



The Resident CONNECTION

1st Quarter 2025



President's Message

FLiCRA members have been made aware of the amazing accomplishments of the FLiCRA organization since its inception in 1989.

Due to the diligence of our team in Tallahassee and our

grassroots membership, we are a known entity with the state legislators and regulators. Your local FLiCRA chapters keep residents informed regarding what is happening at the state level and inform you of anything happening that might impact, either negatively or positively, residents of continuing care facilities.

That last sentence tells you how valuable FLiCRA is to all of us, even now, 35 years later. If we didn't have a resident-led presence in Tallahassee, you may not know if there was a bill working its way through the legislature which might impact you.

The recent bankruptcy of Unisen, on top of the previous bankruptcy of University Village at the same location, has caused concern from all residents of CCRCs. Florida Statute 651 was put in place to regulate the industry of continuing care facilities.

The state of Florida has a responsibility to protect all of its residents and has put laws in place to mitigate bankruptcies among the CCRCs that operate around the state. This responsibility falls under the Office of Insurance Regulation (OIR). Even though bankruptcies are relatively rare in Florida, even one is too many.

This statute has been amended and changed over the years to meet the changing trends of the industry. Recently the OIR has authored a bill which is intended to strengthen the protection of residents who live in CCRCs.

The final bill will not contain everything in the proposed bill. The goal is a positive result for residents to allay fears that some residents have felt over the past few years.

Continued on Page 2

Issue at a Glance

- 2 2025 OIR CCRC Regulation Proposal
- 3 Ad Valorem Tax Income Limits Adjusted for 2025
- 4 2025 Office of Insurance Regulation Agency Timeline
- 6 Ziegler Arranges \$29.4M in Bond Financing for Planned Continuing Care Retirement Community in St. Petersburg
- 7 2025 OIR CCRC Legislation Senate Bill 1656/House Bill 1429

2025 FLiCRA Board Of Directors

President

Patricia Burdsall
Indian River Estates
miltandpat@msn.com

Vice President

Kenneth Shanahan
John Knox Village, Pompano Beach
kshan9154@gmail.com

Treasurer

Jim Neely
Freedom Village
joneely123@gmail.com

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Cypress Cove
erussell2009@comcast.net

Director-at-Large

Fred Falkner
Glenridge on Palmer Ranch
fred.falkner42@gmail.com

Director-at-Large

Sondra Thorson
Freedom Plaza
sjthorson@outlook.com

Region 1 Director

Gail Husbands
Azalea Trace
gailhusbands@gmail.com

Region 2 Director

Gary Hughes
Penney Retirement Community
ghprv3.56@gmail.com

Region 3 Director

Richard Greatwood
Mayflower Retirement Community
richardgreatwood@gmail.com

Region 4 Director

George Dann
Indian River Estates
gpdannh220@gmail.com

Region 5 Director

David A. Bayer
John Knox Village, Pompano Beach
davebayer@aol.com

Region 6 Director

Cindy Barber
Gulf Coast Village
cindybarber2@gmail.com

Region 7 Director

Raymond Neff
Plymouth Harbor
ray.neff@aihcgrouop.com

Region 8 Director

Tom Gire
Lamar Miller Chapter Oak Hammock
tgire@fastmail.com

Executive Director

Bennett E. Napier, CAE
bennett@executiveoffice.org

Continued from Page 1

On another note, FLiCRA has followed through on its mission to educate residents on the function and value of FLiCRA by creating a six-module PowerPoint presentation, with audio, which will be available on our website in the near future. By using these modules, it is anticipated that your resident councils will help to educate new residents, especially new council leaders and others who are not familiar with what FLiCRA is all about and the important role resident councils play within each licensed CCRC. The introductory module will be available to everyone by late March on our website, www.flicra.com.

Patricia Burdsall, FLiCRA President

2025 OIR CCRC Regulation Proposal Senate Bill 1656/House Bill 1429

Nearly 45% of the Florida CCRC residents are members of the Florida Life Care Residents Association (FLiCRA). FLiCRA is the largest and oldest association of continuing care residents in the United States.

FLiCRA believes that, when possible, changes to continuing care retirement community regulations are best achieved through collaborative efforts of the regulators, providers and residents.

FLiCRA respects the role of the Office of Insurance Regulation (OIR) and its desire to protect the rights and financial interests of residents.

FLiCRA supports specific concepts included in the legislation.

Address the Role of Management Companies and Affiliated Entities – FLiCRA supports updates to F.S. 651.011 (definitions) to include defining the role of management companies that control the day-to-day operations of 63% of Florida CCRCs.

Continued on Page 8

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Ad Valorem Tax Income Limits Adjusted for 2025

The Department of Revenue released the 2025 income limits for calculating ad valorem tax exemptions for residents residing in 501(c)(3) homes for the aged owned and operated by not-for-profit corporations, per F.S. 196.1975. The limits are adjusted annually by the percentage change in the average cost-of-living index during the immediate prior year, which is 1.2% lower than limits in 2024. The Department of Revenue Cost of Living Adjustment chart can be found at FloridaRevenue.com/property/Documents/CostofLivingAdjust.pdf.

The 2025 income limits are:

Single Persons: \$41,662
Couples: \$46,773
Filing Deadline: March 1

Note: The income limits do not apply to nursing home residents, or those living in HUD properties with active HUD financing in place. Additional information for each member type can be found below.

Nursing Homes and ALFs - 501(c)(3) nursing homes and portions of a home for the aged devoted exclusively to the conduct of religious services or the rendering of nursing or medical services (which depending on the property appraiser's interpretation of the services provided, may include assisted living facilities) are exempt from payment of ad valorem tax under the provisions of s.196.1975, F.S. For freestanding nursing homes, your property appraiser may request that you complete form DR-504HA.

If your property appraiser has not granted a total exemption for your ALF in past years, the exemption may be available under a s.196.012 (9), F.S., which was amended in 2017 to state "Nursing home" or "home for special services" and means an institution that possesses a valid license under chapter 400 or part I of chapter 429 on January 1 of the year for which exemption from ad valorem taxation is requested." Application for Ad Valorem Tax Exemption for Charitable, Religious, Scientific, Literary Organizations, Hospitals, Nursing Homes

and Homes for Special Services (per Sections 196.195, 196.196 and 196.197, Florida Statutes), must use form DR-504 to apply.

Continuing Care Retirement Communities and Rental Retirement Communities - If a particular residential unit is totally exempt due to resident income eligibility, a proportionate share of the common areas is also exempt. If income-eligible persons occupy 25% of the residential units occupied on January 1 of the year for which the exemption is requested, 100% of the common areas are exempt. Income must be verified through a completion of a resident affidavit (State of Florida Form DR-504S) or your property appraiser's affidavit form.

The county's ad valorem tax exemption application was due March 1. Resident affidavits, if required, must be submitted by that deadline. Please read the instructions carefully before you complete form DR-504HA. Be sure to include all of the attachments required for your organization. These forms are available from your local property appraiser's office.

CCRC FINANCE GUIDEBOOK

FLiCRA members can purchase copies of the "**CCRC Finances, A Guidebook for Members of CCRC Resident Finance Committees.**"

The guidebook is intended to assist interested residents with achieving a basic understanding of their CCRC's financial position and performance as reflected in its financial statements and other key documents.

Printed guidebooks are available for \$14.90 each and electronic copies are free. Orders can be placed by contacting the FLiCRA Office at (850) 906-9314 or by email at lauren@executiveoffice.org.

2025 Office of Insurance Regulation Agency Timeline

Timeline as it Relates to 2025 Florida Statute 651 Proposed Changes (as of 2/28/2025)

Background

While the vast majority of FL CCRCs are adequately funded and the owners and management teams provide stable and well-run operations, a few new and existing CCRCs too often find themselves in a hazardous position.

An update of FL statute 651 was passed by the state Legislature in June 2023 as a result of a collaborative effort by FLiCRA and LeadingAge to strengthen the regulations that provide information to CCRC Residents regarding actions and financial positions of their CCRC Providers.

While the upgraded 651 legislation did improve information to the CCRC Residents, some of the provisions, such as the DRR function were confusing.

About this same time, one CCRC in Tampa named Unisen which had been in a hazardous situation resulting from a previous bankruptcy, had another with disastrous results for the Residents. OIR had been working with others to improve their situation, but it was too far gone. Reviews showed it was in such a bad situation that action to implement a controlled shutdown a year or two before might have significantly reduced the losses for the Residents. Many blamed OIR for not taking earlier decisive action, but OIR claims they did not have all the legislative tools needed to take the actions needed. Therefore, OIR wrote their own legislation beginning in September 2024 to provide the tools they feel they need to avoid situations like this in the future.

The following timeline shows what has happened since.

September 2024

LeadingAge Southeast meets with OIR. The Commissioner informs LeadingAge Southeast of his desire to file a legislative proposal in 2025.

October 2024

October 7

FLiCRA meets with OIR. The Commissioner informs FLiCRA of his desire to file a legislative proposal in 2025. The Commissioner indicated that some of his proposal would relate back to OIR's draft bill from 2015 related to the first University Village bankruptcy.

October 24

FLiCRA holds its annual delegates meeting at Bay Village in Sarasota. LeadingAge Southeast CEO Steve Bahmer was an invited guest. FLiCRA shares publicly at the meeting about the OIR Commissioners intent to file legislation as an agency bill in 2025.

November to December 2024

November 13

FLiCRA Chapter at Penney Retirement Community has FLiCRA's lobbyist William Stander as Guest Speaker. FLiCRA shares publicly at the chapter meeting about the OIR Commissioners intent to file legislation as an agency bill in 2025.

January 2025

Week of January 24

FLiCRA staff obtains a draft of the OIR Agency bill.

January 25

FLiCRA lobbyist gives a draft of the OIR bill to LeadingAge Southeast's primary contract lobbyist.

January 29

FLiCRA state board receives a copy of the draft bill by email and releases an e-newsletter to its members on the pending legislation.

February 2025

February 3

FLiCRA staff meets with OIR in relation to the draft bill.

February 5

FLiCRA state board of directors reviews the draft bill in its entirety and develops position statements relative to specific concepts addressed in the draft.

February 6

FLiCRA staff and LeadingAge Southeast staff have a joint zoom.

February 11

FLiCRA releases an e-newsletter to its membership with the state board position statements on specific concepts in the draft bill.

Week of February 12

LeadingAge members circulate verbal and written materials to residents in various CCRCs with the stated objective to kill the OIR bill. *A number of the communications/messaging from some LeadingAge members imply that FLiCRA was “consulted” on the OIR bill or “wrote some of the language” in the OIR draft bill. Neither of those statements are truthful.*

Additionally, since early February, some LeadingAge members put out requests to have their residents email and phone FLiCRA headquarters asking FLiCRA’s state board to take a “like position to LeadingAge” to kill the OIR bill.

Some LeadingAge members seek actions from local FLiCRA chapters to take formal positions to “kill the OIR bill” and communicate such actions/requests to the FLiCRA state board of directors.

February 15

FLiCRA releases an e-newsletter to its membership with a public records email exchange between OIR Commissioner and LeadingAge CEO.

February 18

FLiCRA receives a letter from LeadingAge CEO relative to the February 15th FLiCRA e-newsletter. FLiCRA circulates the letter to the FLiCRA state board of directors.

February 25

Commissioner of Insurance and his staff meet with a number of CCRC owner operators as well as residents at two CCRCs in Jacksonville. The attendees include members of LeadingAge Southeast and FLiCRA.

February 27

Deputy Commissioner of Insurance and staff meet with the FLiCRA state board of directors. The FLiCRA state board reaffirms its position on key concepts in the OIR Legislation. (The position statement is printed starting on Page 2 of this issue, 1st Quarter 2025 of the Resident Connection.)

February 28

Senate Bill 1656 and House Bill 1429 filed.



Ziegler Arranges \$29.4M in Bond Financing for Planned Continuing Care Retirement Community in St. Petersburg

Ziegler has arranged \$29.4 million in bond financing for Convivial St. Petersburg LLC, which plans to develop a continuing care retirement community (CCRC) on a 5.2-acre site in St. Petersburg.

The Series 2024 Revenue Bond Anticipation Notes are comprised of \$23.4 million of tax-exempt Series 2024A Notes sold publicly to institutional investors, and \$6 million of subordinate tax-exempt and taxable notes purchased by an affiliate of the developer and manager of the project.

The borrower will use the proceeds of the revenue bond anticipation notes to fund the land acquisition, certain pre-development expenditures and marketing costs of the CCRC.

Convivial Life Inc., which serves as the sole member of the borrower Convivial St. Petersburg, is a Florida not-for-profit corporation organized in 2021.

The CCRC, which will be known as Convivial St. Petersburg, will consist of two residential buildings comprised of 170 independent living units, 48 assisted living/memory support units as well as common areas and administrative and support spaces.

The development will feature a variety of resort-style amenities, including a member's club floor with multiple dining venues and a rooftop sky deck providing various amenities with views of the surrounding coastal waterways of Boca Ciega Bay.

Residents who pay an entrance fee and enter into a continuing care agreement will have priority access to licensed nursing care with the CCRC off-site preferred provider.

The borrower selected LifeStar Development St. Petersburg LLC to serve as the development consultant for the project. In that role, LifeStar will manage and coordinate the planning, design, construction and completion of the CCRC.

In addition, under the development agreement, LifeStar will serve as the marketing consultant for the community.

Upon completion of the development, the borrower anticipates an affiliate of LifeStar will be engaged to provide management services for the CCRC. Affiliates of LifeStar currently provide management services to The Cabana at Jensen Dunes in Jensen Beach and Jacaranda Trace in Venice, both of which are Florida senior living communities and affiliates of Convivial.

Rich Scanlon, senior managing director of senior living finance at Chicago-based Ziegler, a specialty investment bank, says that being able to arrange the financing on behalf of Convivial for this development meant a lot to him personally.

"As a long-term resident of St. Petersburg, [I believe] this is an exciting project in a dynamic primary market area that is well needed as there has not been any new not-for-profit life plan community developed in St. Petersburg in over 30 years," Scanlon points out.

"Although this is the first new campus for Convivial and LifeStar, they each bring attributes to the transaction that other newly created not-for-profit corporations and developers cannot provide. One of the most appealing credit points of this transaction was the fact that LifeStar had already received 30 deposits for the independent living units, whereas most other new campuses where the pre-construction costs are financed with bond anticipate notes have not even started pre-sales yet. I will be following this project closely and, who knows, I may be a second or third generation resident," adds Scanlon.

Construction of the CCRC is expected to begin in February 2026. The target date for completion is March 2028.

2025 OIR CCRC Legislation

Senate Bill 1656/House Bill 1429 (as of 2/28/2025)

The proposed changes to Chapter 651 by the Office of Insurance Regulation (OIR) introduce several updates and modifications compared to the existing statute. Here are some of the major differences between current law and proposed changes:

Definitions

Adds new definitions for affiliates, refines definition of governing body, outlines role of management companies that manage day-to-day operations of CCRCs.

Administrative Supervision

The new bill completely rewrites the section on administrative supervision, providing updated guidelines and procedures.

Eligibility to Operate

A new section grants the Office of Insurance Regulation (OIR) the authority to deny or remove any person, group, or organization deemed unfit to operate a Continuing Care Retirement Community (CCRC) in Florida.

Acquisition

The bill introduces new conditions under which an acquiring entity may not need to submit certain filings.

Financial and Operating Requirements

The bill states that OIR must take control of impaired CCRCs and provides criteria for the percentage of operating reserve needed for the first year of operation and subsequent years.

Minimum Liquid Reserve (MLR) Requirements

The bill specifies that all MLR accounts must be kept separate and not commingled with other accounts, with detailed guidance on the transfer of debt service reserves.

Approval of Change in Management

The bill requires notification to OIR within 10 days of a change in management.

Quarterly Meetings

The bill mandates that each CCRC facility must have its own Designated Resident Representative (DRR) and provides requirements for notification and attendance at governing body meetings.

Posting Reports and Disclosure Requirements

The bill adds new disclosure requirements, including notices of bankruptcy proceedings, master plans, and penalties for not providing full disclosure to potential residents.

Certificate of Authority (COA) for Management Companies

The bill introduces a new section requiring management companies to obtain a Certificate of Authority (COA) to operate a CCRC in Florida, with detailed procedures for obtaining the COA.

Preferred Claims

Raises resident standing in a state administered receivership or liquidation of a licensed CCRC. The Claims ladder is outlined in Florida Statute 631.271.

Preparation of this summary assisted by AI.

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2025 OIR CCRC Regulation Proposal Cont.

Continued from Page 2

Governing Body of the Provider – FLiCRA supports updates in F.S. 651.011 (definitions) that address the variety of governing body structures that are present in the market. The Florida CCRC market encompasses different governance, ownership and operating structures. These include independent communities; multi-site CCRCs (in-state and out-of-state networks), multi-site CCRC obligated groups; and closely held governing boards and management companies. A definition of “governing body” that completely mirrors the market will ensure OIR can enforce existing law and provide clarity for local Resident Councils and Designated Resident Representatives who are nominated and elected to represent the resident population in meeting of the governing body at which changes in fees or services are on the agenda.

Preferred Claims – FLiCRA supports placing residents in a higher priority for claims during state-administered receivership or liquidation proceedings. (F.S. 651.071).

Financial Transparency – FLiCRA supports additional financial transparency in F.S. 651.091 (Disclosure) which would require a CCRC that is under administrative supervision, has filed bankruptcy, or has been defined as operating in a Hazardous Financial Condition to provide additional data to OIR, governing bodies and Resident Councils (proposed new section of law F.S. 651.113).

FLiCRA wants to ensure the Florida CCRC market thrives not only for current residents but also the next generation of residents. Reforms that instill confidence in the life care contract product are vital to achieve that goal.