Multi-Family Housing Considerations
Multi-Family Housing Considerations

ABOUT FLORIDA HOME PARTNERSHIP (FHP)

• Founded - 1993
• Board - 15
• Staff - 20 (18 FT, 2 PT)
• Designation - State & County CHDO
• Residential & Commercial Contractors
• Constructed Over 650 Homes & Town Homes
• Major Funding - USDA, Hillsborough County & Housing Assistance Council
Multi-Family Housing Considerations

ABOUT EARL PFEIFFER

• Licensed Residential Contractor (3rd Generation Builder)
• Real Estate Broker – Florida & Colorado
• Executive Director of FHP Since 1997
• Over 20 Years Site Development Experience
• I Am a Visionary – I can See What Isn’t
• I Am NOT A Numbers Guy (i.e., Not a Number Cruncher)
• I Thrive at Putting Deals Together
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AFTER SEVERAL STAFF RETREAT PLANNING SESSIONS…

AMONG OTHER IDEAS…

• In Our Mission of Housing Low Income Floridians, We Realized That Not Everyone Was Meant to be a Home Owner
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STARRY EYED VISIONS OF BECOMING LANDLORDS…
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EDUCATION & TRAINING…

- Florida Housing Finance Corporation & McArthur Foundation Sponsored Multi-Family Housing Training Initiative Taught by The Florida Housing Coalition
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EDUCATION & TRAINING…

• FHP Applied
• One of Four Non-profit Agencies from Florida Invited to Attend
• We Trained
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AND WE WENT SHOPPING...
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AND SHOPPING…

AND SHOPPING…
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AND SHOPPING…

• With The Florida Community Loan Fund
• We Looked in Pasco County Where the State of Florida Had Special Funding Initiatives
• I Toured Many Properties
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NOTHING MADE SENSE TO ME…

• From a **Mission Based Purpose**, Potential Purchases May Have Been Good Deals
• But From a **Business Sense**…
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WE JUST KIND OF QUIT LOOKING…

• Then NSP Happened…
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WHAT IS THE MAGIC BEHIND NSP?
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NEIGHBORHOOD STABILIZATION PROGRAM…

• THE MAGIC OF NSP

1. Properties Sell at Cost Or Appraised Value, Whichever is Less

2. In Multi-family Properties, Appraised Value is Determined by **Cash Flow Not Cost Comparison Sales Approach**
Multi-Family Housing Considerations

BY LUCK OF THE DRAW WE GOT...
## Multi-Family Housing Considerations

**FRIENDSHIP VILLAGE APARTMENTS - DO THE MATH…**

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Acquisition</td>
<td>$36,753.39</td>
</tr>
<tr>
<td>Soft Costs</td>
<td>$8,000.00</td>
</tr>
<tr>
<td>Eligible Rehab Costs</td>
<td>$200,000.00</td>
</tr>
<tr>
<td>Rehab / construction Management Fee</td>
<td>$20,000.00</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>$264,753.39</strong></td>
</tr>
<tr>
<td><strong>Change Orders</strong></td>
<td><strong>$31,000.27</strong></td>
</tr>
<tr>
<td><strong>APPRAISED VALUE</strong></td>
<td><strong>$227,520</strong></td>
</tr>
</tbody>
</table>

**Mortgage Amount**
Multi-Family Housing Considerations

FRIENDSHIP VILLAGE APARTMENTS...
Multi-Family Housing Considerations

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FRIENDSHIP VILLAGE APARTMENTS...

You’re Cordially Invited...

Florida Home Partnership
And the
Hillsborough County Board of County Commissioners
Proudly announce the opening of

Friendship Village

As part of Hillsborough County’s Neighborhood Stabilization Program under the Housing and Economic Recovery Act of 2008, you are invited to a ribbon cutting celebrating another successful project that has contributed to the County’s economic impact of more than $3 million to local businesses.

9:00 A.M.
Tuesday, March 13, 2012
1213 E. 127th Ave., Tampa

Following comments and ribbon cutting, the complex will be open for tours.

Refreshments provided by Florida Home Partnership

For more information call 813.672.7860 or email rocaw@flhome.org

Believe

Florida Home Partnership Building a Better Tomorrow, Today!
Multi-Family Housing Considerations

FRIENDSHIP VILLAGE APARTMENTS – DO THE MATH…

OPERATING PRO-FORMA
Rent $650 / Month – Clients: < 120% AMI

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Annual Rent</td>
<td>$31,200.00</td>
</tr>
<tr>
<td>Vacancy</td>
<td>($2,808.00)</td>
</tr>
<tr>
<td>Effective Gross Income</td>
<td>$28,392.00</td>
</tr>
<tr>
<td>Management</td>
<td>($6,458.00)</td>
</tr>
<tr>
<td>Operations &amp; Maintenance Expense</td>
<td>($3,000.00)</td>
</tr>
<tr>
<td>Common Utilities</td>
<td>($2,162.00)</td>
</tr>
<tr>
<td>Insurance / Reserves / Other</td>
<td>($4,600.00)</td>
</tr>
<tr>
<td><strong>TOTAL EXPENSES</strong></td>
<td><strong>($16,220)</strong></td>
</tr>
<tr>
<td>Net Operating Income</td>
<td>$12,172.00</td>
</tr>
<tr>
<td>Debt Service (Loan)</td>
<td>($7,584.00)</td>
</tr>
<tr>
<td><strong>CASH FLOW</strong></td>
<td><strong>$4,588.00</strong></td>
</tr>
</tbody>
</table>
Multi-Family Housing Considerations

FRIENDSHIP VILLAGE APARTMENTS – THE REALITY...

• 1 Unit Vacant 12 Months – Now a Reliable Tenant Family
• 1 Handicap Unit – Pays on Time – Unit Destroyed
• 1 Unit Did Not Renew – Drug Traffic & Prostitution
• 1 Unit Evicted – Never Paid on Time

• As of October 1, 2012 to Date
  - Revenue - $15,508
  - Expenses - $14,440
Multi-Family Housing Considerations

FRIENDSHIP VILLAGE APARTMENTS – THE REALITY…

• As of October 1, 2012 to Date
  - Revenue - $15,508
  - Expenses - $14,440
  - No Management Fee
  - No Mortgage Payment
  - No Cash Flow

BUT THERE IS HOPE…, We Will Make it Up in Volume!
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COMING SOON…

FRIENDSHIP VILLAGE II
Multi-Family Housing Considerations

FRIENDSHIP VILLAGE II...
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FRIENDSHIP VILLAGE II – DO THE MATH…

• 9 Unit Triplexes

<table>
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<tr>
<th>Item</th>
<th>Cost</th>
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</thead>
<tbody>
<tr>
<td>Acquisition</td>
<td>$36,000.00</td>
</tr>
<tr>
<td>Soft Costs</td>
<td>$20,000.00</td>
</tr>
<tr>
<td>Site / Unit Construction</td>
<td>$925,000.00</td>
</tr>
<tr>
<td>Construction Management</td>
<td>$85,600.00</td>
</tr>
<tr>
<td>TOTAL</td>
<td>$1,066,600.00</td>
</tr>
</tbody>
</table>

APPRAISED VALUE: $454,893.00

$118,517.77 / Unit
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FRIENDSHIP VILLAGE II - FEATURES...

• 3 – 2BR / 2BA Units – 901 SF
• 3 – 1BR / 1BA Units – 742 SF
• 3 – 2BR / 2BA Handicap Units – 1016 SF
• All Energy Star / Green Certified
• Front & Rear Sitting Porches
• Washer & Dryer Included
**Multi-Family Housing Considerations**

**FRIENDSHIP VILLAGE APARTMENTS II – DO THE MATH…**

**OPERATING PRO-FORMA**

Rent $650 / Month – Clients: < 120% AMI

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<th>Amount</th>
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<tbody>
<tr>
<td>Annual Rent</td>
<td>$66,000.00</td>
</tr>
<tr>
<td>Vacancy</td>
<td>($5,994.00)</td>
</tr>
<tr>
<td>Effective Gross Income</td>
<td>$60,006.00</td>
</tr>
<tr>
<td>Management</td>
<td>($14,535.00)</td>
</tr>
<tr>
<td>Operations &amp; Maintenance Expense</td>
<td>($6,750.00)</td>
</tr>
<tr>
<td>Utilities</td>
<td>($4,869.00)</td>
</tr>
<tr>
<td>Insurance / Reserves / Other</td>
<td>($10,350.00)</td>
</tr>
<tr>
<td><strong>TOTAL EXPENSES</strong></td>
<td>($36,504.00)</td>
</tr>
<tr>
<td>Net Operating Income</td>
<td>$23,502.00</td>
</tr>
<tr>
<td>Debt Service (Loan)</td>
<td>($15,163.00)</td>
</tr>
<tr>
<td><strong>CASH FLOW</strong></td>
<td>$8,339.00</td>
</tr>
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</table>
Multi-Family Housing Considerations

FOR MORE INFORMATION…

• Earl Pfeiffer
• 813.672.7860
• earl@flhome.org
• www.flhome.org
• Follow us on - @flhome1
• Like us on - http://www.facebook.com/Floridahome