



August 19, 2025

Dennis W. Michaud, Ph.D., Chief Executive Officer
Southampton Development Company, LLC
10 Dorrance Street, Suite 700
Providence, Rhode Island 02903

RE: West Oak Ocala – Workforce Housing – 250 Units

Dear Dr. Michaud,

I write as President of the City Council of the City of Ocala, Florida (City of Ocala and/or City) and its behalf with regard to the above-referenced matter.

It is our understanding that West Oak Ocala 1 Business, LLC (Developer) owns real property in the City of Ocala and intends to develop and construct on said property a 250-unit multifamily housing project (Apartment Project). The Apartment Project is within the larger development project commonly referred to as the “Pine Oaks Redevelopment Project” (Pine Oaks Project) and is intended to be made available as “Work Force Housing” and/or “Middle Income Housing” and comply with either of or both of the requirements of:

1. Section 196.1978(3), *Florida Statutes*, entitling the landowner to a partial or full property tax exemption; and/or
2. The United States of America, Federal Housing Administration (FHA)’s 221(d)(4) Multifamily Housing Program.

You have requested that the City of Ocala provide some initial assurance to proposed lenders to the Apartment Project, including HUD, of the City’s commitment to facilitating the provision of affordable housing.

The provision of “Work Force Housing” and “Middle Income Housing” is a goal of the City of Ocala – recognized in our Comprehensive Plan and in our Affordable Housing Ordinance, codified at Section 106-102, *Code of Ordinances, City of Ocala, Florida*. Facilitating the financing of such “Work Force Housing” and “Middle Income Housing” projects is also consistent with our Comprehensive Plan and Affordable Housing Ordinance.

In the case of the Pine Oaks Project, the City has expressed a continuing interest in assuring that it be developed with a substantial affordable housing component; specifically evidenced by the *City Redevelopment Agreement for Pine Oaks*, recorded at Book 7875, Page 50, of the Official Records of Marion County, Florida, including specifically, the City requirements

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set forth in Section 8.2.9 thereof, and the City commitments set forth in Section 8.2.9.4 thereof.

The City is aware that Section 196.197, *Florida Statutes*, has recently been amended and pursuant to Section 196.1978(3)(o), *Florida Statutes*, beginning with the 2025 Tax Roll, the City could “opt out” and elect not to exempt property as otherwise required by the statute if certain objective criteria are met. We have inquired of the Florida Housing Coalition and been informed that, because Marion County, Florida has a deficit of affordable units for households up to 120% Area Medium Income (AMI), taxing authorities within Marion County, including the City of Ocala, cannot “opt out.”

Notwithstanding the foregoing and as of the date of this letter, the City Council has not considered, nor has any intention been expressed with regard to considering, making the “opt out” election contemplated by Section 196.1978(3)(o), *Florida Statutes*. It is the City’s belief that Ocala continues to have substantial unmet affordable housing needs, including demand for “Work Force Housing” and that exemption of properties within the City pursuant to Section 196.1978(3)(o) will not be beneficial at this time.

The City is further aware that, in order for Developer’s project(s) to qualify for financing under FHA’s 221(d)(4) Multifamily Housing Program, at least fifty percent of the units within the Pine Oaks Project must target tenants whose income does not exceed 120% of AMI. All such targeted units must be secured by a use restriction with a minimum term of ten years and must be monitored annually by a state or local government entity.

Please accept this letter as confirmation that, upon any closing of financing qualification by Developer under FHA’s 221(d)(4) Multifamily Housing Program, the City of Ocala would be willing to enter into an acceptable qualifying use restriction to serve as, and thereafter for the term of such use restriction serve as, the required monitoring agency subject to an agreement requiring that all costs and expenses associated with such monitoring are borne by the Developer and/or the Apartment Project.

On behalf of our City Council, thank you for your interest in our community and for your efforts to further our goal of enhanced affordable housing. I hope this letter provides the assurance, clarification and support that you desire. In the event that you have any additional questions regarding this matter, please do not hesitate to contact City Manager Peter A. Lee and/or City Attorney William E. Sexton.

Sincerely,

Kristen M. Dreyer
City Council President