

Letter #1:

McDowell Housing Partners Request – Property Acquisition (1<sup>st</sup> Request)

(Approved by the Board on October 10, 2024)



September 17, 2024

Sarasota County Commissioners  
1660 Ringling Blvd  
Sarasota, FL 34236

**RE: Ekos at Arbor Park II – Sarasota County CDBG-DR – Request for approval to reallocate funds to acquisition.**

To Whom It May Concern:

MHP Arbor Park II, LLC (“Applicant”) submitted an application requesting \$1,000,000.00 in CDBG-DR from Sarasota County for Ekos at Arbor Park II (“Project”) located in North Port. In the application submittal, the Applicant erroneously indicated that the funding would be utilized for construction / hard costs.

We would like to formally request that the awarded funding be reallocated from construction / hard costs, to acquisition cost, as permitted under the CDBG regulations. This reallocation has no impact on the Project’s unit mix, construction type, design or project costs. By reallocating the funds to acquisition, Davis-Bacon requirements will not apply to the Project, which would otherwise have a material effect on the cost of the Project and the ability of the Project to find suitable and available subcontractors. The reallocated funds will be utilized for the land acquisition cost at closing.

Thank you very much for your consideration in this matter. Should you required additional information, or have any questions, please contact me at (786) 600-3690 or [bivy@mcdhousing.com](mailto:bivy@mcdhousing.com).

Sincerely,

A handwritten signature in black ink, appearing to read "Brian Ivy", with a stylized flourish extending from the end.

Brian Ivy  
EVP Development

Letter #2:

McDowell Housing Partners Request – Fairview Housing Awardee (2<sup>nd</sup> Request)

(Approved by the Board on February 25, 2025)



Steve Hyatt  
Division Manager, Program Management Division  
Office of Financial Management (OFM)  
301 N. Cattlemen Road, Suite 200  
Sarasota, FL 34232

January 29, 2025

Re: Ekos at Arbor Park II; CDBG-DR Award; Fairview Housing – Grant Recipient

Dear Steve,

Ekos at Arbor Park II is a proposed 66-unit affordable housing complex located at 1191 W Price Blvd in North Port, which will provide safe, clean and structurally resilient housing for families with household incomes ranging from 30%-70% of the local area median income (the “Project”). The Project will be financed by a combination of capital including, but not limited to, low-income housing tax credits (LIHTCs) and the County’s CDBG-DR grant funds (the “CDBG Grant”). Once municipal approvals are finalized and financing is closed, we expect construction of the Project to take approximately 18 months.

The County awarded a CDBG Grant to the Project in the amount of \$1,000,000. As discussed, grant funds have a material negative impact on LIHTC-financed projects due to the adverse tax consequences they create. We previously requested that the County consider changing the structure of the CDBG funds from a grant to a loan to alleviate the tax issues. The County informed us that it was unable to make that change. As an alternative, we are asking the County to consider granting the funds to a non-profit entity that can then lend the funds to the Project and negate the tax complications.

The grant-to-loan structure is commonly employed in the affordable housing industry and is used routinely across the country. For this Project we have selected Fairview Housing Partners Ltd. (“Fairview”) to serve as the non-profit grant recipient and are kindly requesting the County to approve the same.

This is the first transaction between McDowell Housing Partners and Fairview. Although our firms will be working together for the first time I have personally known and worked with Fairview’s Executive Director Thom Amdur in different capacities for the better part of a decade. Thom is one of the affordable housing industry’s most respected leaders and his advocacy at the state and national levels is admired throughout the industry. We are excited to be working with Thom and the entire Fairview team on this transformative project.

777 Brickell Avenue, Suite 1300, Miami, FL 33131  
Tel. 786-584-2725  
[www.mcdhousing.com](http://www.mcdhousing.com)



We can assure the County that the inclusion of Fairview as the sub-recipient under the CDBG Grant will not change any aspect of the Project. The Project will yield the same number of units and serve the same population and income levels as originally intended. All development and construction timelines will also remain intact.

Please do not hesitate to reach out to me if you have any questions. Thank you for your continued support of the Project and for considering our request.

Sincerely,

A handwritten signature in black ink, appearing to read "B Ivy", written in a cursive style.

Brian Ivy  
Executive Vice President of Development  
McDowell Housing Partners

Letter #3:

McDowell Housing Partners – Revert Grant Awardee to McDowell



July 28, 2025

Steve Hyatt  
Division Manager, Program Management Division  
Office of Financial Management (OFM)  
301 N. Cattlemen Road, Suite 200  
Sarasota, FL 34232

Re: Ekos at Arbor Park II; CDBG-DR Award; Reversion from Loan to Grant Structure

Dear Steve,

Ekos at Arbor Park II is a proposed 66-unit affordable housing complex located at 1191 W Price Blvd in North Port, which will provide safe, clean and structurally resilient housing for families with household incomes ranging from 30%-70% of the local area median income (the "Project"). The Project will be financed by a combination of capital including, but not limited to, 9% low-income housing tax credits (LIHTCs) and the County's CDBG-DR grant funds (the "CDBG Grant"). Once municipal approvals are finalized and financing is closed, we expect construction of the Project to take approximately 18 months.

The County awarded a CDBG Grant to the Project in the amount of \$1,000,000. As discussed, grant funds are considered income/revenue and federal income taxes would be due by the LIHTC partnership as a result. This has a material negative impact on the LIHTC investor's rate of return which either lowers the price they are willing to pay for the LIHTCs or requires that they withdraw from the transaction altogether. We previously requested that the County consider changing the structure of the CDBG Grant funds from a grant to a pass-through loan structure with a qualified non-profit entity to alleviate these tax issues. The County was kind enough to make that change but has encountered challenges in producing the documentation.

We are hereby requesting a reversion back to the original direct grant which allows the County to use its preferred structure and make the CDBG Grant directly to the Project so that we can proceed to closing and commence construction. This is only possible now because of changes in federal tax law. The recently passed One Big Beautiful Bill Act reinstated 100% bonus depreciation for real estate assets, which allows this Project to offset the grant income (tax liability) generated by the CDBG Grant by applying more depreciable losses and thereby preserving the investor rate of return and the corresponding LIHTC tax equity pricing. *Please note this depreciation strategy is particular to this Project and may not be suitable for other projects receiving grants.*

Please reach out to us if you have any questions. Thank you for your continued support of the Project and for considering our request.

Sincerely,

A handwritten signature in black ink, appearing to read "B Ivy", written in a cursive style.

Brian Ivy  
Executive Vice President of Development  
McDowell Housing Partners

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