department of Housing and Urban Development  
400 West Bay Street, Suite 1015  
Jacksonville, FL 32202

RE: Request for HUD Approval for Approval to Use Sales Proceeds from the Sale of the Colton/Bonnie, FL0110000001 Property known as Arbor Manor for the Development of Affordable Housing Units

Dear Mr. Hayes:

This letter is requesting approval from the Jacksonville OPH to use sales proceeds from the sale of the above-referenced property for the development of new affordable housing units in the LHA service area. In a letter dated September 2, 2021, the HUD SAC gave written approval for LHA to use the sales proceeds of this property for the development of affordable housing units. LHA is required to provide updates to the Jacksonville OPH regarding any changes in the disposition approval. The current update is the LHA is considering a partnership with a private developer on a LIHTC property where we will contribute approximately \$2.2 million in exchange for taking control of the 96-unit property. Basically, construction of the housing units is about 45% complete and LHA has received an offer from the developer, Housing Trust Group (HTG), for a partnership for the development of an affordable housing community that will managed by LHA. The project, to be known as Eddie Woodard Apartments, is located in the city of Mulberry within unincorporated Polk County, Florida and would add ninety-six (96) affordable housing units to LHA's portfolio.

Essentially, for  $\pm$ \$2.2 million, LHA would add ninety-six (96) affordable housing units from a 9% tax credit deal that has been approved by Polk County Government and the State of Florida Housing Finance Corporation. The site has no known environmental issues. A Phase I environmental review was completed by the Developer on April 17, 2020. A HUD Part 58 review is currently in process. This unique opportunity provides a huge savings for LHA in an exceedingly difficult housing market and would greatly benefit our clientele. The total cost of the project is approximately \$25 million. In exchange for an investment of +2.2 million dollars, LHA would receive management control of a 96-unit multifamily tax credit community with the first option to buy the property after the completion of the tax credit compliance period. As you know, Lakeland, Polk County and the state of Florida are in the midst of a huge affordable



housing crisis that has negatively impacted LHA's clientele for the past several years. For example, for every ten (10) families in need of affordable housing in this area, there are only three (3) units of affordable housing available for rent. All of LHA properties have maintained a 99% occupancy rate for the past ten (10) years. Each of these factors contributes to a huge shortage of affordable housing in this area. Partnering on this new development would greatly enhance efforts by LHA to address this issue. The sales proceeds will be used in compliance with the HUD SAC approval letter and provide a helping hand to LHA in its efforts to provide decent, safe, and affordable housing units that are desperately needed for our clientele. This partnership is best option available to LHA at this time.

For purposes of assisting with your review of this request, copies of the following documents are enclosed for your review:

- 1) Special Application Center Approval Letter for Disposition of the Property, dated September 2, 2021
- 2) Resolution 22-1516 authorizing Executive Director to sign Memorandum of Understanding with Housing Trust Group, dated August 19, 2022
- 3) Phase I Environmental Report Summary (Part 58 is in process)

LHA is eager to complete this transaction. Please advise regarding any additional items that you and your staff may need to complete your review.

If you have any questions or require further information, please contact me at (863) 687-2911, x1021. Thank you for your time and consideration of this request.

Sincerely,

A handwritten signature in blue ink, appearing to read "Benjamin Stevenson", is written over a light blue horizontal line.

Benjamin Stevenson  
Executive Director

Enclosure(s)