

PALM BEACH COUNTY
BOARD OF COUNTY COMMISSIONERS

AGENDA ITEM SUMMARY

Meeting Date: March 11, 2025 [] Consent [X] Regular
[] Ordinance [] Public Hearing

Department: Housing and Economic Development

I. EXECUTIVE BRIEF

Motion and Title: Staff recommends motion to:

- A) **approve** Housing Initiative Program (HIP) - Workforce Housing Development award to Danza of Westgate, LLC in the amount of \$3,147,739 for the Westgate Terrace Apartments Project (Project);
- B) **delegate authority** to the County Administrator, or designee, to execute the Loan Agreement, amendments thereto, and all other documents necessary for project implementation that do not substantially change the scope of work, terms or conditions of the Loan Agreement; and
- C) **approve** a Budget Transfer of \$3,147,739 within the HIP Fund to recognize the allocation of HIP funds to the Project.

Summary: On May 7, 2024, the Board of County Commissioners (BCC) awarded a HIP award in the amount of \$3,147,739 to Danza of Westgate, LLC to construct the Project. The United States Department of Housing & Urban Development (HUD) establishes Fair Market Rates at the 40th percentile of the rents for all standard quality rental housing units within the geographic area (zip code) that are occupied by recent movers, with adjustments to exclude public housing units and substandard units.

2025 FMRs	One Bedroom	Two Bedroom	Three Bedroom
Zip Code 33409 – Westgate Terrace	\$1,770	\$2,110	\$2,760

The Project will entail construction of 46 multi-family apartment rental units within one (1) four (4)-story mixed-use building with apartments, a government office and a medical office located in Westgate/Belvedere Homes Community Redevelopment Agency, FL. The total project cost is \$24,277,365 with 37 HIP-assisted units serving individuals and families that are 120% or below of the Area Median Income (AMI) with an affordability period of no less than 50 years. **Continued on Page 3**

Background and Policy Issues: On Page 3

Attachments:

- 1. Terms and Conditions sheet
- 2. Preliminary Third-Party Underwriter's Report
- 3. Area Medium Income Limits/Rent Chart
- 4. Budget Transfer

Recommended By:  2-20-25
Department Director Date

Approved By:  3-3-25
Assistant County Administrator Date

II. FISCAL IMPACT ANALYSIS

A. Five Year Summary of Fiscal Impact:

Fiscal Years	2025	2026	2027	2028	2029
Capital Expenditures	\$3,147,739				
Operating Costs					
External Revenues					
Program Income					
In-Kind Match (County)					
NET FISCAL IMPACT	\$3,147,739				

# ADDITIONAL FTE POSITIONS (Cumulative)	-0-				
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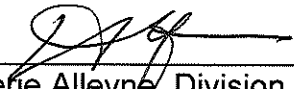
Is Item Included In Current Budget? Yes X No
 Does this Item include the use of Federal funds? Yes No X
 Does this Item include the use of State funds? Yes No X

Budget Account No.:
 Fund 1116 Dept. 143 Unit 1702 Object 8201 Program Code/Period N/A

B. Recommended Sources of Funds/Summary of Fiscal Impact:

Approval of this agenda item will allocate \$3,147,739 in HIP funds to the Danza of Westgate, LLC project.

C. Departmental Fiscal Review:



 Valerie Alleyne, Division Director II
 Finance and Administrative Services, DHED

III. REVIEW COMMENTS

A. OFMB Fiscal and/or Contract Development and Control Comments:

<p>  OFMB GA 2/24 ESW 2-24-25 </p>	<p>  Contract Development and Control 26 2.27-25 </p>
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B. Legal Sufficiency:



 Chief Assistant County Attorney

C. Other Department Review:

 Department Director

(THIS SUMMARY IS NOT TO BE USED AS A BASIS FOR PAYMENT)

Summary Continued from Page 1

The remaining nine (9) units are an obligation requirement for the Workforce Housing Program and are not eligible for additional Palm Beach County (County) funding. The total Project cost is \$24,277,365 (\$527,768 per unit) with a County HIP investment of \$3,147,739, for a per-unit cost of \$85,074. Total County HIP investment for this Project is 12.97%. Additional funding sources for this Project are as follows:

Funding Sources	
Newmark Capital/FHA	\$16,406,906
Housing Initiatives program	\$ 3,147,739
Owner Equity	\$ 4,722,720
Total Development Cost	\$24,277,365

County HIP funding will be provided to developers in the form of a repayable loan for permanent financing, secured by a mortgage and a note that requires repayment of principal and interest. A declaration of restrictions will be recorded to ensure affordability for a 50 year period. The term of the loan will be equal to 40 years and have an interest rate of 1%.

The funding agreements and related documents pursuant to these funds will be between the County and the entities identified herein or their respective successors and/or assigns. Staff is recommending funding approval of \$3,147,739 for the Project. To facilitate project implementation, staff requests authorization for the County Administrator, or designee, to execute the loan agreements and related documents. District 7 (HJF)

Background and Policy Issues Continued from Page 1:

In 2021, the BCC began allocating Ad Valorem funding for the HIP to be utilized as gap funding for housing projects.



**DEPARTMENT OF HOUSING AND
ECONOMIC DEVELOPMENT
COMPREHENSIVE LOAN TERM SHEET**

Project and Funding Program Information

Funding program: Housing Initiatives Program (HIP)

RFP number and name: HBLP.2024.4 – Workforce Housing Multifamily Development

Project name: Westgate Terrace

Borrower name: Danza of Westgate, LLC

Contracting entity: Danza of Westgate

Project type: Mixed use Multifamily Rental Development – Workforce Housing Development

Brief Project Description:

This project to be located at the southwest corner of intersection of Westgate Ave and Seminole Blvd within the Westgate Corridor Overlay and will consist of one (1) four-story mix use building with a proposed 46-unit multifamily development ranging from 50% to 120 AMI.

Loan Terms

Loan amount: \$ 3,147,739

Rental increases: Rent increases on individual units will be permitted only at lease renewal

Interest rate: 1%

Affordability period: 50 years

Affordability: 46 Units at or below 120% Area Median Income

Number of total project units: 46

Number of County-assisted units: 37

Percentage of County-assisted units: 80.4%

Additional information: Additional information is provided in the preliminary underwriting report dated January 10, 2025 includes the full capitalization of the project financing and lien priority, operational proforma, and complete rental information for units.



**DEPARTMENT OF HOUSING AND
ECONOMIC DEVELOPMENT
COMPREHENSIVE LOAN TERM SHEET**

Loan term:

- 40 year term
- Payments deferred until primary loan conversion
- Payments are based on a 40-year amortization calculation

Personal Guarantee: Completion and Operating Deficit Guarantee

Term commencement: Upon closing of the loan concurrent with primary financing

Property re-sale:

If the project development is sold, or 50% (aggregate) or more of the ownership changes to a non-affiliated entity, the loan must be satisfied.

Estimated Construction start: October 2025

Disbursement of funds:

Construction Draw – based on a percentage of completion

Additional considerations:

Construction Considerations

Bond requirements:

Payment and performance bond equal to 100% of the total hard construction cost of the project

Retainage requirements: 10% retainage until work is 50% completed, 0% retainage required thereafter

Eligible Expenses

All development costs shall be allocated on a per-unit basis. Loan funds can only be allocated to those costs deemed as eligible that are directly attributable to County-assisted units. In the event a cost is deemed eligible for something that is a project wide expense, the loan funds can only be used for the percentage of County-assisted units as defined above for that expense.



**DEPARTMENT OF HOUSING AND
ECONOMIC DEVELOPMENT
COMPREHENSIVE LOAN TERM SHEET**

Eligible expenses shall include, but not be limited to:

Hard Costs:

Onsite costs for construction, including residential construction, site work and improvements, approved schedule of values.

Soft Costs;

Permit fees, connections fees, FFE, utility relocation

Ineligible expenses shall include:

- Cost of relocation of displaced persons
- Off-site improvements
- Payment of delinquent taxes
- Legal fees and other fees
- Costs related to other project financing
- Site Clearing
- Pre-development costs
- Stored purchased materials

Determination of cost eligibility shall be at the County's sole absolute discretion.

The terms outlined above shall be detailed in the loan documents consisting of a loan agreement, mortgage and security agreement, promissory note, and declaration of restrictions.

Projects must be Shovel Ready by final approval by the Board of County Commissioners in order to be eligible for funding.

Shovel Ready is defined as a project where the proposer has site control and the property has the correct and approved development requirements for the project including, zoning designation, platting, site plan approval for the housing units it proposes to create.

Please attach any documentation to verify that the project is **Shovel Ready**.

All terms contained herein are contingent upon approval by the Palm Beach County Board of County Commissioners (BCC). The funding for this project and the terms contained herein are anticipated to be presented to the BCC for final approval at the March 11 2025 agenda meeting. **Project construction must commence within one year of BCC final approval.**



**DEPARTMENT OF HOUSING AND
ECONOMIC DEVELOPMENT
COMPREHENSIVE LOAN TERM SHEET**

By signing below you are verifying that this project is **Shovel Ready**, as well as acknowledging and accepting of loan terms:

Accept Terms

Does Not Accept Terms

Borrower Name:

By: 

Charles Leisick

Name (printed)

Member Danza at Heritage LLC

Title



January 29, 2025

Mr. Jeff Bolton
Director
Department of Housing and Economic Development
301 N. Olive Avenue
West Palm Beach, FL 33401

Re: Westgate Terrace
Preliminary Review of the Palm Beach County Transaction

Dear Mr. Bolton:

Seltzer Management Group, Inc. ("SMG" or "Seltzer") has been engaged to provide an initial review of the Palm Beach County ("PBC") Application (the "Application") for Westgate Terrace ("Subject Development"). Seltzer's summary of the information available at this time is presented below. Please note the Subject Development is still in the planning stages and the information reviewed is subject to change.

Development Highlights:

- The Subject Development will be providing workforce housing units.

The PBC Bond Allocation Process guidelines, dated October 3, 2023, indicate the loan term can be up to 20 years with interest rates ranging from 1% – 3% (the range of interest rates is subject to change) and a fully amortized loan for the term.

Projects awarded to for-profit developers providing affordable housing units will have a loan term up to 20 years with an interest rate of 1.0%. Loans may be fully amortizing or may be interest only during the first 10 years of the loan. Loans may also have an option for a longer amortization, with a final balloon payment at the end of the 20-year term.

The minimum affordability period (i.e. the length of time the units will be deed restricted) will be no less than 30 years. The affordability period will commence once occupancy is documented for the final bond assisted unit. Should other project development funding sources require an affordability period longer than 30 years; the County's deed restriction for affordability will match the longest required period.

Based on details provided by the PBC Board of County Commissioners Director of Contract Development and Quality Control, the Subject Development will be interest only for the first 10 years and then principal and interest ("P&I") for years 11 through 20. The P&I payment can be calculated using an amortization equal to the affordability period with a maximum of 50 years. The interest payments accrued during construction can be deferred until the end of the loan term, together with any unpaid balance.

The Subject Development has committed to an affordability period of 50 years under the Application.

Mr. Jeffrey Bolton
 Westgate Terrace
 January 29, 2025

- The primary financing for this project is intended to be provided through the Housing and Urban Development (“HUD”) 221 (d)(4) Federal Housing Administration (“FHA”) Program. Terms include a 40-year self-amortizing loan with a fixed interest rate (currently 6.55%).
- During the Period of Affordability, all County-Assisted Housing Units must be set aside for Eligible Beneficiaries that are for households among the various income tiers between 60% Average Mean Income (“AMI”) and 140% AMI. The Applicant committed to operating all units at the Subject Development greater than 50% AMI and at or below 120% AMI.

The rent schedule below reflects the potential rental amounts shown under the “Net Restricted Rent” column for the following AMIs:

- 80% AMI and 100% AMI for nine (9) Workforce Housing Program (“WHP”) units required for the Subject Development through the Westgate Community Redevelopment Agency (“WCRA”)
 - Note: PBC Funding cannot be used for the 9 WHP units.
- 120% for the 37 units associated with the PBC Funding

The rental rates the Applicant intends to operate the Subject Development at are noted under the “Applicant Rents” column and all are above the 60% AMI and below the 140% AMI guidelines specified by the RFP Criteria.

Note: Rents used in the Final Credit Underwriting Report must be supported by the Market Study.

- A required minimum debt services coverage (“DSC”) on the combined senior debt and the HFA PBC loan debt will be no less than 1.10x to 1.00 with a cap of 1.50x to 1.00. The Subject Development is currently showing a DSC of 1.130x to 1.00 which meets the minimum DSC requirement.

Background:

The Subject Development is to be located at 2636 Westgate Avenue, West Palm Beach, FL 33409, and will consist of 46 units (2-bedroom and 3-bedroom units) within one 4-story mixed-use building with apartments, a government office, and a medical office. All County-Assisted Units through this RFP will be in addition to the existing nine (9) WHP unit obligation required for this project through Planning & Zoning. Therefore, there are a total of 37 Units to be funded through this RFP. Westgate Terrace consists of seven (7) separate, but contiguous lots totaling two acres. Currently, four (4) of the seven (7) lots are vacant and the remaining three (3) lots have already vacated residential dwellings, which will be demolished upon construction of the proposed Mixed-Use project.

The Closing is currently not scheduled, but representatives of the Applicant are estimating a closing before the third quarter of 2025. The Subject Development is targeting a January board meeting for presentation of the Preliminary Review.

DEVELOPMENT & SET-ASIDES			
Development Name:	Westgate Terrace		
Address:	2636 Westgate Avenue		
City:	West Palm Beach	Zip Code:	33409
	County:	Palm Beach	County Size: Large
Development Category:	New Construction	Development Type:	Mid-Rise (4 Stories)
Construction Type:	Wood Frame		
Demographic Commitment:			
Primary:	Workforce Housing	for	100%

Mr. Jeffrey Bolton
 Westgate Terrace
 January 29, 2025

Bed Rooms	Bath Rooms	Units	Square Feet	AMI%	Low HOME Rents	High HOME Rents	Gross HC Rent	Utility Allow.	Net Restricted Rents	PBRA Contr Rents	Applicant Rents	CU Rents	Annual Rental Income
2	2.0	4	998	80%			\$1,928		\$1,928		\$1,927	\$1,927	\$92,496
2	2.0	5	998	100%			\$2,410		\$2,410		\$2,410	\$2,410	\$144,600
2	2.0	9	998	120%			\$2,892		\$2,892		\$2,892	\$2,892	\$312,336
2	2.0	8	1,075	120%			\$2,892		\$2,892		\$2,992	\$2,892	\$277,632
3	2.0	10	1,310	120%			\$3,342		\$3,342		\$3,342	\$3,342	\$401,040
3	2.0	10	1,310	120%			\$3,342		\$3,342		\$3,342	\$3,342	\$401,040
		46	52,764										\$1,629,144

Buildings: Residential - 1 Non-Residential - 0
 Parking: Parking Spaces - 101 Accessible Spaces - 5

Set Asides:

Program	% of Units	# of Units	% AMI	Term (Years)
Workforce	8.70%	4	80%	50
Workforce	10.87%	5	100%	50
Workforce	19.57%	9	120%	50
Workforce	17.39%	8	120%	50
Workforce	21.74%	10	120%	50
Workforce	21.74%	10	120%	50

Mr. Jeffrey Bolton
 Westgate Terrace
 January 29, 2025

DEVELOPMENT TEAM	
Applicant/Borrower:	Danza of Westgate, LLC
Member	Leonard Schwartz
Member	Charles Schorr Lesnick
Member	Phillip Schor
Member	Richard Kooris
Member	Syheeda N. Ikram
Member	A.J. Danza
Construction Completion Guarantor(s):	
CC Guarantor 1:	Leonard Schwartz
CC Guarantor 2:	Charles Schorr Lesnick
CC Guarantor 3:	Estate of Phillip Schorr (Beth Schorr & Brian L Schorr)
CC Guarantor 4:	Richard Kooris
CC Guarantor 5:	Syheeda N. Ikram
Operating Deficit Guarantor(s):	
OD Guarantor 1:	Leonard Schwartz
OD Guarantor 2:	Charles Schorr Lesnick
OD Guarantor 3:	Estate of Phillip Schorr (Beth Schorr & Brian L Schorr)
OD Guarantor 4:	Richard Kooris
OD Guarantor 5:	Syheeda N. Ikram
Developer:	Danza of Westgate, LLC
Principal 1	Leonard Schwartz
Principal 2	Charles Schorr Lesnick
Principal 3	Phillip Schor
Principal 4	Richard Kooris
Principal 5	Syheeda N. Ikram
Principal 6	A.J. Danza
General Contractor 1:	Pike Construction, LLC
Management Company:	Rental Management Associates, Inc.
Architect:	Zyscovich Architects, LLC
Market Study Provider:	Apprise by Walker & Dunlop
Appraiser:	Apprise by Walker & Dunlop

PERMANENT FINANCING INFORMATION						
	1st Source	2nd Source	3rd Source	4th Source	5th Source	Other
Lender/Grantor	Newmark / FHA 221 (d)(4)	HFA PBC Loan	Owner Equity			
Amount	\$16,406,906	\$3,147,739	\$4,722,720			
Underwritten Interest Rate	6.55%	1.00%	0.00%			
Loan Term	40.0	40.0	0.0			
Amortization	40.0	N/A	N/A			
Loan to Cost - Cumulative	67.6%	80.5%	100.0%			
Debt Service Coverage	1.161	1.130	1.130			
Operating Deficit & Debt Service Reserves	\$478,466					
# of Months covered by the Reserves	13.7					

Mr. Jeffrey Bolton
 Westgate Terrace
 January 29, 2025

Deferred Developer Fee	\$0
Projected Net Operating Income (NOI) - Year 1	\$1,346,066
Projected Net Operating Income (NOI) - 15 Year	\$1,718,790
Year 15 Pro Forma Income Escalation Rate	2.00%
Year 15 Pro Forma Expense Escalation Rate	3.00%

Construction and Permanent Financing Sources

CONSTRUCTION/PERMANENT SOURCES:				
Source	Lender	Construction	Permanent	Perm Loan/Unit
Regulated Mortgage Lender	Newmark / FHA 221 (d)(4)	\$16,406,906	\$16,406,906	\$356,671.87
Other	HFA PBC Loan	\$3,147,739	\$3,147,739	\$68,429.11
Other	Owner Equity	\$4,722,720	\$4,722,720	\$102,667.83
TOTAL		\$24,277,365	\$24,277,365	\$527,768.81

Notes to Sources

Construction/Permanent First Mortgage

The Applicant provided a Financing Proposal Letter of Intent (“LOI”), dated December 19, 2024, from Newmark’s Multifamily Capital Markets Debt & Structured Finance Group (“Newmark”) for a construction / permanent loan estimated in the amount of \$16,400,000 (currently \$16,406,906). The LOI stated the loan will carry a fixed interest rate based on the FHA interest rate determined by Newmark’s traders after conferring with various clients (investors), currently estimated at 6.55%. During the construction phase of the loan, anticipated to be a term of 24-months, interest will accrue and will be added to principal at Closing. At conversion to permanent, the loan will be fully amortized over the 40-year term. The loan will have an Origination Fee for both the construction and permanent loan of 1.50% of the loan amount, an Inspection Fee of 50 basis points (“bps”) of the loan amount and a placement fee of 75 bps of the loan amount for lender’s legal fees and HUD Ginnie Mae fees.

Palm Beach County Housing Initiatives Program (“HIP”) Loan

The Applicant received a preliminary workforce housing award of HIP funding in the amount of \$3,147,739 in the form of a repayable loan for the construction and permanent financing of the Subject Development. The loan is secured by a mortgage/note that requires repayment of principal and interest. However, the loan can be interest only for the first 10 years subject to available cash flow and will be subordinate to the construction and permanent first mortgage.

The term of the loan will be equal to or greater than the term of the Federal Housing Administration loan (2-year construction period and 40-year permanent period) and have an interest rate of 1.00%.

HIP awards are contingent upon projects meeting HIP requirements which include but are not limited to: site control, all other funding in place, project being 'shovel' ready 12 months after final Board of County Commissioners’ (“BCC”) approval, project sets an affordability period of no less than 50 years on all County-assisted units.

Other Sources

Additional sources of funds for this Development during construction consist of Owner Equity in the form of cash contributions from six Owner entities in the amount of \$4,722,720.

Mr. Jeffrey Bolton
 Westgate Terrace
 January 29, 2025

Operating Pro forma

OPERATING PRO FORMA		ANNUAL	PER UNIT
INCOME	Gross Potential Rental Income	\$1,629,144	\$35,416
	Other Income:		
	Miscellaneous	\$227,900	\$4,954
	Gross Potential Income	\$1,857,044	\$40,371
	Less:		
	Economic Loss - Percentage: 0.0%	\$0	\$0
	Physical Vacancy Loss - Percentage: 4.0%	(\$74,282)	(\$1,615)
Collection Loss - Percentage: 1.0%	(\$18,570)	(\$404)	
Total Effective Gross Revenue		\$1,764,192	\$38,352
EXPENSES	Fixed:		
	Real Estate Taxes	\$160,000	\$3,478
	Insurance	\$69,000	\$1,500
	Other	\$0	\$0
	Variable:		
	Management Fee - Percentage: 5.0%	\$88,210	\$1,918
	General and Administrative	\$5,300	\$115
	Payroll Expenses	\$32,400	\$704
	Utilities	\$31,416	\$683
	Marketing and Advertising	\$2,300	\$50
	Maintenance and Repairs	\$4,000	\$87
	Grounds Maintenance and Landscaping	\$2,400	\$52
	Resident Programs	\$0	\$0
	Contract Services	\$0	\$0
	Security	\$1,500	\$33
	Other-Pest Control	\$3,500	\$76
	Reserve for Replacements	\$18,100	\$393
Total Expenses		\$418,126	\$9,090
Net Operating Income		\$1,346,066	\$29,262
Debt Service Payments			
DEBT SERVICE	First Mortgage - Newmark / FHA 221 (d)(4)	\$1,159,684	\$25,211
	Second Mortgage - HFA PBC Loan	\$31,477	\$684
	All Other Mortgages -	\$0	\$0
	First Mortgage Fees - Newmark / FHA 221 (d)(4)	\$0	\$0
	Second Mortgage Fees - HFA PBC Loan	\$0	\$0
	All Other Mortgages Fees -	\$0	\$0
Total Debt Service Payments		\$1,191,162	\$25,895
Cash Flow After Debt Service		\$154,904	\$3,367

Debt Service Coverage Ratios	
DSC - First Mortgage plus Fees	1.161
DSC - Second Mortgage plus Fees	1.130
DSC - All Mortgages and Fees	1.130

Financial Ratios	
Operating Expense Ratio	23.7%
Break-Even Ratio	86.9%

Mr. Jeffrey Bolton
 Westgate Terrace
 January 29, 2025

Notes to Operating Pro Forma and Ratios:

A rent roll for the Development is illustrated in the following table:
 Palm Beach County (West Palm Beach – Boca Raton HMFA):

Bed Rooms	Bath Rooms	Units	Square Feet	AMI%	Low HOME Rents	High HOME Rents	Gross HC Rent	Utility Allow.	Net Restricted Rents	PBRA Contr Rents	Applicant Rents	CU Rents	Annual Rental Income
2	2.0	4	998	80%			\$1,928		\$1,928		\$1,927	\$1,927	\$92,496
2	2.0	5	998	100%			\$2,410		\$2,410		\$2,410	\$2,410	\$144,600
2	2.0	9	998	120%			\$2,892		\$2,892		\$2,892	\$2,892	\$312,336
2	2.0	8	1,075	120%			\$2,892		\$2,892		\$2,992	\$2,892	\$277,632
3	2.0	10	1,310	120%			\$3,342		\$3,342		\$3,342	\$3,342	\$401,040
3	2.0	10	1,310	120%			\$3,342		\$3,342		\$3,342	\$3,342	\$401,040
		46	52,764										\$1,629,144

1. Operating expense are based on the Applicant's / Developer's estimates.
2. The First Mortgage debt service payment and fees are based off Newmark's LOI dated December 19, 2024.

Recommendation

The preliminary review was conducted to assess the feasibility of the proposed development, Westgate Terrace. After completing a preliminary analysis and evaluating the Developer's plan and due diligence documentation related to the construction and operation of the development, Seltzer has determined that the transaction warrants approval to proceed to full credit underwriting with the following assumptions:

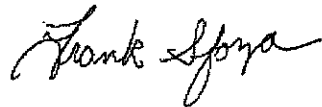
- Market Study and Appraisal will confirm projected rents are achievable and property valuations support purchase price
- Plan and Cost Analysis will confirm reports and all contracts (including construction contract) are satisfactory
- The Construction Contract will separate costs associated with the nine WCRA units, the WCRA office and the medical office to ensure PBC funds are allocated solely to the costs associated with the 37 units funded through PBC.

Certain aspects of the transaction may evolve during the credit underwriting process. Seltzer will thoroughly review any changes and include updates in the credit underwriting report. If any changes are deemed significant, Seltzer will notify Palm Beach County, and Board approval may be required.

Should you have any questions please feel free to contact me directly.

SELTZER MANAGEMENT GROUP, INC.

Prepared by:



Frank Sforza
 Senior Credit Underwriter

Westgate Terrace
15 Year Income and Expense Proforma

FINANCIAL COSTS:		Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11	Year 12	Year 13	Year 14	Year 15
OPERATING PRO FORMA																
INCOME	Gross Potential Rental Income	\$1,638,744	\$1,671,519	\$1,704,949	\$1,739,048	\$1,775,829	\$1,809,906	\$1,845,492	\$1,882,402	\$1,920,050	\$1,958,451	\$1,997,620	\$2,037,572	\$2,078,324	\$2,119,890	\$2,162,288
	Other Income:															
	Miscellaneous	\$227,900	\$232,458	\$237,107	\$241,849	\$246,686	\$251,620	\$256,652	\$261,785	\$267,021	\$272,362	\$277,809	\$283,365	\$289,032	\$294,813	\$300,709
	Gross Potential Income	\$1,866,644	\$1,903,977	\$1,942,056	\$1,980,898	\$2,020,515	\$2,060,926	\$2,102,144	\$2,144,187	\$2,187,071	\$2,230,812	\$2,275,429	\$2,320,937	\$2,367,356	\$2,414,703	\$2,462,997
	Less:															
	Economic Loss - Percentage:															
Physical Vacancy Loss - Percentage: 4.0%		(\$74,666)	(\$76,159)	(\$77,682)	(\$79,236)	(\$80,821)	(\$82,437)	(\$84,086)	(\$85,767)	(\$87,483)	(\$89,232)	(\$91,017)	(\$92,837)	(\$94,694)	(\$96,588)	(\$98,520)
Collection Loss - Percentage: 1.0%		(\$18,566)	(\$19,040)	(\$19,421)	(\$19,809)	(\$20,205)	(\$20,609)	(\$21,021)	(\$21,442)	(\$21,871)	(\$22,308)	(\$22,754)	(\$23,209)	(\$23,674)	(\$24,147)	(\$24,630)
Total Effective Gross Revenue		\$1,773,312	\$1,808,778	\$1,844,954	\$1,881,853	\$1,919,490	\$1,957,880	\$1,997,037	\$2,036,978	\$2,077,717	\$2,119,272	\$2,161,657	\$2,204,890	\$2,248,988	\$2,293,968	\$2,339,847
EXPENSES	Fixed:															
	Real Estate Taxes	\$160,000	\$164,800	\$169,744	\$174,836	\$180,081	\$185,484	\$191,048	\$196,780	\$202,683	\$208,764	\$215,027	\$221,477	\$228,122	\$234,965	\$242,014
	Insurance	\$69,000	\$71,070	\$73,202	\$75,398	\$77,660	\$79,990	\$82,390	\$84,861	\$87,407	\$90,029	\$92,730	\$95,512	\$98,378	\$101,329	\$104,369
	Other	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	Variable:															
	Management Fee - Percentage: 5.0%	\$88,666	\$90,439	\$92,248	\$94,093	\$95,974	\$97,894	\$99,852	\$101,849	\$103,886	\$105,964	\$108,083	\$110,245	\$112,449	\$114,698	\$116,992
	General and Administrative	\$5,300	\$5,459	\$5,623	\$5,791	\$5,965	\$6,144	\$6,328	\$6,518	\$6,714	\$6,915	\$7,123	\$7,336	\$7,557	\$7,783	\$8,017
	Payroll Expenses	\$32,400	\$33,372	\$34,373	\$35,404	\$36,466	\$37,560	\$38,687	\$39,848	\$41,043	\$42,275	\$43,543	\$44,849	\$46,195	\$47,580	\$49,008
	Utilities	\$31,416	\$32,358	\$33,329	\$34,329	\$35,359	\$36,420	\$37,512	\$38,638	\$39,797	\$40,991	\$42,220	\$43,487	\$44,792	\$46,135	\$47,520
	Marketing and Advertising	\$2,300	\$2,369	\$2,440	\$2,513	\$2,589	\$2,666	\$2,746	\$2,829	\$2,914	\$3,001	\$3,091	\$3,184	\$3,279	\$3,378	\$3,479
	Maintenance and Repairs	\$4,000	\$4,120	\$4,244	\$4,371	\$4,502	\$4,637	\$4,776	\$4,919	\$5,067	\$5,219	\$5,376	\$5,537	\$5,703	\$5,874	\$6,050
	Grounds Maintenance and Landscaping	\$2,400	\$2,472	\$2,546	\$2,623	\$2,701	\$2,782	\$2,866	\$2,952	\$3,040	\$3,131	\$3,225	\$3,322	\$3,422	\$3,524	\$3,630
	Resident Programs	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	Contract Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	Security	\$1,500	\$1,545	\$1,591	\$1,639	\$1,688	\$1,739	\$1,791	\$1,845	\$1,900	\$1,957	\$2,016	\$2,076	\$2,139	\$2,203	\$2,269
	Other-Pest Control	\$3,500	\$3,605	\$3,713	\$3,825	\$3,939	\$4,057	\$4,179	\$4,305	\$4,434	\$4,567	\$4,704	\$4,845	\$4,990	\$5,140	\$5,294
	Reserve for Replacements	\$18,100	\$18,100	\$18,100	\$18,100	\$18,100	\$18,100	\$18,100	\$18,100	\$18,100	\$18,100	\$18,649	\$19,202	\$19,778	\$20,372	\$20,983
Total Expenses		\$418,582	\$429,709	\$441,153	\$452,922	\$465,026	\$477,474	\$490,276	\$503,443	\$516,985	\$530,913	\$545,280	\$560,073	\$575,303	\$590,982	\$609,625
Net Operating Income		\$1,354,730	\$1,379,069	\$1,403,800	\$1,428,930	\$1,454,464	\$1,480,405	\$1,506,761	\$1,533,535	\$1,560,732	\$1,588,359	\$1,616,377	\$1,644,817	\$1,673,685	\$1,702,985	\$1,732,722
DEBT SERVICE	Debt Service Payments															
	First Mortgage - Newmark / FHA 221 (d)(4)	\$1,159,684	\$1,159,684	\$1,159,684	\$1,159,684	\$1,159,684	\$1,159,684	\$1,159,684	\$1,159,684	\$1,159,684	\$1,159,684	\$1,159,684	\$1,159,684	\$1,159,684	\$1,159,684	\$1,159,684
	Second Mortgage - HFA PBC Loan	\$31,477	\$31,477	\$31,477	\$31,477	\$31,477	\$31,477	\$31,477	\$31,477	\$31,477	\$31,477	\$31,477	\$31,477	\$31,477	\$31,477	\$31,477
	All Other Mortgages -	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	First Mortgage Fees - Newmark / FHA 221 (d)(4)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	Second Mortgage Fees - HFA PBC Loan	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	All Other Mortgages Fees -	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Debt Service Payments		\$1,191,162	\$1,191,162	\$1,191,162	\$1,191,162	\$1,191,162	\$1,191,162	\$1,191,162	\$1,191,162	\$1,191,162	\$1,191,162	\$1,191,162	\$1,191,162	\$1,191,162	\$1,191,162	\$1,191,162
Cash Flow After Debt Service		\$163,568	\$187,907	\$212,639	\$237,769	\$263,302	\$289,244	\$315,599	\$342,373	\$369,571	\$397,197	\$424,715	\$452,656	\$481,024	\$509,824	\$539,061
Debt Service Coverage Ratios																
DSC - First Mortgage plus Fees		1.168	1.189	1.211	1.232	1.254	1.277	1.299	1.322	1.346	1.370	1.393	1.417	1.442	1.467	1.492
DSC - Second Mortgage plus Fees		1.137	1.158	1.179	1.200	1.221	1.243	1.265	1.287	1.310	1.333	1.357	1.380	1.404	1.428	1.453
DSC - All Mortgages and Fees		1.137	1.158	1.179	1.200	1.221	1.243	1.265	1.287	1.310	1.333	1.357	1.380	1.404	1.428	1.453
Financial Ratios																
Operating Expense Ratio		23.6%	23.6%	23.9%	24.1%	24.2%	24.4%	24.6%	24.7%	24.9%	25.1%	25.2%	25.4%	25.6%	25.8%	26.1%
Break-Even Ratio		86.5%	85.4%	84.3%	83.2%	82.2%	81.2%	80.2%	79.3%	78.4%	77.4%	76.6%	75.7%	74.9%	74.1%	73.4%

Palm Beach County 2024 Multifamily Income Limits and Rents

Income Category	2024 Income Limit by Number of Persons in Household									
	1	2	3	4	5	6	7	8	9	10
60%	\$45,000	\$51,420	\$57,840	\$64,260	\$69,420	\$74,580	\$79,680	\$84,840	\$89,964	\$95,105
70%	\$52,500	\$59,990	\$67,480	\$74,970	\$80,990	\$87,010	\$92,960	\$98,980	\$104,958	\$110,956
80%	\$60,000	\$68,550	\$77,100	\$85,650	\$92,550	\$99,400	\$106,250	\$113,100	\$119,952	\$126,806
90%	\$67,500	\$77,123	\$86,745	\$96,368	\$104,123	\$111,840	\$119,528	\$127,245	\$134,946	\$142,657
100%	\$75,000	\$85,695	\$96,390	\$107,085	\$115,695	\$124,280	\$132,805	\$141,390	\$149,940	\$158,508
110%	\$82,500	\$94,268	\$106,035	\$117,803	\$127,268	\$136,720	\$146,083	\$155,535	\$164,934	\$174,359
120%	\$90,000	\$102,840	\$115,680	\$128,520	\$138,840	\$149,160	\$159,360	\$169,680	\$179,928	\$190,210
130%	\$97,500	\$111,410	\$125,320	\$139,230	\$150,410	\$161,590	\$172,640	\$183,820	\$194,922	\$206,061
140%	\$105,000	\$119,980	\$134,960	\$149,940	\$161,980	\$174,020	\$185,920	\$197,960	\$209,916	\$221,911

2024 Median Income :: \$104,000

Based on Florida Housing Finance Corporation Multifamily Rental Programs and CWHIP Homeownership Program

90%, 100%, 110%, 130% AMI rent limits imputed by Palm Beach County based on FHFC rent limits.

Income Category	2024 Rent Limit by Number of Bedrooms in Unit					
	0	1	2	3	4	5
60%	\$1,125	\$1,205	\$1,446	\$1,671	\$1,864	\$2,056
70%	\$1,312	\$1,406	\$1,687	\$1,949	\$2,175	\$2,399
80%	\$1,500	\$1,607	\$1,928	\$2,228	\$2,486	\$2,742
90%	\$1,688	\$1,808	\$2,169	\$2,507	\$2,797	\$3,085
100%	\$1,875	\$2,009	\$2,410	\$2,785	\$3,108	\$3,428
110%	\$2,063	\$2,209	\$2,651	\$3,064	\$3,418	\$3,770
120%	\$2,250	\$2,410	\$2,892	\$3,342	\$3,729	\$4,113
130%	\$2,438	\$2,611	\$3,133	\$3,621	\$4,040	\$4,456
140%	\$2,625	\$2,812	\$3,374	\$3,899	\$4,350	\$4,798

Ref:\S:HousingBond\Income Limits & Rents 2024.xls

25-0584

BOARD OF COUNTY COMMISSIONERS
PALM BEACH COUNTY, FLORIDA
EXPENDITURE BUDGET TRANSFER

BGEX 143 022025*983

FUND 1116 HOUSING INITIATIVE FUND

ACCOUNT NUMBER	ACCOUNT NAME	UNIT NAME	ORIGINAL BUDGET	CURRENT BUDGET	INCREASE	DECREASE	ADJUSTED BUDGET	EXPENDED/ ENCUMBERED as of 2/20/2025	REMAINING BALANCE
EXPENDITURES									
143-1477-8201	Contributions - Non-Govts Agencies	Housing Initiative	52,119,086	42,033,876	0	3,147,739	38,886,137	2,170	38,883,967
143-1702-8201	Contributions - Non-Govts Agencies	Danza of Westgate, LLC	0	0	3,147,739	0	3,147,739		3,147,739
	Total Expenditures				3,147,739	3,147,739			

SIGNATURES

DATES

Initiating Department/Division

Administration/Budget Department Approval

OFMB Department - Posted

2/20/2025

2/25/2025

BY BOARD OF COUNTY COMMISSIONERS

At Meeting of: 3/11/2025

Deputy Clerk to the
Board of County Commissioners