

TRIUMPH GULF COAST, INC. PRE-APPLICATION FORM

Triumph Gulf Coast, Inc. ("Triumph Gulf Coast") has created a pre-application process to provide initial consideration of eligibility for potential ideas of projects or programs that may seek an award of funding. Applicants are required to participate in the pre-application process. Notwithstanding the response from Triumph Gulf Coast on the pre-application form, an Applicant may still elect to submit an Application.

APPLICANT INFORMATION

Name of Individual/Entity/Organization: Panhandle Affordable Housing LLC
Proposal Title: Walton County Workforce Housing
Amount of Triumph Funds Requested: \$5,500,000
Total Estimated Project Cost: \$18,500,000

Brief Description of Individual/Entity/Organization:

Panhandle Affordable Housing LLC (Paul Renfro Managing Member) is a new for-profit Florida corporation, investors who recognize the critical housing shortage for the lower income families who fill the vast majority of jobs in Walton County.

Contact Information

Primary Contact: Paul Renfro
Title: Managing Member, Panhandle Affordable Housing LLC
Mailing Address: 56 Woodwind Way
City: Freeport State: FL Zip Code: 32439
Telephone Number: 850-544-3408
Email Address: paul@emeraldcoastaccounts.com
Website: under construction

Names of co-applicants, partners or other entities, organizations that will have a role in the proposed project or program:

Chief of Operations: Max Heller, formerly of TN Empire MGT LP

REQUIRED EXECUTIVE SUMMARY

In a maximum of two (2) pages, please describe the proposed project or program and anticipated outcomes including (i) the amount of funds being sought from Triumph Gulf Coast; (ii) the amount and identity of other sources of funds for the proposed project or program; (iii) the location of the project or program; (iv) summary description of the proposed program, including how the program will be transformational and promote economic recovery, diversification, and enhancement of the disproportionately affected counties, and (v) a summary timeline for the proposed project or program.

IMPORTANT NOTICE

This pre-application process will **not** result in an award of funding by Triumph Gulf Coast. Rather, this process is designed to facilitate submission of ideas for potential projects or programs before the Applicant expends time and/or resources to complete a full Application. All Applicants for funding are required to complete an Application, which will be reviewed and then considered for award at the discretion of Triumph Gulf Coast Board.

Please Select the Proposal's Eligibility Category(s)

Pursuant to Section 288.8017, Triumph Gulf Coast, Inc. was created to make awards from available funds to projects or programs that meet the priorities for economic recovery, diversification, and enhancement of the disproportionately affected counties. The disproportionately affected counties are: Bay County, Escambia County, Franklin County, Gulf County, Okaloosa County, Santa Rosa County, Walton County, or Wakulla County. *See*, Section 288.08012.

1. From the choices below, please check the box that describes the purpose of the proposed project or program (check all that apply):

- ☐ Ad valorem tax rate reduction within disproportionately affected counties;
- ☒ Local match requirements of s. 288.0655 for projects in the disproportionately affected counties;
- ☐ Public infrastructure projects for construction, expansion, or maintenance which are shown to enhance economic recovery, diversification, and enhancement of the disproportionately affected counties;
- ☐ Grants to local governments in the disproportionately affected counties to establish and maintain equipment and trained personnel for local action plans of response to respond to disasters, such as plans created for the Coastal Impacts Assistance Program;
- ☐ Grants to support programs that prepare students for future occupations and careers at K-20 institutions that have campuses in the disproportionately affected counties. Eligible programs include those that increase students' technology skills and knowledge; encourage industry certifications; provide rigorous, alternative pathways for students to meet high school graduation requirements; strengthen career readiness initiatives; fund high-demand programs of emphasis at the bachelor's and master's level designated by the Board of Governors; and, similar to or the same as talent retention programs created by the Chancellor of the State University System and the Commission of Education, encourage students with interest or aptitude for science, technology, engineering, mathematics, and medical disciplines to pursue postsecondary education at a state university or a Florida College System institution within the disproportionately affected counties;
- ☒ Grants to support programs that provide participants in the disproportionately affected counties with transferable, sustainable workforce skills that are not confined to a single employer; and
- ☐ Grants to the tourism entity created under s. 288.1226 for the purpose of advertising and promoting tourism and Fresh From Florida, and grants to promote workforce and infrastructure, on behalf of all of the disproportionately affected counties.

Please Select the Priorities this Proposal's Outcomes will Achieve

1. Please check the box if the proposed project or program will meet any of the following priorities (check all that apply):

- ☒ Generate maximum estimated economic benefits, based on tools and models not generally employed by economic input-output analyses, including cost-benefit, return-on-investment, or dynamic scoring techniques to determine how the long-term economic growth potential of the disproportionately affected counties may be enhanced by the investment.
- ☐ Increase household income in the disproportionately affected counties above national average household income.
- ☒ Leverage or further enhance key regional assets, including educational institutions, research facilities, and military bases.
- ☒ Partner with local governments to provide funds, infrastructure, land, or other assistance for the project.
- ☒ Benefit the environment, in addition to the economy.
- ☒ Provide outcome measures.
- ☒ Partner with K-20 educational institutions or school districts located within the disproportionately affected counties as of January 1, 2017.
- ☐ Are recommended by the board of county commissioners of the county in which the project or program will be located.
- ☒ Partner with convention and visitor bureaus, tourist development councils, or chambers of commerce located within the disproportionately affected counties.

THE WALTON COUNTY HOUSING PROBLEM

TGC is successfully making awards that increase the number of jobs available, the wages payable, and the educational fitness of prospective employees throughout the Panhandle and in Walton County. However, there is a “chicken or the egg?” dynamic to transforming lives. If the increasing workforce cannot find quality affordable housing, an oft-demonstrated negative cycle results rendering any job progress temporary or even illusory. An increasing workforce with higher wages, without the places to live, creates a shortage of affordable, quality housing—such as the entire nation is experiencing.

When housing demand exceeds housing supply, rents rise and landlords have less economic incentive to keep properties in good repair. Wage gains are lost to increased cost of housing. Life quality gains are eroded by a decreasing quality in rental residences.

Housing shortages suppress the number of new businesses willing to enter the County, and deter existing businesses who would otherwise expand their employment. This relationship between housing and job growth is well known. An imbalanced attention to job growth without commensurate attention to housing creates demand and supply dynamics which undercut, suppress and even erase job gains.

Inadequate and substandard housing supply prevents a labor force that is reliable, healthy, and positive. Employers growing their workforce in today's economy seek those qualities. Walton County's shortage of affordable housing diminishes the attractiveness of its workforce. The residences available in Walton County for lower income groups are expensive and poorly maintained because of the above supply/demand realities. Tenants often have more incentive to remain in government-sponsored benefit programs, which can be more lucrative than working and can perpetuate generational poverty mindsets.

This in turn discourages employers from locating in Walton County, and from growing their operations here. Numerous businesses have already reported this disincentive to Walton County officials. Aggravating the problem, even for the workforce that is qualified, is the lopsided and inadequate availability of affordable housing in the County.

These two forces make job gains illusory if there is nowhere that the new workers can afford to live. Even those who drive as far as they need to, to fill jobs created, will always be seeking jobs closer to home.

This housing shortage is all the more acute in Walton County. Many new residents are arriving, and in much greater numbers than other states are enjoying. The bay-dominated geography of the county creates a lopsided housing economy. While 30A and its tourist economy anchors the expensive South Walton, the workforce for that economy can't afford to live there. In contrast, Middle and North Walton County are designated rural areas of opportunity with few local jobs.

THE WALTON COUNTY HOUSING SOLUTION

Panhandle Affordable Housing LLC is a Florida for-profit organized by Paul Renfro, managing member, and will be formed in 2018 for the purposes of this proposal. We are a *for-profit* group to be composed ultimately of experienced real estate investors who recognize the critical housing shortage for workers in Walton County and desire to profitably accommodate the housing needs of the growing workforce.

PAH requests seed funding necessary to create an 210-unit Affordable Workforce

Housing Community in a Rural Area of Opportunity in Walton County: Freeport, DeFuniak Springs, or Paxton. Grants will also be sought on that basis.

Our community will be a *de facto* “support program” that provides participants the ability to have a better life. Character improvement programs will mentor residents into better character, better jobs, better income, better citizenship and better lives.

The community will support the development of *transferable, sustainable workforce skills*. Employers know that an employee who isn't committed to doing things right doesn't have a skill problem, but a character problem. Our community is designed from the ground up to incentivize residents' character excellence. Not only is this character excellence transferable among employers, but also transferable to every area necessary for the quality of everyone's lives in Walton County: church, family, hobbies, citizenship and public service.

Our community will inspire *personal growth that liberates them from confinement to one employer*. When the community residents' character is enhanced, they become more desirable workers who can command higher pay and better benefits, particularly in the current labor shortage period.

Our community will be *green*. The community is expected to consist of seven or more 30-unit structures built with green technologies proven to greatly enhance both structural energy performance and residents' satisfaction. Two are Insulated Concrete Forms and Structural Insulated Panels. The “creature comforts” of this technology are so significant in the tenant experience and are not available in other residential settings. As a result of the strong incentive to reside in this community, compliance with required character enhancement programs is expected to be quite high.

The comforts of living in *our low-cost, quiet green community will incentivize tenants to comply with* required character programs. By creating such an exceptionally comfortable residence, tenants will desire to comply with requirements to stay in it—or their lease will not be renewed and their family forced to move. The quality of the tenant experience in our community will provide our “carrot on a stick” for compliance with required character-development services.

Funds Sought:

\$5,500,000..... TOTAL TGC REQUEST

Project Budget:

\$250,000.....Site Identification and associated steps FALL 2018

\$500,000.....Land Acquisition EARLY 2019

\$2,500,000.....Building 1 (30 units) construction and associated steps MID-2019

\$2,250,000.....Final Site Work for 210 units, amenities,etc. LATE 2019

\$5,500,000.....Total Site Work and Building 1 (TGC REQUEST)

\$18,500,000.....Buildings 2 through 6 EARLY 2019 (COMPLETION FUNDING)

\$25,000,000.....PROJECT TOTAL Completion by mid-2020

An agreement exists already for the entire completion funding, contingent upon the TGC award. In addition, tax credit financing may be utilized, although not necessary. Smaller grants will be sought from REDI of Florida, the PACE foundation and other entities.