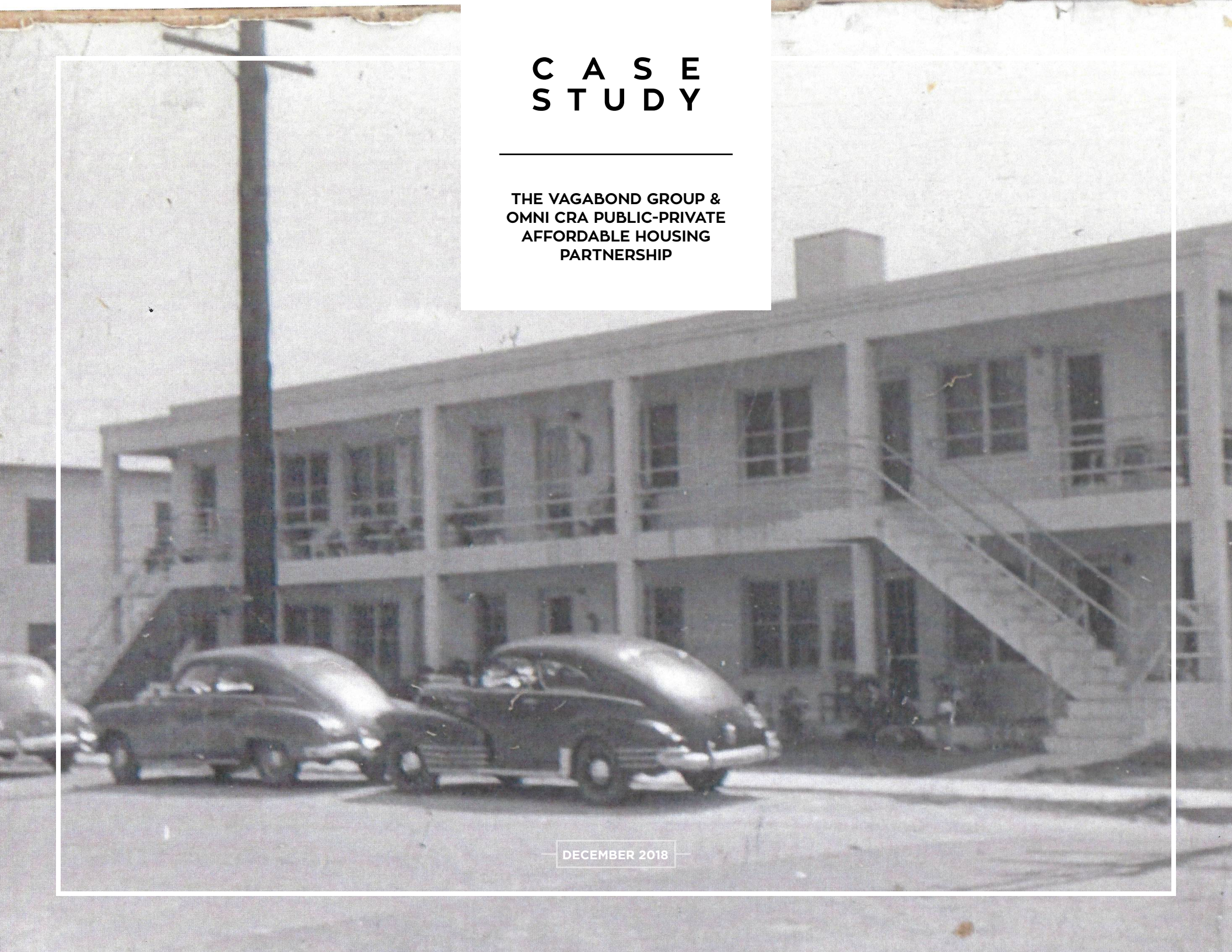


C A S E S T U D Y

THE VAGABOND GROUP &
OMNI CRA PUBLIC-PRIVATE
AFFORDABLE HOUSING
PARTNERSHIP

DECEMBER 2018



THE VAGABOND GROUP & OMNI CRA PUBLIC-PRIVATE AFFORDABLE HOUSING PARTNERSHIP



BACKGROUND

On February 22, 2018, the Omni CRA Board unanimously approved a public-private partnership between developer Avra Jain of The Vagabond Group, the Omni CRA, and the Mt. Zion Community Development Corporation (CDC) to renovate forty-four units over five garden-style apartment buildings in the Historic Overtown neighborhood. By preserving the architectural character of the early 1950s buildings, the project will provide much needed quality affordable housing to existing residents while contributing to the social resiliency of the neighborhood and the City of Miami as a whole.

SIZE

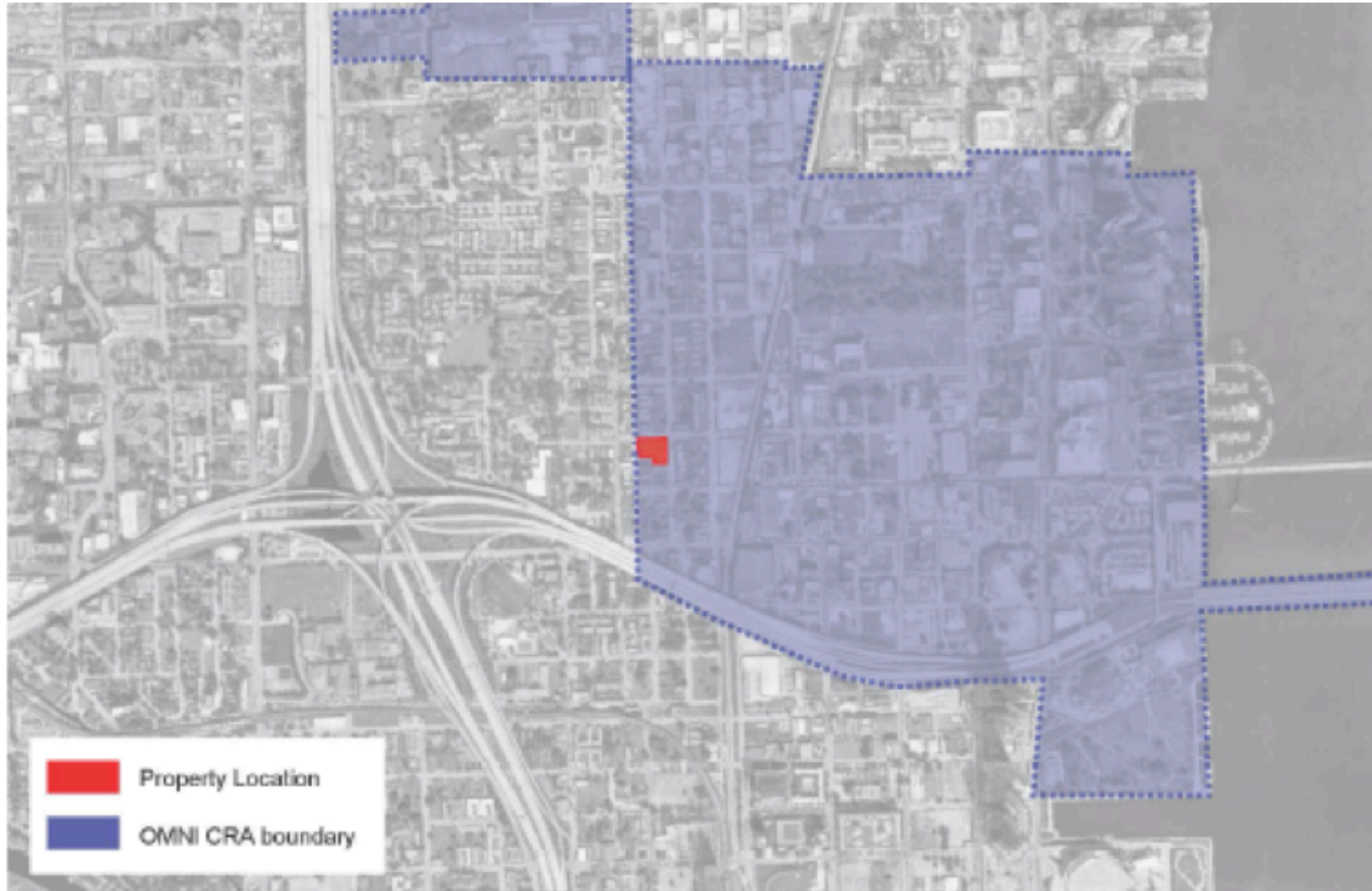
The development will consist of forty-four affordable and workforce rental apartments over five buildings located at 1540-1550-1560 NW 1 Ct, 1535 NW 1 Pl, and 1541 NW 1 Pl in the Historic Overtown neighborhood. The unit mix consists of (6) three-bedroom, two-bathroom units, (6) two-bedroom, one-bathroom units, (20) one-bedroom, one-bathroom units, and (12) studio units. The three contiguous parcels cover 29,400 sf of land and 20,312 sf of total building area over two-stories. They border the Overtown CRA along the north-south axis of NW 1st Pl, and provide a critical node to one of the more challenging areas bounding the Omni CRA district.

WHY IS IT SIGNIFICANT?

This landmark project was the first issuance of Tax Increment Financing (TIF) funding from the Omni CRA towards their affordable housing mandate. A case study project, several important factors were critical to the success of the project as a true community-wide benefit: no off-site displacement of existing residents during construction, no increase of rent to existing tenants, improved quality of life for existing residents, a true historic restoration of the properties including all major system upgrades, utilization of local construction crews, and community outreach and involvement. To create a more equitable community, providing safe and quality affordable housing through public-private partnerships is a key factor to improving residential health and financial stability.

PARTICIPANTS

Avra Jain, The Vagabond Group; Omni CRA; Mt. Zion Community Development Corporation



SITE LOCATION

SCALE: N.T.S.



AERIAL VIEW

SCALE: N.T.S.



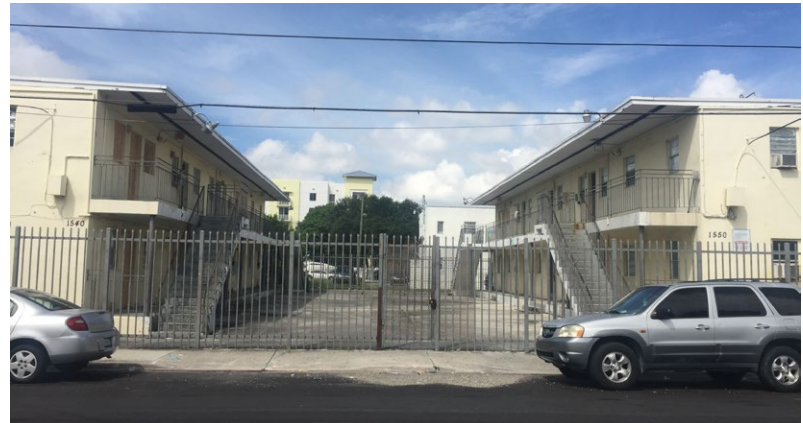
SOUTHEAST CORNER 3
SCALE: N.T.S.



EAST ELEVATION 4
SCALE: N.T.S.



NORTHEAST CORNER 5
SCALE: N.T.S.



COURTYARD 6
SCALE: N.T.S.



NORTH ELEVATION 7
SCALE: N.T.S.



NORTHWEST CORNER 8
SCALE: N.T.S.

PROJECT FINANCING & DEVELOPMENT COSTS

The proposed project will be developed in partnership with the Omni CRA with a \$3.8 million forgivable loan after satisfying the 30-year Affordable Housing Covenant. The property was purchased for \$3.7MM (~\$83,000/unit) and allocated \$2MM (~\$45,000/unit) for renovation costs, with a total development cost of \$6.6MM (~\$150,000/unit). On the \$3.8MM investment, the Omni CRA will achieve an approximate \$8MM rental subsidy (monthly savings of \$320/unit) for existing residents compared to the allowable AMI rents. Essentially a buy down of “vouchers” had it been a Section 8 project. The local partner, Mt. Zion Community Development Corporation, will have a 7.5% ownership interest in the value of the improved and maintained property at the end of its 30-year cycle. This project demonstrates the importance of providing an efficient means of public-private funding while improving community-wide social benefits.

SOURCES	
Purchase Price	3,700,000.00
Renovation*	2,000,000.00
Developer Fee (Donated)	550,000.00
Carry Costs	350,000.00
<i>Total Sources</i>	<i>6,600,000.00</i>
USES	
Public (Omni CRA)**	3,800,000.00
Private (Bank Financing)	1,800,000.00
Private (Developer Equity)	450,000.00
Private (Donated Developer Fee)	550,000.00
<i>Total Development Cost</i>	<i>6,600,000.00</i>

Omni CRA RENT SUBSIDY	
Omni CRA Forgivable Loan	3,800,000.00
Average current rent (per unit)	581.48
Average allowable rent (per unit)	1,102.50
Monthly approx. savings (per unit)	321.82
Projected savings (30-years)***	8,084,109.79
Return on Investment (annualized)	Approx. 5.75%

POSITIVE

- Funding of Forgivable Loan was front-loaded in \$500k quarters; Reduces delays and ease of construction progress
- Reasonable insurance requirements and waiving of \$2MM Bond requirements for smaller projects (\$60k savings to project)
- Transparency with open checkbook for Omni CRA to review
- Ability to renovate entire building at one-time and move existing residents on-site to other buildings; Builds trust with community
- Partnership with Mt. Zion CDC

NEEDS IMPROVEMENT

- Fast-track permitting for affordable housing projects
 - Demolition permit was approx 4 weeks (September 4 - 28)
 - Remodel permit (Repair & Replace) approx 2+ months, ongoing; Resubmit on December 5 and only two departments (of 8 total) have reviewed (October 4 to current)

OCTOBER 2018 - INTERIOR DEMOLITION



OCTOBER 2018 - INTERIOR DEMOLITION



NOVEMBER 2018 - STRUCTURAL REPAIRS



DECEMBER 2018 - SYSTEMS ROUGH-INS



PROJECT COST ESTIMATE: \$450K/BUILDING

• Mechanical/HVAC	Estimated:	\$16,000.00
• Electrical Upgrades	Estimated:	\$36,000.00
• Site lighting	Estimated:	\$2,800.00
• Pumping Upgrades	Estimated:	\$40,000.00
• Fire Caulking	Estimated:	\$1,500.00
• Window Replacement	Estimated:	\$20,000.00
• Window sills	Estimated:	\$1,850.00
• New Doors	Estimated:	\$12,500.00
• Carpentry	Estimated:	\$2,000.00
• Moldings	Estimated:	\$4,000.00
• New Kitchens	Estimated:	\$32,000.00
• Interior and Exterior Paint	Estimated:	\$17,600.00
• Interior walls	Estimated:	\$35,000.00
• Insulation	Estimated:	\$8,000.00
• Flooring	Estimated:	\$23,200.00
• Flooring Material	Estimated:	\$10,000.00
• Railings	Estimated:	\$12,000.00
• Structural repairs	Estimated:	\$8,000.00
• Demolition	Estimated:	\$20,000.00
• Roofing	Estimated:	\$19,000.00
• Appliances	Estimated:	\$8,000.00
• Termite	Estimated:	\$2,000.00
• Trash removal	Estimated:	\$12,000.00
• Contingency	Estimated:	\$4,000.00
• Architectural fees	Estimated:	\$10,000.00
• Permitting	Estimated:	\$1,600.00
• GC fees 15%	Estimated:	\$54,795.00

PROJECT COST TO DATE



Continuation Sheet, Contractor-Subcontractor Version

AIA Document G702, APPLICATION AND CERTIFICATION FOR PAYMENT, containing Subcontractor's signed certification is attached.

In tabulations below, amounts are in US dollars.

Use Column I on Contracts where variable retainage for line items may apply.

APPLICATION NO:	002
APPLICATION DATE:	November 16, 2018
PERIOD TO:	November 09, 2018
ARCHITECT'S PROJECT NO:	

ITEM NO.	DESCRIPTION OF WORK	SCHEDULED VALUE	WORK COMPLETED		MATERIALS PRESENTLY STORED (NOT IN D OR E)	TOTAL COMPLETED AND STORED TO DATE (D + E + F)		BALANCE TO FINISH (C - G)	RETAINAGE (IF VARIABLE RATE)
			FROM PREVIOUS APPLICATION (D + E)	THIS PERIOD		% (G ÷ C)			
001	Mechanical/HVAC	16,000.00	0.00	0.00	0.00	0.00	0.00%	16,000.00	0.00
002	Electrical	36,000.00	9,000.00	0.00	0.00	9,000.00	25.00%	27,000.00	0.00
003	Site Lighting	2,800.00	0.00	0.00	0.00	0.00	0.00%	2,800.00	0.00
004	Plumbing Upgrades	40,000.00	10,000.00	0.00	0.00	10,000.00	25.00%	30,000.00	0.00
005	Fire Caulking	1,500.00	0.00	0.00	0.00	0.00	0.00%	1,500.00	0.00
006	Window Replacement	20,000.00	10,000.00	0.00	0.00	10,000.00	50.00%	10,000.00	0.00
007	Window Sills	1,850.00	0.00	0.00	0.00	0.00	0.00%	1,850.00	0.00
008	Doors	12,500.00	0.00	0.00	0.00	0.00	0.00%	12,500.00	0.00
009	Carpentry	2,000.00	0.00	0.00	0.00	0.00	0.00%	2,000.00	0.00
010	Moldings	4,000.00	0.00	0.00	0.00	0.00	0.00%	4,000.00	0.00
011	Kitchens	32,000.00	0.00	0.00	0.00	0.00	0.00%	32,000.00	0.00
012	Paint- Interior & Exterior	17,600.00	0.00	0.00	0.00	0.00	0.00%	17,600.00	0.00
013	Walls- Interior	35,000.00	0.00	0.00	0.00	0.00	0.00%	35,000.00	0.00
014	Insulation	8,000.00	0.00	0.00	0.00	0.00	0.00%	8,000.00	0.00
015	Flooring	23,200.00	0.00	0.00	0.00	0.00	0.00%	23,200.00	0.00
016	Flooring Material	10,000.00	0.00	0.00	0.00	0.00	0.00%	10,000.00	0.00
017	Railings	12,000.00	0.00	0.00	0.00	0.00	0.00%	12,000.00	0.00
018	Structural Repairs	8,000.00	8,000.00	0.00	0.00	8,000.00	100.00%	0.00	0.00
019	Demolition	20,000.00	10,500.54	5,265.81	0.00	15,766.35	78.83%	4,233.65	0.00
020	Roofing	19,000.00	0.00	0.00	0.00	0.00	0.00%	19,000.00	0.00
021	Appliances	8,000.00	0.00	0.00	0.00	0.00	0.00%	8,000.00	0.00

PROJECT COST TO DATE

A ITEM NO.	B DESCRIPTION OF WORK	C SCHEDULED VALUE	D WORK COMPLETED		F MATERIALS PRESENTLY STORED (NOT IN D OR E)	G TOTAL COMPLETED AND STORED TO DATE (D + E + F)		H BALANCE TO FINISH (C - G)	I RETAINAGE (IF VARIABLE RATE)
			FROM PREVIOUS APPLICATION (D + E)	THIS PERIOD		% (G ÷ C)			
022	Extermination-Termites	2,000.00	0.00	0.00	0.00	0.00	0.00%	2,000.00	0.00
023	Debris Removal	12,000.00	1,500.00	1,500.00	0.00	3,000.00	25.00%	9,000.00	0.00
024	Contingency	4,000.00	0.00	193.64	0.00	193.64	4.84%	3,806.36	0.00
025	Architectural	10,000.00	5,000.00	5,000.00	0.00	10,000.00	100.00%	0.00	0.00
026	Permitting	1,600.00	18.87	0.00	0.00	18.87	1.18%	1,581.13	0.00
027	Supervision	800.00	0.00	800.00	0.00	800.00	100.00%	0.00	0.00
028	CO 1: Fencing	1,805.63	1,805.63	0.00	0.00	1,805.63	100.00%	0.00	0.00
029	CO 2: MEP	3,400.00	1,700.00	1,700.00	0.00	3,400.00	100.00%	0.00	0.00
030	CO 3: Plumbing	2,291.00	0.00	0.00	0.00	0.00	0.00%	2,291.00	0.00
031	CO 4: Electrical	12,878.00	3,219.50	0.00	0.00	3,219.50	25.00%	9,658.50	0.00
032	CO 5: Architectural	9,200.00	4,600.00	4,600.00	0.00	9,200.00	100.00%	0.00	0.00
033	CO 6: Windows	7,500.00	0.00	3,750.00	0.00	3,750.00	50.00%	3,750.00	0.00
034	CO 7: Structural	33,500.00	0.00	11,725.00	0.00	11,725.00	35.00%	21,775.00	0.00
035	Profit & Overhead (15%)	11,234.84	6,054.68	5,180.16	0.00	11,234.84	100.00%	0.00	0.00
	GRAND TOTAL	\$441,659.47	\$71,399.22	\$39,714.61	\$0.00	\$111,113.83	25.16%	\$330,545.64	\$0.00