

INDIGO APARTMENTS

City of Clearwater
Staff Evaluation:

Executive Summary

PROFILE

Task: Analyze the proposed project for Indigo Apartments, located at 801 Chestnut St, and provide a project summary

Brief Summary: Sunrise Affordable Housing Group has submitted a request for funding in the amount of \$1,000,000 from the City of Clearwater and \$2,000,000 from the Community Redevelopment Agency, in the form of a deferred 0% interest loan for the acquisition and rehab of Indigo Apartments. Sunrise plans to revert the property back to low-income housing.

SUBJECT PROPERTY

Indigo Apartments

801 Chestnut St.

Interior Area: 137,768 SF

Land Area: 2.31 Ac

208 Units

PROJECT HIGHLIGHTS

Source	Amount	Use	Status
Tax Credit Equity HFA	\$32,247,923	Construction/Permanent Financing	Requested
Penny IV	\$5,000,000 \$2,000,000	Land Renovations	Requested
Deferred Developer Fee	\$4,298,495	Construction	Completed
Operating Cash Flow	\$1,142,773	Construction	Completed
Clearwater CRA	\$2,000,000	Construction	July Council
City of Clearwater	\$1,000,000	Construction	July Council
Total	\$47,689,191		

Source: Pinellas County Funding Recommendation

Ad Valorem Taxes:

The development will not be eligible for the property tax exemption however the estimated ad valorem tax will decrease by 28%, per the property tax analysis that was provided by the developer due to the reduction in rental income.

Tenant Relocation Plan

As a result of the conversion, an estimation of 59 of the current residents will be considered over-qualified / over-income (above 80% AMI threshold). Sunrise has developed a relocation plan for these tenants, ensuring compliance with the Federal Uniform Relocation Act, which protects the existing tenants from additional costs beyond their current rent and utility expenses. The plan includes advisory services, commitment funds by the developer to providing financial assistance to tenants who do not meet the new income requirement, a strategy for relocating tenants and an appeal and grievance process.

STAFF ASSESSMENT

Staff has reviewed the proforma, sources and uses and proposed funding stack and have determined that the funding gap and fund request are reasonable. Staff has determined that the project has an acceptable debt service coverage ratio of 1.15. Staff recommends the following contingencies:

Final approval of funding is contingent upon the satisfactory result of the subsidy analysis to be performed by HUD.

Final approval of funding is contingent upon the approval of all other proposed funding sources.

Final approval of funding is contingent upon positive findings from a relocation plan analysis.

PROJECT BENEFITS

Unit set-aside for most vulnerable residents

Project to be placed in the County land trust

Large boost for Clearwater AH supply.

Strategic Plan

Obj. 2.4- Support equitable housing programs that promote household stability and reduce incidents of homelessness within Clearwater.

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The Indigo Apartments Request for Clearwater CRA Funding

June 27, 2024



APPLICANT OVERVIEW

Name	Sunrise Affordable Housing Group (“Sunrise”)
Address	233 Miraflores Palm Beach, FL 33480
Authorized Contact	Sam Caspert
Title	Principal
Email	sam@sunriseaffordable.com
Phone	(201) 673-0094

PROJECT OVERVIEW

Property Name	The Indigo Apartments
Address	801 Chestnut St, Clearwater, FL 33756
Total Project Cost	\$47,888,431
City CRA Funding Request	\$2,000,000
Total # of Units	208
Proposed # of Affordable Units	208
Parking	149 Surface Spaces
Construction	17-Story High-Rise

PROJECT HIGHLIGHTS

- ✓ 208 affordable housing units under county’s control forever, due to county land trust
- ✓ Decrease Indigo rents by an average 35% vs. today, and as much as 76% for extremely low-income tenants
- ✓ 50+ units covered under a Project-Based Voucher for the most vulnerable residents of Clearwater
- ✓ Commitment to keep 208 units in Clearwater rent-restricted for 50+ years
- ✓ Commitment to keep 208 units in Clearwater reserved for low-income residents for 50+ years; 100% of tenants will be required to earn less than 80% AMI
- ✓ Major rehabilitation to extend the useful life of a 50-year-old asset, with a focus on build systems, MEPs and energy-efficient improvements
- ✓ Demonstrated government support, at the city, county, state and federal level

PROJECT DETAILS

The Indigo Apartments (fka Prospect Tower) has historically operated as a 55+ low-income community totaling 208 units with 96 studios and 112 1-bedrooms. In 2020, existing ownership terminated the age restrictions, invested money in cosmetic upgrades and transformed the Property into market-rate housing. Current ownership increased rents by nearly 50% and displaced 100% of the existing senior tenant base.

Sunrise is currently under contract to acquire The Indigo Apartments and has site control for the next year through a Purchase & Sale Agreement.

Affordable Housing Transformation: Sunrise plans to acquire the Property and convert it back to affordable housing with a 50-year affordability commitment through the LIHTC program, implementing income and rent restrictions on 100% of units with thresholds set at 30% AMI, 60% AMI and 80% AMI. The restrictions will result in significant rent reductions, resulting in an average ~51% discount to today's market-rate rents. The property will also be placed in a 99-year land trust with Pinellas County, putting 208 affordable housing units under the county's control forever.

Rehabilitation: Sunrise has planned a \$9.5 million capital improvement plan designed to preserve and extend the useful life of the 1971-vintage asset. Construction will be completed within 12 months of closing. The renovation will encompass a variety of holistic improvements, including renovation of all classic apartment units, site infrastructure / MEP upgrades, green energy-saving initiatives, and life & safety upgrades.

Resident Services: Sunrise will also be providing countless programs for its residents to significantly improve the tenant experience. Programs include financial counseling, holiday activities, computer training, healthcare visits, homebuying seminars, among others. There will be an on-site service coordinator paid for by Sunrise.

Commitment from Other Government Departments: Sunrise is requesting Clearwater CRA funds to use, in conjunction with a HUD loan, tax credit equity and soft funding from Pinellas County and city of Clearwater's Economic Development & Housing department, to finance the acquisition, capital improvement plan and affordable housing transformation. With your support, we can provide quality affordable housing to Clearwater forever.

PROJECT'S COMMUNITY IMPACT

The need for affordable housing in Clearwater is more apparent than ever. Rents have been growing at unprecedented levels since 2020 and tenant demand for affordable housing is at all-time highs. On top of that, Clearwater is experiencing a massive shortage of affordable housing supply and has not seen much new stock over the past few years. As of today, there are only a handful of LIHTC properties in Clearwater, and there has only been 1 new delivery in the last 5 years. These properties have an average occupancy of 96% and many are fully occupied with long waitlists. An additional 208 affordable housing units, including 100 covered by a PBV, would be tremendous for the community & fill up immediately.

LIHTC PROPERTIES - 3-MILE RADIUS						
#	Property Name	Address	Type	Year Built	# of Units	Occupancy
1	Madison Point	380 S Martin Luther King Jr Ave	LIHTC	2019	80	99%
2	Lexington Club	1200 S Missouri Ave	LIHTC	2000	240	97%
3	Foundation Village	910 Woodlawn St	LIHTC	1984	28	95%
4	Clearwater Apartments	1000 N Keene Rd	LIHTC	1983	90	99%
5	Pine Berry	1225 S Highland Ave	LIHTC	1962	85	99%
6	Palmetto Park	1003 West Ave	LIHTC	1949	179	90%
Total / Weighted Average					702	96%

Source: CoStar.

TENANT / MARKET INFORMATION

- Sunrise is decreasing rents at The Indigo by an average of 35%, a discount of \$466 per unit. Rents will then be restricted for the next 50 years.
 - 50 units will have their rents decrease by ~75%
 - 82 units will have their rents decrease by ~35%
 - 75 units will have their rents decrease by ~10%
- Sunrise is decreasing rents at The Indigo to an average 51% discount vs. today's market rents. That is only going to increase with time.
- Sunrise has applied for a 100-unit Project-Based Voucher with the City of Clearwater, which will allow us to rent to the community's most vulnerable households.
- 100% of tenants will be required to earn less than 80% AMI. Sunrise has reserved units for tenants earning 30% AMI, 60% AMI and 80% AMI.

PRO FORMA RENTS							
Unit Type	AMI Restriction	Total Units	<i>(A)</i>	<i>(B)</i>	<i>(C)</i>	<i>Pro Forma Discount vs.</i>	
			Current Indigo Rent	Clearwater Market Rent	Pro Forma Indigo Rent	Current Indigo Rent	Clearwater Market Rent
Studio	30% AMI	23	\$1,250	\$1,700	\$351	(72%)	(79%)
Studio	60% AMI	38	\$1,250	\$1,700	\$853	(32%)	(50%)
Studio	80% AMI	35	\$1,250	\$1,700	\$1,188	(5%)	(30%)
1-Bedroom	30% AMI	27	\$1,400	\$1,800	\$337	(76%)	(81%)
1-Bedroom	60% AMI	44	\$1,400	\$1,800	\$874	(38%)	(51%)
1-Bedroom	80% AMI	40	\$1,400	\$1,800	\$1,233	(12%)	(32%)
Total / Avg.	60%	207	\$1,330	\$1,754	\$865	(35%)	(51%)
						(\$466)	(\$889)

Describe policies for how the tenants will be selected.

All tenants will be required to earn less than 80% AMI; the AMI restrictions are shown in the table on the prior page. Additionally, Sunrise applied for a 100-unit project-based voucher with Clearwater Housing Authority, which will allow us to provide housing for deeply subsidized and “at-need” tenants.

Historically, the property has served the senior (55+) population and currently over 30% of units are above the 55-age threshold. Sunrise anticipates continued rental demand from seniors / individuals.

Sunrise has hired WRH Realty, a professional and affordable housing specialized 3rd-party property manager with experience in Pinellas County. The management agent will establish an Affirmative Fair Housing Marketing Plan that will be clearly posted for all tenants and potential applicants. This plan will be reviewed on a quarterly basis to ensure compliance/adherence for application intake, waitlist, income verifications and other various fair housing topics. Fair Housing Act training for on-site staff will be conducted annually.

Given the large discount to market-rate comparables, we expect exceptional tenant demand to live at The Indigo.

DEVELOPMENT TEAM

Sunrise has assembled a best-in-class development team to help execute the business plan. All of the below companies have extensive affordable housing and LIHTC rehab experience throughout Florida. Additionally, all of these companies have previously executed a tax credit rehab in Clearwater. Resumes for each are in the email.

- Architect: Gallo Herbert Architects
- General Contractor: ETC Construction
- Construction Management: SCT Consulting
- Property Management: WRH Realty Services
- Resident Programs: WRH Realty Services

PROJECT SCHEDULE & PROCESS

Sunrise is seeking financing indications from the City.

Site Control Obtained (<i>via PSA</i>)	5/28/2024
Other Sources of Soft Funding Obtained	Throughout July
Bond / Tax Credit Application Submitted	7/16/2024
Bond / Tax Credit Allocation Obtained	8/7/2024
End of Sunrise PSA Due Diligence Period <i>*Large deposit becomes non-refundable</i>	8/12/2024
Property Acquisition Completed	3/31/2025
Property Capital Improvements Plan	3/31/2025 – 12/31/2025
Property Lease-Up	3/31/2025 – 12/31/2025
Stabilization	1/1/2026 →

PROJECT SOURCES & USES

PROJECT COSTS		
	Total	Per Unit
Purchase Price	\$25,500,000	\$122,596
Construction Costs	\$8,528,000	\$41,000
GC Fees	\$1,164,800	\$5,600
Contingency	\$948,480	\$4,560
P&P Bond	\$104,333	\$502
Total Hard Costs	\$10,745,613	\$51,662
3rd-Party Inspection Reports	\$101,600	\$488
Architect	\$260,000	\$1,250
Permits	\$200,000	\$962
Title / Recording	\$125,000	\$601
Legal	\$350,000	\$1,683
Corporate	\$35,000	\$168
Builder's Risk Insurance	\$83,466	\$401
Resident Relocation	\$150,000	\$721
Contingency	\$65,253	\$314
Total Soft Costs	\$1,370,320	\$6,588
Tax Credit Costs	\$234,700	\$1,128
Bond Costs	\$352,710	\$1,696
Equity Bridge Loan Costs	\$512,066	\$2,462
Permanent Financing Costs	\$1,592,203	\$7,655
Total Financing Costs	\$2,691,679	\$12,941
Operating Reserves	\$1,492,378	\$7,175
Developer Fee	\$6,088,441	\$29,271
Total Project Costs	\$47,888,431	\$230,233

PROJECT FUNDING		
	Total	Per Unit
HUD 221(d)(4) Loan	\$16,800,000	\$80,769
Tax Credit Equity	\$16,065,311	\$77,237
Property Operating Cashflow	\$1,186,563	\$5,705
Deferred Developer Fee	\$3,836,557	\$18,445
Total Soft Funding	\$10,000,000	\$48,077
Total Sources	\$47,888,431	\$230,233
<i>Soft Funding Sources:</i>		
Pinellas County Land Trust	\$5,000,000	\$24,038
Pinellas County	\$2,000,000	\$9,615
Clearwater Econ. Devt. & Hous. Department	\$1,000,000	\$4,808
Clearwater CRA Department	\$2,000,000	\$9,615

Construction Scope

Current ownership has made substantial cosmetic upgrades to the Property, but has neglected the infrastructure of this 50-year-old asset. As such, Sunrise will focus on long-term preservation upgrades, including the below:

- MEP: New mechanicals including boiler, chiller, cooling tower, storage tank, pumps, roof fans
- Building Envelope: New roof, full window replacement, new entry doors
- Common Area: Elevator modernization, common area AHUs, fire alarm upgrades
- HOME Units (20): Full interior rehab including new LVT flooring, upgraded kitchens/bathrooms
- ADA/HVI Units (16): Adaptation of 11 ADA-compliant units and 5 HVI-compliant units
- Energy-Efficient Improvements: New lo-flow appliances, updated LED lighting, AC fan coil units
- Amenities: New computer room, business center, car wash, community garden

PRO FORMA INCOME

PRO FORMA INCOME		
	Total	Per Unit
Gross Potential Revenue	\$3,256,830	\$15,658
Economic Vacancy	(\$162,841)	(\$783)
Total Rental Income	\$3,093,988	\$14,875
Other Income	\$69,219	\$333
Total Revenue	\$3,163,207	\$15,208
Payroll	\$343,900	\$1,653
Administrative	\$146,936	\$706
Utilities	\$141,649	\$681
Contract Services	\$103,614	\$498
Repairs & Maintenance	\$65,000	\$312
Management Fee	\$126,528	\$608
Insurance	\$506,688	\$2,436
Real Estate Taxes	\$301,478	\$1,449
Replacement Reserves	\$62,400	\$300
Total Expenses	\$1,798,193	\$8,645
Net Operating Income	\$1,365,015	\$6,563
Less: Debt Service	\$1,186,563	\$5,705
Net Cash Flow	\$178,452	\$858

PROPERTY PICTURES / AMENITIES

PROPERTY AMENITIES

WALKING DISTANCE TO SHOPS & RESTAURANTS
AND MINUTES FROM CLEARWATER BEACH

FITNESS CENTER

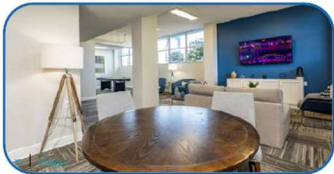
BICYCLE STORAGE

GAZEBO & OUTDOOR SEATING

CLUBHOUSE

PET FRIENDLY COMMUNITY WITH ANIMAL
WASHING STATION AND DOG PARK

LAUNDRY ROOM



IN-UNIT FEATURES

QUARTZ COUNTERS

STAINLESS STEEL APPLIANCES

WOOD PLANK FLOORING

SPACIOUS CLOSETS

LAUNDRY

CEILING LIGHT FIXTURE & FAN

CROWN MOLDING

WATER VIEWS

The Indigo Apartments – Transaction Rationale

1. This Transaction will Result in a Significant Boost to Clearwater’s Affordable Housing Supply

The Indigo Apartments conversion will establish the third largest LIHTC community in Clearwater, ensure the City and County have site control indefinitely and increase the stock of Affordable Housing units in the City by 18%. As seen in the chart below, there are only 9 LIHTC properties in Clearwater totaling 1,127 units. This transaction is an opportunity to make the largest increase to the Clearwater Affordable Housing stock over the last two decades and nearly match the amount of units produced during that timeframe.

This transaction is not Affordable Housing preservation, it is Affordable Housing creation.

LIHTC Properties in Clearwater			
Property Name	Property Address	Year Built	# Units
Madison Point	380 S Martin Luther King Jr Ave	2019	80
Woodlawn Trail	803 Woodlawn Loop	2019	80
Garden Trail	700 Eldridge St	2017	76
Lexington Club	1200 S Missouri Ave	2000	240
Wellington Apartments	2900 Drew St	1998	269
Foundation Village	910 Woodlawn St	1984	28
Clearwater Apartments	1000 N Keene Rd	1983	90
Pine Berry	1225 S Highland Ave	1962	85
Palmetto Park	1003 West Ave	1949	179
Total			1,127

Source: CoStar. Rent-Restricted properties.

2. Produce New Affordable Housing Units at 42% Discount to New Development Costs

Last month, Clearwater announced its first new LIHTC development project in a few years, Clearwater Gardens. It is reported this deal has a cost basis of \$395k per unit. The cost basis for The Indigo Apartments is approximately \$229k per unit which represents a 42% discount to Clearwater Gardens.

3. Solving Affordable Housing Crisis Through Only New Development is Not Feasible

As demonstrated by Clearwater Gardens, it is incredibly difficult to identify feasible ground-up affordable housing deals due to increased construction costs, soaring insurance premiums, higher interest rates, and appreciating land values. Once a project does look financially feasible, it is still subject to winning a 9% LIHTC FHFC award, which is incredibly competitive and an unpredictable lottery process. Notably, it was reported that the Clearwater Gardens project had been in pre-development planning since 2020 due to multiple years of a failed 9% LIHTC FHFC awards.

The city will not be able to address the growing affordable housing crisis if new ground-up development is the only means to creating Affordable Housing. It will take years for new projects to match the number of Affordable Housing units being created in this transaction.

4. 100% of Indigo Units Will Be Rent & Income Restricted into Perpetuity

As part of this transaction, The Indigo Apartments will restrict rent & incomes for all units to ensure 100% of the residents earn less than 80% AMI. As illustrated in the unit mix below, Sunrise will set-aside units within a range of income bands from 30% AMI to 80% AMI. On average, we are decreasing property rents by ~32%.

Additionally, by placing the property in the Pinellas County Land Trust, the county & city will have control of this property in perpetuity. There is no opportunity for any owner in the future to convert The Indigo Apartments back to market-rate housing.

PRO FORMA RENT AND INCOME THRESHOLDS						
Unit	AMI	Total	Current	Pro Forma	Rent Decrease vs. Current	
Type	Restriction	Units	Indigo Rent	Indigo Rent	\$	%
Studio	30% AMI	24	\$1,450	\$501	(\$949)	(65%)
Studio	60% AMI	36	\$1,450	\$1,003	(\$447)	(31%)
Studio	80% AMI	36	\$1,450	\$1,338	(\$112)	(8%)
1-Bedroom	30% AMI	28	\$1,600	\$537	(\$1,063)	(66%)
1-Bedroom	60% AMI	42	\$1,600	\$1,074	(\$526)	(33%)
1-Bedroom	80% AMI	41	\$1,600	\$1,433	(\$167)	(10%)
Total / Avg.	60%	207	\$1,530	\$1,040	(\$491)	(32%)

5. Set-Aside for Community's Most Vulnerable Residents via Project-Based Voucher Subsidy

As part of Sunrise's commitment to affordability, 52 units will be set-aside for residents who earn 30% AMI or less. Sunrise is not aware of any other LIHTC properties in Clearwater targeting this underserved population at this scale.

In coordination with Clearwater Housing Authority, Sunrise will provide subsidy on all 52-units through a project-based voucher. This will ensure access to clean, safe and secure housing for the city's most vulnerable and at-need residents. The City of Clearwater PBV award letter *attached*.

6. Hired a Third-Party Consultant That Devised a URA-Compliant Relocation Plan for Over-Qualified Residents

Sunrise has hired a 3rd-party Tenant Relocation expert to devise a relocation plan that is URA-compliant and abides by all relevant regulations, including HUD. The relocation plan is *attached* and briefly summarized below:

- No resident will be evicted
- Substantial notice of non-renewal
- Sunrise to pay for reasonable moving costs
- Sunrise to pay for 1-on-1 meetings between residents and relocation specialist to find new living
- Sunrise to pay for any increased rent as a result of this transaction for 42 months

The average income for the over-qualified residents is ~\$85,000 per year which is around 120% AMI, and many of those residents have reported over six-figure salaries.

7. Gentrification by New Owners May Displace a Majority of Existing Residents

Sunrise was introduced to this project by JLL, which was marketing The Indigo as an opportunity to increase rents by \$300 per unit per month. If Sunrise were not to acquire The Indigo, the Property is likely to be bought by a new market-rate owner, who will continue the gentrification process by pushing rents higher to meet market levels. If this were to come to fruition, much of the existing residents are likely to be displaced with no URA-compliant tenant relocation plan or government oversight.

8. \$3 Million Loan from Clearwater will Result in \$25 Million in County and Federal Funding

The City of Clearwater will be able to attract \$25 million in County and federal funding through a \$3 million dollar loan to this development. For every dollar committed, Clearwater will receive an 8.3x funding multiple from the County and Federal government. This includes \$7 million from Pinellas County through the Penny for Pinellas Program and \$18 million from the federal government in tax credits.

Resident Engagement & Relocation Assistance Plan



The Indigo Apartments

801 Chestnut St, Clearwater, FL 33756

Prepared for

Sunrise Affordable

By

CompassPoint Community Partners, LLC

Background:

The Indigo Apartments is a 17-story high rise located in Downtown Clearwater, Florida. The property was originally built in 1971 and comprises 208 studio and 1-bedroom units, totaling 92,894 square feet.

Sunrise Affordable Housing Group (“Sunrise Affordable” or “Sunrise”) will be acquiring the property and simultaneously placing it into the LIHTC program with set-asides at 30% AMI, 60% AMI and 80% AMI. As a result of the conversion, 59 of the current residents will be considered over-qualified / over-income (above 80% AMI threshold).

The property will undergo substantial rehabilitation but mostly of the exterior and building envelope. There will be no reconstruction of the units that would require tenants to be temporarily relocated.

The property currently has 20 HOME units that are covered under an existing HOME agreement for 20 years. Additionally, the project will receive the following federal financial assistance:

- HUD 221(d)(4) loan; estimated at ~\$20M
- Project Based Vouchers from Clearwater Housing Authority

The acquisition of real property for this project is subject to the Uniform Relocation Act (“URA”) and the requirements described in 49 CFR Part 24, subpart B. Therefore, all impacted tenants including those who are over-income are protected by the URA. These impacted tenants will be fully informed in writing of their URA rights and protections, provided the necessary advisory services and offered permanent relocation assistance.

General Approach:

In formulating this Plan, Sunrise incorporated key features of the Federal Uniform Relocation Act (URA) and U.S. Department of HUD Relocation Handbook 1378. In a situation where tenants will be displaced from their homes, for example, the HUD relocation handbook recommends:

- A) The owner or agency issues a General Notice with proof of receipt.
- B) Each displaced unit will receive notice explaining eligibility for relocation services and assistance.
- C) Each household receives a notice identifying the date of move at least 90 days in advance.
- D) There is an appeal and grievance process.
- E) The owner or agency offers advisory services as outlined above.

The Federal Uniform Relocation Act also extends straight-forward guidance for the work envisioned by the owner:

- 1) In the event of displacement, any apartment identified must be decent, safe, and sanitary.
- 2) The resident should not incur any additional expenses beyond the current rent and utility costs.
- 3) Financial assistance will be provided for the tenants.
- 4) The owner or agency shall give advance written notice.

Sunrise has put in place a detailed and carefully thought-out plan for the relocation of over-income tenants, which is laid out in the 7 steps below:

1) Distribution of General Information, Non-Displacement, and Eligibility Notices:

Sunrise and their consultant, CompassPoint Community Partners, will determine who must be displaced and who will be allowed to remain at the property. After making these determinations, they will issue the appropriate relocation notices: either a Notice of Eligibility (for relocation assistance) (Exhibit A) or a Notice of Non-Displacement (Exhibit B), which will be provided to each affected head of household by hand-delivery.

This important correspondence to the residents will contain the following information in English, Spanish, and other languages as needed:

- *Explain that a project has been proposed and caution the person not to move.*
- *Provide directions for contacting the on-site coordinator to set up a coordination meeting.*
- *Confirm that this action by the team will require residents to permanently move due to the planned conversion.*
- *Inform the person that they will not be required to move without at least 90 days' advance written notice of (1) at least one "comparable replacement home" that is available and (2) the expiration of their current lease.*
- *Describe the household's right to file a grievance or complaint.*

2) Initial Interview:

A crucial part of the resident engagement process and plan will be the initial interview with the head of household after the distribution of the Notice of Eligibility.

The heads of household will be contacted at an early date and personally interviewed by a representative of the Agency to determine the household's relocation needs and preferences for replacement housing and advisory services. The interviewer will ask certain questions about the makeup of the household, including questions about income.

Each affected household will be given a HUD brochure titled "RELOCATION ASSISTANCE TO TENANTS DISPLACED FROM THEIR HOMES".

3) Preparing Each Household for Moving

Sunrise and/or their property management partner will explain the procedures and steps that residents will have to follow to pack and move their belongings. **Under no circumstances will any resident be forced to relocate prior to the expiration of their lease.** Tenants will be given enough time to make plans for moving. Unless there is a health or safety emergency, residents will not be required to move without at least 90 days advance written notice of (1) at least one "comparable replacement home" that is available and (2) the expiration of their current lease.

4) Financial Assistance:

Each household will receive financial assistance that will cover the following:

- 1) Reimbursement of reasonable out-of-pocket expenses (e.g. – cost of moving)
- 2) Any increase in monthly rent / utility costs at the replacement units

Financial assistance will be received at the time of their move, and according to the apartment type occupied by the resident at the time of the GIN. The head of household will sign a receipt for the financial assistance which sets forth the anticipated financial assistance to each household.

Each household will be able to choose from the following options:

Payment for Moving Expenses:

You may choose either:

- a) Payment for Your Actual Reasonable Moving and Related Expenses, or

- b) Fixed Moving Expense and Dislocation Allowance, per the URA Fixed Residential Moving Cost Schedule which is based on the number of rooms in the unit or number of rooms of furniture you will be moving
 - a. For example, studios will receive \$1,150 and \$1,350 for 1-bedrooms.

Replacement Housing Assistance:

This will cover any increase in monthly rent / utility costs. Displaced residents may choose either of the below, to enable them to rent, or if preferred, buy a comparable or suitable replacement home, you:

- a) Rental Assistance, or
- b) Purchase Assistance

The rental assistance is based on the difference between the comparable replacement unit and the lessor of (1) the current rent and average utility payments or (2) 30% of the residents' income. Times 42 months. We will cover the difference in rent for 3.5 years.

5) Advisory Services:

On behalf of the team, Sunrise's consultant, CompassPoint Community Partners, LLC will coordinate all aspects of this plan with the site staff. Advisory services will include the following scope of work:

- 1) Determine the needs and desires for assistance through an initial survey.
- 2) Explain the procedures, costs, and coordination involved in the process.
- 3) Assist with translation, as necessary.
- 4) Coordinate scheduling of moves and/or access with each household and management.
- 5) Process approved assistance established in this Plan.
- 6) Explain the procedures for packing and securing each resident's personal belongings and assist any displaced household with moving arrangements.
- 7) Keep files for each household related to the process.
- 8) Maintain a line of communication with all related entities and individuals, city officials, and residents.

6) Appeal & Grievance Process:

Under the URA and HUD Handbook, a household can dispute the adequacy of their assistance, and appeal their relocation benefits eligibility status after receipt of a written relocation notification. In the case of the Plan, there will be no final determination of relocation benefits or disallowed expenses. The appeal and grievance process, therefore, should be a method for each household to file complaints with the owner. A general email will be established and shared that allows

residents to submit their complaints directly to CompassPoint and Sunrise.

7) Records:

Sunrise Affordable and CompassPoint will establish a separate file for each household. A record of all correspondence with each resident will be kept in the household file, along with any receipts and other additional materials needed for monitoring and administrative purposes. Sunrise Affordable and CompassPoint will maintain a record for each household with a general comment sheet to record information, concerns, and miscellaneous/other items. Likewise, the team will make available all the resident-related documentation maintained for the Plan when requested by the Agency.

Exhibit A – DRAFT

NOTICE OF ELIGIBILITY FOR URA RELOCATION ASSISTANCE

Date: ____/____/____

BY HAND DELIVERY

NAME:

UNIT #:

Dear: _____:

On __ (date) __, Sunrise Affordable notified you of proposed plans to acquire the property you currently occupy at (address) _____ for a project which could receive funding assistance from the U.S. Department of Housing and Urban Development (HUD) under the _____ program.

It has been determined that **you will be displaced** by the project.

Since you are being displaced in connection with this federally funded project, you will be eligible for relocation assistance and payments under the Uniform Relocation Assistance and Real Property Acquisition Policies Act (URA). This is your Notice of Eligibility for relocation assistance.

The effective date of your eligibility is _____.

(NOTE: Pursuant to Public Law 105-117, aliens not lawfully present in the United States are not eligible for relocation assistance, unless such ineligibility would result in exceptional hardship to a qualifying spouse, parent, or child. All persons seeking relocation assistance will be required to certify that they are a United States citizen or national, or an alien lawfully present in the United States.) To carry out the project, it will be necessary for you to move. However, you do not need to move now. You will be provided written notice of the date by which you will be required to move. This date will be no less than 90 days from the date comparable replacement housing has been made available to you. Enclosed is a brochure entitled, "Relocation Assistance to Tenants Displaced From Their Homes." Please read the brochure carefully. It explains your rights and provides additional information on eligibility for relocation payments and what you must do in order to receive these payments.

The relocation assistance to which you are entitled includes:

- Relocation Advisory Services. Including counseling and other assistance to help you find another home and prepare to move.
- Payment for Moving Expenses. You may choose: (1) a payment for your actual reasonable moving and related expenses, or (2) a fixed moving payment in the amount of \$_____ based on the URA Fixed Residential Moving Cost Schedule.
- Replacement Housing Payment. You may be eligible for a replacement housing payment to rent or buy a replacement home. The payment is based on several factors including: (1) the monthly rent and cost of utility services for a comparable

replacement dwelling, (2) the monthly rent and cost of utility services for your present home, and (3) for low-income persons, 30 percent of your average monthly gross household income. This payment is calculated on the difference in the old and new housing costs for a one-month period and multiplied by 42.

Listed below are three comparable replacement dwellings that you may wish to consider for your replacement home. If needed, we can arrange transportation for you to inspect these and other replacement dwellings.

Address Rent & Utility Costs Contact Info

1. _____
2. _____
3. _____

We believe that # is the most representative of your present home. The monthly rent and the estimated average monthly cost of utilities for this dwelling is \$ _____ and it will be used to calculate your maximum replacement housing payment. Please contact us immediately if you believe this dwelling is not comparable to your current home. We can explain our basis for selecting this dwelling as most representative of your current home and discuss your concerns. Based on the information you have provided about your income and the rent and utilities you now pay, you may be eligible for a maximum replacement housing payment of approximately \$ $(42 \times \$ \text{_____})$, if you rent the dwelling identified above as the most comparable to your current home or rent another dwelling of equal cost. Replacement housing payments are not adjusted to reflect future rent increases or changes in income. This is the maximum amount that you would be eligible to receive. If you rent a decent, safe and sanitary home where the monthly rent and average estimated utility costs are less than the comparable dwelling, your replacement housing payment will be based on the actual cost of the dwelling. We will not base your payment on any dwelling that is not a comparable replacement home. All replacement housing payments must be paid in installments. Your payment will be paid in # _____ installments. Should you choose to purchase (rather than rent) a decent, safe and sanitary replacement home, you would be eligible for a downpayment assistance payment which is equal to your maximum replacement housing payment, \$ _____*. Let us know if you are interested in purchasing a replacement home and we will help you locate such housing. Please note that all replacement housing must be inspected in order to ensure it is decent, safe and sanitary before any replacement housing payments are made.

If you have any questions about this letter and your eligibility for relocation assistance and payments, please contact (name) _____, (title) _____ at (phone) _____, (address) _____ before you make any moving plans. He/she will assist you with your move to a new home and help ensure that you preserve your eligibility for all relocation payments to which you may be entitled.

Remember, do not move or commit to the purchase or lease of a replacement home before we have a chance to further discuss your eligibility for relocation assistance.

Sincerely,
_____(name & title)_____

Exhibit B – DRAFT

General Information Notice

Notice of Non-Displacement

Date: ____/____/____

BY HAND DELIVERY

NAME:

UNIT #:

Dear: _____:

_____ intends to improve _____, through
____ (provide work details here) ____ and continue affordable housing at the property.

This is a general information notice, and your occupancy is NOT in jeopardy because of this action. We urge you NOT to move from your unit.

This planned scope of work will not affect affordability protections provided to the property.

Advisory services will be available to help coordinate the work. Throughout the process, if you have a complaint or concern you can file a grievance at any time. Sunrise Affordable/CompassPoint will be responsible for the resolution of any complaints or concerns. The contact information for both is available at the site office.

Please keep in mind that you must continue to comply with the terms and conditions of your lease throughout the renovation time period including payment of rent.

Thank you,

By: _____

Its, _____