



April 11<sup>th</sup>, 2022

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Dear Sir,

**Subject: RE: Request for Additional Information - Proposal for 1805 18th Avenue South**

Our response to your request for additional information is provided as follows:

**What are the terms of the mortgages provided to the homebuyers?**

- 30-year term amortizing
- Interest Rate 4% APR fixed

**What will Namaste do to in SBE/MBE crease the level of SBE/MBE utilization?**

- All our projects utilize SBE/MBE subcontractors, and most of these contracts are with companies in this category.
- We continue to look for additional SBE/MBE subcontractors.

**Can they commit that they can move forward with the requested City \$1,067,077 funding?**

We will need to move forward with some of the design work, specifically that related to siteworks and investigate any additional requirements from the City with regard to capital improvements etc. and get firm costs from our suppliers and subcontractors before we enter into a formal contract with the City/CRA. We are proposing to construct these homes without any profit expectation within a high inflation environment and thus accurate costing is critical.

**Describe how the opportunity zone investor will provide the remaining financing needs.**

Our opportunity zone investment partner has the required funds available.

**How would a requirement to sell only to households at 80% AMI effect the development proposal? How much additional public subsidy would be required?**

As we stated in our proposal, we are flexible with respect to balancing the sale price and the amount of subsidy required. We can't literally sell at a specific % of AMI but rather a range that would be wide enough to attract the number of purchasers required. Referring to the table below, a purchase price on \$200,000 would be affordable at 80% AMI and the City would need to increase the subsidy required buy \$15,000 (the difference between a purchase price of \$215,000 and \$200,000)



	Purchase Price	\$ 200,000										
	AMI %	MAX AMI	Monthly Income	30% of MAX Household	RE Tax	Insurance	HOA	Mortgage actual Payment	Balance Available for Mortgage	Difference		
Household Size 5 people	75%	\$ 59,850	\$ 4,988	\$ 1,496	\$ 257	\$ 100	\$ 100	\$ 955	\$ 1,039	\$ 84		
	80%	\$ 76,608	\$ 6,384	\$ 1,915	\$ 257	\$ 100	\$ 100	\$ 955	\$ 1,458	\$ 503		
	90%	\$ 71,820	\$ 5,985	\$ 1,796	\$ 257	\$ 100	\$ 100	\$ 955	\$ 1,339	\$ 384		
	100%	\$ 79,800	\$ 6,650	\$ 1,995	\$ 257	\$ 100	\$ 100	\$ 955	\$ 1,538	\$ 583		
	120%	\$ 95,760	\$ 7,980	\$ 2,394	\$ 257	\$ 100	\$ 100	\$ 955	\$ 1,937	\$ 982		
Household Size 4 people	75%	\$ 55,344	\$ 4,612	\$ 1,384	\$ 257	\$ 100	\$ 100	\$ 955	\$ 927	\$ (28)		
	80%	\$ 70,840	\$ 5,903	\$ 1,771	\$ 257	\$ 100	\$ 100	\$ 955	\$ 1,314	\$ 359		
	90%	\$ 66,413	\$ 5,534	\$ 1,660	\$ 257	\$ 100	\$ 100	\$ 955	\$ 1,203	\$ 248		
	100%	\$ 73,792	\$ 6,149	\$ 1,845	\$ 257	\$ 100	\$ 100	\$ 955	\$ 1,388	\$ 433		
	120%	\$ 88,550	\$ 7,379	\$ 2,214	\$ 257	\$ 100	\$ 100	\$ 955	\$ 1,757	\$ 802		
Household Size 3 people	75%	\$ 49,875	\$ 4,156	\$ 1,247	\$ 257	\$ 100	\$ 100	\$ 955	\$ 790	\$ (165)		
	80%	\$ 63,840	\$ 5,320	\$ 1,596	\$ 257	\$ 100	\$ 100	\$ 955	\$ 1,139	\$ 184		
	90%	\$ 59,850	\$ 4,988	\$ 1,496	\$ 257	\$ 100	\$ 100	\$ 955	\$ 1,039	\$ 84		
	100%	\$ 66,500	\$ 5,542	\$ 1,663	\$ 257	\$ 100	\$ 100	\$ 955	\$ 1,206	\$ 251		
	120%	\$ 79,800	\$ 6,650	\$ 1,995	\$ 257	\$ 100	\$ 100	\$ 955	\$ 1,538	\$ 583		

**Will Namaste agree to a 30-year affordability period?**

- YES

**Are they requesting the same leasing alternative as they requested on their MLK Street site?**

- No

**Are any of the units designed to be wheelchair accessible?**

The properties are designed to meet the City Visit-ability standards

**Does Namaste have any experience doing seller financing? Please explain your experience with seller financing in addition to outreach to prospective homeowners.**

No but we own a property management company that manages rent receipts and payments of insurance and real estate tax on a portfolio of properties. We will however outsource this activity to a 3<sup>rd</sup> party mortgage servicing company or utilize an appropriate software package to manage this activity.

**Who is the lead on sales and managing this portion of the project?**

Frederic Samson is a Licensed Real Estate Broker and sales, and marketing services will be provided by Namaste Realty LLC

**How do you anticipate identifying eligible and interested prospective homeowners for this project? Is there an outreach strategy?**

We have a partnership with NHS and anticipate receiving applications from their clients. About direct outreach, we will target, teachers, Nurses, first responders and other City and county employees working in the CRA.

**Could Namaste make any commitments to exclusively marketing the site to current residents within the South St. Petersburg CRA?**

We cannot do this as it would be a violation of the Fair Housing Act.

**How many years/how many payments will homeowners be making to Namaste?**

The term is 30 years and payments are made monthly; 360 payments



**Please explain what happens if someone defaults on payments under the seller-financing model proposed.**

The process would be the same as any other home mortgage

**How will the development costs be funded beyond the City's contribution?**

Our opportunity zone investment partner will provide this funding.

**The development cost is estimated at \$3,242,879 and the City/CRA grant request combined with the workforce housing bonus is for \$1,067, 079. There's also \$189,200 listed as projected costs of sales.**

This is the transaction cost required for a real estate conveyance and includes commission and sellers closing costs.

**What is the plan for financing the upfront costs until costs are recuperated through sales over time?**

Our opportunity zone investment partner will provide this funding.

**Pinellas Park Artistry at Park Station project.**

- Home purchases are using traditional mortgage lenders and mortgage originators to purchase homes in this development.
- Approximately 50% of the 27 homes have been sold:
  - Phase 1 6 units closed in 2021
  - Phase 2 5 units closing by the end of April 2022
  - Phase 3 8 units currently under construction
  - Phase 4 8 units in permitting
- We are currently in negotiations with the City/CRA to extend the development to include additional property in a 5th Phase of the project
- Namasté Homes has met every requirement of the development agreement with the City of Pinellas Park and the CRA. The project is proceeding within the project timeline agreed with the City We are currently in negotiations with the City/CRA to extend the development to include additional property into a 5th Phase of the project
- Attached please find photographs of the development for your reference.

**The external renderings appear to be nearly the same as the project on M.L.K street. Would Namaste be open to slight design changes (e.g., color scheme; materials; etc.) to give the development a more unique sense of identity? How would this impact the cost of the project and the offer?**

We are open to providing any design changes that the City may request. The cost impact will depend on the extent of the changes requested. At this point, repeating the basic design will result in a saving in design fees and an increased level of certainty in terms of construction cost based on our M.L.K. Street project currently under construction.



**Please elaborate on any sustainable and resilient design process and/or features.**

**Sustainability** - Homes will be built using a lumber superstructure, a sustainable material, and with the following conservation and energy efficient elements:

- Insulated Impact Windows
- Thermal Insulation -SIPS
- Energy Efficient Air-conditioning
- Energy Efficient Appliances
- Natural Gas
- Tankless Water Heater
- Reflective Roof Material

**Resilience -**

- Insulated Impact Windows
- Two independent Energy Sources
- Hurricane Resistant Structure
- Flood Zone X
- On Site Stormwater Mitigation

Thank you for considering our proposal

Best  
Glenn Larkan  
Development Manager

**Attachments:**

**Photographs of Namasté Home's Artistry at Park Station Development**



**N** **NAMASTÉ**  
HOMES  
"BUILDING A NEW WORLD"

