



Date: September 8, 2023
 Location: Hyatt Regency Jacksonville Riverfront
 Commencement Time: 9:00am

Call in Number: 1-888-585-9008 **BOARD MEETING AGENDA**
 Conference Room: 369-746-945

Call to Order, Declaration of Quorum	<i>Board Liaison</i>
Public Comment	<i>Chair</i>
Minutes Approval of Minutes of the July 21, 2023 Board Meeting	<i>Chair</i>
Approval of Items on Consent Agenda Table of Contents I. HOME Rental II. Housing Credits III. Legal IV. Multifamily Bonds V. Multifamily Programs VI. Predevelopment Loan Program (PLP) VII. Special Assets	<i>Chair</i>
Live Local Update	<i>Marisa Button</i>
Action Items Multifamily Programs- Allocations I. RFA 2023-205 SAIL of Affordable Multifamily Housing Developments II. RFA 2023-212 Housing Credit Viability Funding For Developments Located In Monroe County That Have An Active Award Of SAIL Financing And 9 Percent Housing Credits III. Request for Approval to issue a Request for Applications (RFA) for Community Development Block Grant-Disaster Recovery (CDBG-DR) financing for affordable Developments located in Hurricane Sally impacted areas.	<i>Melissa Levy</i> <i>David Westcott</i>
Audit Committee Update	<i>Vice Chair</i>
Public Comment	<i>Chair</i>
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September 8, 2023

Consent Items

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HOME RENTAL

Consent

I. HOME RENTAL

A. Request Approval of the Credit Underwriting Report for Jersey Commons (RFA 2022-210 / 2022-269CAN)

Development Name: Jersey Commons	Location: Polk County
Applicant/Borrower: Blue Tri CASL Polk, LLC	Set Asides: 20% @ 50% AMI 80% @ 60% AMI
Developer/Principal: Blue JC Developer, LLC./Shawn Wilson; Tri-CASL, LLC.	Demographic/Number of Units: Homeless, Disabled/68 units
Requested Amounts: Annual Competitive Housing Credits: \$1,496,000 HOME-ARP: \$7,200,000 NHTF: \$1,176,000	Development Category/Type: New Construction/Garden Apartments

1. Background:

- a) On June 7, 2022, Florida Housing Finance Corporation issued a Request for Applications (RFA) 2022-210 for Permanent Supportive Housing Focusing on Best Practices and Funding for Tenancy Supports and Resident Services Coordination for High Utilizers of Public Behavioral Health Systems.
- b) On August 5, 2022, the Board approved the final scores and recommendations for the RFA and directed staff to proceed with all necessary credit underwriting activities.
- c) On August 16, 2022, the Applicant was invited to enter credit underwriting activities which was accepted on August 16, 2022. The one-year deadline to complete credit underwriting was August 16, 2023.

2. Present Situation:

- a) On August 24, 2023, staff received a final credit underwriting report with a positive recommendation for the requested funding ([Exhibit A](#)). Staff has reviewed this report and finds that the Development meets all requirements of the RFA.

3. Recommendation:

- a) Approve the final credit underwriting report and direct staff to proceed with issuance of a firm commitment and closing activities, subject to further approvals and verifications by the Credit Underwriter, Counsels, and appropriate Florida Housing Staff.

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B. Request Approval of Firm Commitment Deadline Extension for Apollo Gardens (RFA 2022-210 / 2022-271CAN)

Development Name: Apollo Gardens	Location: Brevard County
Applicant/Borrower: Apollo Gardens, LLLP	Set Asides: 20% @ 50% AMI 80% @ 60% AMI
Developer/Principal: Carrfour Supportive Housing, Inc./Stephanie Berman	Demographic/Number of Units: Homeless, Disabled/84 units
Requested Amounts: Annual Competitive Housing Credits: \$1,848,000 HOME-ARP: \$7,200,000 NHTF: \$1,780,200	Development Category/Type: New Construction/Garden Apartments

1. Background:

- a) On June 7, 2022, Florida Housing Finance Corporation issued a Request for Applications (RFA) 2022-210 for Permanent Supportive Housing Focusing on Best Practices and Funding for Tenancy Supports and Resident Services Coordination for High Utilizers of Public Behavioral Health Systems.
- b) On August 5, 2022, the Board approved the final scores and recommendations for the RFA and directed staff to proceed with all necessary credit underwriting activities.
- c) On August 16, 2022, the Applicant was invited to enter credit underwriting activities which was accepted on August 22, 2022. The one-year deadline to complete credit underwriting was August 22, 2023.

2. Present Situation:

- a) On August 3, 2023, the Applicant requested a six-month firm loan commitment deadline extension from August 22, 2023 through February 22, 2024 due to current neighborhood opposition of the Development which affects final approval of its site plan. Additionally, the requested six months should assist with the execution of the limited partnership agreement by January 2024 and commencement with construction ([Exhibit B](#)).

3. Recommendation:

- a) Approve the firm loan commitment deadline extension from August 22, 2023 through February 22, 2024, subject to further approvals and verifications by the Credit Underwriter, Counsels, and appropriate Florida Housing Staff.

HOME RENTAL

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C. Request Approval of Firm Commitment Deadline Extension for Village at Cedar Hills (RFA 2022-210 / 2022-270CAN)

Development Name: Village at Cedar Hills	Location: Duval County
Applicant/Borrower: Ability VCH, LLC	Set Asides: 20% @ 50% AMI 80% @ 60% AMI
Developer/Principal: Ability Housing, Inc./Shannon Nazworth	Demographic/Number of Units: Homeless, Disabled/90 units
Requested Amounts: Annual Competitive Housing Credits: \$1,887,000 HOME-ARP: \$7,200,000 NHTF: \$1,835,100	Development Category/Type: New Construction/Garden Apartments

1. Background:

- a) On June 7, 2022, Florida Housing Finance Corporation issued a Request for Applications (RFA) 2022-210 for Permanent Supportive Housing Focusing on Best Practices and Funding for Tenancy Supports and Resident Services Coordination for High Utilizers of Public Behavioral Health Systems.
- b) On August 5, 2022, the Board approved the final scores and recommendations for the RFA and directed staff to proceed with all necessary credit underwriting activities.
- c) On August 16, 2022, the Applicant was invited to enter credit underwriting activities which was accepted on August 18, 2022. The one-year deadline to complete credit underwriting was August 18, 2023.

2. Present Situation:

- a) On July 27, 2023, the Applicant requested a six-month firm loan commitment deadline extension from August 18, 2023 through February 18, 2024 due to multiple rejections and denials of sewer connection plans by Jacksonville Energy Authority, creating delays and the inability to provide required documentation to complete the credit underwriting report ([Exhibit C](#)).

3. Recommendation:

- a) Approve the firm loan commitment deadline extension from August 18, 2023 through February 18, 2024, subject to further approvals and verifications by the Credit Underwriter, Counsels, and appropriate Florida Housing Staff.

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D. Request Approval of HOME Credit Underwriting Update Letter for Hermosa Arcadia (RFA 2020-206 / 2021-285H)

Development Name: Hermosa Arcadia	Location: DeSoto County
Developer: Revital Development Group, LLC, National Development of America, Inc., AHA Development, LLC, Michael Allan and Eric Miller ("Developer")	Set-Asides: 20% @ 50% AMI / 80% @ 60% AMI:
Requested Amounts: HOME: \$5,600,000 Viability Loan: \$1,530,000	Demographics/Number of Units: Family / 27 units
	Type: New Construction/Garden Apartments

1. Background:

- a) The Applicant applied for funding under Request for Applications ("RFA") 2020-206 seeking an allocation of HOME Financing for the Construction of Small, Rural Developments.
- b) On January 22, 2021, the Board approved the final scores and recommendations for the RF A and directed staff to proceed with all necessary credit underwriting activities for the six (6) eligible Applicants. After a formal written protest by the Developer of Hermosa Arcadia, the Board on March 12, 2021, approved the funding of all seven (7) Applicants, including Hermosa Arcadia.
- c) On February 21, 2022, staff received a final credit underwriting report with a positive recommendation for a HOME loan in the amount of \$5,600,000 and a Viability Loan of \$1,080,000. The Board approved the credit underwriting report on March 4, 2022, and a firm commitment was issued with a loan closing deadline of July 8, 2022.
- d) On April 27, 2022, the Developer requested an increase in the Viability Loan amount from \$1,080,000 to \$1,530,000 based on additional cost increases incurred since the March 4, 2022, Board Approval.
- e) On June 3, 2022, staff received a final credit underwriting update letter increasing the Viability Loan Amount to \$1,530,000. The Board approved the credit underwriting report on June 17, 2022, and a firm commitment was issued. The original HOME loan closed June 8, 2022, and the Viability Loan closed August 4, 2022.

2. Present Situation:

- a) Shortly after closing, it was brought to the attention of the development team that the Right-of-Way (ROW) on the eastern boundary of the site was in DeSoto County, however the permit ready letter provided at closing assumed that the ROW was located in the City of Arcadia. DeSoto County reviewed the plans and concluded that the development could not drain into the ROW and would not issue a permit.
- b) The Developer negotiated easements to excavate a 1/2-acre stormwater pond on a site approximately 230 linear feet from the Development.

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- c) Due to the change in plans and delay in construction, the overall development costs have increased. The Developer is requesting additional HOME Viability funding to complete the development.
- d) On August 23, 2023, staff received a final Credit Underwriting Update Letter ([Exhibit D](#)) increasing the Viability Loan amount from \$1,530,000 to \$2,745,000. Staff has approved this letter and finds the Development meets all the requirements of Rule Chapter 67-48, F.A.C.
- e) On August 15, 2023, the Developer received a letter from the Federal Home Loan Bank of Atlanta (FHLB) awarding them \$750,000 for this development through the Affordable Housing Program (AHP). This award requires the development to serve lower AMI households and may have other requirements in the final agreement. Staff and First Housing will continue evaluating this award with the developer and make any necessary reductions to the HOME and/or first mortgage loan amounts.

3. **Recommendation:**

- a) Approve the Final Credit Underwriting Update Letter and direct staff to proceed with issuance of an amended firm loan commitment and with the necessary loan and document modifications for the increased Viability Loan, subject to further approvals and verifications by the Credit Underwriter, Special Counsel and the appropriate Florida Housing Staff.

HOUSING CREDITS

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II. HOUSING CREDITS

A. Request Approval of Developer Entity Organizational Structure Changes for Harper's Pointe (RFA 2017-111 / 2018-105C)

Development Name: Harper's Pointe	Location: Alachua County
Applicant/Borrower: Harper's Pointe, L.P.	Set-Asides: 10% @ 33% AMI 90% @ 60% AMI
Developer/Principal: JES Dev Co, Inc. / William A. Markel	Demographic/Number of Units: Elderly, Non-ALF/66 Units
Requested Amounts: \$1,015,000 9% Housing Credits	Development Category/Type: New Construction/Garden

1. Background/Present Situation:

- a) Harper's Pointe, L.P. ("Applicant Name") applied for and was awarded funding from Request for Applications (RFA) 2017-111 for Housing Credit Financing for Affordable Housing Developments located in Medium and Small Counties. The funds are being utilized to finance the construction of a 66-unit Elderly, Non-ALF, development in Alachua County. On September 19, 2018, staff issued an invitation to the Applicant to enter credit underwriting and subsequently executed a Carryover Allocation Agreement on December 17, 2018. A Credit Underwriting Report was completed on January 24, 2020, providing a positive recommendation for a 9% Housing Credit allocation amount of \$1,015,000.
- b) On July 26, 2023, Florida Housing received a letter from the Applicant requesting to make changes to the Developer structure. The request letter and current and proposed organizational charts for the Developer are provided as [Exhibit A](#).
- c) Changes requested to the Developer structure: The current Trustee of Peach Way Development Trust, Richard Otto Mally, will be replaced by Carleen Schreder. William A Markel will continue to provide the developer experience for Harper's Pointe.
- d) Regarding the Developer structure changes, the RFA states that the Principals of each Developer identified in the Application, including all co-Developers, may be changed only by written request of an Applicant to Corporation staff and approval of the Board after the Applicant has been invited to enter credit underwriting. In addition, any allowable replacement of an experienced Principal of a Developer entity must meet the experience requirements that were met by the original Principal.
- e) Staff has reviewed this request and finds that all applicable requirements of the RFA have been met.

2. Recommendation:

- a) Approve the request to change the Developer structures as described above.

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B. Request Approval of an RFA Waiver to Allow Resident Program Options for Pineda Village (RFA 2015-111/2016-293C/2017-301C)

Development Name: Pineda Village	Location: Brevard County
Owner/Borrower: Cocoa Housing Preservation II, LLC	Set-Asides: 20% @ 35% AMI 75% @ 60% AMI
Developer/Principal: CHA Developer, LLC/Shaua Ginn Co-Developer: SHAG Pineda Village, LLC / Darren Smith	Demographic/Number of Units: Family, 144 Units
Requested Amounts: \$1,350,000 9% Housing Credits	Development Category/Type: Acquisition and Rehabilitation / Duplexes

1. Background/Present Situation:

- a) Cocoa Housing Preservation II, LLC ("Owner Name") applied for and was awarded funding from Request for Applications (RFA) 2015-111 for Housing Credit Financing for The Preservation of Existing Affordable Housing Developments. The funds were utilized to finance the acquisition and rehabilitation of a 144-unit Family development in Brevard County. The Final Allocation and IRS Form(s) 8609 were issued on December 11, 2020.
- b) On June 27, 2023, Florida Housing received a letter from the Owner requesting to waive two of the selected resident programs required in the original RFA, Literacy Training and Family Support Coordinator. The Owner proposes to replace the two resident programs for two new programs that were allowed in a more recent RFA but were not resident program elections in RFA 2015-111. Specifically, the Owner proposes to offer the Homeownership Opportunity Program and the Financial Management Program in place of the two previously mentioned resident programs. The Owner stated that they would like to offer the same resident programs as their sister property which was funded under RFA 2017-114. The letter is attached as [Exhibit B](#).
- c) Per the RFA, Applicants that select the Family Demographic must provide at least three (3) resident programs. The resident programs originally selected by the Owner are as follows:
 - (1) Literacy Training – The Applicant or its Management Company must make available, at no cost to the resident, literacy tutor(s) who will provide weekly literacy lessons to residents in private space on-site. Electronic media, if used, must be used in conjunction with live instruction. If the Development consists of Scattered Sites, this resident program must be provided on the Scattered Site with the most units.
 - (2) Employment Assistance Program – The Applicant or its Management Company must provide, at no cost to the resident, a minimum of quarterly scheduled Employment Assistance Program workshops/meetings offering employment counseling by a knowledgeable employment counselor. Such a program includes employability skills workshops providing instruction in the basic skills necessary for getting, keeping, and doing well in a job. The instruction

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must include, but not be limited to, the following:

- Evaluation of current job skills;
- Assistance in setting job goals; • Assistance in development of and regular review/update of individualized plan for each participating resident;
- Resume assistance;
- Interview preparation; and
- Placement and follow-up services.

- (3) Family Support Coordinator – The Applicant must provide a Family Support Coordinator at no cost to the resident. The Family Support Coordinator shall assist residents in assessing needs and obtaining services, with the goal of promoting successful tenancies and helping residents achieve and maintain maximum independence and self-sufficiency. Responsibilities shall include linking residents with public and private resources in the community to provide needed assistance, develop and oversee on-site programs and activities based on the needs and interests of residents, and support residents in organizing group activities to build community and to address and solve problems such as crime and drug activity. The duties of the Family Support Coordinator shall not be performed by property management staff. The Coordinator shall be on-site and available to residents at least 20 hours per week, within the hours of 9 a.m. and 8 p.m. The Coordinator may be an employee of the Development or, through an agreement, an employee of a third-party agency or organization that provides these services.

- d) The RFA resident programs that were introduced in RFA 2017-114 (and still reflected as options in current RFAs) that the Owner proposes to utilize moving forward are as follows:

- (1) Employment Assistance Program - The Applicant or its Management Company must provide, at no cost to the resident, a minimum of quarterly scheduled Employment Assistance Program workshops/meetings offering employment counseling by a knowledgeable employment counselor. Such a program includes employability skills workshops providing instruction in the basic skills necessary for getting, keeping, and doing well in a job. The instruction must be held between the hours of 8:00 a.m. and 7:00 p.m. and include, but not be limited to, the following:

- Evaluation of current job skills;
- Assistance in setting job goals;
- Assistance in development of and regular review/update of individualized plan for each participating resident;
- Resume assistance;
- Interview preparation; and
- Placement and follow-up services.

If the training is not provided on-site, transportation at no costs to the resident must be provided. Electronic media, if used, must be used in conjunction with live instruction.

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- (2) Financial Management Program - The Applicant or its Management Company shall provide a series of classes to provide residents training in various aspects of personal financial management. Classes must be held at least quarterly, consisting of at least two (2) hours of training per quarter, and must be conducted by parties that are qualified to provide training regarding the respective topic area. If the Development consists of Scattered Sites, the Resident Program must be held on the Scattered Site with the most units. Residents residing at the other sites of a Scattered Site Development must be offered transportation, at no cost to them, to the classes. The topic areas must include, but not be limited to:

- Financial budgeting and bill-paying including training in the use of technologies and web-based applications;
- Tax preparation including do's and don'ts, common tips, and how and where to file, including electronically;
- Fraud prevention including how to prevent credit card and banking fraud, identity theft, computer hacking and avoiding common consumer scams;
- Retirement planning & savings options including preparing a will and estate planning; and
- Homebuyer education including how to prepare to buy a home, and how to access to first-time homebuyer programs in the county in which the development is located.

Different topic areas must be selected for each session, and no topic area may be repeated consecutively.

- (3) Homeownership Opportunity Program - Applicant commits to provide a financial incentive which includes the following provisions:

- The incentive must be applicable to the home selected and may not be restricted to or enhanced by the purchase of a home in which the Applicant, Developer, or other related party has an interest;
- the incentive must be not less than 5 percent of the rent received by the owner for the unit during the entire occupancy by the household (Note: The incentive will be paid for all months for which the household is in compliance with the terms and conditions of the lease. Damages to the unit in excess of the security deposit will be deducted from the incentive.);
- the benefit must be in the form of a gift or grant and may not be a loan of any nature; • the benefits of the incentive must accrue from the beginning of occupancy;
- the vesting period can be no longer than 2 years of continuous residency; and
- no fee, deposit or any other such charge can be levied against the household as a condition of participation in this program.

- (4) Staff has reviewed this request and finds that the Development meets all other applicable requirements of the RFA.

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2. **Recommendation:**

- a) Approve the request to waive the RFA resident program requirements for Literacy Training and Family Support Coordinator and allow the addition of Homeownership Opportunity Program and Financial Management Program. Upon approval staff will amend the EUA as appropriate.

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Consent

III. LEGAL

A. Resolution of Fiscal Determination Process

1. **Background:**

- a) On July 1, 2022, Senate Bill 196 was signed into law, which included revisions to Chapter 420.509, Florida Statutes. These revisions eliminate the need for the State Board of Administration (SBA) to make fiscal determinations with regard to the issuance of FHFC Multifamily Mortgage Revenue Bonds (MMRB), Single Family Mortgage Revenue Bonds (SFMRB), as well as other financial transactions formally approved by SBA and instead designates the Corporation as the state fiscal agency to make fiscal determinations. Under Art. VII, Sec. 16 of the Florida Constitution, the required fiscal determination is that in no state fiscal year will the debt service requirements of the bonds proposed to be issued, and all other bonds secured by the same pledged revenues, exceed the pledged revenues available for such debt service requirements.
- b) At the August 5, 2022, meeting, the Board approved a resolution to delegate the authority and power to both approve and execute fiscal determination to the Executive Director.

2. **Present Situation:**

- a) Florida Housing's contracted special counsel has recommended that a new resolution be drafted to include a delegation of authority for acting Executive Directors, in order to ensure that there are no unnecessary delays in processing bond transactions.

3. **Recommendation:**

- a) Staff recommends that the Board approve Resolution #2023-031, attached as [Exhibit A](#), which delegates authority and power to approve and execute fiscal determinations to Florida Housing's Executive Director and such persons operating in that capacity.

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B. In Re: 414 East Pine Street, LP

FHFC Case No. 2023-062VW

Development Name: (“Development”):	Baptist Terrace
Developer/Principal: (“Developer”):	Orlando Neighborhood Improvement Corporation Inc./ Alfred Arzuaga
Number of Units: 197 units	Location: Orange County
Type: Acquisition and Rehabilitation; High-Rise	Set-Asides: 28 units @ 30% AMI 17 units @ 40% AMI 98 units @ 60% AMI 54 units @ 80% AMI
Demographics: Elderly, Non-ALF	Funding: MMRB: \$21,500,000 4% HC: \$1,240,228

1. **Background:**

- a) 414 East Pine Street, LP (“Petitioner”) successfully applied for funding to assist in the acquisition and rehabilitation of Baptist Terrace, a 197-unit development located in Orange County, Florida (the “Development”). On July 14, 2023, Florida Housing received a Petition for Waiver of Rule 67-21.026(13)(e) (the “Petition”) to allow the Development’s general contractor (“GC”) to self-perform work exceeding the de minimis amount allowed by Rule. A copy of the Petition is attached as [Exhibit B](#).

2. **Present Situation**

- a) Rule 67-21.026(13)(e), Fla. Admin. Code (2020), applies; however, on April 29, 2022, the Board amended Rule 67-21.026(13)(e), Fla. Admin. Code, effective retroactively to developments that had previously submitted applications under prior rule versions. Rule 67-21.026(13)(e), Fla. Admin. Code, as amended, states in relevant part:
 - (1) Ensure that no construction or inspection work is performed by the General Contractor, with the following exceptions: (i) the General Contractor may perform its duties to manage and control the construction of the Development; and (ii) the General Contractor may self-perform work of a *de minimis amount*, defined for purposes of this subparagraph as the lesser of \$350,000 or 5 percent of the construction contract.
 - (2) (emphasis added)
- b) Petitioner requests a waiver of the above rule to allow the Development’s GC to self-perform work exceeding the de minimis amount. Petitioner states that, when it initially began rehabilitation of the development, the GC did not expect to self-perform any work. However, as the project progressed, unforeseen complications arose from the Covid-19 pandemic resulting in labor shortages, supply chain disruptions, and difficulty hiring subcontractors. A detailed breakdown of the self-performed work is provided in the Petition, and Petitioner confirms that no profit, overhead or administrative fees were included in any of the self-performed costs. The GC self-performed work amounting to \$475,902.51, exceeding the de minimis amount of \$350,000 by \$125,902.51.
- c) Staff requested Seltzer Management Group, Inc, the underwriter on this transaction, to provide Florida Housing with a recommendation on the costs

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incurred by the GC. Staff received a positive recommendation on July 26, 2023 to approve the work that was self-performed by the GC.

- d) On July 18, 2023, the Notice of Petition was published in the Florida Administrative Register in Volume 49, Number 138. To date, Florida Housing has received no comments concerning the Petition.
- e) Section 120.542(2), Florida Statutes provides in pertinent part:

Variances and waivers shall be granted when the person subject to the rule demonstrates that the purpose of the underlying statute will be or has been achieved by other means by the person and when the application of a rule would create a substantial hardship or would violate principles of fairness.
- f) Granting the requested waiver does not impact any other participants in funding programs administered by Florida Housing, nor does it detrimentally impact Florida Housing or the Development. Petitioner has demonstrated that strict application of the above Rules under these circumstances would constitute a substantial hardship. Petitioner has also demonstrated that the purpose of the underlying statute, which is to “encourage development of low-income housing in the state” (§420.5099, Fla. Stat.), would still be achieved if the waiver is granted.

3. **Recommendation:**

- a) Staff recommends the Board GRANT the requested waiver of 67-21.026(13)(e), Fla. Admin. Code, to allow the Development’s general contractor to self-perform work exceeding the de minimis amount. No further workout is being proposed with this recommendation because the General Contractor’s Fee is already below the maximum allowed amount, however, this waiver is conditioned upon the Petitioner's compliance with the following:
 - (1) The general contractor has included no profit in the cost of the self-performed work.
 - (2) In addition to verifying the amount paid to the general contractor for the self-performed work based on the steps prescribed in the GCCC instructions, an independent CPA will also confirm/audit all labor and equipment hours and rates and material invoices for the self-performed work. And,
 - (3) As part of the cost certification process, in addition to confirming/auditing all self-performed work as noted in item 2, an independent CPA will confirm and/or verify an additional 40% of the development's costs per the Final Cost Certification Application Package.

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D. In Re: NARANJA GRAND II, LLC

FHFC Case No. 2023-063VW (RFA 2021-205/App. No. 2022-201BSN)

Development Name (“Development”):	Naranja Grand II
Developer/Principal (“Developer”):	Naranja Grand II Developer, LLC
Number of Units: 200 units	Location: Miami-Dade County
Type: New Construction, High-Rise	Set-Asides: 5% @ 30% AMI 5% @ 40% AMI 10% @ 50% AMI 45% @ 60% AMI 35% @ 70% AMI 2.5% @ 22% AMI (NHTF)
Demographics: Family	Funding: SAIL: \$5,000,000 9% HC: \$2,300,000 NHTF: \$1,546,000 ELI: \$600,000

1. **Background:**

- a) Petitioner successfully applied for funding to assist in the construction of Naranja Grand II, a 200-unit development located in Miami-Dade County, Florida (the “Development”). On August 16, 2023, Florida Housing received a Petition for Waiver of Rule 67-48.0072(21)(b) (the “Petition”) to extend the Firm Loan Commitment deadline from September 3, 2023 to March 3, 2024. A copy of the Petition is attached as [Exhibit D](#).

2. **Present Situation:**

- a) Rule 67-48.0072(21)(b), Fla. Admin. Code (5/18/2021), states, in relevant part:
- (b) For SAIL, EHCL, and HOME, unless stated otherwise in a competitive solicitation, the firm loan commitment must be issued within twelve (12) months of the Applicant’s acceptance to enter credit underwriting. Unless an extension is approved by the Corporation in writing, failure to achieve credit underwriting report approval and issuance of a firm loan commitment by the specified deadline shall result in withdrawal of the preliminary commitment. Applicants may request one (1) extension of up to six (6) months to secure a firm loan commitment. All extension requests must be submitted in writing to the program administrator and contain the specific reasons for requesting the extension and shall detail the time frame to achieve a firm loan commitment. In determining whether to grant an extension, the Corporation shall consider the facts and circumstances of the Applicant’s request, inclusive of the responsiveness of the Development team and its ability to deliver the Development timely. The Corporation shall charge non-refundable extension fee of one (1) percent of each loan amount if the request to extend the credit underwriting and firm loan commitment process beyond the initial twelve (12) month deadline is approved. If, by the end of the extension period, the Applicant has not received a firm loan commitment, then the preliminary commitment shall be withdrawn.
- b) Petitioner’s initial firm loan commitment issuance deadline for Petitioner’s HC, SAIL, ELI, and NHTF Award was March 3, 2023. On March 10, 2023, the Board granted Petitioner’s request for a 6-month extension of the firm loan commitment

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issuance deadline to September 3, 2023.

- c) Petitioner now requests an additional extension of the firm loan commitment issuance deadline from September 3, 2023 to March 3, 2024. As justification for its request, Petitioner states that due to rising construction costs, interest rates, insurance costs, and prevailing wages, the project's financing gap has risen substantially. Petitioner applied for additional funds from Florida Housing, and received a Notice of Preliminary Award from RFA 2023-211, Construction Inflation Response Viability Funding under application 2023-236V. Additionally, Petitioner has experienced numerous legal and planning issues with Miami-Dade County, which affected Petitioner's ability to obtain site plan approval in a timely manner. Petitioner anticipates CUR approval at the present meeting.
- d) On August 17, 2023, the Notice of Petition was published in the Florida Administrative Register in Volume 49, Number 160. To date, Florida Housing has received no comments concerning the Petition.
- e) Section 120.542(2), Florida Statutes provides in pertinent part:

Variances and waivers shall be granted when the person subject to the rule demonstrates that the purpose of the underlying statute will be or has been achieved by other means by the person and when the application of a rule would create a substantial hardship or would violate principles of fairness.
- f) Granting the requested waiver would not have any impact on other participants in funding programs administered by Florida Housing, nor would it have a detrimental impact on Florida Housing or the Development. Petitioner has demonstrated that strict application of the above Rules under these circumstances would constitute a substantial hardship. Petitioner has also demonstrated that the purpose of the underlying statute, which is to “encourage development of low-income housing in the state” (§420.5099, Fla. Stat.), would still be achieved if the waiver is granted.

3. **Recommendation:**

- a) Staff recommends the Board GRANT Petitioner’s request for a waiver of Rule 67-48.0072(21)(b), Fla. Admin. Code (5/18/2021), allowing Petitioner to extend its firm loan commitment issuance deadline from September 3, 2023 to March 3, 2024.

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E. In Re: HTG Oasis, Ltd.

FHFC Case No. 2023-066VW

Development Name: (“Development”):	Oasis at Aventura
Developer/Principal: (“Developer”):	HTG Oasis Developer, LLC/Matthew Rieger
Number of Units: 95 units	Location: Miami-Dade County
Type: New Construction; High-Rise	Set-Asides: 10% @ 25% AMI 90% @ 60% AMI
Demographics: Family	Funding: 9% HC: \$2,266,000 Viability: \$4,300,000

1. Background:

- a) HTG Oasis, Ltd. (“Petitioner”) successfully applied for funding to assist in the construction of Oasis at Aventura, a 95-unit development located in Miami-Dade County, Florida (the “Development”). On August 17, 2023, Florida Housing received a Petition for Waiver of Rule 67-48.004(3)(h), F.A.C. (5/18/21) (the “Petition”) to allow the Petitioner to change its demographic commitment from “family” to “elderly.” A copy of the Petition is attached as [Exhibit E](#).

2. Present Situation

- a) Rule 67-48.004(3)(h), Fla. Admin. Code (2021), states in relevant part:

(3) For the SAIL, HOME and Housing Credit Programs, notwithstanding any other provision of these rules, the following items as identified by the Applicant in the Application must be maintained and cannot be changed by the Applicant after the applicable submission, unless provided otherwise below:

(h) Demographic Commitment

- b) Petitioner requests a waiver of the above rule to allow the Petitioner to change its demographic commitment from “family” to “elderly.” In its Application, Petitioner originally identified a “family” demographic commitment. Petitioner states that it has experienced substantial increases in construction costs and operating expenses outside of Petitioner’s control that required Petitioner to explore additional ways to make the Development financially feasible. Changing the demographic commitment from “family” to “elderly” allows Petitioner to qualify for a tax exemption under §196.1975, Fla. Stat., that allows Petitioner to leverage a sufficient amount of permanent debt to be financially feasible. The development is funded under the Tier 1 Urban District Goal, which is not tied to a specific demographic set aside.
- c) Petitioner commits to provide the following elderly resident programs: (a) Daily Activities; (b) Assistance with Light Housekeeping, Grocery Shopping and/or Laundry; and (c) Resident Assurance Check-In Program. Petitioner also commits to incorporating all of the required construction features in the RFA for the Elderly demographic.
- d) On August 18, 2023, the Notice of Petition was published in the Florida

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Administrative Register in Volume 49, Number 161. To date, Florida Housing has received no comments concerning the Petition.

- e) Section 120.542(2), Florida Statutes provides in pertinent part:

Variances and waivers shall be granted when the person subject to the rule demonstrates that the purpose of the underlying statute will be or has been achieved by other means by the person and when the application of a rule would create a substantial hardship or would violate principles of fairness.

- f) Granting the requested waiver does not impact any other participants in funding programs administered by Florida Housing, nor does it detrimentally impact Florida Housing or the Development. Petitioner has demonstrated that strict application of the above Rules under these circumstances would constitute a substantial hardship. Petitioner has also demonstrated that the purpose of the underlying statute, which is to “encourage development of low-income housing in the state” (§420.5099, Fla. Stat.), would still be achieved if the waiver is granted.

3. **Recommendation:**

- a) Staff recommends the Board GRANT Petitioners request for waiver of 67-48.004(3)(h), Fla. Admin. Code (2021), to allow the Petitioner to change its demographic commitment from “family” to “elderly.”

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F. In Re: Miami Beach Housing Initiatives, Inc.

FHFC Case No. 2023-067VW (RFA 2020-102/App. No. 2020-483SA)

Development Name: (“Development”):	The Heron
Developer/Principal: (“Developer”):	Housing Authority of City of Miami Beach/Miguell Del Campilo Miami Beach Housing Initiatives, Inc./ Miguell Del Campillo
Number of Units: 20	Location: Miami-Dade County
Type: Mid-Rise; 4 story	Set-Asides: 20% @ 28% AMI 80% @ 60% AMI 40% @ 30% AMI
Demographics: Persons with Special Needs	Funding: \$3,999,980 SAIL \$389,200 ELI \$2,520,000 HOME-ARP CHIRP

1. Background:

- a) Petitioner successfully applied for State Apartment Incentive Loan (“SAIL”) funding and Extremely Low Income (“ELI”) funding in RFA 2020-102 to assist in the construction of a 20-unit affordable housing development named The Heron to be located in Miami-Dade County, Florida (the “Development”). On August 18, 2023, Florida Housing received a a Petition for Waiver of Rule 67-48.0072(26), F.A.C. (07/11/2019) (the “Petition”) to extend its loan closing deadline from September 8, 2023 to December 15, 2023. A copy of the Petition is attached as [Exhibit F](#).

2. Present Situation

- a) Rule 67-48.0072(26), Fla. Admin. Code (2019), provides in relevant part:

(26) For SAIL, EHCL, and HOME, unless stated otherwise in a competitive solicitation, these Corporation loans and other mortgage loans related to the Development must close within 120 Calendar Days of the date of the firm loan commitment(s), unless the Development is a Tax-Exempt Bond-Financed Development which then the closing must occur within 180 Calendar Days of the firm loan commitment(s). Unless an extension is approved by the Board, failure to close the loan(s) by the specified deadline outlined above shall result in the firm loan commitment(s) being deemed void and the funds shall be de-obligated. Applicants may request one (1) extension of the loan closing deadline outlined above for a term of up to 90 Calendar Days. All extension requests must be submitted in writing to the program administrator and contain the specific reasons for requesting an extension and shall detail the time frame to close the loan. The Board shall consider the facts and circumstances of each Applicant’s request, inclusive of the Applicant’s ability to close within the extension term and any credit underwriting report, prior to determining whether to grant the requested extension. The Corporation shall charge an extension fee of one (1) percent of each Corporation loan amount if the Board approves the request to extend the

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loan closing deadline beyond the applicable 120 Calendar Day period outlined above. If an approved extension is utilized, Applicants must pay the extension fee not later than seven (7) Calendar Days after the original loan closing deadline. In the event the Corporation loan(s) does not close by the end of the extension period, the firm loan commitment(s) shall be deemed void and the funds shall be de-obligated.

- b) As grounds for this current request, Petitioner asserts that on June 9, 2023, the Florida Housing Board approved a waiver of the CHIRP ITP to waive the loan closing deadline from June 9, 2023 to September 8, 2023 and a request for a SAIL/ELI loan closing deadline from May 30, 2023 to September 8, 2023, subject to payment of the required non-refundable extension fee of one percent of the SAIL/ELI loan amounts, pursuant to the requirements of the RFA. Because Petitioner exercised the single extension allowed under the Rule, Petitioner must request via this Petition a waiver of the Rule to allow an additional extension. The need for this extension was created by forces outside of Petitioner's control. In order to qualify for CHIRP funding, Petitioner was required to convert some of the 60% AMI units to 30% AMI units, resulting in a loss of revenue. This required the addition eight (8) project-based vouchers (PBV) to have sufficient income to support the increased debt, resulting in the need for a Subsidy Layering Review (SLR) to be completed by HUD. Petitioner cannot close without HUD approval which is expected to be issued within sixty days. Petitioner anticipates that the approval will be granted after the current loan closing deadline of September 8, 2023. Additionally, The Development sources include substantial funding from the City of Miami Beach and Miami-Dade County. Petitioner has requested draft closing documents from the City and County for legal counsel review in preparation for closing, however they have not yet been provided. Finally, Petitioner has been working diligently to obtain building permits for the Development. The delay in obtaining permit approvals has slowed Petitioner's progress in complying with the terms of the loan closings. Petitioner anticipates that the building permit will be issued within the next ninety days.
- c) On August 22, 2023 the Notice of Petition was published in the Florida Administrative Register in Volume 49, Number 163. To date, Florida Housing has received no comments concerning the Petition.
- d) Section 120.542(2), Florida Statutes provides in pertinent part:
- Variances and waivers shall be granted when the person subject to the rule demonstrates that the purpose of the underlying statute will be or has been achieved by other means by the person and when application of a rule would create a substantial hardship or would violate principles of fairness.
- e) Granting the requested waiver would not impact other participants in funding programs administered by Florida Housing, nor would it have a detrimental impact on Florida Housing or the Development. Petitioner has demonstrated that strict application of the above Rules under these circumstances would constitute a substantial hardship. Petitioner has also demonstrated that the purpose of the underlying statute, which is to "encourage development of low-income housing in the state" (§420.5099, Fla. Stat.), would still be achieved if the waiver is granted.

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3. **Recommendation:**

- a) Staff recommends the Board GRANT Petitioner's request for a waiver of 67-48.0072(26), Fla. Admin. Code (2019), to extend Petitioner's loan closing deadline from September 8, 2023 to December 15, 2023.

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G. In Re: COLLEGE PRESERVATION, LP

FHFC Case No. 2023-068VW (RFA 2021-205/App. No. 2022-195BS/2021-522C)

Development Name (“Development”):	College Arms Apartments
Developer/Principal (“Developer”):	Royal American Properties, LLC/Jeanette B. Chapman
Number of Units: 108 units	Location: Putnam County
Type: Acquisition/Rehabilitation, Garden Apartments	Set-Asides: 10% @ 40% AMI 90% @ 60% AMI
Demographics: Family	Funding: SAIL: \$4,999,860 4% HC: \$834,462 MMRB: \$10,000,000 ELI: \$522,100

1. Background:

- a) Petitioner successfully applied for funding to assist in the construction of College Arms Apartments, a 108-unit development located in Putnam County, Florida (the “Development”). On August 21, 2023, Florida Housing received a Petition for Waiver of Rule 67-48.0072(21)(b) (the “Petition”) to extend the Firm Loan Commitment deadline from September 7, 2023 to March 7, 2024. A copy of the Petition is attached as [Exhibit G](#).

2. Present Situation:

- a) Rule 67-48.0072(21)(b), Fla. Admin. Code (5/18/2021), states, in relevant part:
- (b) For SAIL, EHCL, and HOME, unless stated otherwise in a competitive solicitation, the firm loan commitment must be issued within twelve (12) months of the Applicant’s acceptance to enter credit underwriting. Unless an extension is approved by the Corporation in writing, failure to achieve credit underwriting report approval and issuance of a firm loan commitment by the specified deadline shall result in withdrawal of the preliminary commitment. Applicants may request one (1) extension of up to six (6) months to secure a firm loan commitment. All extension requests must be submitted in writing to the program administrator and contain the specific reasons for requesting the extension and shall detail the time frame to achieve a firm loan commitment. In determining whether to grant an extension, the Corporation shall consider the facts and circumstances of the Applicant’s request, inclusive of the responsiveness of the Development team and its ability to deliver the Development timely. The Corporation shall charge non-refundable extension fee of one (1) percent of each loan amount if the request to extend the credit underwriting and firm loan commitment process beyond the initial twelve (12) month deadline is approved. If, by the end of the extension period, the Applicant has not received a firm loan commitment, then the preliminary commitment shall be withdrawn.
- b) Petitioner’s initial firm loan commitment issuance deadline for Petitioner’s SAIL and ELI Award was March 7, 2023. On March 10, 2023, the Board granted Petitioner’s request for a 6-month extension of the firm loan commitment issuance deadline to September 7, 2023.

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- c) Petitioner now requests an additional extension of the firm loan commitment issuance deadline from September 7, 2023 to March 7, 2024. As justification for its request, Petitioner states that it has diligently pursued the development process. However, due to the time required for addressing the RD and HUD components of the development, Petitioner's current third-party reports required for the CUR are outdated. Therefore, Petitioner's CUR will not be ready in time to meet Petitioner's current firm loan commitment deadline of September 7, 2023.
- d) On August 23, 2023, the Notice of Petition was published in the Florida Administrative Register in Volume 49, Number 164. To date, Florida Housing has received no comments concerning the Petition.
- e) Section 120.542(2), Florida Statutes provides in pertinent part:

Variances and waivers shall be granted when the person subject to the rule demonstrates that the purpose of the underlying statute will be or has been achieved by other means by the person and when the application of a rule would create a substantial hardship or would violate principles of fairness.
- f) Granting the requested waiver would not have any impact on other participants in funding programs administered by Florida Housing, nor would it have a detrimental impact on Florida Housing or the Development. Petitioner has demonstrated that strict application of the above Rules under these circumstances would constitute a substantial hardship. Petitioner has also demonstrated that the purpose of the underlying statute, which is to “encourage development of low-income housing in the state” (§420.5099, Fla. Stat.), would still be achieved if the waiver is granted.

3. **Recommendation:**

- a) Staff recommends the Board GRANT Petitioner’s request for a waiver of Rule 67-48.0072(21)(b), Fla. Admin. Code (5/18/2021), allowing Petitioner to extend its firm loan commitment issuance deadline from September 7, 2023 to March 7, 2024.

MULTIFAMILY BONDS

Consent

IV. MULTIFAMILY BONDS

A. Request Approval of the Credit Underwriting Report Update Letter and Amended Authorizing Resolutions for Whispering Oaks (RFA 2021-205 / 2022-144BS / 2021-518C / RFA 2023-211 / 2023-255V)

Development Name: Whispering Oaks	Location: Orange County
Applicant/Borrower: SP East LLC	Set-Asides: 40% @ 60% AMI (MMRN) 29 Units @ 30% AMI (SAIL, ELI & 4% HC) 19 Units @ 50% AMI (SAIL & 4% HC) 78 Units @ 60% AMI (SAIL & 4% HC) 26 Units @ 70% AMI (SAIL & 4% HC) 40 Units @ 80% AMI (SAIL & 4% HC)
Developers/Principals: Southport Development, Inc. d/b/a Southport Development Services, Inc. / J. David Page	Demographic/Number of Units: Family / 192 units
Requested Amounts: \$30,000,000 Multifamily Mortgage Revenue Notes (MMRN) \$6,500,000 Viability Loan \$3,960,000 State Apartment Incentive Loan (SAIL) \$600,000 Extremely Low Income (ELI) \$2,415,628 Housing Credits (4% HC)	Development Category/Type: New Construction / Garden Apartments

1. Background/Present Situation:

- a) On August 17, 2021 Florida Housing issued a Request for Applications (RFA) 2021-205 SAIL Financing of Affordable Multifamily Housing Developments to be Used in Conjunction with Tax-Exempt MMRB Financing and Non-Competitive Housing Credits.
- b) Staff issued a preliminary commitment and invitation to enter credit underwriting on March 1, 2022. The acceptance was acknowledged on March 7, 2022.
- c) On March 10, 2023, the Board approved the final credit underwriting report with a positive recommendation for funding and directed staff to proceed with closing activities.
- d) On May 1, 2023, Florida Housing Finance Corporation issued RFA 2023-211 for Construction Inflation Response Viability Funding (Viability Loan) to assist competitive projects in the development pipeline experiencing cost increases related to market inflation. Viability Loan funding is intended to fill the funding gap experienced due to increased construction costs.
- e) On June 9, 2023, the Board approved the final scores and recommendations for RFA 2023-211 and directed staff to proceed with all necessary credit underwriting activities. Staff issued a notice of preliminary award to the Applicant on June 14, 2023. The acceptance was acknowledged on June 16, 2023.

MULTIFAMILY BONDS

Consent

- f) On July 11, 2023, staff received a request to increase the MMRN amount from \$28,000,000 to \$30,000,000.
- g) On August 24, 2023, staff received a final credit underwriting update letter with a positive recommendation to increase the MMRN amount and to add Viability Loan funding ([Exhibit A](#)). Staff has reviewed this report and finds that the development meets all requirements of the RFAs.
- h) Staff reviewed the amended authorizing resolutions ([Exhibit B](#)) authorizing the sale and issuance of Multifamily Mortgage Revenue Notes to finance this affordable housing Development within the State of Florida. Staff requests approval for the execution of the resolutions.

2. **Recommendation:**

- a) Approve the final credit underwriting update letter and amended authorizing resolutions and direct staff to proceed with issuance of a firm commitment and closing activities, subject to further approvals and verifications by the Credit Underwriter, Note Counsel, Special Counsel, and the appropriate Florida Housing staff.

MULTIFAMILY BONDS

Consent

B. Request Approval of the Credit Underwriting Report Update Letter and Amended Authorizing Resolutions for Brownsville Transit Village V (RFA 2019-102 / 2020-023BD / 2019-570C)

Development Name: Brownsville Transit Village V	Location: Miami-Dade County
Applicant/Borrower: Brownsville Village V, Ltd.	Set-Asides: 40% @ 60% AMI (MMRB) 20 Units @ 30% AMI (CDBG-DR & 4% HC) 70 Units @ 60% AMI (CDBG-DR & 4% HC) 30 Units @ 80% AMI (CDBG-DR & 4% HC)
Developers/Principals: APC Brownsville Village V Development, LLC / Kenneth Naylor	Demographic/Number of Units: Workforce / 120 units
Requested Amounts: \$18,850,000 Multifamily Mortgage Revenue Bonds (MMRB) \$3,900,000 Community Development Block Grant-Disaster Recovery (CDBG-DR) \$2,250,000 CDBG-DR Viability \$1,759,688 Housing Credits (4% HC)	Development Category/Type: New Construction / High Rise

1. Background/Present Situation:

- a) On July 30, 2019, Florida Housing issued a Request for Applications (RFA) 2019-102 for Community Development Block Grant - Disaster Recovery (CDBG-DR) to be Used in Conjunction with Tax-Exempt MMRB and Non-Competitive Housing Credits in Counties Deemed Hurricane Recovery Priorities.
- b) Staff issued a preliminary commitment letter and invitation to enter credit underwriting to the Applicant on April 27, 2020. The acceptance was acknowledged on May 4, 2020.
- c) On January 21, 2022, the Board approved the credit underwriting report with a positive recommendation for funding and directed staff to proceed with the closing activities. On August 5, 2022, the Board approved the credit underwriting update letter increasing the MMRB funding amount and directed staff to proceed with the closing activities.
- d) On July 11, 2023, staff received a request to increase the MMRB amount from \$17,370,000 to \$18,850,000.
- e) On August 14, 2023, staff received a final credit underwriting update letter with a positive recommendation to increase the MMRB amount and to add additional subordinate debt under the existing surtax mortgage in the amount of \$1,000,000 ([Exhibit C](#)). Staff has reviewed this report and finds that the development meets all requirements of the RFA.
- f) Staff reviewed the amended authorizing resolutions ([Exhibit D](#)) authorizing the sale and issuance of Multifamily Mortgage Revenue Bonds to finance this affordable housing Development within the State of Florida. Staff requests approval for the execution of the resolutions.

MULTIFAMILY BONDS

Consent

2. **Recommendation:**

- a) Approve the final credit underwriting update letter and amended authorizing resolutions and direct staff to proceed with closing activities, subject to further approvals and verifications by the Credit Underwriter, Bond Counsel, Special Counsel, and the appropriate Florida Housing staff.

MULTIFAMILY BONDS

Consent

C. Request Approval to Execute Acknowledgment Resolution

1. Background/Present Situation

- a) Pursuant to Rule 67-21, F.A.C., the Acknowledgement Resolution is the official action taken by the Corporation to reflect its intent to finance a Development provided that the requirements of the Corporation, the terms of the MMRB Loan Commitment, and the terms of the Credit Underwriting Report are met. The resolution designates the period within which the Borrower is able to be reimbursed for allowable project costs incurred with MMRB proceeds (with such period starting 60 days prior to the adoption of the resolution).
- b) Staff requests the execution of an Acknowledgement Resolution for the proposed Development referenced below intending to finance the acquisition, construction and/or rehabilitation of the Development. A brief description of the Development is detailed below. The resolution being presented to the Board for approval is attached as [Exhibit E](#).

2. Recommendation

- a) Approve the execution of an Acknowledgment Resolution for the proposed Development, as shown in the chart below.

DEVELOPMENT NAME	NAME OF APPLICANT	COUNTY	NUMBER OF UNITS	RFA / APPLICABLE APPLICATION	EXHIBIT
Vista Palms Apartments	Vista Palms Apartments LP	Lee County	229	2022 Non-Competitive Application	Exhibit E

MULTIFAMILY BONDS

Consent

D. Request Approval of the Transfer of Ownership for Sorrento at Miramar (MMRB 2009 Series J / 2011 Series F / 2009-06-07 / 2009-523C)

Development Name: Sorrento at Miramar	Location: Broward County
Applicant/Borrower: ZOM Foxcroft, L.P.	Set-Asides: 85% @ 60% AMI (MMRB) 20% @ 50% AMI (HOME) 80% @ 60% AMI (HOME) 100% @ 60% AMI (4% HC)
Developers/Principals: ZF Development, LLC / Alan F. Scott	Demographic/Number of Units: Family / 320
Requested Amounts: \$25,100,000 Multifamily Mortgage Revenue Bonds (MMRB) \$3,900,000 HOME Loan (HOME) \$1,160,893 Housing Credits (4% HC)	Development Category/Type: New Construction / Garden Apartments

1. Background

- a) Florida Housing originally financed the above referenced Development in 2011 with \$19,460,000 in Tax Exempt MMRB designated as 2009 Series J and \$5,640,000 in Tax Exempt MMRB designated as 2011 Series F and a \$3,900,000 HOME loan. The Development also received an allocation of 4% Housing Credits in an amount of \$1,160,893.

2. Present Situation

- a) The Borrower has requested Florida Housing's consent to the transfer of ownership of the Development to Sorrento FL Acquisition, LLC, an affiliate of The Related Companies, L.P., and transfer and subordination of the MMRB and HOME Land Use Restriction Agreements (LURAs) and the Extended Low Income Housing Agreement (ELIHA). First Housing has reviewed this request and provided a positive recommendation for the transfer, the assignment and assumption of the MMRB LURA, HOME Loan Documents, and the ELIHA and subordination of the MMRB LURA, HOME Loan Documents and ELIHA to the new first mortgage lender Berkadia Commercial Mortgage LLC ([Exhibit F](#)). The MMRB will be redeemed, and a partial payoff of the HOME loan will be received.

3. Recommendation

- a) Approve the transfer of ownership and the assignment, assumption, and subordination of the MMRB LURA and HOME Loan Documents, and the ELIHA subject to the conditions in the credit underwriting report, and further approvals and verifications by the Credit Underwriter, Bond Counsel, Special Counsel, and the appropriate Florida Housing staff.

MULTIFAMILY PROGRAMS

Consent

V. MULTIFAMILY PROGRAMS

Request Approval of Credit Underwriting Report for Courtside Apartments, Phase II (RFA 2021-208 / 2021-323S / 2020-528C & RFA 2023-211 / 2023-257V)

Development Name: Courtside Apartments, Phase II	Location: Miami-Dade County
Applicant/Borrower: AMC HTG 2, Ltd.	Set-Asides: 20 Units @ 30% AMI (SAIL & 4% HC) 6 Units @ 50% AMI (SAIL & 4% HC) 28 Units @ 60% AMI (SAIL & 4% HC) 66 Units @ 70% AMI (SAIL & 4% HC)
Developer/Principal: AMC HTG 2 Developer, LLC / Matthew A. Rieger	Demographic/Number of Units: Workforce/120 units
Requested Amounts: \$2,750,000 State Apartment Incentive Loan (SAIL) \$4,300,000 Viability Loan \$2,666,369 Housing Credits (4% HC)	Development Category/Type: New Construction/Mid-Rise (5-6 Stories)

1. **Background/Present Situation:**

- a) On March 15, 2021, Florida Housing Finance Corporation issued a Request for Applications (RFA) 2021-208 for SAIL and Housing Credit Financing for the Construction of Workforce Housing.
- b) On June 18, 2021, the Board approved the final scores and recommendations for the RFA and directed staff to proceed with all necessary credit underwriting activities.
- c) On July 12, 2021, staff issued an invitation to enter credit underwriting to the Applicant, which states that the firm loan commitment must be issued within 12 months of the acceptance to enter credit underwriting. The acceptance was acknowledged on July 15, 2021, giving them a firm loan commitment issuance deadline of July 15, 2022.
- d) On June 17, 2022, the Board approved extending the firm loan issuance commitment deadline from July 15, 2022, to January 15, 2023. Since then, the Board has approved Rule waivers extending the firm loan issuance commitment deadline to January 15, 2024.
- e) On May 1, 2023, Florida Housing Finance Corporation issued a Request for Applications (RFA) 2023-211 for Construction Inflation Response Viability Funding (Viability Loan) to assist competitive projects in the development pipeline experiencing cost increases related to market inflation. Viability Loan funding is intended to fill the funding gap experienced due to increased construction costs.
- f) On June 9, 2023, the Board approved the final scores and recommendations for RFA 2023-211 and directed staff to proceed with all necessary credit underwriting

MULTIFAMILY PROGRAMS

Consent

activities. Staff issued a notice of preliminary award to the Applicant on June 14, 2023. The acceptance was acknowledged on June 16, 2023.

- g) On August 24, 2023, staff received final credit underwriting report with a positive recommendation for funding ([Exhibit A](#)). Staff has reviewed this report and finds that the development meets all requirements of the RFA.

2. Recommendation:

- a) Approve the final credit underwriting report and direct staff to proceed with issuance of a firm commitment and closing activities.

MULTIFAMILY PROGRAMS

Consent

B. Request Approval of CHIRP ITP Waiver for Loan Closing Deadline and LPA Closing Deadline for The Village of Casa Familia (RFA 2019-107 / 2019-422CGN / 2021-325CGN / 2022-279CGN) and (RFA 2021-211 / 2022-230V / 2022 CHIRP ITP)

Development Name: The Village of Casa Familia	Location: Miami-Dade County
Applicant/Borrower: The Village of Casa Familia, Ltd.	Set-Asides: 15% @ 28% AMI (Grant & 9% HC) 71% @ 60% AMI (Grant & 9% HC) 16.95% @ 30% AMI (NHTF)
Developer/Principal: Casa Familia Developer, LLC /Howard D. Cohen	Demographic/Number of Units: Persons with Developmental Disabilities/59 total units
Requested Amounts: \$4,000,000 Grant \$2,000,000 Viability Loan \$2,950,000 Construction Housing Inflation Response Program (CHIRP) National Housing Trust Fund (NHTF) \$1,500,000 Housing Credits (9% HC)	Development Category/Type: New Construction/Garden Apartments

1. Background/Present Situation

a) On February 26, 2019, Florida Housing Finance Corporation issued a Request for Applications (RFA) 2019-107 for Financing for the Development of Housing for Persons with A Disabling Condition or Developmental Disabilities. On May 10, 2019, the Board approved the final scores and recommendations for the RFA and directed staff to proceed with all necessary credit underwriting activities. On May 20, 2019, staff issued an invitation to the Applicant to enter credit underwriting which states that the firm loan commitment must be issued within 12 months of the acceptance to enter credit underwriting.

Subsequently Florida Housing executed a Carryover Allocation Agreement on December 26, 2019 giving the Applicant a credit underwriting deadline of September 30, 2020. On October 13, 2020 staff extended the HC 10% test which also extended the credit underwriting deadline to March 31, 2021. On March 29, 2021 staff extended the deadlines again which extended the credit underwriting deadline to September 30, 2021. At the June 18, 2021 Board meeting the Board approved a Rule waiver for a credit exchange for Village of Casa Familia. Florida Housing executed a 2021 Carryover Allocation Agreement on June 25, 2021 which reset the credit underwriting deadline to March 31, 2022. Subsequently staff granted an extension to the credit underwriting deadline to September 30, 2022.

b) On October 12, 2021, Florida Housing Finance Corporation issued a Request for Application (RFA) for Development Viability Loan Funding (Viability Loan) to assist Applicants that have received a recent award since 2017 but have not yet started construction or rehabilitation of their proposed Development and are experiencing a financing gap for their Active Award. On December 10, 2021, the Board approved the final scores and recommendations for RFA 2021-211 and directed staff to proceed with all necessary credit underwriting activities. On December 15, 2021, a Notice of Preliminary Award was issued to the Applicant. The acceptance was acknowledged on December 16, 2021.

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- c) On May 9, 2022, Florida Housing issued the 2022 Construction Housing Inflation Response Program (CHIRP) Invitation to Participate (ITP). Staff received a CHIRP ITP Application from the Applicant on June 18, 2022 requesting NHTF funds. The CHIRP amount was sized and approved during the credit underwriting process.
- d) On December 9, 2022, the Board approved a second Petition for Variance from Florida Administrative Code Rule 67-48.002(96) and the 2018 QAP (the "Petition") to waive the timing requirements found in the 2018 QAP and allow a credit exchange to be approved before the fourth calendar quarter of 2023 which also extended the credit underwriting deadline to September 30, 2023. On January 27, 2023, the Board approved the final credit underwriting report with a positive recommendation for funding. On January 30, 2023, staff issued a firm commitment to the Applicant.
- e) On August 4, 2023, staff received a request from the Borrower requesting a waiver of the CHIRP deadline to close on the loan and Limited Partnership Agreement from September 8, 2023 to October 27, 2023 ([Exhibit B](#)). After substantial delays caused by concerns raised by HUD, the Borrower received guidance from HUD that allows all parties to proceed towards a closing. Since the previous extension, the development team has been actively engaging with several funding parties to complete the underwriting process. They have recently secured additional State funding of \$3,050,000 that they are in process of finalizing with the Department of Commerce. Additionally, they are waiting on approval of their General Obligation Bond document from the Board of County Commission which is anticipated to be completed in September 2023. Moreover, additional time is needed to receive HUD approval on the project-based voucher subsidy layering review. Staff has reviewed this request and finds that the development meets all other applicable requirements of the RFA and the CHIRP ITP.
- f) Per the CHIRP ITP, Applicants must close on the limited partnership agreement and, if applicable, Corporation funding and construction funding by the earlier of the existing closing deadlines for the Active Award (excluding Rule extension requests that require Board approval) or January 31, 2023. On August 5, 2022, the Board approved a Modification of the ITP, whereby the LPA closing deadline would be January 31, 2023; the "earlier of the existing closing deadline" would not be enforced. Additionally, the requirement for closing the loan by the "earlier of the existing closing deadline" will not be enforced, and the closing deadline requirement will be January 31, 2023 or March 10, 2023, as applicable. On January 27, 2023, the Board approved a Modification of the ITP, whereby the deadline for closing the LPA was extended to March 10, 2023. On March 10, 2023, the Board approved a Modification of the ITP, whereby the deadline for loan closing and the LPA was extended to April 28, 2023. On April 28, 2023, the Board approved waiving the CHIRP ITP loan closing deadline and the LPA closing deadline from April 28, 2023 to September 8, 2023. Therefore, a waiver is required.

2. Recommendation

- a) Approve a waiver of the CHIRP ITP to waive the loan closing deadline and LPA closing deadline from September 8, 2023 to October 27, 2023.

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D. Request Approval of CHIRP ITP Waiver for Loan Closing Deadline Extension for The Heron (RFA 2020-102 / 2020-483SA / 2022 CHIRP ITP)

Development Name: The Heron	Location: Miami-Dade County
Applicant/Borrower: Miami Beach Housing Initiatives, Inc.	Set-Asides: 20% @ 28% AMI (SAIL & ELI) 80% @ 60% AMI (SAIL) 40% @ 30% AMI (HOME-ARP)
Developers/Principals: Housing Authority of the City of Miami Beach; Miami Beach Housing Initiatives, Inc./Miguell Del Campillo	Demographic/Number of Units: Persons with Special Needs/20 units
Requested Amounts: \$3,999,980 State Apartment Incentive Loan (SAIL) \$389,200 Extremely Low Income (ELI) \$2,520,000 Construction Housing Inflation Response Program (CHIRP) Home Investment Partnerships Program (HOME) from The American Rescue Plan Act (ARP) (“HOME-ARP”)	Development Category/Type: New Construction/Mid-Rise (4 Stories)

1. Background/Present Situation

- a) On March 4, 2020, Florida Housing issued a Request for Applications (RFA) 2020-102 for SAIL Financing of Smaller Developments for Persons with Special Needs. On June 11, 2020, the Board approved the final scores and recommendations for the RFA and directed staff to proceed with all necessary credit underwriting activities. On July 8, 2020, staff issued an invitation to enter credit underwriting to the Applicant, which states that the firm loan commitment must be issued within 12 months of the acceptance to enter credit underwriting. The acceptance was acknowledged on July 9, 2020, giving them a firm loan commitment issuance deadline of July 9, 2021.
- b) On June 18, 2021, the Board approved the request for a firm loan commitment issuance deadline extension from July 9, 2021, to January 9, 2022. On December 10, 2021, the Board approved the Rule waiver request for a firm loan commitment issuance deadline extension from January 9, 2022, to July 9, 2022.
- c) On May 9, 2022, Florida Housing issued the 2022 Construction Housing Inflation Response Program (CHIRP) Invitation to Participate (ITP). Staff received a CHIRP ITP Application from the Applicant on July 1, 2022, requesting HOME-ARP funds. The CHIRP amount was sized and approved during the credit underwriting process.
- d) On June 17, 2022, the Board approved an additional Rule waiver request to extend firm loan commitment issuance deadline from July 9, 2022, to January 9, 2023.
- e) On January 27, 2023, the Board approved final credit underwriting report with a positive recommendation for funding. On January 30, 2023, staff issued a firm commitment to the Applicant giving them a loan closing deadline of May 30, 2023. A request for an extension of the loan closing deadline may be considered by the Board for an extension term of up to 90 Calendar Days.

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- f) On August 17, 2023, staff received a request from the borrower requesting a waiver of the CHIRP deadline to close on the loan from September 8, 2023 to December 15, 2023 ([Exhibit D](#)). In order to qualify for CHIRP funding, the development needed to convert some of the 60% AMI units to 30% AMI units, resulting in a loss of revenue. This required the addition of eight (8) project-based vouchers (PBV) to have sufficient income to support the increased debt, resulting in a Subsidy Layering Review (SLR) to be completed by HUD. The extension request will allow time for HUD to complete its review and approval process for the SLR and it will also allow the HACMB additional time for the approval of the building permit, and for the review and preparation of closing documents from the City of Miami Beach and Miami-Dade County. Staff has reviewed this request and finds that the development meets all applicable requirements of the RFA and the CHIRP ITP.
- g) Per the CHIRP ITP, Applicants must close on Corporation loan funding by the earlier of the existing closing deadlines for the Active Award (excluding Rule extension requests that require Board approval) or January 31, 2023. On August 5, 2022, the Board approved a Modification of the ITP, whereby the requirement for closing the loan by the “earlier of the existing closing deadline” will not be enforced, and the closing deadline requirement will be March 10, 2023. On March 10, 2023, the Board approved an additional Modification of the ITP, whereby the deadline for loan closing was extended to April 28, 2023. Subsequently, on April 28, 2023, the Board approved the Borrower's request for a waiver of the CHIRP ITP to waive the loan closing deadline from April 28, 2023 to June 9, 2023. On June 9, 2023, the Board approved waiving the CHIRP ITP loan closing deadline and the SAIL/ELI loan closing deadline extension from June 9, 2023 to September 8, 2023. Therefore, a waiver is required.

2. **Recommendation**

- a) Approve a waiver of the CHIRP ITP to waive the loan closing deadline from September 8, 2023 to December 15, 2023.

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E. Request Approval of Credit Underwriting Report and RFA Waiver for Applicant Entity Change for Vista Breeze (RFA 2021-205 / 2022-159SN / 2021-523C / 2023-260V)

Development Name: Vista Breeze	Location: Miami-Dade County
Applicant/Borrower: Vista Breeze, Ltd.	Set-Asides: 20 Units @ 30% AMI (SAIL, ELI & 4% HC) 69 Units @ 60% AMI (SAIL & 4% HC) 30 Units @ 80% AMI (SAIL & 4% HC) 4.2% @ 22% AMI (NHTF)
Developer/Principal: APC Vista Breeze Development, LLC/Howard D. Cohen, HACMB Development, LLC/Miguell J. Del Campillo	Demographic/Number of Units: Elderly/119 units
Requested Amounts: \$3,000,000 State Apartment Incentive Loan (SAIL) \$600,000 Extremely Low Income (ELI) \$1,301,500 National Housing Trust Fund (NHTF) \$4,300,000 Viability Loan \$2,585,299 Housing Credits (4% HC)	Development Category/Type: New Construction/Mid-Rise (4 stories)

1. Background/Present Situation:

- a) On August 17, 2021, Florida Housing Finance Corporation issued a Request for Applications (RFA) 2021-205 for SAIL Financing of Affordable Multifamily Housing Developments to be used in Conjunction with Tax-Exempt Bond Financing and Non-Competitive Housing Credits.
- b) On December 10, 2021, the Board approved the final scores and recommendations for the RFA and directed staff to proceed with all necessary credit underwriting activities.
- c) On March 1, 2022, staff issued an invitation to enter credit underwriting to the Applicant, which states that the firm loan commitment must be issued within 12 months of the acceptance to enter credit underwriting. The acceptance was acknowledged on March 8, 2022, giving them a firm loan commitment issuance deadline of March 8, 2023. Per the RFA, Applicants may request one (1) extension of up to 6 months to secure a firm loan commitment.
- d) On March 10, 2023, the Board approved a firm loan issuance commitment deadline extension from March 8, 2023 to September 8, 2023.
- e) On May 1, 2023, Florida Housing Finance Corporation issued a Request for Applications (RFA) 2023-211 for Construction Inflation Response Viability Funding (Viability Loan) to assist competitive projects in the development pipeline experiencing cost increases related to market inflation. Viability Loan funding is intended to fill the funding gap experienced due to increased construction costs.
- f) On June 9, 2023, the Board approved the final scores and recommendations for

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RFA 2023-211 and directed staff to proceed with all necessary credit underwriting activities. Staff issued a notice of preliminary award to the Applicant on June 14, 2023. The acceptance was acknowledged on June 14, 2023.

- g) On June 22, 2023, staff received a request from the Applicant to change the organizational structure of the Applicant Entity ([Exhibit E](#)). The Applicant request changes to the Applicant entity removing HACMB - Vista Breeze, LLC as a Co-General Partner and making Vista Breeze HACMB, Inc. the sole General Partner. APC Vista Breeze, LLC will be removed as the Managing GP and changed to the Special Limited Partner. Given the macro-economic challenges which have significantly increased development costs, they are pursuing an Ad Valorem Tax Exemption pursuant to Section 196.1975 of the Florida Statute, which requires a 501(c)(3) non-profit entity to be the sole general partner. To qualify for the referenced tax exemption, the new organizational structure is needed. Per the RFA, the Applicant entity shall be the borrowing entity and cannot be changed in any way (materially or nonmaterially) until after loan closing. Therefore, the change of the Applicant entity requires an RFA waiver.
- h) On August 24, 2023, staff received final credit underwriting report with a positive recommendation for funding ([Exhibit F](#)). Staff has reviewed this report and finds that the development meets all requirements of the RFA.

2. Recommendation:

- a) Approve the final credit underwriting report and direct staff to proceed with issuance of a firm commitment and closing activities, and approve RFA Waiver for Applicant Entity Change.

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F. Request Approval of an RFA Waiver to allow Resident Program Options for Denton Cove (RFA 2020-211/2020-494C / RFA 2018-109 / 2018-337V)

Development Name: Denton Cove	Location: Franklin County
Applicant/Borrower: Denton Cove, Ltd.	Set-Asides: 10% @ 40% AMI 90% @ 60% AMI
Developer/Principal: Denton Cove Developer, Inc. / Jonathan Wolf	Demographic/Number of Units: Family / 52 Units
Requested Amounts: \$1,314,370 9% Housing Credits \$2,250,000 Viability Funding	Development Category/Type: New Construction / Garden

1. Background/Present Situation:

- a) Denton Cove, Ltd. ("Applicant Name") applied for and was awarded funding from Request for Applications (RFA) 2020-211 for Housing Credit Financing for Developments Located in Small Counties with an Aged Active Award of 9% Housing Credits. The funds are being utilized to finance construction of a 52-unit Family development in Franklin County. On October 22, 2020, staff issued an invitation to the Applicant to enter credit underwriting and subsequently executed a Carryover Allocation Agreement on December 23, 2020.
- b) On March 29, 2018, Florida Housing Finance Corporation issued a Request for Applications (RFA) 2018-109 for Development Viability Loan Funding (Viability Loan). On May 4, 2018, the Board approved the final scores and recommendations for the RFA and directed staff to proceed with all necessary credit underwriting activities. Staff issued a Notice of Preliminary Award to the Applicant on June 6, 2018.
- c) On July 28, 2023, Florida Housing received a letter from the Applicant requesting to waive one of the selected resident programs required in the original RFA, the Family Support Coordinator, and replace it with a new resident program requirement offered in current RFAs, the Financial Management Program. The Applicant stated that due to the current property demographic the Financial Management Program would best serve their residents. The letter is attached as [Exhibit G](#).
- d) Per the RFA, Applicants that select the Family Demographic must provide at least three (3) resident programs. The resident programs originally selected by the Applicant are as follows:
- e) Original RFA Resident Programs:
 - (1) Literacy Training – Applicant or its Management Company must make available, at no cost to the resident, literacy tutor(s) who will provide weekly literacy lessons to residents in private space on-site. Electronic media, if used, must be used in 31 RFA 2014-114 conjunction with live instruction. If the Development consists of Scattered Sites, this resident program must be provided on the Scattered Site with the most units.
 - (2) Employment Assistance Program – Applicant or its Management Company must provide, at no cost to the resident, a minimum of

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quarterly scheduled Employment Assistance Program workshops/meetings offering employment counseling by a knowledgeable employment counselor. Such a program includes employability skills workshops providing instruction in the basic skills necessary for getting, keeping, and doing well in a job. The instruction must include, but not be limited to, the following:

- Evaluation of current job skills;
- Assistance in setting job goals;
- Assistance in development of and regular review/update of individualized plan for each participating resident;
- Resume assistance;
- Interview preparation; and
- Placement and follow-up services.

If the Development consists of Scattered Sites and the training is provided on site, it must be provided on the Scattered Site with the most units. If the training is not provided on-site, transportation at no cost to the resident must be provided. Electronic media, if used, must be used in conjunction with live instruction.

- (3) Family Support Coordinator – The Applicant must provide a Family Support Coordinator at no cost to the resident. The Family Support Coordinator shall assist residents in assessing needs and obtaining services, with the goal of promoting successful tenancies and helping residents achieve and maintain maximum independence and self-sufficiency. Responsibilities shall include linking residents with public and private resources in the community to provide needed assistance, develop and oversee on-site programs and activities based on the needs and interests of residents, and support residents in organizing group activities to build community and to address and solve problems such as crime and drug activity. The duties of the Family Support Coordinator shall not be performed by property management staff. The Coordinator shall be on-site and available to residents at least 20 hours per week, within the hours of 9 a.m. and 8 p.m. The Coordinator may be an employee of the Development or, through an agreement, an employee of a third party agency or organization that provides these services.

- f) The RFA resident programs that the Applicant proposes to utilize moving forward, as allowed in current RFAs are as follows:

- (1) Literacy Training – Applicant or its Management Company must make available, at no cost to the resident, literacy tutor(s) who will provide weekly literacy lessons to residents in private space on-site. Electronic media, if used, must be used in 31 RFA 2014-114 conjunction with live instruction. If the Development consists of Scattered Sites, this resident program must be provided on the Scattered Site with the most units.
- (2) Employment Assistance Program - The Applicant or its Management Company must provide, at no cost to the resident, a minimum of quarterly scheduled Employment Assistance Program workshops/meetings offering employment counseling by a

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knowledgeable employment counselor. Such a program includes employability skills workshops providing instruction in the basic skills necessary for getting, keeping, and doing well in a job. The instruction must be held between the hours of 8:00 a.m. and 7:00 p.m. and include, but not be limited to, the following:

- Evaluation of current job skills;
- Assistance in setting job goals;
- Assistance in development of and regular review/update of an individualized plan for each participating resident;
- Resume assistance;
- Interview preparation; and
- Placement and follow-up services.

If the training is not provided on-site, transportation at no cost to the resident must be provided. Electronic media, if used, must be used in conjunction with live instruction.

- (3) Financial Management Program - The Applicant or its Management Company shall provide a series of classes to provide residents training in various aspects of personal financial management. Classes must be held at least quarterly, consisting of at least two hours of training per quarter, and must be conducted by parties that are qualified to provide training regarding the respective topic area. If the Development consists of Scattered Sites, the Resident Program must be held on the Scattered Site with the most units. Residents residing at the other sites of a Scattered Site Development must be offered transportation, at no cost to them, to the classes. The topic areas must include, but not be limited to:

- Financial budgeting and bill-paying including training in the use of technologies and web-based applications;
- Tax preparation including do's and don'ts, common tips, and how and where to file, including electronically;
- Fraud prevention including how to prevent credit card and banking fraud, identity theft, computer hacking and avoiding common consumer scams;
- Retirement planning & savings options including preparing a will and estate planning; and
- Homebuyer education including how to prepare to buy a home, and how to access to first-time homebuyer programs in the county in which the development is located.

Different topic areas must be selected for each session, and no topic area may be repeated consecutively.

- g) Staff has reviewed this request and finds that the development meets all other requirements of the RFA.

2. **Recommendation:**

- a) Approve the request to waive the RFA requirement for the Family Support Coordinator and allow the addition of the Financial Management Program from the current RFA resident programs list. Upon approval staff will amend the EUA

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as appropriate.

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G. Request Approval of Applicant Entity Organizational Structure Changes for Pinnacle at La Cabana (RFA 2021-202/2022-131C/2023-264C / RFA2023-211/2023-233V)

Development Name: Pinnacle at La Cabana	Location: Broward County
Applicant/Borrower: Pinnacle at La Cabana, LLLP	Set-Asides: 10% @ 28% AMI 90% @ 60% AMI
Developer/Principal: Pinnacle Communities, LLC / David O. Deutch	Demographic/Number of Units: Elderly, Non-ALF/110
Requested Amounts: \$2,882,000 9% Housing Credits \$4,300,000 Viability Loan Funding	Development Category/Type: New Construction /Mid-Rise (5-6 Stories)

1. Background/Present Situation:

- a) Pinnacle at La Cabana, LLLP applied for and was awarded funding from Request for Applications (RFA) 2021-202 for Housing Credit Financing for Affordable Housing Developments Located in Broward, Duval, Hillsborough, Orange, Palm Beach, and Pinellas Counties. The funds are being utilized to finance the construction of a 110-unit Elderly, Non-ALF, development in Broward County. On January 28, 2022, staff issued an invitation to the Applicant to enter credit underwriting and subsequently executed a Carryover Allocation Agreement on July 21, 2022. The Applicant also applied for and was awarded funding from RFA 2023-211 for Construction Inflation Response Viability Funding. On June 14, 2023, a Notice of Preliminary Award was issued for viability loan funding and subsequently a new Carryover Allocation Agreement was executed on July 24, 2023.
- b) On April 28, 2023, the Board approved changes to the Applicant and Developer structures due to the unfortunate passing of one of the natural person principals.
- c) On July 25, 2023, Florida Housing received a letter from the Applicant requesting a material change to the Applicant entity ownership structure to accurately reflect the trusts established for the family members of the principals and the managed interests in Mr. Friedman's estate. In addition, the Applicant requests to add a co-General Partner to the structure to enhance the operational and management team to provide development consistency with previous Pinnacle ventures. The addition of the co-General Partner, a non-profit entity, will also allow the Development to be eligible to be exempt from ad-valorem taxes; the request is not intended for the purpose of qualifying the Development as a "Non-Profit Application." The letter and the current and proposed principal disclosures are attached as [Exhibit H](#).
- d) Changes requested to the Applicant Structure: Replace Sole Member of the General Partner, PC GP Holdings, LLC (100%), and Managers Louis Wolfson III and David O. Deutch, with Managing Members DOD Affordable, LLC (33.34%) and Wolfpack Affordable, LLC (33.33%) and Member MMF Affordable, LLC (33.33%). DOD Affordable, LLC is made up of Manager, David O. Deutch and Members The 2017 Jennifer L. Deutch Family Trust (50%) and The 2017 Matthew K. Deutch Family Trust (50%). The 2017 Jennifer L. Deutch Family Trust is made up of Trustee Debra K. Deutch and Beneficiary Jennifer L. Deutch (100%). The Matthew K. Deutch Family Trust is made up of Trustee Debra K. Deutch and Beneficiary Matthew K. Deutch (100%). Wolfpack Affordable, LLC

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includes Manager Louis Wolfson III and Members Trust for Randi Faith Wolfson (33.34%), Trust for Linsey Paige Wolfson (33.33%), and Trust for Louis Wolfson IV (33.33%). The Trust for Randi Faith Wolfson is made up of Trustees Ellen D. Wolfson and Randi Faith Wolfson and Beneficiary Randi Faith Wolfson (100%). Trust for Lindsey Paige Wolfson is made up of Trustees Ellen D. Wolfson and Lindsey Paige Wolfson and Beneficiary Lindsey Paige Wolfson (100%). Finally, the Trust for Louis Wolfson IV is made up of Trustees Ellen D. Wolfson and Louis Wolfson IV and Beneficiary Louis Wolfson IV (100%). MMF Affordable, LLC is made up of Managers Chad Friedman and Robyn Schumacher and Sole Member, The Estate of Mitchell M. Friedman.

- e) Additional changes requested to the Applicant Structure: Add co-General Partner Everglades Housing Trust, Incorporated (.0010%), decreasing PC - Cabana, LLC's interest to 0.0090%. Everglades Housing Trust Incorporated is a non-profit entity and is made up of Executive Director, Steven Kirk, and Officers and Directors Steven Kirk, Fabiola Vidales, Alphonso Townsel, Peter McDougal, Susan Rubio-Riviera, and Pinita Alegre.
- f) Regarding the Applicant structure changes, the RFA states that once the Carryover Allocation Agreement has been executed by all parties, (a) replacement of the Applicant or material change in the ownership structure of the named Applicant will require Board Approval prior to the change and (b) any non-material change in the ownership structure of the named Applicant will require Corporation approval prior to the change.
- g) Staff has reviewed this request and finds that the Development meets all other requirements of the RFA/Rule.

2. **Recommendation:**

- a) Approve the request to change the Applicant Structure as described above.

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H. Request Approval of Applicant Entity Organizational Structure Changes for Pinnacle at the Wesleyan (RFA 2020-201/2021-098C/2023-267C / RFA2023-211/2023-234V)

Development Name: Pinnacle at the Wesleyan	Location: Osceola County
Applicant/Borrower: Pinnacle at the Wesleyan, LLC	Set-Asides: 10% @ 33% AMI 90% @ 60% AMI
Developer/Principal: Pinnacle Communities, LLC / David O. Deutch	Demographic/Number of Units: Family/96
Requested Amounts: \$1,699,000 9% Housing Credits \$4,300,000 Viability Loan Funding	Development Category/Type: New Construction /Garden Apartments

1. Background/Present Situation:

- a) Pinnacle at the Wesleyan, LLC ("Applicant Name") applied for and was awarded funding from Request for Applications (RFA) 2020-201 for Housing Credit Financing for Affordable Housing Developments Located in Medium and Small Counties. The funds are being utilized to finance the construction of a 96-unit, Family, development in Osceola County. On May 7, 2021, staff issued an invitation to the Applicant to enter credit underwriting and subsequently executed a Carryover Allocation Agreement on September 3, 2021. The Applicant also applied for and was awarded funding from RFA 2023-211 for Construction Inflation Response Viability Funding. On June 14, 2023, a Notice of Preliminary Award was issued for viability loan funding and subsequently a new Carryover Allocation Agreement was executed on July 24, 2023.
- b) On April 28, 2023, the Board approved changes to the Applicant and Developer structures due to the unfortunate passing of one of the natural person principals.
- c) On July 25, 2023, Florida Housing received a letter from the Applicant requesting a material change to the Applicant entity ownership structure to accurately reflect the trusts established for the family members of the principals and the managed interests in Mr. Friedman's estate. In addition, the Applicant requests to add a co-Non-Investor Member to the Applicant structure and a Co-Developer to the Developer structure to strengthen the ability to execute and operate in a critically needed community in the City of Kissimmee. The letter and the current and proposed principal disclosures are attached as [Exhibit I](#).
- d) Changes requested to the Applicant Structure: Replace Sole Member of the Non-Investor Member, PC GP Holdings, LLC (100%), and Managers Louis Wolfson III and David O. Deutch, with Managing Members DOD Affordable, LLC (33.34%) and Wolfpack Affordable, LLC (33.33%) and Member MMF Affordable, LLC (33.33%). DOD Affordable, LLC is made up of Manager, David O. Deutch and Members The 2017 Jennifer L. Deutch Family Trust (50%) and The 2017 Matthew K. Deutch Family Trust (50%). The 2017 Jennifer L. Deutch Family Trust is made up of Trustee Debra K. Deutch and Beneficiary Jennifer L. Deutch (100%). The Matthew K. Deutch Family Trust is made up of Trustee Debra K. Deutch and Beneficiary Matthew K. Deutch (100%). Wolfpack Affordable, LLC includes Manager Louis Wolfson III and Members Trust for Randi Faith Wolfson (33.34%), Trust for Lindsey Paige Wolfson (33.33%), and Trust for Louis Wolfson IV (33.33%). The Trust for Randi Faith Wolfson is made up of Trustees Ellen D. Wolfson and Randi Faith Wolfson and Beneficiary Randi

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Faith Wolfson (100%). Trust for Lindsey Paige Wolfson is made up of Trustees Ellen D. Wolfson and Lindsey Paige Wolfson and Beneficiary Lindsey Paige Wolfson (100%). Finally, the Trust for Louis Wolfson IV is made up of Trustees Ellen D. Wolfson and Louis Wolfson IV and Beneficiary Louis Wolfson IV (100%). Lastly, MMF Affordable, LLC is made up of Managers Chad Friedman and Robyn Schumacher and Member, The Estate of Mitchell M. Friedman.

- e) Additional changes requested to the Applicant Structure: Add a Manager and Non-Investor Member (.0035%), DDER Wesleyan Manager, LLC, decreasing PC Wesleyan, LLC's interest to 0.0065%. DDER Wesleyan Manager is made up of Sole Member (100%) and Manager DDER Holdings, LLC whose Members and Managers are Edward E. Haddock, Jr. (25%), Domingo Sanchez (25%), Robert Godwin (25%), and Deion R. Lowery (25%).
- f) Changes requested to the Co-Developer structure: Add Co-Developer, DDER Development, LLC which is made up of Managers and Members Domingo Sanchez, Robert H. Godwin, Deion R. Lowery, and Edward E. Haddock, Jr.
- g) Regarding the Applicant structure changes, the RFA states that once the Carryover Allocation Agreement has been executed by all parties, (a) replacement of the Applicant or material change in the ownership structure of the named Applicant will require Board Approval prior to the change and (b) any non-material change in the ownership structure of the named Applicant will require Corporation approval prior to the change.
- h) Regarding the Developer structure changes, the RFA states the Principals of each Developer identified in the Application, including all co-Developers, may be changed only by written request of an Applicant to Corporation staff and approval of the Board after the Applicant has been invited to enter credit underwriting. In addition, any allowable replacement of an experienced Principal of a Developer entity must meet the experience requirements that were met by the original Principal.
- i) David O. Deutch met the experience requirements of the RFA and will remain a Principal of the Developer entity.
- j) Staff has reviewed this request and finds that the Development meets all other requirements of the RFA/Rule.

2. **Recommendation:**

- a) Approve the request to change the Applicant Structure as described above.

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I. Request Approval of Applicant and Developer Entity Organizational Structure Changes for Delmar 745 (RFA 2014-115 / 2015-158CS / 2017-253CS / 2019-434CS / RFA 2017-109/2017-285V)

Development Name: Delmar 745	Location: Pinellas County
Applicant/Borrower: Delmar Terrace South, LLC / Ian McCormack	Set-Asides: 15% @ 40% AMI 85% @ 60% AMI
Developer/Principal: Delmar Terrace Developers, LLC/Ian McCormack	Demographic/Number of Units: Homeless/65
Requested Amounts: \$1,660,000 9% Housing Credits \$3,250,000 SAIL \$540,093 Viability	Development Category/Type: New Construction/High-Rise

1. Background/Present Situation:

- a) Delmar Terrace South, LLC ("Applicant") applied for and was awarded funding from Request for Applications (RFA) 2014-115 for Housing Credit Financing for Affordable Housing Developments Located in Broward, Duval, Hillsborough, Orange, Palm Beach, and Pinellas Counties. The funds are being utilized to finance the construction of a 65-unit Homeless development in Pinellas County. On November 2, 2015, staff issued an invitation to the Applicant to enter credit underwriting and subsequently executed a Carryover Allocation Agreement on December 28, 2015. On March 24, 2017, the Board approved a rule waiver to allow for a credit exchange; a 2017 Carryover Allocation Agreement was executed on April 27, 2017. The Applicant also applied for and was awarded funding from RFA 2017-109 for Development Viability Loan Funding. On October 3, 2017, a Notice of Preliminary Award was issued for viability loan funding. A Credit Underwriting Report was completed on January 11, 2018, providing a positive recommendation for a 9% Housing Credit allocation of \$1,660,000, SAIL financing of \$3,250,000, and \$540,093 in Viability funding. A firm commitment was issued to the Applicant on January 30, 2018, and the loan funding closed on April 26, 2018. A second credit exchange was approved, and a 2019 Carryover Allocation Agreement was executed on December 20, 2019.
- b) On July 17, 2023, Florida Housing received a letter from the Applicant requesting to make several changes to the Applicant and Developer structures due to changes in board members. While the Applicant structure changes can be approved at staff level, they are being included as one approval with the Developer structure changes. The request letter and current and proposed organizational charts for the Applicant and Developer are provided as [Exhibit J](#).
- c) Changes requested to the Applicant structure: Remove Kevin J. McCormack and Michael C. Duffy, Officers of Managing Member of the Applicant Delmar Terrace MBS Member, Inc., and add Ian McCormack, Michael C. Saunders and Brock Armstrong.
- d) Changes requested to the Developer structure: Remove Daniel F. Acosta, Daniel Falcon, Jr., Laurel J. Tinsley, Michael C. Duffy, and Yusef Freeman, Officers of Managing Member of the Developer, McCormack Baron Salazar, Inc., and add Cady S. Seabaugh, Brock B. Armstrong, Pam Askew, Louis Bernardy, Emily Bernstein, Kristen A. Carson, Monique Chavoya, Antonio Garate, LaSunda

MULTIFAMILY PROGRAMS

Consent

Gonzalez, Ian McCormack, Adhi Nagraj, C. Michael Saunders, Sandra Seals, Trace Shaughnessy, and Joseph Weatherly as Officers.

- e) Changes requested to the Co-Developer structure: Remove Gibraltar Development Partners, LLC as they have exited the transaction. Remove Gary MacMath, Miriam Nordlinger, Loretta Ross, Sally Poynter, Virginia Battaglia, Major Sharon Carron, Bob Pitts, and Shanetta Wright-Minter, Directors and Officers of Co-Developer Boley Centers, Inc. and add Kevin Marrone, Jack Humburg, Joseph Stringer, Joseph Smith Dr. Robert Wallace, Major Markus Hughes, Susan Proctor, Dr. James Sewell, Michelle Joseph, Christa Bruning, and Precious Green as Directors.
- f) Regarding the Applicant structure changes, the RFA states that after the closing of the SAIL loan replacement of the Applicant or a material change (33.3 percent or more of the Applicant, a General Partner of the Applicant, or a member of the Applicant) in the ownership structure of the named Applicant prior to loan closing shall result in disqualification from receiving funding and shall be deemed a material misrepresentation. Changes after loan closing require Board approval. Any non-material change (less than 33.3 percent of the Applicant, a General Partner of the Applicant, or a member of the Applicant) in the ownership structure of the named Applicant will not require Board approval, but the Corporation must still be notified in writing of the change.
- g) Regarding the Developer structure changes, the RFA states that the Principals of each Developer identified in the Application, including all co-Developers, may be changed only by written request of an Applicant to Corporation staff and approval of the Corporation after the Applicant has been invited to enter credit underwriting. In addition, any allowable replacement of an experienced Principal of a Developer entity must meet the experience requirements that were met by the original Principal.
- h) Vincent R. Bennett met the experience requirements of the RFA and will remain a Principal of the Developer entity.
- i) Staff consulted with AmeriNat®, the underwriter on this transaction. The underwriter approves of the request.
- j) Staff has reviewed this request and finds that all applicable requirements of the RFA have been met.

2. Recommendation:

- a) Approve the request to change the Applicant and Developer structures as described above.

PREDEVELOPMENT LOAN PROGRAM (PLP)

Consent

VI. PREDEVELOPMENT LOAN PROGRAM (PLP)

A. Request Approval of PLP Loan for Casa Familia, Inc., a not-for-profit entity, for Gardens at Casa Familia (PLP 2023--010P-09).

DEVELOPMENT NAME (“Development”):	Gardens at Casa Familia
APPLICANT/DEVELOPER (“Developer”):	Casa Familia, Inc.
CO-DEVELOPER:	N/A
NUMBER OF UNITS:	50
LOCATION (“County”):	Miami- Dade County
TYPE:	Persons with Developmental Disabilities
MINIMUM SET ASIDE:	20% @ 50% AMI
PLP LOAN AMOUNT:	\$500,000
ADDITIONAL COMMENTS:	

1. Background:

- a) On June 8, 2023, staff received a PLP application for Gardens at Casa Familia with a loan request of \$500,000.
- b) On June 9, 2023, staff issued an Invitation to Participate in the PLP program to the Applicant.
- c) The Applicant has been awarded low income housing tax credits and persons with developmental disabilities grant funds for financing the permanent supportive housing development.

2. Present Situation:

- a) On August 10, 2023, staff received a development plan and a letter ([Exhibit A](#)) from the assigned technical assistance provider recommending a PLP loan for \$500,000 to Casa Familia, Inc.
- b) Staff has reviewed the development plan and recommendation and believe that all budget items included in the loan request are PLP eligible.

3. Recommendation:

- a) Approve the PLP loan for Gardens at Casa Familia to Casa Familia, Inc. for \$500,000 and allow staff to commence with the loan closing process.

SPECIAL ASSETS

Consent

VII. SPECIAL ASSETS

A. Request Approval of the Extension of the SAIL Loan for Royalton Apartments, Ltd., a Florida Limited Partnership, for Royalton (2004-037CS)

Development Name: ("Development")	Royalton	Location: Miami-Dade County
Developer/Principal: Carrfour Supportive Housing Inc. ("Developer"); Royalton Apartments, Ltd. ("Borrower")		Set-Aside: SAIL 16% @ 30%, 84%@60% AMI; HC 16% @ 30% & 84% @ 60% AMI LURA: 52 years & EUA: 50 years
Number of Units: 100		Allocated Amount: SAIL \$3,000,000, HC \$921,555
Allocated Amount: Homeless		Servicer: Seltzer Management Group Inc.

1. Background:

- a) During the 2005 funding cycle, Florida Housing Finance Corporation ("Florida Housing") awarded a State Apartment Incentive Loan ("SAIL") in the amount of \$3,000,000 to Royalton Apartments, Ltd. ("Borrower"), a Florida limited partnership, for the development of a 100-unit property in Miami-Dade County, Florida. The loan closed on October 11, 2006, and matured on October 11, 2021. The Development also received a 2004 allocation of low-income housing tax credits of \$921,555. The Board previously approved extensions through October 11, 2023.

2. Present Situation:

- a) On July 6th, 2023, the Borrower requested approval to extend the SAIL loan, for one-year, to October 11, 2024, while they work with the tax investor to exit the partnership in addition to reviewing their options to refinance/re-syndicate to repay the SAIL loan on the development. In the past year, the occupancy rate for the development has averaged 96.8%. They believe this extension will provide the opportunity in continuing to improve operations and move forward with refinancing or re-syndication by the extended maturity date requested.

3. Recommendation:

- a) Approve the Extension of the SAIL loan at its current terms to October 11, 2024, extension of the LURA for an additional year, and direct staff to proceed with loan document modification activities, as needed.

SPECIAL ASSETS

Consent

B. Request Approval of Farmworker Demographic Waiver for New Hope Villas of Seville (1999-072S)

Development Name: New Hope Villas of Seville ("Development")	Location: Volusia
Developer/Principal: Florida Non-Profit Housing, Inc. ("Developer"); Seville Farm Family Housing Association, Inc. ("Borrower")	Set-Aside: SAIL 83% @ 50% AMI: LURA: 51 years
Number of Units: 61 (10 Market Rate)	Allocated Amount: SAIL \$2,877,785
Demographics: Farmworker/Family	Servicer: Seltzer Management Group, Inc.

1. Background:

- a) During the 1998/1999 State Apartment Incentive Loan ("SAIL") Cycle XI, Florida Housing Finance Corporation ("Florida Housing") awarded a \$2,877,785 SAIL construction/permanent loan to Seville Farm Family Housing Association, Inc., a Florida not-for-profit corporation ("Borrower"), for the development in Volusia County. The SAIL loan closed on June 29, 2000, and will mature on June 1, 2033 (co-terminus with the first mortgage issued by the United States Department of Agriculture/Rural Development ("USDA/RD")).
- b) On June 19, 2015, Florida Housing's Board approved a temporary relief of Farmworker demographic set-aside requirements from 83% to 50% (51 units to 31 units) for a 2-year period (expiring 6/30/2017). On January 26, 2018, Florida Housing's Board approved a temporary relief of Farmworker demographic set-aside requirements from 83% to 50% (51 units to 31 units) for a 2-year period (expiring 6/30/2020). The approved set-aside modifications were reflected in the Third Amendment to the Land Use Restriction Agreement ("LURA").

2. Present Situation:

- a) Staff received a letter from the Developer requesting to continue the temporary relief of Farmworker demographic set-aside requirements at 50% for at least an additional two (2) years in which they can re-evaluate the farm labor status again. Management stated they will continue to ensure Farmworkers receive priority for housing, per USDA/RD requirements. New Hope Villas of Seville has been operating for 21 years, of which 19 years have had consistent vacancies due to the lack of demand for farmworker units. During 2020/2021 COVID there was low turnover, a total of 11 tenants vacated the premise. Had the development not continued to maintain the 50% waiver they would have had over 20 vacancies to the already existed vacancy rate. The most recent program report for May 2023, states that 50% of the vacant units were farmworker (1 of 2 vacant units). The Developer states that the continued high vacancy of Farmworker housing due to the diminished demands for Farmworker labor will further adversely impact the rental income resulting in severe financial hardship for the development if the waiver is not approved.
- b) Since COVID, the last three years have also impacted the entire area on a large scale, nearby farms and nurseries were affected by the decline in Farmworkers. Although, recent studies show that there is still a need for farmworker housing in

SPECIAL ASSETS

Consent

the area, most farmworkers have established housing or employers have provided accommodations for their workers.

- c) Staff 's analysis shows a 2-year temporary reduction of Farmworker set-aside waiver to 50% of the set-aside units is warranted due to the continuing effects on the local farming community and the time it will take the industry to reestablish itself.

3. Recommendation:

- a) Approve the temporary Farmworker waiver request for a period of two (2) years from the 83% Farmworker demographic set-aside requirement, and for the development to meet the following requirements: 1) Maintain a set-aside of 50% of the units (31 units) for Farmworker households; 2) Maintain the income set-aside of 83% of the units for households with incomes at or below 50% AMI; 3) Continue to ensure farmworkers receive priority for housing during the waiver period; 4) Add to advertising marketing efforts if opportunities are available; and direct staff to proceed with loan document modification activities, as needed.

SPECIAL ASSETS

Consent

C. Request Approval to Refinance First Mortgage and Subordinate the SAIL Loan Documents, and HC ELIHA for Grand Pines Ltd., for Grand Pines Apartments (2001-050CS / 2002-002C)

Development Name: Grand Pines Apartments ("Development")	Location: Putnam County
Developer/Principal: Campbell Housing Enterprises, Inc. ("Owner") Grand Pines, Ltd. ("Borrower")	Set-Aside: SAIL/HC 15.38% @ 40%, 84.62% @ 60%v LURA & EUA: 50 years
Number of Units: 78	Allocated Amount: SAIL \$810,000; HC \$485,000
Demographics: Elderly	Servicer: First Housing Development Corporation

1. Background:

- a) During the 2001 funding cycle, Florida Housing Finance Corporation ("Florida Housing") awarded a State Apartment Incentive Loan ("SAIL") in the amount of \$810,000 to Grand Pines, Ltd., a Florida limited partnership ("Borrower"), for the development of a 78-unit apartment complex in Putnam County, Florida. The loan matures on December 1, 2033. The Development also received a 2001 allocation of low-income housing tax credits ("HC") of \$485,000.
- b) On March 4, 2022, the Board of Directors approved a request for transfer of ownership, a refinance of the first mortgage, and the assumption and subordination of the SAIL loan documents, the SAIL Land Use Restriction Agreement ("LURA"), and the Extended Low Income Housing Agreement ("ELIHA") to the new first mortgage. The Board also approved a request for the SAIL loan interest rate to be renegotiated from 9% to a 3% interest rate in accordance with section 420.5087, FS and as stated in Rule 67-48. The Borrower subsequently paid all accrued and outstanding 3% interest on the SAIL note. These transactions were successfully completed and closed on April 22, 2022.

2. Present Situation:

- a) The Borrower requests consent from the Board to refinance the first mortgage, subordination of the SAIL loan documents, the SAIL LURA and the ELIHA to the new first mortgage.
- b) The Borrower is seeking a new first mortgage to pay the current first mortgage which matures on October 2, 2023. The new first mortgage will extend the term to allow the Borrower time to complete the permanent refinancing with a HUD-insured mortgage by the first quarter of 2024 with which the Borrower intends to pay off the new first mortgage and the entirety of the SAIL loan balance.

SPECIAL ASSETS

Consent

3. **Recommendation:**

- a) Approve the refinancing of the first mortgage, subordination of the SAIL loan documents, SAIL LURA, and ELIHA to the new first mortgage, subject to further approvals and verifications by counsel and Florida Housing staff, and direct staff to proceed with loan document modification activities, as needed.

SPECIAL ASSETS

Consent

D. Request Approval to Refinance First Mortgage and Subordinate the SAIL Loan Documents HC ELIHA for Kay Larkin Ltd., for Kay Larkin Apartments (1998-065CS)

Development Name: Kay Larkin Apartments ("Development")	Location: Putnam County
Developer/Principal: Campbell Housing Enterprises, Inc. ("Owner") Kay Larkin, Ltd. ("Borrower")	Set-Aside: SAIL 50% @ 50%, 50% @ 60% HC 15% @ 35%, 35% @ 50%, 50% @ 60% LURA & EUA: 50 years
Number of Units: 60	Allocated Amount: SAIL \$1,175,000: HC \$361,550
Demographics: Family	Servicer: Seltzer Management Group, Inc.

1. Background:

- a) During the 1998 funding cycle, Florida Housing Finance Corporation ("Florida Housing") awarded a State Apartment Incentive Loan ("SAIL") in the amount of \$1,175,000 to Kay Larkin, Ltd., a Florida limited partnership ("Borrower"), for the development of a 60-unit apartment complex in Putnam County, Florida. The loan matures on July 1, 2031. The Development also received a 1998 allocation of low-income housing tax credits ("HC") of \$361,550.
- b) On March 4, 2022, the Board of Directors approved a request for transfer of ownership, a refinance of the first mortgage, and the assumption and subordination of the SAIL loan documents, the SAIL Land Use Restriction Agreement ("LURA"), and the Extended Low Income Housing Agreement ("ELIHA") to the new first mortgage. The Board also approved a request for the SAIL loan interest rate to be renegotiated from 9% to a 3% interest rate in accordance with section 420.5087, FS and as stated in Rule 67-48. The Borrower subsequently paid all accrued and outstanding 3% interest on the SAIL note. These transactions were successfully completed and closed on April 22, 2022

2. Present Situation:

- a) The Borrower requests consent from the Board to refinance the first mortgage, subordination of the SAIL loan documents, the LURA and the ELIHA to the new first mortgage.
- b) The Borrower is seeking a new first mortgage to pay the current first mortgage which expires on October 2, 2023. The new first mortgage will extend the term to allow the Borrower time to complete the permanent refinancing with a HUD-insured mortgage by the first quarter of 2024 with which the Borrower intends to pay off the new first mortgage and the entirety of the SAIL loan balance.

SPECIAL ASSETS

Consent

3. **Recommendation:**

- a) Approve the refinancing of the first mortgage, subordination of the SAIL loan documents, SAIL LURA, and ELIHA to the new first mortgage, subject to the further approvals and verifications by counsel and Florida Housing staff, and direct staff to proceed with loan document modification activities, as needed.

SPECIAL ASSETS

Consent

E. Request Approval for the Refinancing of the First Mortgage and Renegotiation of the HOME loan for ONIC-Hidden Cove, Inc., for Hidden Cove Apartments (01HR-011)

Development Name: Hidden Cove (“Development”)	Location: Orange County
Developer/Principal: ONIC-Hidden Cove, Inc. (“Owner”)	Set-Aside: 16% @ 50%, 20% @ NR, 64% @ 60% LURA: 61 years
Number of Units: 128	Allocated Amount: HOME \$1,666,000
Demographic: Family	Servicer: Seltzer Management Group, Inc.

1. Background:

- a) During the 2001 funding cycle, Florida Housing Finance Corporation (“Florida Housing”) awarded a HOME Investment Partnerships Program loan (“HOME”) in the amount of \$1,666,000 to ONIC-Hidden Cove, Inc., a Florida non-profit corporation (“Borrower”), for the development of a 128-unit apartment complex in Orange County, Florida.
- b) At the August 9, 2013, Board Meeting, Florida Housing approved the Borrower’s request to refinance and extend the existing first mortgage and extend the HOME Loan term to be co-terminus with the modified first mortgage including the Borrower’s agreement of the extension of the affordability period equal to the length of time of the HOME Loan term. The loan matures on June 1, 2029.

2. Present Situation:

- a) The Borrower requests consent from the Board to refinance the first mortgage, and renegotiation and subordination of the HOME loan to the new first mortgage.
- b) The Borrower is seeking a new first mortgage to rehab the Development. Part of this rehab will convert market rate units to affordable and provide deeper target units to 30% AMI. The HOME loan term will be extended to be co-terminus with the new first mortgage and the HOME LURA will be extended for the same number of years.
- c) Staff received a credit underwriting report ([Exhibit A](#)) from Seltzer Management Group with a positive recommendation for approval of the refinancing of the first mortgage and renegotiation of the HOME loan documents.

3. Recommendation:

- a) Approve the refinancing of the first mortgage, renegotiation of the HOME loan documents, subject to the conditions provided in the credit underwriter's report, further approvals and verifications by the credit underwriter, counsel, and appropriate Florida Housing staff, and direct staff to proceed with loan document modification activities, as needed.

Florida Housing Finance Corporation

Credit Underwriting Report

Jersey Commons

HOME-American Rescue Plan (“ARP”), National Housing Trust Fund (“NHTF”) Program, and Competitive 9% Housing Credits (“HC”)

RFA 2022-210 (2022-269CAN)

Permanent Supportive Housing Focusing on Best Practices and Funding for Tenancy Supports and Resident Services Coordination for High Utilizers of Public Behavioral Health Systems

Section A: Report Summary

Section B: HOME-ARP and NHTF Loans Special and General Conditions and HC Allocation Recommendation and Contingencies

Section C: Supporting Information and Schedules

Prepared by

First Housing Development Corporation of Florida

FINAL REPORT

August 24, 2023

Jersey Commons

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Section A

Report Summary

HOME-ARP, NHTF, & HC CREDIT UNDERWRITING REPORT

Recommendation

First Housing Development Corporation of Florida (“First Housing”, “FHDC”, or “Servicer”) recommends a HOME-ARP Loan in the amount of \$7,200,000, a NHTF Loan in the amount of \$1,176,000 and an annual 9% HC Allocation of \$1,496,000 to finance the construction and permanent financing of Jersey Commons (“Development”).

DEVELOPMENT & SET-ASIDES																	
Development Name:		<u>Jersey Commons</u>															
RFA/Program Numbers:		<u>RFA 2022-210</u>				/		<u>2022-269CAN</u>									
Address:		<u>2817 Jersey Rd NW</u>															
City:		<u>Winter Haven</u>				Zip Code:		<u>33881</u>		County:		<u>Polk</u>		County Size:		<u>Medium</u>	
Development Category:		<u>New Construction</u>				Development Type:		<u>Garden Apts (1-3 Stories)</u>									
Construction Type:		<u>Masonry</u>															
Demographic Commitment:																	
Primary:		<u>Homeless</u>				for		<u>25%</u>		of the Units							
Secondary:		<u>Persons with Special Needs</u>				for		<u>25%</u>		of the Units							
Unit Composition:																	
# of ELI Units:		<u>7</u>		ELI Units Are Restricted to		<u>30%</u>		AMI, or less.		Total # of units with PBRA?		<u>0</u>					
# of Link Units:		<u>0</u>		Are the Link Units Demographically Restricted?		<u>No</u>		# of NHTF Units:		<u>7</u>							

Polk County, FL Lakeland-Winter Haven MSA

Bed Rooms	Bath Rooms	Units	Square Feet	AMI%	Low HOME Rents	High HOME Rents	Gross HC Rent	Utility Allow.	Net Restricted Rents	PBRA Contr Rents	Applicant Rents	Appraiser Rents	CU Rents	Annual Rental Income
1	1.0	5	675	30%	\$ 670		\$402	\$111	\$ 291		\$ 291	\$ 291	\$ 291	\$ 17,460
1	1.0	5	675	30%			\$402	\$111	\$ 291		\$ 291	\$ 291	\$ 291	\$ 17,460
1	1.0	11	675	50%	\$ 670		\$670	\$111	\$ 559		\$ 559	\$ 300	\$ 300	\$ 39,600
1	1.0	7	675	60%		\$ 851	\$804	\$111	\$ 693		\$ 693	\$ 693	\$ 693	\$ 58,212
1	1.0	24	675	60%			\$804	\$111	\$ 693		\$ 693	\$ 693	\$ 693	\$ 199,584
2	1.0	2	843	30%	\$ 803		\$482	\$136	\$ 346		\$ 346	\$ 346	\$ 346	\$ 8,304
2	1.0	2	843	30%			\$482	\$136	\$ 346		\$ 346	\$ 346	\$ 346	\$ 8,304
2	1.0	4	843	50%	\$ 803		\$803	\$136	\$ 667		\$ 667	\$ 481	\$ 481	\$ 23,088
2	1.0	2	843	60%		\$ 1,023	\$964	\$136	\$ 828		\$ 828	\$ 828	\$ 828	\$ 19,872
2	1.0	6	843	60%			\$964	\$136	\$ 828		\$ 828	\$ 828	\$ 828	\$ 59,616
		68	48,588											\$ 451,500

High Utilizer Demographic Commitment: Based on the RFA, the Applicant must commit to set aside 20% of the total units (14 units), or a minimum of 15 units, whichever is greater, for High Utilizers for the entire Pilot Period. These units may not be the same as units set aside under the Homeless Household Demographic Commitment below, but may be the same units as those set aside under the HOME-ARP Demographic Commitment. The Pilot Period formally begins upon tenancy of the first High Utilizer resident and will end no less than three (3) years after a minimum of 90% of the High Utilizer units are initially occupied. After the Pilot Period and certain reporting

HOME-ARP, NHTF, & HC CREDIT UNDERWRITING REPORT

requirements are met, the pilot will be considered completed and this demographic commitment will end.

Homeless Demographic Commitment: Based on the RFA, 10% of the total units (7 units) must be set-aside for Homeless Households for the entire 50 year Compliance Period. These set aside units may not be the same units as those set aside under any other Demographic Commitment. Starting in Year 16, the units set aside for Homeless households will increase to 25 percent of the total units for the remaining Compliance Period as stated under the Termination of the HOME-ARP Demographic Commitment.

All Applicants must meet the following requirements specific to its commitment, pursuant to the RFA, to serve Homeless households:

1. Have an executed agreement to participate in the Continuum of Care Homeless Management Information System (“HMIS”); and will contribute data on the Development’s tenant to the Continuum of Care’s HMIS data system or, if serving Survivors of Domestic Violence, is providing aggregate data reports to the Continuum of Care. The executed agreement shall be required at least 6 months prior to the expected placed in service date.

2. As of the application deadline of July 12, 2022, the Applicant must be a member of the Local Homeless Assistance Continuum of Care, and commit to a housing provider in the Local Homeless Assistance Continuum of Care’s Homeless Coordinated Entry system as required by the U.S. Department of Housing and Urban Development. The Applicant must utilize the Continuum’s Coordinated Entry System for a minimum of 10 percent of the total units at the proposed Development throughout the entire 50 year Compliance Period, unless Florida Housing approves another approach to meet this demographic commitment.

HOME-ARP Qualifying Populations Demographic Commitment: Based on the RFA, 45% of the total units (31 units) will be considered HOME-ARP, for a minimum of 15 years. At least 70% of the HOME-ARP Units (22 units) must be set aside to serve HOME-ARP Qualifying Populations for 15 years and will utilize Low HOME rents. Under the HOME-ARP Qualifying Populations commitment, if the Applicant chooses to serve persons meeting the HOME-ARP Qualifying Populations homeless requirement, this must be in addition to the Homeless Demographic Commitment noted above. No more than 30% of the HOME-ARP units (9 units) may be set aside to serve persons up to 80% Area Median Income (“AMI”) and High-HOME rents are utilized.

Termination of the HOME-ARP Demographic Commitment: At the end of Year 15 of the Compliance Period, the HOME-ARP set-aside requirements will end. Starting in Year 16 through the 50 year Compliance Period the following Demographic Commitments will be implemented:

1. 25% of the total units (17 units) must serve Persons with Special Needs

2. 25% of the total units (17 units) must serve Homeless Households (this percentage includes the original 10 percent set-aside (7 units) for Homeless Households required starting in Year 1)
3. The remaining units may serve any demographic group, including families and elders

At the end of Year 15, when the HOME-ARP set-aside requirements and HOME-ARP Qualifying Populations rent restrictions end on the 45% of total units (31 units) under this program, these households may be allowed to occupy the unit with an indefinite length of stay as long as the tenant complies with lease requirements including the Housing Credit Unit rent restrictions.

Persons with Special Needs Set-Aside Commitment: After termination of the HOME-ARP set-aside requirements at the end of Year 15, 25% of the total units (17 units) must serve Persons with Special Needs. The Applicant has committed to service a population of adult persons requiring independent living services in order to maintain housing or develop independent living skills and who have a Disabling Condition that neither currently impairs nor is likely to impair their physical mobility, such as persons with a mental illness. Based on the RFA and the Applicant's Persons with Special Needs commitment, the Applicant shall meet the Level 2 Accessibility Requirements of the RFA. These requirements include:

1. Set aside a minimum of five (5) percent of the total units (4 units), rounded up, as fully accessible units in accordance with 2010 ADA Standards for Accessible Design, regardless of whether the proposed Development consists of new construction or Substantial Rehabilitation. These fully accessible units must (A) be on an accessible route and mobility features that comply with the residential dwellings units provision of the 2010 ADA Standards for Accessible Design; and (B) be equally distributed among different unit sizes and Development types and must be dispersed throughout the Development (not located in the same area, or on a single floor).
2. Set aside at least one additional unit to be accessible to persons with visual and hearing impairments in accordance with the 2010 ADA Standards for Accessible Design, regardless of whether the proposed Development consists of new construction or Substantial Rehabilitation. This one unit will be included as part of the 2% requirement for audio/visual units per Section 504. The unit(s) that is accessible to persons with visual and hearing impairments shall comply with the communication features described for Residential Dwelling Units with Communication Features in the 2010 ADA Standards for Accessible Design.

Units required to be set aside for Persons with Special Needs may not be the same as those units set aside to meet the Homeless Demographic Commitment described above.

The Applicant selected a minimum set aside of 40% of the units at or below 60% AMI; therefore, for the purposes of Request for Applications ("RFA") 2022-210, the Applicant must set-aside at

HOME-ARP, NHTF, & HC CREDIT UNDERWRITING REPORT

least 10% of the total units (7 units) for Extremely Low Income (“ELI”) households. For Polk County, the ELI set-aside is 30% of the AMI.

The Tenant Selection Plan was approved by FHFC on September 15, 2022. The Housing Stability Services Coordination Plan was approved by FHFC on June 29, 2023. First Housing received the Resident Community-Based Service Coordination Plan which was approved by FHFC on July 19, 2023.

NHTF Set-Aside Commitment: The proposed Development must set aside seven (7) units as NHTF units. These units are required to be at or below 30% AMI (7 units) and are in addition to the requirement for ELI set aside units. After 30 years, all of the NHTF units may convert to serve residents at or below 60% AMI. However, the Persons with Special Needs set aside commitment must be maintained throughout the entire 50 year Compliance Period.

NHTF Loan Amount per unit Amounts: Polk

Seven (7) units at \$168,000 = \$1,176,000

Buildings: Residential - 3 Non-Residential - 0
 Parking: Parking Spaces - 56 Accessible Spaces - 12

Set Asides:	Program	% of Units	# of Units	% AMI	Term (Years)
	HOME Assisted Units	70.00%	22	50%	15
	HOME Assisted Units	30.00%	9	60%	15
	HC	10.0%	7	30%	50
	HC	90.0%	61	60%	50
	NHTF	10.0%	7	30%	50

Absorption Rate 30 units per month for 3.0 months.

Occupancy Rate at Stabilization: Physical Occupancy 96.00% Economic Occupancy 95.00%
 Occupancy Comments N/A - New Construction

DDA: No QCT: Yes Multi-Phase Boost: No QAP Boost: No
 Site Acreage: 9.82 Density: 6.9246 Flood Zone Designation: X
 Zoning: Residential Medium (RM) Flood Insurance Required?: No

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DEVELOPMENT TEAM		
Applicant/Borrower:	Blue Tri CASL Polk, LLC	% Ownership
Manager	Tri CASL Polk, LLC	0.0051%
Manager	Blue Polk M, LLC	0.0049%
Member	Raymond James Affordable Housing Investments, Inc. ("RJAHI")	99.9900%
Construction Completion Guarantor(s):		
CC Guarantor 1:	Blue Tri CASL Polk, LLC	
CC Guarantor 2:	Blue Polk M, LLC	
CC Guarantor 3:	Tri CASL Polk, LLC	
CC Guarantor 4:	Shawn Wilson and James Chadwick	
CC Guarantor 5:	Weedon Enterprises, LLC and Blue Sky Communities LLC	
CC Guarantor 6:	Community Assisted and Supported Living, Inc.	
CC Guarantor 7:	Blue JC Developer, LLC and Tri-CASL, LLC	
Operating Deficit Guarantor(s):		
OD Guarantor 1:	Blue Tri CASL Polk, LLC	
OD Guarantor 2:	Blue Polk M, LLC	
OD Guarantor 3:	Tri CASL Polk, LLC	
OD Guarantor 4:	Shawn Wilson and James Chadwick	
OD Guarantor 5:	Weedon Enterprises, LLC and Blue Sky Communities LLC	
OD Guarantor 6:	Community Assisted and Supported Living, Inc.	
OD Guarantor 7:	Blue JC Developer, LLC and Tri-CASL, LLC	
Developer:	Blue JC Developer, LLC	
Co-Developer:	Tri-CASL, LLC	
General Contractor 1:	BSC P&E, LLC	
Management Company:	Carteret Management Corporation	
Syndicator:	RJAHI	
Architect:	Powell Studio Architecture, Limited Liability Company	
Market Study Provider:	Colliers International Valuation & Advisory Services ("Colliers")	
Appraiser:	Colliers	

HOME-ARP, NHTF, & HC CREDIT UNDERWRITING REPORT

PERMANENT FINANCING INFORMATION		
	1st Source	2nd Source
Lien Position	First	Second
Lender/Grantor	FHFC - HOME-ARP	FHFC - NHTF
Amount	\$7,200,000	\$1,176,000
Underwritten Interest Rate	0.00%	0.00%
All In Interest Rate	0.00%	0.00%
Loan Term	30.0	30.0
Amortization	0	0
Market Rate/Market Financing LTV	55%	64%
Restricted Market Financing LTV	713%	829%
Loan to Cost - Cumulative	31%	36%
Debt Service Coverage	3.67	2.78
Operating Deficit & Debt Service Reserves	\$892,183	
# of Months covered by the Reserves	24.5	

Deferred Developer Fee	\$1,153,015
As-Is Land Value	\$1,600,000
Market Rent/Market Financing Stabilized Value	\$13,100,000
Rent Restricted Market Financing Stabilized Value	\$1,010,000
Projected Net Operating Income (NOI) - Year 1	\$45,016
Projected Net Operating Income (NOI) - 15 Year	-\$15,670
Year 15 Pro Forma Income Escalation Rate	2.00%
Year 15 Pro Forma Expense Escalation Rate	3.00%
Housing Credit (HC) Syndication Price	\$0.92
HC Annual Allocation - Initial Award	\$1,496,000
HC Annual Allocation - Qualified in CUR	\$1,496,000
HC Annual Allocation - Equity Letter of Interest	\$1,496,000

HOME-ARP, NHTF, & HC CREDIT UNDERWRITING REPORT

CONSTRUCTION/PERMANENT SOURCES:				
Source	Lender	Construction	Permanent	Perm Loan/Unit
Regulated Mortgage Lender	TD Bank	\$10,000,000	\$0	\$0
FHFC - HOME - ARP	FHFC	\$7,200,000	\$7,200,000	\$105,882
FHFC - NHTF	FHFC	\$1,176,000	\$1,176,000	\$17,294
Operating Deficit Reserve	N/A	\$892,183	\$0	\$0
HC Equity	RJAH	\$2,064,274	\$13,761,825	\$202,380
Deferred Developer Fee	Blue JC Developer, LLC and Tri-CASL, LLC	\$1,958,383	\$1,153,015	\$16,956
TOTAL		\$23,290,840	\$23,290,840	\$342,512

Credit Underwriter: First Housing
Date of Final CUR: _____
TDC PU Limitation at Application: \$488,304 TDC PU Limitation at Credit Underwriting: \$468,012
Minimum 1st Mortgage per Rule: N/A Amount Dev. Fee Reduced for TDC Limit: \$0

Based on Rule Chapter 67-48, the Development will only use its actual committed debt since the Development has a demographic commitment of homeless and persons with special needs. Therefore, the minimum qualified first mortgage determination does not apply.

HOME-ARP, NHTF, & HC CREDIT UNDERWRITING REPORT

Changes from the Application:

COMPARISON CRITERIA	YES	NO
Does the level of experience of the current team equal or exceed that of the team described in the Application?	X	
Are all funding sources the same as shown in the Application?		1.
Are all local government recommendations/contributions still in place at the level described in the Application?	N/A	
Is the Development feasible with all amenities/features listed in the Application?	X	
Do the site plans/architectural drawings account for all amenities/features listed in the Application?	X	
Does the applicant have site control at or above the level indicated in the Application?	2.	
Does the applicant have adequate zoning as indicated in the Application?	X	
Has the Development been evaluated for feasibility using the total length of set-aside committed to in the Application?	X	
Have the Development costs remained equal to or less than those listed in the Application?		3.
Is the Development feasible using the set-asides committed to in the Application?	X	
If the Development has committed to serve a special target group (e.g. elderly, large family, etc.), do the development and operating plans contain specific provisions for implementation?	X	
HOME ONLY: If points were given for match funds, is the match percentage the same as or greater than that indicated in the Application?	N/A	
HC ONLY: Is the rate of syndication the same as or greater than that shown in the Application?	X	
Is the Development in all other material respects the same as presented in the Application?		4.

The following are explanations of each item checked "No" in the table above:

1. The construction first mortgage lender changed since the Application from JPMorgan Chase Bank, N.A. to TD Bank.

HOME-ARP, NHTF, & HC CREDIT UNDERWRITING REPORT

2. The Applicant submitted a request, dated June 4, 2023, to change the legal description. The Development will now be one parcel and have one address. FHFC staff approved this change on August 1, 2023.
3. The Total Development Cost (“TDC”) has increased a total of \$1,325,901 or 6.04% from \$21,964,939 to \$23,290,840 since the Application. The increase is mainly due to an increase in construction, general, and financial costs.
4. The Applicant submitted a request, dated February 23, 2023, to change from one residential mid-rise 4-story building to three garden style residential buildings. At the April 1, 2022, FHFC Telephonic Board meeting, the Board delegated staff to approve changes to the Development type. This change was approved by FHFC staff on March 29, 2023.

The above changes have no substantial material impact to the HOME-ARP and NHTF Loans or HC recommendation for this Development.

Does the Development Team have any FHFC Financed Developments on the Past Due/Noncompliance Report?

According to the FHFC Asset Management Noncompliance Report, dated May 24, 2023, the Development has the following noncompliance item(s) not in the correction period:

- None

According to the FHFC Past Due report, dated July 28, 2023, the Development Team has the following past due item(s):

- None

Closing of the HOME-ARP and NHTF loans are conditioned upon verification that any outstanding past due and/or noncompliance items noted at the time closing and the issuance of the annual HC allocation recommended herein, have been satisfied.

Strengths:

1. The Principals, Developer, and Management Company are experienced in affordable multifamily housing.
2. The Principals have sufficient experience and substantial financial resources to develop and operate the proposed Development.

HOME-ARP, NHTF, & HC CREDIT UNDERWRITING REPORT

Other Considerations:

None

Waiver Requests/Special Conditions:

None

Additional Information:

1. Based on the TDC per unit limitations in effect as of the April 1, 2022 FHFC Telephonic Board meeting, Florida Housing has set the TDC for RFA 2022-210, exclusive of land costs, demolition costs, and reserves, to no more than \$468,011.70 per unit for a new construction garden-style ESSC structure in Polk County which includes a \$7,500 per unit federal programs boost, a high utilizer demographic multiplier, and a homeless demographic multiplier. The Development's TDC per unit before demolition costs, land and reserves is \$316,675 which meets the requirement.
2. The Applicant is required to provide a certification executed by the General Contractor for compliance with debarment and suspension regulations. First Housing has been in receipt of this certification.
3. The Applicant is required to comply with the HUD environmental requirements as provided in 24 CFR 93.301(f)(1) and (2). First Housing received the Housing Trust Fund Environmental Review, dated July 17, 2023, prepared by Arcadis U.S., Inc. ("Arcadis"). Based on the results of the completed Housing Trust Fund Checklist, Arcadis finds the Development to be in compliance with the Property Standards a 24 CFR 93.301(f)1 for new construction.
4. The Applicant is required to provide evidence demonstrating that the Development is consistent with the applicable Consolidated Plan. First Housing has received a letter, dated July 12, 2023, from Polk County Housing and Neighborhood Development Office which confirms that the Development is consistent with Polk County's current Consolidated Plan.
5. The site is currently owned by Tri-County Human Services, Inc. which is a member of the Applicant and Co-Developer. The Development has an existing house with adjoining studio and two duplexes on site. There are currently eight tenants. There is one main occupant who is an employee of Tri-County Human Services, Inc., and the remaining tenants are transient and have signed month-to-month leases. It is anticipated that a 30 day notice to vacate will be provided to all tenants by November 1, 2023. If

- any tenant needs assistance with finding a place to reside, Tri-County Humans Services, Inc. will offer assistance.
6. The existing structures contain lead-based paint; however, they will be demolished when the Development is built. First Housing has received a certification from the Applicant which confirms that they understand the requirements of the current HUD lead based paint regulations as identified in 24 CFR Part 92 and Rule Chapter 67-48, F.A.C. First Housing has also received executed Disclosure of Information on Lead Based Paint and Lead Based Paint Hazard form signed by both the buyer and seller.
 7. The Applicant has submitted the Affirmative Fair Housing Marketing Plan.

Issues and Concerns:

1. First Housing received a Statement of Financial Affairs, dated June 7, 2023, which indicates that James Chadwick has been part of an entity which has filed for bankruptcy and has been part of a deed in lieu of foreclosure on four separate occasions.

Mitigating Factors:

1. All of the deed in lieu of foreclosures happened prior to June 2011 and none of the developments were affordable housing developments, which meets the requirements of Rule Chapters 67-48 and 67-21. First Housing is not aware of any other arrearages or material defaults outstanding at this time.

HOME-ARP, NHTF, & HC CREDIT UNDERWRITING REPORT

Recommendation:

First Housing recommends a HOME-ARP Loan in the amount \$7,200,000, NHTF Loan in the amount of \$1,176,000, and an annual HC Allocation of \$1,496,000 to finance the construction and permanent financing of the Development.

These recommendations are based upon the assumptions detailed in the Report Summary (Section A) and Supporting Information and Schedules (Section C). In addition, these recommendations are subject to the HOME-ARP and NHTF Loan Special and General Conditions and the HC Allocation Recommendation and Contingencies (Section B). **This recommendation is only valid for six months from the date of the report.**

The reader is cautioned to refer to these sections for complete information.

Prepared by:



Taylor Arruda
Senior Credit Underwriter

Reviewed by:



Ed Busansky
Senior Vice President

HOME-ARP, NHTF, & HC CREDIT UNDERWRITING REPORT

Overview

Construction Financing Sources:

Construction Sources	Lender	Application	Revised Applicant	Underwriter	Construction Interest Rate	Annual Construction Debt Service
Regulated Mortgage Lender	TD Bank	\$10,000,000	\$10,000,000	\$10,000,000	8.50%	\$850,000
FHFC - HOME - ARP	FHFC	\$7,200,000	\$7,200,000	\$7,200,000	0.00%	\$0
FHFC - NHTF	FHFC	\$1,176,000	\$1,176,000	\$1,176,000	0.00%	\$0
Operating Deficit Reserve	N/A	\$0	\$841,527	\$892,183	N/A	N/A
HC Equity	RJAH	\$2,692,531	\$2,692,531	\$2,064,274	N/A	N/A
Deferred Developer Fee	Blue JC Developer, LLC and Tri-CASL, LLC	\$2,500,000	\$2,093,314	\$1,958,383	N/A	N/A
Total		\$23,568,531	\$24,003,372	\$23,290,840		\$850,000

First Mortgage:

First Housing reviewed a term sheet, dated July 13, 2023, provided by TD Bank, N.A. (“TD Bank”). The term sheet indicates TD Bank will provide a loan in the lesser amount of \$10,000,000, 80% of the appraised as stabilized and as restricted value plus the value of the tax credits, or 80% loan to total cost ratio during construction. The loan will have a 24-month term plus one six-month extension option. The loan will require interest only payments until maturity. The loan will bear interest at a floating rate of the forward-looking Secured Overnight Financing Rate (“SOFR”) for a one-month period as published by CME Group Benchmark Administration, Ltd. plus 2.25%. First Housing has based the interest rate on the one-month SOFR from CME Group of 5.25% as of July 18, 2023, plus 2.25%, plus a 1.00% underwriting cushion for an all-in rate of 8.50%.

FHFC HOME-ARP and NHTF Loans:

First Housing reviewed an invitation to enter credit underwriting, dated August 16, 2022 from FHFC with a preliminary HOME-ARP Loan in the amount of \$7,200,000 and a NHTF Loan in the amount of \$1,176,000.

The HOME-ARP Loan is non-amortizing with an interest rate of 0% per annum over the life of the loan, with the principal forgivable at maturity provided the units for which the HOME-ARP Loan amount is awarded are targeted as HOME-ARP Units for the fifteen year Compliance Period. The loan will have a total term of 30 years, of which 2.5 years is for the construction/stabilization period and 27.5 years is for the permanent period. Annual payments of all applicable fees will be required.

The NHTF Loan is non-amortizing with an interest rate of 0% per annum over the life of the loan, with the principal forgivable at maturity provided the units for which the NHTF Loan amount is awarded are targeted as NHTF units for the first 30 years of the 50 year Compliance Period. The loan will have a total term of 30 years, of which 2.5 years is for the construction/stabilization period and 27.5 years is for the permanent period. After 30 years, all of the NHTF units may convert to service residents at or below 60% AMI. However, the Persons with Special Needs set-aside commitment must be maintained throughout the entire 50-year Compliance Period.

Housing Credit Equity:

First Housing has reviewed an executed letter, dated July 7, 2023, indicating RJAHI will acquire 99.99% ownership interest in the Applicant. Based on the letter, the annual HC allocation is estimated to be in the amount of \$1,496,000 and a syndication rate of \$0.92 per dollar. Please note the letter says the total capital contribution is \$13,761,824 but the installments add to \$13,761,825. RJAHI anticipates a net capital contribution of \$13,761,825 paid in four installments and has committed to make available 15% or \$2,064,274 of the total net equity at closing. An additional \$11,697,551 will be available after completion, stabilization, and receipt of 8609s. The first installment meets the RFA requirement that 15% of the total equity must be contributed at or prior to the closing.

Deferred Developer Fee:

To balance the sources and uses of funds during the construction period, the Developer is required to defer \$1,958,383 or 68.60% of the Developer Fee of \$2,854,987 which excludes the portion being used to fund the Operating Deficit Reserve (“ODR”).

Deferred ODR:

First Housing has shown the ODR deferred during the construction period as it is not required to be funded until after construction completion.

HOME-ARP, NHTF, & HC CREDIT UNDERWRITING REPORT

Permanent Financing Sources:

Permanent Sources	Lender	Application	Revised Applicant	Underwriter	Term Yrs.	Amort. Yrs.	Interest Rate	Annual Debt Service
FHFC - HOME - ARP	FHFC	\$7,200,000	\$7,200,000	\$7,200,000	30	0	0.00%	\$0
FHFC - NHTF	FHFC	\$1,176,000	\$1,176,000	\$1,176,000	30	0	0.00%	\$0
HC Equity	RJAH	\$13,462,654	\$13,761,824	\$13,761,825	N/A	N/A	N/A	N/A
Deferred Developer Fee	Blue JC Developer, LLC and Tri-CASL, LLC	\$1,500,000	\$1,196,610	\$1,153,015	N/A	N/A	N/A	N/A
Total		\$23,338,654	\$23,334,434	\$23,290,840				\$0

FHFC HOME-ARP and NHTF Loans:

First Housing reviewed an invitation to enter credit underwriting, dated August 16, 2022 from FHFC with a preliminary HOME-ARP Loan in the amount of \$7,200,000 and a NHTF Loan in the amount of \$1,176,000.

The HOME-ARP Loan is non-amortizing with an interest rate of 0% per annum over the life of the loan, with the principal forgivable at maturity provided the units for which the HOME-ARP Loan amount is awarded are targeted as HOME-ARP Units for the fifteen year Compliance Period. The loan will have a total term of 30 years, of which 2.5 years is for the construction/stabilization period and 27.5 years is for the permanent period. Annual payments of all applicable fees will be required.

The NHTF Loan is non-amortizing with an interest rate of 0% per annum over the life of the loan, with the principal forgivable at maturity provided the units for which the NHTF Loan amount is awarded are targeted as NHTF units for the first 30 years of the 50 year Compliance Period. The loan will have a total term of 30 years, of which 2.5 years is for the construction/stabilization period and 27.5 years is for the permanent period. After 30 years, all of the NHTF units may convert to service residents at or below 60% AMI. However, the Persons with Special Needs set-aside commitment must be maintained throughout the entire 50-year Compliance Period.

For each of the HOME-ARP and NHTF loans, fees include an annual multiple program Compliance Monitoring Fee of \$1,023 and an annual Permanent Loan Servicing Fee of 25 bps of the outstanding loan amount up to a maximum of \$936 per month, subject to a minimum of \$236 per month.

Housing Credit Equity:

Based on an executed letter, dated July 7, 2023, RJAH will acquire ownership interest in the Partnership. Based on the letter, the annual HC allocation is estimated to be in the amount of \$13,761,824 and a syndication rate of \$0.92 per dollar.

HOME-ARP, NHTF, & HC CREDIT UNDERWRITING REPORT

Syndication Contributions

Capital Contributions	Amount	Percentage of Total	When Due
1st Installment	\$2,064,274	15.00%	Closing
2nd Installment	\$2,064,274	15.00%	The later of February 1, 2025 and Completion
3rd Installment	\$9,533,277	69.27%	The later of November 1, 2025 and Stablized Operations
4th Installment	\$100,000	0.73%	Form 8609s
Total	\$13,761,825	100.00%	

Annual Credit Per Syndication Agreement	\$1,496,000
Calculated HC Exchange Rate	\$0.92
Limited Partner Ownership Percentage	99.99%
Proceeds Available During Construction	\$2,064,274

Deferred Developer Fee:

To balance the sources and uses of funds during the permanent funding period, the Developer is required to defer \$1,153,015 or 40.39% of the Developer Fee of \$2,854,987 which excludes the portion being used to fund the ODR.

Uses of Funds

CONSTRUCTION COSTS:	Applicant Costs	Revised Applicant Costs	Underwriters Total Costs - CUR	Cost Per Unit	HC Ineligible Costs - CUR	HOME Ineligible Costs - CUR
Demolition			\$56,920	\$837	\$56,920	\$0
New Rental Units	\$9,300,000	\$9,513,074	\$9,426,154	\$138,620	\$85,398	\$0
Site Work	\$2,000,000	\$2,236,079	\$2,266,079	\$33,325	\$226,608	\$0
Constr. Contr. Costs subject to GC Fee	\$11,300,000	\$11,749,153	\$11,749,153	\$172,782	\$368,926	\$0
General Conditions	\$0	\$704,948	\$704,948	\$10,367	\$0	\$0
Overhead	\$0	\$234,982	\$234,982	\$3,456	\$0	\$0
Profit	\$1,582,000	\$704,948	\$704,948	\$10,367	\$0	\$0
Total Construction Contract/Costs	\$12,882,000	\$13,394,031	\$13,394,031	\$196,971	\$368,926	\$0
Hard Cost Contingency	\$644,100	\$669,702	\$669,701	\$9,849	\$0	\$669,701
PnP Bond paid outside Constr. Contr.	\$103,056	\$88,401	\$88,401	\$1,300	\$0	\$0
FF&E paid outside Constr. Contr.	\$200,000	\$153,500	\$153,500	\$2,257	\$0	\$153,500
Total Construction Costs:	\$13,829,156	\$14,305,634	\$14,305,633	\$210,377	\$368,926	\$823,201

Notes to the Total Construction Costs:

1. The Applicant has provided an executed construction contract, dated June 21, 2023, in the amount of \$13,394,031. This is a Standard Form of Agreement between Owner, Blue Tri CASL Polk, LLC and Contractor, BSC P&E, LLC where the basis of payment is the Cost of the Work Plus a Fee with a Guaranteed Maximum Price (“GMP”). Per the contract, substantial completion is to be achieved by no later than 428 calendar days from the date of commencement. The construction contract specifies a 10% retainage of each application for payment. After the completed work has reached 50% of the GMP, no retainage will be deducted from progress payments thereafter, unless the Owner determines in its sole discretion that the quality of the Work is less than that required by the Contract Documents or that the Development is not on schedule to be completed within the Contact Time, at which time the Owner may decline to reduce retainage or reinstate retainage at 10% of subsequent progress payments. First Housing received a First Amendment to the Agreement between Owner and Contractor, dated July 21, 2023. The GC Contract and the First Amendment provides for compliance with the Federal Labor Standards and Wage Determination requirements pursuant to the David-Bacon Act as well as the Section 3 Clause requirements of the Housing and Urban Development Act of 1968.
2. The ineligible costs for new rental units is the cost of purchasing washer/dryers, since the Applicant will be charged to use the washer/dryers in the commons area laundry facility.

HOME-ARP, NHTF, & HC CREDIT UNDERWRITING REPORT

3. The GC fee is within the maximum 14% of hard costs allowed by the RFA and Rule Chapter 67-48. The GC fee stated herein is for credit underwriting purposes only, and the final GC fee will be determined pursuant to the final cost certification process as per Rule Chapter 67-48.
4. A maximum hard cost contingency of 5% of total hard costs for new construction developments is required by the RFA and Rule Chapter 67-48.
5. The GC Contract does not include any allowances.
6. First Housing has included 10% of the site work as Housing Credit ineligible costs.
7. The Applicant has budgeted for Payment & Performance (“P&P”) Bonds to secure the construction contract.

GENERAL DEVELOPMENT COSTS:	Applicant Costs	Revised Applicant Costs	Underwriters Total Costs - CUR	Cost Per Unit	HC Ineligible Costs - CUR	HOME Ineligible Costs - CUR
Accounting Fees	\$30,000	\$30,000	\$30,000	\$441	\$30,000	\$0
Appraisal	\$6,000	\$6,000	\$7,000	\$103	\$0	\$0
Architect's Fee - Site/Building Design	\$275,000	\$228,410	\$228,410	\$3,359	\$0	\$0
Architect's Fee - Supervision	\$50,000	\$23,490	\$23,490	\$345	\$0	\$0
Building Permits	\$204,000	\$303,501	\$303,501	\$4,463	\$0	\$0
Engineering Fees	\$100,000	\$52,440	\$52,440	\$771	\$0	\$0
Environmental Report	\$12,000	\$14,250	\$14,250	\$210	\$0	\$14,250
FHFC Administrative Fees	\$82,280	\$82,280	\$82,280	\$1,210	\$82,280	\$0
FHFC Application Fee	\$3,000	\$3,000	\$3,000	\$44	\$3,000	\$3,000
FHFC Credit Underwriting Fee	\$35,000	\$29,007	\$28,507	\$419	\$28,507	\$28,507
FHFC Compliance Fee	\$223,041	\$223,041	\$229,477	\$3,375	\$229,477	\$0
Lender Inspection Fees / Const Admin	\$50,000	\$50,000	\$50,000	\$735	\$0	\$0
Green Building Cert. (LEED, FGBC, NAHB)	\$20,000	\$18,640	\$18,640	\$274	\$0	\$0
Insurance	\$300,000	\$350,000	\$350,000	\$5,147	\$140,000	\$0
Legal Fees - Organizational Costs	\$215,000	\$180,000	\$180,000	\$2,647	\$45,000	\$0
Market Study	\$6,000	\$6,000	\$5,250	\$77	\$5,250	\$0
Marketing and Advertising	\$20,000	\$15,000	\$15,000	\$221	\$15,000	\$15,000
Plan and Cost Review Analysis	\$0	\$5,850	\$5,850	\$86	\$0	\$0
Property Taxes	\$22,166	\$21,254	\$21,254	\$313	\$10,627	\$0
Soil Test	\$35,000	\$32,859	\$32,859	\$483	\$0	\$0
Survey	\$35,000	\$31,220	\$31,220	\$459	\$0	\$3,500
Title Insurance and Recording Fees	\$86,000	\$92,000	\$92,000	\$1,353	\$18,400	\$0
Utility Connection Fees	\$300,000	\$595,291	\$595,291	\$8,754	\$0	\$0
Soft Cost Contingency	\$120,626	\$135,522	\$119,985	\$1,764	\$0	\$119,985
Total General Development Costs:	\$2,230,113	\$2,529,055	\$2,519,704	\$37,054	\$607,541	\$184,242

Notes to the General Development Costs:

HOME-ARP, NHTF, & HC CREDIT UNDERWRITING REPORT

1. General Development Costs are the Applicant's updated estimates, which appear reasonable.
2. First Housing has utilized actual costs for: FHFC Credit Underwriting, Market Study, Appraisal, and Plan and Cost Analysis (“PCA”).
3. The FHFC Administrative Fee is based on 5.5% of the recommended annual Housing Credit allocation.
4. FHFC Compliance Fee is based on the compliance fee calculator spreadsheet provided by FHFC.
5. The FHFC Credit Underwriting Fee includes a HOME-ARP, NHTF, 9% HC, and PRL underwriting fee of \$26,613 and a SLR underwriting fee of \$1,894.
6. First Housing adjusted the Soft Cost Contingency to be 5% of the General Development Costs less the soft cost contingency, as allowed by the RFA and Rule Chapter 67-48 for new construction developments.
7. First Housing reviewed an Agreement for Professional Services, dated March 8, 2023, between Blue Tri CASL Polk, LLC and Two Tails, Inc. Two Trails, Inc. will provide National Green Building Standard consulting and certification services.

FINANCIAL COSTS:	Applicant Costs	Revised Applicant Costs	Underwriters Total Costs - CUR	Cost Per Unit	HC Ineligible Costs - CUR	HOME Ineligible Costs - CUR
Construction Loan Application Fee	\$0	\$25,000	\$25,000	\$368	\$0	\$0
Construction Loan Origination Fee	\$100,000	\$75,000	\$75,000	\$1,103	\$0	\$0
Construction Loan Interest	\$487,500	\$731,250	\$793,333	\$11,667	\$198,333	\$0
HOME Closing Costs	\$0	\$0	\$12,500	\$184	\$12,500	\$0
NHTF Closing Costs	\$0	\$0	\$12,500	\$184	\$12,500	\$0
Legal Fees - Financing Costs	\$0	\$75,000	\$75,000	\$1,103	\$75,000	\$0
Other: Syndication Fee	\$0	\$25,000	\$25,000	\$368	\$25,000	\$0
Other: FHFC Org Fees	\$83,760	\$83,760	\$0	\$0	\$0	\$0
Other: FHFC Closing Costs	\$100,000	\$30,000	\$0	\$0	\$0	\$0
Total Financial Costs:	\$771,260	\$1,045,010	\$1,018,333	\$14,975	\$323,333	\$0
Dev. Costs before Acq., Dev. Fee & Reserves	\$16,830,529	\$17,879,699	\$17,843,670	\$262,407	\$1,299,800	\$1,007,443

Notes to the Financial Costs:

HOME-ARP, NHTF, & HC CREDIT UNDERWRITING REPORT

1. The Construction Loan Origination Fee is based on 75 basis points of the construction loan amount.
2. The Construction Loan Interest is based on a rate of 8.50%, a 20-month term, and an average outstanding balance of 56%. The GC Contract specifies a substantial completion of not later than 428 calendar days (or approximately 14 months) and considering a 6-month lease up, First Housing has estimated that a construction term of 20 months is reasonable.
3. HOME closing costs are \$12,500 for FHFC legal counsel fees.
4. NHTF Closing Costs are \$12,500 for FHFC legal counsel fees.

NON-LAND ACQUISITION COSTS	Applicant Costs	Revised Applicant Costs	Underwriters Total Costs - CUR	Cost Per Unit	HC Ineligible Costs - CUR	HOME Ineligible Costs - CUR
Total Non-Land Acquisition Costs:	\$0	\$0	\$0	\$0	\$0	\$0

Notes to the Non-Land Acquisition Costs:

1. As this is new construction, there are no non-land acquisition costs.

DEVELOPER FEE ON NON-ACQUISITION COSTS	Applicant Costs	Revised Applicant Costs	Underwriters Total Costs - CUR	Cost Per Unit	HC Ineligible Costs - CUR	HOME Ineligible Costs - CUR
Developer Fee - Unapportioned	\$2,692,884	\$2,860,752	\$2,854,987	\$41,985	\$0	\$0
DF to fund Operating Debt Reserve	\$841,526	\$893,985	\$892,183	\$13,120	\$0	\$0
Total Other Development Costs:	\$3,534,410	\$3,754,737	\$3,747,170	\$55,105	\$0	\$0

Notes to Developer Fee on Non-Acquisition Costs:

1. The recommended Developer Fee does not exceed 16% of TDC before Developer Fee, reserves, and, land costs as allowed by the RFA and Rule Chapter 67-48.
2. A portion of the Developer Fee (5% of development costs before Developer Fee, land, and reserves) must be placed in an ODR account to be held by FHFC or its Servicer. Any disbursements from the ODR account shall be reviewed and approved by FHFC or its Servicer. In exchange for receiving funding from the Corporation, the Corporation reserves the authority to restrict the disposition of any funds remaining in any operating deficit reserve(s) after the term of the reserve's original purpose has terminated or is near termination. Authorized disposition uses are limited to payments towards any outstanding loan balances of the Development funded from the Corporation, any outstanding Corporation fees, any unpaid costs incurred in the completion of the Development (i.e., deferred Developer Fee), the Development's capital replacement reserve account (provided, however, that any operating deficit reserve funds deposited to the replacement reserve account will not replace, negate, or otherwise be considered an advance payment

HOME-ARP, NHTF, & HC CREDIT UNDERWRITING REPORT

or pre-funding of the Applicant’s obligation to periodically fund the replacement reserve account), the reimbursement of any loan(s) provided by a partner, member or guarantor as set forth in the Applicant’s organizational agreement (i.e., operating or limited partnership agreement). The actual direction of the disposition is at the Applicant’s discretion so long as it is an option permitted by the Corporation. In no event, shall the payment of amounts to the Applicant or the Developer from any operating deficit reserve established for the Development cause the Developer Fee or General Contractor fee to exceed the applicable percentage limitations provided for in this RFA.

At the end of the Compliance Period, any remaining balance of the ODR less amounts that may be permitted to be drawn (which includes Deferred Developer Fee and reimbursements for authorized member/partner and guarantor loan(s) pursuant to the operating/partnership agreement), will be used to pay FHFC loan debt; if there is no FHFC loan debt on the proposed Development at the end of the Compliance Period, any remaining balance shall be used to pay any outstanding FHFC fees. If any balance is remaining in the ODR after the payments above, the amount should be placed in a Replacement Reserve account for the Development. In no event shall the payments of amounts to the Applicant or the Developer from the Reserve Account cause the Developer Fee or General Contractor Fee to exceed the applicable percentage limitations provided for in Rule Chapter 67-48. Any and all terms and conditions of the ODR must be acceptable to Florida Housing, its legal counsel, and its Servicer.

LAND ACQUISITION COSTS	Applicant Costs	Revised Applicant Costs	Underwriters Total Costs - CUR	Cost Per Unit	HC Ineligible Costs - CUR	HOME Ineligible Costs - CUR
Land	\$1,600,000	\$1,600,000	\$1,600,000	\$23,529	\$1,600,000	\$0
Total Acquisition Costs:	\$1,600,000	\$1,600,000	\$1,600,000	\$23,529	\$1,600,000	\$0

Notes to Acquisition Costs:

1. First Housing has reviewed a Purchase Agreement, dated July 5, 2022, between Tri County Human Services Inc. (“Seller”) and Blue Tri CASL Polk, LLC (“Purchaser”). The purchase price listed is \$1,600,000 and closing must be completed on or before December 31, 2023.
2. The appraisal, dated July 14, 2023, included a land value (fee simple) as is, as of June 23, 2023, of \$1,600,000 which supports the purchase price.

RESERVE ACCOUNTS	Applicant Costs	Revised Applicant Costs	Underwriters Total Costs - CUR	Cost Per Unit	HC Ineligible Costs - CUR	HOME Ineligible Costs - CUR
Reserves - Start-Up/Lease-up Expenses	\$0	\$100,000	\$100,000	\$1,471	\$100,000	\$100,000
Total Reserve Accounts:	\$0	\$100,000	\$100,000	\$1,471	\$100,000	\$100,000

Notes to Reserve Accounts:

1. The Developer has budgeted for \$100,000 in costs associated with lease-up.

HOME-ARP, NHTF, & HC CREDIT UNDERWRITING REPORT

TOTAL DEVELOPMENT COSTS	Applicant Costs	Revised Applicant Costs	Underwriters Total Costs - CUR	Cost Per Unit	HC Ineligible Costs - CUR	HOME Ineligible Costs - CUR
TOTAL DEVELOPMENT COSTS:	\$21,964,939	\$23,334,436	\$23,290,840	\$342,512	\$2,999,800	\$1,107,443

Notes to Total Development Costs:

1. The TDC has increased a total of \$1,325,901 or 6.04% from \$21,964,939 to \$23,290,840 since the Application. The increase is mainly due to an increase in financial, general, and construction costs.

HOME-ARP, NHTF, & HC CREDIT UNDERWRITING REPORT

Operating Pro Forma – Jersey Commons

FINANCIAL COSTS:		Year 1	Year 1 Per Unit
OPERATING PRO FORMA			
INCOME:	Gross Potential Rental Income	\$451,500	\$6,640
	Other Income		
	Ancillary Income	\$27,200	\$400
	Washer/Dryer Rentals	\$12,240	\$180
	Gross Potential Income	\$490,940	\$7,220
	Less:		
	Physical Vac. Loss Percentage: 4.00%	\$19,638	\$289
	Collection Loss Percentage: 1.00%	\$4,909	\$72
	Total Effective Gross Income	\$466,393	\$6,859
	EXPENSES:	Fixed:	
Real Estate Taxes		\$11,669	\$172
Insurance		\$102,000	\$1,500
Variable:			
Management Fee Percentage: 7.00%		\$32,648	\$480
General and Administrative		\$34,000	\$500
Payroll Expenses		\$108,800	\$1,600
Utilities		\$47,260	\$695
Marketing and Advertising		\$1,700	\$25
Maintenance and Repairs/Pest Control		\$32,300	\$475
Grounds Maintenance and Landscaping		\$17,000	\$250
Security		\$13,600	\$200
Reserve for Replacements		\$20,400	\$300
Total Expenses		\$421,377	\$6,197
Net Operating Income	\$45,016	\$662	
Debt Service Payments			
First Mortgage - FHFC - HOME-ARP	\$0	\$0	
Second Mortgage - FHFC - NHTF	\$0	\$0	
First Mortgage Fees - FHFC - HOME-ARP	\$12,255	\$180	
Second Mortgage Fees - FHFC - NHTF	\$3,963	\$58	
Total Debt Service Payments	\$16,218	\$239	
Cash Flow after Debt Service	\$28,798	\$424	
Debt Service Coverage Ratios			
DSC - First Mortgage plus Fees	3.67x		
DSC - Second Mortgage plus Fees	2.78x		
Financial Ratios			
Operating Expense Ratio	90.35%		
Break-even Economic Occupancy Ratio (all debt)	89.48%		

Notes to the Operating Pro Forma and Ratios:

1. The Development will be utilizing Housing Credits in conjunction with HOME-ARP and NHTF financing, which will impose rent restrictions. The net rent levels are based on the 2023 maximum low income housing tax credits (“LIHTC”) rents published on FHFC’s

HOME-ARP, NHTF, & HC CREDIT UNDERWRITING REPORT

website for Polk County less the applicable utility allowance. The utility allowances are based on the Utility Allowance Schedule, dated January 27, 2023, from Winter Haven Housing Authority for garden-style developments.

Lakeland-Winter Haven MSA, Polk County

Bed Rooms	Bath Rooms	Units	Square Feet	AMI%	Low HOME Rents	High HOME Rents	Gross HC Rent	Utility Allow.	Net Restricted Rents	PBRA Contr Rents	Applicant Rents	Appraiser Rents	CU Rents	Annual Rental Income
1	1.0	5	675	30%	\$ 670		\$402	\$111	\$ 291		\$ 291	\$ 291	\$ 291	\$ 17,460
1	1.0	5	675	30%			\$402	\$111	\$ 291		\$ 291	\$ 291	\$ 291	\$ 17,460
1	1.0	11	675	50%	\$ 670		\$670	\$111	\$ 559		\$ 559	\$ 300	\$ 300	\$ 39,600
1	1.0	7	675	60%		\$ 851	\$804	\$111	\$ 693		\$ 693	\$ 693	\$ 693	\$ 58,212
1	1.0	24	675	60%			\$804	\$111	\$ 693		\$ 693	\$ 693	\$ 693	\$ 199,584
2	1.0	2	843	30%	\$ 803		\$482	\$136	\$ 346		\$ 346	\$ 346	\$ 346	\$ 8,304
2	1.0	2	843	30%			\$482	\$136	\$ 346		\$ 346	\$ 346	\$ 346	\$ 8,304
2	1.0	4	843	50%	\$ 803		\$803	\$136	\$ 667		\$ 667	\$ 481	\$ 481	\$ 23,088
2	1.0	2	843	60%		\$ 1,023	\$964	\$136	\$ 828		\$ 828	\$ 828	\$ 828	\$ 19,872
2	1.0	6	843	60%			\$964	\$136	\$ 828		\$ 828	\$ 828	\$ 828	\$ 59,616
		68	48,588											\$ 451,500

2. The appraisal used a vacancy and collection loss rate of 3.5%. First Housing has used a 5% vacancy and collection loss which includes a 4% vacancy loss and a 1% collection loss.
3. Ancillary Income is primarily comprised of revenue from late fees, pet fees, transfer fees, retained deposits, application fees, and cable income. Total Ancillary Income of approximately \$400 per unit per year is supported by the appraisal.
4. The Development will provide common area laundry facilities to the residents. The washer/dryer income of \$180 per unit per year is supported by the appraisal.
5. Based upon operating data from comparable properties, third-party reports (appraisal and market study) and First Housing's independent due diligence, First Housing represents that, in its professional opinion, estimates for Rental Income, Vacancy, Other Income, and Operating Expenses fall within a band of reasonableness.
6. First Housing has received an executed Management Agreement, dated May 4, 2023, between Carteret Management Corporation and Blue Tri CASL Polk, LLC. During the initial 6 months, Carteret shall receive a fee that equates to the greater of \$2,000 a month or 7% of gross revenues collected during the current month. After the initial six months, the compensation fee shall be a fee equal to 7% of gross revenues collected during the current month. In addition, Carteret will charge a monthly fee for bookkeeping and computer services equal to the lesser of actual costs or \$510 per month. First Housing and the appraiser used a management fee of 7%.

7. The landlord is responsible for water, sewer, common area electric, and trash collection. Tenant will be responsible for electric, cable, and internet.
8. Replacement Reserves of \$300 per unit per year are required per the RFA and Rule Chapter 67-48. According to the letter, dated July 7, 2023, from RJAHI, they are requiring replacement reserve deposits to be \$300 per unit per year increasing at 3% annually.
9. Refer to Exhibit 1, Page 1 for a 15-Year Pro Forma, which reflects rental income increasing at an annual rate of 2%, and expenses increasing at an annual rate of 3%. Based on the Exhibit 1, the Development is expected to experience negative cash flow in the total amount of \$108,637 in the first fifteen years since the fees for the first and second mortgages are must pay. First Housing anticipates that the ODR in the amount of \$892,183 will be sufficient to cover this shortfall.

Section B

HOME-ARP and NHTF Loan Special and General Conditions
HC Allocation Recommendation and Contingencies

Special Conditions

This recommendation is contingent upon the review and approval of the following items by Florida Housing and First Housing **at least two weeks prior to Loan Closing**. Failure to submit and to receive approval of these items within this time frame may result in postponement of the HOME-ARP and NHTF Loan closing date.

1. Satisfactory receipt and review of updated financials for the Guarantors and GC, dated within 90 days of closing or Audited Financial Statements within one year.
2. Receipt of a firm loan commitment from TD Bank (construction financing) with terms and conditions that are not substantially different than those utilized in this credit underwriting report.
3. Satisfactory completion of a Davis-Bacon Federal Labor Standards and Section 3 pre-construction conference.
4. The Development shall meet the Section 3 requirements of the Housing and Urban Development Act of 1968 as amended (12 U.S.C. 1701u and 24CFR Part 135).
5. Any other reasonable requirements of the Servicer, Florida Housing, or its legal counsel.

General Conditions

This recommendation is contingent upon the review and approval of the following items by Florida Housing and First Housing **at least two weeks prior to Loan Closing**. Failure to submit and to receive approval of these items within this time frame may result in postponement of the HOME-ARP and NHTF Loan closing date.

1. Payment of any outstanding arrearages to the Corporation, its legal counsel, Servicer or any agent or assignee of FHFC for past due issues applicable to the Development team (Applicant or Developer or Principal, Affiliate or Financial Beneficiary, as described in 67-48.0075 (5) F.A.C. of an Applicant or a Developer).
2. On Solid Ground, LLC (“OSG”) is to act as construction inspector during the construction phase.
3. At all times there will be undisbursed loan funds (collectively held by Florida Housing, the first mortgage lender and any other source) sufficient to complete the Development. If at any time there are not sufficient funds to complete the Development, the Applicant will be

required to expend additional equity on Development Costs or to deposit additional equity with Florida Housing which is sufficient (in Florida Housing's judgment) to complete the Development before additional loan funds are disbursed. This condition specifically includes escrowing at closing all equity necessary to complete construction or another alternative acceptable to Florida Housing in its sole discretion.

4. Construction Period Developer Fee shall be the lesser of i) 50% of the Total Developer Fee or ii) the Total Developer Fee less the Deferred Developer Fee listed in the Sources and Uses for the construction period, as calculated by the Servicer. At closing, a maximum of 35% of the Construction Period Developer Fee may be funded. Remaining Construction Period Developer Fee will be disbursed during construction/rehabilitation on a pro rata basis, based on the percentage of completion of the development, as approved and reviewed by FHFC and Servicer.

Once the Development has achieved 100% lien free completion and retainage has been released, the Post-Construction Period Developer Fee may be funded. Post-Construction Period Developer Fee is the remaining portion of Developer Fee less Deferred Developer Fee listed in the Sources and Uses for the permanent period, as calculated by the Servicer.

5. Signed and sealed survey, dated within 90 days of loan closing, unless otherwise approved by Florida Housing, and its legal counsel, based upon the particular circumstances of the transaction. The Survey shall be certified to Florida Housing, and its legal counsel, as well as the title insurance company, and shall indicate the legal description, exact boundaries of the Development, easements, utilities, roads, and means of access to public streets, total acreage and flood hazard area and any other requirements of Florida Housing.
6. All building permits and any other necessary approvals and permits (e.g., final site plan approval, Department of Environmental Protection, Army Corps of Engineers, the Water Management District, Department of Transportation, etc.) or a letter from the local permitting and approval authority stating that the above referenced permits and approvals will be issued upon receipt of applicable fees (with no other conditions), or evidence of 100% lien-free completion, if applicable. If a letter is provided, copies of all permits will be required as a condition of the first post-closing draw.
7. Final "as permitted" (signed and sealed) site plans, building plans and specifications. The geotechnical report must be bound within the final plans and specifications, if applicable.
8. Final sources and uses of funds schedule itemized by source and line item, in a format and in amounts approved by the Servicer. A detailed calculation of the construction loan interest based upon the final draw schedule, documentation of the closing costs, and draft

loan closing statement must also be provided. The sources and uses of funds schedule will be attached to the Loan Agreement as the approved Development budget.

9. A final construction draw schedule showing itemized sources and uses of funds for each monthly draw. HOME-ARP Loan proceeds shall be disbursed during the construction phase in an amount per draw which does not exceed the ratio of the HOME-ARP Loan to the TDC, unless approved by First Housing. NHTF Loan proceeds shall be disbursed during the construction phase in an amount per draw which does not exceed the ratio of the NHTF Loan to the TDC, unless approved by First Housing. The closing draw must include appropriate backup and ACH wiring instructions.
10. Evidence of insurance coverage pursuant to the RFA governing this proposed transaction and, as applicable, the FHFC Insurance Guide.
11. The General Contractor shall secure a payment and performance bond equal to 100 percent of the total construction cost listing FHFC as a co-obligee, whose terms do not adversely affect the Corporation's interest, issued in the name of the General Contractor, from a company rated at least "A-" by AMBest & Co., or a Corporation-approved alternate security for the General Contractor's performance such as a letter of credit issued by a financial institution with a senior long term (or equivalent) credit rating of at least "Baa3" by Moody's, or at least "BBB-" by Standard & Poor's or Fitch, or a financial rating of at least 175 by IDC Financial Publishing. The LOC must include "evergreen" language and be in a form satisfactory to Florida Housing, its Servicer and its Legal Counsel.
12. Architect, Construction Consultant, and Developer Certifications on forms provided by FHFC will be required for both design and as built with respect to Section 504 of the Rehabilitation Act, Americans with Disabilities Act, and the Federal Fair Housing Act requirements, if applicable.
13. Applicant is to comply with any and all recommendations noted in the Plan and Cost Review prepared by Moran Construction Consultants, LLC ("Moran").
14. At the end of the Compliance Period, any remaining balance of the ODR less amounts that may be permitted to be drawn (which includes Deferred Developer Fee and reimbursements for authorized member/partner and guarantor loan(s) pursuant to the operating/partnership agreement), will be used to pay FHFC loan debt; if there is no FHFC loan debt on the proposed Development at the end of the Compliance Period, any remaining balance shall be used to pay any outstanding FHFC fees. If any balance is remaining in the ODR after the payments above, the amount should be placed in a Replacement Reserve account for the Development. In no event shall the payments of amounts to the Applicant

or the Developer from the Reserve Account cause the Developer Fee or General Contractor Fee to exceed the applicable percentage limitations provided for in Rule Chapter 67-48. Any and all terms and conditions of the ODR must be acceptable to Florida Housing, its legal counsel, and its Servicer.

15. A copy of an Operating Agreement reflecting purchase of the HC under terms consistent with the assumptions contained within this Credit Underwriting Report. The Operating Agreement shall be in a form and of financial substance satisfactory to Servicer and to FHFC and its legal counsel.

This recommendation is contingent upon the review and approval of the following items by Florida Housing, and its legal counsel **at least two weeks prior to Loan Closing**. Failure to receive approval of these items, along with all other items listed on Florida Housing counsel's due diligence, within this time frame may result in postponement of the HOME-ARP and NHTF Loan closing date.

1. Documentation of the legal formation and current authority to transact business in Florida for the Applicant, the general partner/principal(s)/manager(s) of the Applicant, the guarantor, and any limited partners of the Applicant.
2. Award of the 9% Housing Credits and purchase of HC by RJAHI or an affiliate, under terms consistent with the assumptions of this report.
3. Signed and sealed survey, dated within 90 days of closing, unless otherwise approved by Florida Housing, and its legal counsel, based upon the particular circumstances of the transaction. The Survey shall be certified to Florida Housing and its legal counsel, as well as the title insurance company, and shall indicate the legal description, exact boundaries of the Development, easements, utilities, roads, and means of access to public streets, total acreage and flood hazard area and any other requirements of Florida Housing.
4. An acceptable updated Environmental Audit Report, together with a reliance letter to Florida Housing, prepared within 90 days of closing, unless otherwise approved by Florida Housing, and legal counsel, based upon the particular circumstances of the transaction. Applicant to comply with any and all recommendations and remediation restrictions noted in the Environmental Assessment(s) and Updates and the Environmental Review, if applicable.
5. Title insurance pro forma or commitment for title insurance with copies of all Schedule B exceptions, in the amount of the HOME-ARP and NHTF Loans naming FHFC as the insured. All endorsements required by FHFC shall be provided.

6. Florida Housing and its legal counsel shall review and approve all other lenders closing documents and the limited partnership or other applicable agreement. Florida Housing shall be satisfied in its sole discretion that all legal and program requirements for the Loan(s) have been satisfied.
7. Evidence of insurance coverage pursuant to the RFA governing this proposed transaction and, as applicable, the FHFC Insurance Guide.
8. Receipt of a legal opinion from the Applicant's legal counsel acceptable to Florida Housing addressing the following matters:
 - a. The legal existence and good standing of the Applicant and of any partnership or limited liability company that is the GP of the Applicant and of any corporation or partnership that is the managing general partner of the GP, of any corporate guarantor and any manager.
 - b. Authorization, execution, and delivery by the Applicant and the guarantor, of all Loan(s) documents;
 - c. The Loan(s) documents being in full force and effect and enforceable in accordance with their terms, subject to bankruptcy and equitable principles only;
 - d. The Applicant's and the Guarantor's execution, delivery and performance of the Loan(s) documents shall not result in a violation of, or conflict with, any judgments, orders, contracts, mortgages, security agreements or leases to which the Applicant is a party or to which the Development is subject to the Applicant's Partnership Agreement and;
 - e. Such other matters as Florida Housing or its legal counsel may require.
9. Evidence of compliance with the local concurrency laws, if applicable.
10. Such other assignments, affidavits, certificates, financial statements, closing statements and other documents as may be reasonably requested by Florida Housing or its legal counsel in form and substance acceptable to Florida Housing or its legal counsel, in connection with the Loan(s).
11. UCC Searches for the Applicant, its partnerships, as requested by legal counsel.
12. Any other reasonable conditions established by Florida Housing and its legal counsel.

Additional Conditions

This recommendation is also contingent upon satisfaction of the following additional conditions:

1. Compliance with all provisions of Sections 420.507 and 420.5089 Florida Statutes, Rule Chapter Rule 67-48 F.A.C. (HOME and 9% HC Programs), Rule Chapter 67-53, F.A.C., Rule Chapter 67-60 F.A.C., RFA 2022-210, Section 42 I.R.C. (Housing Credits), HUD Rule 24 CFR Part 92, and any other State or Federal requirements.
2. Acceptance by the Applicant and execution of all documents evidencing and securing the HOME-ARP and NHTF Loans in form and substance satisfactory to Florida Housing, including, but not limited to, the Promissory Note(s), the Loan Agreement(s), the Mortgage and Security Agreement(s), and the Land Use Restriction Agreement(s) and/or Extended Land Use Agreement(s) and Final Cost Certificate.
3. Receipt and satisfactory review of a Joint Funding Agreement between Applicant and RJAHI or an affiliate, that requires funding of all HC Equity Installments during construction, even if the Borrower is in default under the Operating Agreement.
4. Guarantors to provide the standard FHFC Construction Completion Guaranty, which is to be released upon lien-free completion, as approved by the Servicer.
5. For the HOME-ARP Loan, Guarantors are to provide the standard FHFC Operating Deficit Guaranty. If requested in writing by the Applicant, the Servicer will consider a recommendation to release the Operating Deficit Guaranty if all conditions are met, including achievement of a 1.15x debt service coverage on the HOME-ARP Loan as determined by FHFC, or the Servicer, and 90 percent occupancy and 90 percent of the gross potential rental income, net of utility allowances, if applicable, for a period equal to 12 consecutive months, all as certified by an independent Certified Public Accountant, and verified by the Servicer. The calculation of the debt service coverage ratio shall be made by FHFC or the Servicer. Notwithstanding the above, the Operating Deficit Guaranty shall not terminate earlier than three (3) years following the final certificate of occupancy.
6. Guarantors to provide the Standard FHFC Environmental Indemnity Guaranty.
7. Guarantors to provide the Standard FHFC Guaranty of Recourse Obligations.
8. If applicable, receipt and satisfactory review of Financial Statements from all Guarantors dated within 90 days of Loan Closing.

9. A Mortgagee Title Insurance policy naming Florida Housing as the insured in the amount of the Loan(s) is to be issued immediately after closing. Any exceptions to the title insurance policy must be acceptable to Florida Housing or its legal counsel. The form of the title policy must be approved prior to closing.

10. Property tax and hazard insurance escrow are to be established and maintained by the First Mortgagee Lender, Fiscal Agent, or the Servicer. In the event the reserve account is held by Florida Housing's Loan(s) servicing agent, the release of funds shall be at Florida Housing's sole discretion.

11. Replacement Reserves in the amount of \$300 per unit per year will be required to be deposited on a monthly basis into a designated escrow account, to be maintained by the First Mortgagee or Florida Housing's Loan(s) servicing agent. However, Applicant has the option to prepay Replacement Reserves, as allowed per Rule 67-48 F.A.C., in the amount of \$20,400, (one-half the required Replacement Reserves for Years 1 and 2), in order to meet the applicable DSC loan requirements. Applicant can waive this election, if at closing of the loan(s) the required DSC is met without the need to exercise the option. It is currently estimated that Replacement Reserves will be funded from Operations in the amount of \$300 per unit per year for years 1 and 2, followed by \$300 per unit per year thereafter. The initial replacement reserve will have limitations on the ability to be drawn. New construction developments shall not be allowed to draw during the first five (5) years or until the establishment of a minimum balance equal to the accumulation of five (5) years of replacement reserves per unit. The amount established as a replacement reserve shall be adjusted based on a CNA to be received by FHFC or its servicers, prepared by an independent third party and acceptable to FHFC and its servicers at the time the CNA is required, beginning no later than the tenth year after the first residential building in the Development receives a certificate of occupancy, a temporary certificate of occupancy, or is placed in service, whichever is earlier ("initial replacement reserve date"). A subsequent CNA is required no later than the 15th year after the initial Replacement Reserve Date and subsequently every five (5) years thereafter.

12. A minimum of 10% retainage holdback on all construction draws until the Development is 50% complete, and 0% retainage thereafter is required. Retainage will not be released until successful completion of construction and issuance of all certificates of occupancy. The construction contract specifies a 10% retainage of each application for payment. After the completed work has reached 50% of the GMP, no retainage will be deducted from progress payments thereafter, unless the Owner determines in its sole discretion that the quality of the Work is less than that required by the Contract Documents or that the Development is not on schedule to be completed within the Contact Time, at which time

the Owner may decline to reduce retainage or reinstate retainage at 10% of subsequent progress payments. This meets the RFA and Rule minimum requirements.

13. Closing of all funding sources prior to or simultaneous with the HOME-ARP and NHTF Loans.
14. Satisfactory completion of a pre-loan closing compliance audit conducted by FHFC or Servicer, if applicable.
15. Satisfactory evidence of compliance with the Davis Bacon Act and other applicable Federal Labor Standards during the construction of this Development. Evidence of compliance must be through satisfactory completion of a compliance audit by HUD and its authorized subcontractor.
16. HOME-ARP funds are subject to the National Environmental Policy Act (“NEPA”) of 1969 and related federal environmental authorities and regulations at 24 CFR Part 58 “Environmental Review Procedures.” No HOME-ARP funds may be committed to a development before completion of the environmental review process and HUD approval of the environmental review and Request for Release of Funds.
17. Satisfactory resolution of any outstanding past due and/or noncompliance items.
18. Any other reasonable requirements of the Servicer, Florida Housing, or its legal counsel.

Housing Credit Allocation Recommendation

First Housing Development Corporation has estimated a preliminary annual HC allocation of \$1,496,000. Please see the HC Allocation Calculation in Exhibit 2 of this report for further details.

Contingencies

The HC allocation will be contingent upon the receipt and satisfactory review of the following items by First Housing and Florida Housing by the deadline established in the Preliminary Determination. Failure to submit these items within this time frame may result in forfeiture of the HC Allocation.

1. Satisfactory resolution of any outstanding past due and/or noncompliance items.
2. Closing of the HOME-ARP and NHTF loans with terms consistent with this CUR.
3. Receipt of executed FHFC Fair Housing, Section 504, and ADA as built certification forms 122, 127, 129.
4. Any other reasonable requirements of the Servicer, Florida Housing, or its Legal Counsel.

Section C

Supporting Information & Schedules

Additional Development & Third Party Supplemental Information

Site Inspection: First Housing conducted a site inspection on May 27, 2023. The Development is surrounded by vacant land to the west and by single family houses in fair to poor condition in all other directions. There is a Publix 0.6 miles from the Development and the Auburndale Public Library is 1.5 miles from the Development. Winter Haven Hospital is 4.2 miles from the Development. The Development is also within a few miles of many lakes. The Development is approximately 12 miles from Interstate 4 which is major throughfare for the State.

Appraised Value: First Housing engaged and reviewed an Appraisal for the Development prepared by Colliers and dated July 14, 2023. The land value (fee simple) as is, as of June 23, 2023, was \$1,600,000. The leased fee restricted value as stabilized, as of June 23, 2023, was \$1,010,000. The lease fee market value as stabilized, as of June 23, 2023, was \$13,100,000. The Appraisal was executed by Ryan Tolle, State Certified General Real Estate Appraiser Florida License Number RZ3416, which expires November 30, 2024.

Market Study: Colliers prepared a Market Study for the Development, dated June 1, 2023. The Development is a multifamily property, containing 68 dwelling units.

The Development will offer unit amenities such as appliance package, all of which are noted with energy star rating. Units will also be equipped with laminate countertops, modern cabinets, and vinyl plank flooring. Development amenities include Common Laundry, Leasing Office, Community Room, Fitness Center, Community Building, and an outside sitting area. The community will also feature Coordinated Residential Services; life skills include nutrition and wellness coaching, job skills and basic financials training, smoking cessation options, holiday parties, and potentially recovery support groups i.e., NAMI, AA, and NA meetings supported through the Recovery Peer Specialists. Upon completion, the Development improvements will be in excellent condition for their age and for the surrounding neighborhood. The interiors will have Class A-/B+ standard finish, similar to most other properties in

the immediate area. The Development will have an attractive design and average to good curb appeal.

The Development will have one primary point of access located along the west side of Jersey Road. Traffic levels along this roadway is considered average and do not inhibit/egress. The Development is conveniently located near US Highway 92 and Havendale Boulevard. The Development has frontage along the west side of Jersey Road and south side of Morgan Street. Overall, the Development is considered a good residential site in terms of its location, exposure, and access to employment, education and shopping center. The characteristics of the site and surrounding uses make it desirable for multifamily development.

The Development is located within the Lakeland-Winter Haven, FL Metropolitan Statistical Area (“MSA”) in the central portion of the state and comprised of Polk County. While Polk County is not technically located with the Tampa-St. Petersburg Clearwater MSA, its location between the Tampa and Orlando metros does have an impact on the region. Based on the Bureau of Labor Statistics, as of April 2023, unemployment was 2.8% for the MSA, 2.6% in Florida and 3.4% in the United States.

The Primary Market Area (“PMA”) is defined as a 7-mile radius of the Development. Colliers believes the majority of the Development’s prospective residents to reside within the PMA. The target market will include residents with an income below the average median and working in Polk and neighboring counties that will seek affordable housing. The estimated 2022 population for the PMA is 138,052 residents. This represents an annual 1.88% increase since 2020. The projected population for the PMA for 2027 is 145,710, which is an increase of 1.09% from the 2022 estimate. In the PMA, the estimated 2022 median household income is \$53,738. The 2022 average household size in the PMA is 3.06 individuals per household. Based on Colliers’ research, an estimated 18,745 income qualified households currently reside within the PMA. Considering a renter ratio of 35.90%, the potential demand is 6,729. After accounting for a stabilized market vacancy of 3.00%, the Development reflects a fair share capture rate of about 0.98% of total qualified renter households. Including the Development’s 68 units

Colliers estimated a total competitive supply of 637 units. As such, when accounting for Market vacancy of 3.00% and any market-oriented units, Colliers estimated a penetration rate of 9.2% indicating that there is adequate demand for additional low-income housing units and more specifically low-income units oriented to families. There are no Guarantee Fund developments within Polk County.

There are five restricted family LIHTC developments within the PMA totaling 501 units. These properties are existing assets with a history of stabilized occupancy. Colliers' analysis indicates that there is excess demand for additional family oriented LIHTC apartments, thus the Development will not likely have any adverse impact on these properties. There are no Homeless/Disabled properties within the PMA but five within Polk County totaling 397 units. As these properties are all located outside the PMA, the Development will not likely have any adverse impact on the above reference affordable assets.

The weighted average occupancy of all market supply within the PMA is 97.4%. Within Polk County, the Homeless/Disabled properties have a weighted average occupancy of 97.3%. Within the PMA, the family LIHTC rent supply has a weighted average occupancy of 98.6%, which meets the FHFC requirement that the submarket must have an average physical occupancy rate of 92.0% or greater.

Based on First Housing calculations, the Development's achievable average market rents will be 168% greater than the Development's average highest proposed gross 60% 2023 LIHTC rents. As required by FHFC, the average market rental rate in the submarket based on unit mix and annualized rent concessions is 110% or greater of the applicable maximum housing credit rental rate.

The market study does not believe that the 50% AMI units will achieve maximum rents as these units are restricted to the HOME-ARP qualifying population groups of sheltered and unsheltered homeless populations, currently housed populations at risk of homelessness, other families requiring services or housing assistance or to prevent homelessness, and those at greatest risk of housing

instability or in unstable housing situations. The market study has assumed that these populations would qualify for Social Security Income and would be paying up to 45% of their income towards rent.

Environmental Report: A Phase I ESA was completed on August 19, 2022 by Environmental Property Audits, Inc. (“EPA”). The ESA was performed in accordance with ASTM Standard E 1527-13 and incorporated the ASTM 1527-21 standard where appropriate. The Development is currently improved with three one-story apartment buildings, consisting of eight living units. One of the buildings was constructed in stages beginning in 1957 and the other two buildings were built in 1973.

There were no recognized environmental conditions identified in the Phase I ESA. Based on the Phase I ESA, no additional environmental investigation is recommended at this time.

First Housing received a NESHAP Pre-Demolition Asbestos Survey Report, dated September 19, 2022, prepared by Gallagher Bassett Services, Inc. The report identifies some asbestos containing materials in the existing buildings on the site.

First Housing received a Lead-Based Paint Survey Report, dated September 8, 2022, prepared by Associated Consulting Professionals, Inc. Lead-Based Paint was identified at the exterior of one of the existing buildings on the site.

Asbestos abatement and building demolition costs are included in the GC Contract.

Soils Test Report: First Housing reviewed a Geotechnical Study, dated August 26, 2022 and revised on July 7, 2023, prepared by Andreyev Engineering, Inc. (“AEI”). AEI drilled nine standard penetration tests borings, drilled four auger borings to a depth of 20 feet below ground surface, and drilled six auger borings to a depth of 7 feet below ground surface.

In general, the borings encountered the following soil types: dark grayish brown to brown fine sand to slightly silty fine sand, light brown to brown fine sand, light brown to brown clayey fine sand, light brown sandy clay, light brown to brown to dark brown slightly

silty to silty fine sand, dark brown slightly silty fine sand with roots, and reddish brown to grayish brown slightly silty cemented fine sand.

It is AEI's opinion that the soils encountered throughout the site are suitable to support a conventionally designed structure, provided that proper site soil preparation and soil densification are carried out. However, some of the borings identified a buried layer of slightly silty fine sand with roots. The encountered buried slightly silty fine sand with roots soils is considered unsuitable foundation soil and should be removed and replaced with suitable compacted fill material within all buildings, roadways and other structure areas. The removal of these unsuitable soils should start at the borings locations where these soils were encountered and should continue in all directions until all suitable soils are removed from building, roadways, or any other structure areas.

Provided that the site soils have been properly prepared and compacted, as specified in the report, the proposed buildings can be constructed on a system of conventional shallow spread or strip footings bearing at minimum depths below the finished floor elevations. Footings which bear in new structural fill may be designed based on a maximum allowable bearing pressure of 2,500 pounds per square foot.

First Housing has received a letter, dated July 7, 2023, from AEI confirming they have reviewed the construction document set, dated May 5, 2023, and the construction plans, dated May 9, 2023. Based on their review of these drawings, it appears that the recommendations set forth in the geotechnical report have been generally incorporated into the project plans and specifications.

Document and Cost
Review:

First Housing received a Document and Cost Review, dated July 11, 2023, prepared by Moran. The Development will consist of the new construction of a 68 unit, three building affordable housing complex. Two of the buildings consist of three levels of residential units. The remaining building consists of two levels of residential units, with a great room, kitchenette, offices, fitness room, and training room on the ground level. All associated site work, paving, parking spaces,

and stormwater management area are included. Site features include bike racks, dumpster enclosures, and fencing.

Substantial completion is to be achieved no later than 428 days post commencement. It is Moran's opinion that the Development schedule is considered feasible to complete the proposed scope of work.

Moran has reviewed an agreement between the Owner and Contractor is an AIA A102- 2017, where the basis of payment is the Cost of the Work plus a Fee with a GMP. The GMP is \$13,394,031 which is \$216.73 per gross square foot and \$196,971 per unit. Moran has compared the schedule of values with historic data and the cost per gross square foot is in line with projects of similar size and scope.

Moran confirms the Development does meet the FHFC Enhanced Structural Systems requirement.

A total of 5% of the total number of apartments, or four (4) units are required to be fully accessible to meet UFAS mobility requirements. An additional 2% of the total number of apartments, or two (2) units are required to be designed for the hearing and visual impaired to meet UFAS communication requirements.

The following are applicable to the Development: FBC, 7th Edition (2020), Florida Plumbing Code, Florida Mechanical Code, Florida Energy Conservation Code, Florida Accessibility Code, Florida Fire Presentation Code, 7th Edition (2020), Fair Housing Act, Section 504 Rehabilitation Act of 1973, Titles II and III, and Americans with Disabilities Act of 1990.

First Housing has been provided a certification from the GC which confirms that not more than 20% of the project cost, not to include general contractor fee or pass-through fees paid by the GC, shall be subcontracted to any one entity and that no construction cost will be subcontracted to any one entity or any group of entities that have common ownership or are affiliates of any other subcontractor, with the exception of a subcontractor contracted to deliver the building shell which may not have more than 25% of the construction cost in a subcontract. The certification also confirms that no construction

costs will be subcontracted to any entity that has common ownership or is an affiliate of the GC or the Developer.

Features, Amenities &
Resident Programs:

The Applicant committed to provide certain features and amenities which are listed in Exhibit 3 of this report. The features and amenities will be verified by the construction inspector during construction of the Development.

ADA Accessibility
Review:

Executed Florida Housing Fair Housing, Section 504 and ADA Design Certification Forms 121, 126, and 128 certifying that the plans for the Development comply with these requirements have been received.

HOME-ARP, NHTF, & HC CREDIT UNDERWRITING REPORT

15 Year Operating Pro Forma – Jersey Commons

FINANCIAL COSTS:		Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11	Year 12	Year 13	Year 14	Year 15
OPERATING PRO FORMA																
Gross Potential Rental Income		\$451,500	\$460,530	\$469,741	\$479,135	\$488,718	\$498,492	\$508,462	\$518,632	\$529,004	\$539,584	\$550,376	\$561,384	\$572,611	\$584,063	\$595,745
Rent Subsidy (ODR)		\$0														
Other Income																
Income:																
Ancillary Income		\$27,200	\$27,744	\$28,299	\$28,865	\$29,442	\$30,031	\$30,632	\$31,244	\$31,869	\$32,507	\$33,157	\$33,820	\$34,496	\$35,186	\$35,890
Washer/Dryer Rentals		\$12,240	\$12,485	\$12,734	\$12,989	\$13,249	\$13,514	\$13,784	\$14,060	\$14,341	\$14,628	\$14,920	\$15,219	\$15,523	\$15,834	\$16,150
Cable/Satellite Income		\$0														
Gross Potential Income		\$490,940	\$500,759	\$510,774	\$520,989	\$531,409	\$542,037	\$552,878	\$563,936	\$575,214	\$586,719	\$598,453	\$610,422	\$622,631	\$635,083	\$647,785
Less:																
Physical Vac. Loss Percentage: 4.00%		\$19,638	\$20,030	\$20,431	\$20,840	\$21,256	\$21,682	\$22,115	\$22,557	\$23,009	\$23,469	\$23,938	\$24,417	\$24,905	\$25,403	\$25,911
Collection Loss Percentage: 1.00%		\$4,909	\$5,008	\$5,108	\$5,210	\$5,314	\$5,420	\$5,529	\$5,639	\$5,752	\$5,867	\$5,985	\$6,104	\$6,226	\$6,351	\$6,478
Total Effective Gross Income		\$466,393	\$475,721	\$485,235	\$494,940	\$504,839	\$514,936	\$525,234	\$535,739	\$546,454	\$557,383	\$568,530	\$579,901	\$591,499	\$603,329	\$615,396
Expenses:																
Fixed:																
Real Estate Taxes		\$11,669	\$12,019	\$12,380	\$12,751	\$13,134	\$13,528	\$13,933	\$14,351	\$14,782	\$15,225	\$15,682	\$16,153	\$16,637	\$17,136	\$17,650
Insurance		\$102,000	\$105,060	\$108,212	\$111,458	\$114,802	\$118,246	\$121,793	\$125,447	\$129,211	\$133,087	\$137,079	\$141,192	\$145,428	\$149,790	\$154,284
Variable:																
Management Fee Percentage: 7.00%		\$32,648	\$33,300	\$33,966	\$34,646	\$35,339	\$36,045	\$36,766	\$37,502	\$38,252	\$39,017	\$39,797	\$40,593	\$41,405	\$42,233	\$43,078
General and Administrative		\$34,000	\$35,020	\$36,071	\$37,153	\$38,267	\$39,415	\$40,598	\$41,816	\$43,070	\$44,362	\$45,693	\$47,064	\$48,476	\$49,930	\$51,428
Payroll Expenses		\$108,800	\$112,064	\$115,426	\$118,889	\$122,455	\$126,129	\$129,913	\$133,810	\$137,825	\$141,959	\$146,218	\$150,605	\$155,123	\$159,776	\$164,570
Utilities		\$47,260	\$48,678	\$50,138	\$51,642	\$53,192	\$54,787	\$56,431	\$58,124	\$59,868	\$61,664	\$63,513	\$65,419	\$67,381	\$69,403	\$71,485
Marketing and Advertising		\$1,700	\$1,751	\$1,804	\$1,858	\$1,913	\$1,971	\$2,030	\$2,091	\$2,154	\$2,218	\$2,285	\$2,353	\$2,424	\$2,497	\$2,571
Maintenance and Repairs/Pest Control		\$32,300	\$33,269	\$34,267	\$35,295	\$36,354	\$37,445	\$38,568	\$39,725	\$40,917	\$42,144	\$43,408	\$44,711	\$46,052	\$47,434	\$48,857
Grounds Maintenance and Landscaping		\$17,000	\$17,510	\$18,035	\$18,576	\$19,134	\$19,708	\$20,299	\$20,908	\$21,535	\$22,181	\$22,847	\$23,532	\$24,238	\$24,965	\$25,714
Security		\$13,600	\$14,008	\$14,428	\$14,861	\$15,307	\$15,766	\$16,239	\$16,726	\$17,228	\$17,745	\$18,277	\$18,826	\$19,390	\$19,972	\$20,571
Reserve for Replacements		\$20,400	\$21,012	\$21,642	\$22,292	\$22,960	\$23,649	\$24,359	\$25,089	\$25,842	\$26,617	\$27,416	\$28,238	\$29,086	\$29,958	\$30,857
Total Expenses		\$421,377	\$433,691	\$446,369	\$459,420	\$472,857	\$486,689	\$500,929	\$515,589	\$530,682	\$546,220	\$562,216	\$578,685	\$595,640	\$613,095	\$631,065
Net Operating Income		\$45,016	\$42,030	\$38,866	\$35,520	\$31,982	\$28,247	\$24,305	\$20,150	\$15,772	\$11,163	\$6,314	\$1,216	-\$4,140	-\$9,766	-\$15,670
Debt Service Payments																
First Mortgage - FHFC - HOME-ARP		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Second Mortgage - FHFC - NHTF		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
First Mortgage Fees - FHFC - HOME-ARP		\$12,255	\$12,255	\$12,255	\$12,255	\$12,255	\$12,255	\$12,255	\$12,255	\$12,255	\$12,255	\$12,255	\$12,255	\$12,255	\$12,255	\$12,255
Second Mortgage Fees - FHFC - NHTF		\$3,963	\$3,963	\$3,963	\$3,963	\$3,963	\$3,963	\$3,963	\$3,963	\$3,963	\$3,963	\$3,963	\$3,963	\$3,963	\$3,963	\$3,963
Total Debt Service Payments		\$16,218	\$16,218	\$16,218	\$16,218	\$16,218	\$16,218	\$16,218	\$16,218	\$16,218	\$16,218	\$16,218	\$16,218	\$16,218	\$16,218	\$16,218
Cash Flow after Debt Service		\$28,798	\$25,812	\$22,648	\$19,302	\$15,764	\$12,029	\$8,087	\$3,932	-\$446	-\$5,055	-\$9,904	-\$15,002	-\$20,358	-\$25,984	-\$31,888
Debt Service Coverage Ratios																
DSC - First Mortgage plus Fees		3.67	3.43	3.17	2.90	2.61	2.30	1.98	1.64	1.29	0.91	0.52	0.10	(0.34)	(0.80)	(1.28)
DSC - Second Mortgage plus Fees		2.78	2.59	2.40	2.19	1.97	1.74	1.50	1.24	0.97	0.69	0.39	0.07	(0.26)	(0.60)	(0.97)
DSC - All Mortgages and Fees		2.78	2.59	2.40	2.19	1.97	1.74	1.50	1.24	0.97	0.69	0.39	0.07	(0.26)	(0.60)	(0.97)
Financial Ratios																
Operating Expense Ratio		90.35%	91.17%	91.99%	92.82%	93.66%	94.51%	95.37%	96.24%	97.11%	98.00%	98.89%	99.79%	100.70%	101.62%	102.55%
Break-even Economic Occupancy Ratio (all debt)		89.48%	90.20%	90.92%	91.65%	92.38%	93.13%	93.89%	94.65%	95.43%	96.21%	97.00%	97.81%	98.62%	99.44%	100.27%

According to the letter, dated July 7, 2023, from RJAHI, they are requiring replacement reserve deposits to be \$300 per unit per year increasing at 3% annually.

HC Allocation Calculation

Section I: Qualified Basis Calculation

Total Development Costs(including land and ineligible Costs)	\$23,290,840
Less Land Costs	\$1,600,000
Less Federal Grants and Loans	\$0
Less Other Ineligible Costs	\$1,399,800
Total Eligible Basis	\$20,291,040
Applicable Fraction	100%
DDA/QCT Basis Credit	130%
Qualified Basis	\$26,378,352
Housing Credit Percentage	9.00%
Annual Housing Credit Allocation	\$2,374,052

Notes to Qualified Basis Calculation:

1. Other ineligible costs include; demolition, site work, purchase of washer/dryers, accounting fees, FHFC Fees, insurance, legal fees, market study, marketing and advertising, property taxes, title insurance and recording fees, construction loan interest, and financing fees.
2. The Development has a 100% of the units set -aside, the calculation is based on 100% of the housing credit eligible costs.
3. The Development is located in a Qualified Census Tract (“QCT”); therefore, the 130% basis credit was applied.
4. For purposes of this recommendation a HC percentage of 9% was applied based on the 9% floor rate which was permanently extended through the Protecting Americans from Tax Hikes (PATH) Act of 2015 as part of the Omnibus Consolidated Appropriations Act of 2016.

Section II: GAP Calculation

Total Development Costs(including land and ineligible Costs)	\$23,290,840
Less Mortgages	\$8,376,000
Less Grants	\$0
Equity Gap	\$14,914,840
HC Syndication Percentage to Investment Partnership	99.99%
HC Syndication Pricing	\$0.92
HC Required to meet Equity Gap	\$16,213,404
Annual HC Required	\$1,621,340

Notes to GAP Calculation:

1. HC Percentage to Investor Limited Partner and syndication rate are based on the letter from RJAHI, dated July 7, 2023.
2. Based on Rule Chapter 67-48, the Development will only use its actual committed debt since the Development has a demographic commitment of homeless and persons with special needs. Therefore, the minimum qualified first mortgage determination does not apply.

Section III: Summary

HC Per Applicant's Request	\$1,496,000
HC Per Qualified Basis	\$2,374,052
HC Per GAP Calculation	\$1,621,340
Annual HC Recommended	\$1,496,000
Syndication Proceeds based upon Syndication Agreement	\$13,761,825

Notes to Summary Calculation:

1. The Annual HC Recommendation is limited by the Applicant's Request.
2. FHFC reserves the right to resize the Housing Credits preliminarily awarded to the Applicant. The next opportunity for a feasibility review of this transaction will be during

final cost certification. If the final cost certification indicates a need to resize the HC allocation, FHFC will do so at that time.

EXHIBIT 3

(Jersey Commons / RFA 2022-210 (2022-269CAN))

DESCRIPTION OF FEATURES AND AMENITIES

The Development will consist of:

68 apartment units located in three garden-style residential buildings.

Unit Mix:

Fifty-Two (52) one bedroom/one bath units; and

Sixteen (16) two bedroom/one bath units.

68 Total Units

All units are expected to meet all requirements as outlined below. The quality of the construction features committed to by the Applicant is subject to approval of the Board of Directors.

a. Federal Requirements and State Building Code Requirements for all Developments

All proposed Developments must meet all federal requirements and state building code requirements, including the following, incorporating the most recent amendments, regulations and rules:

- Florida Accessibility Code for Building Construction as adopted pursuant to Section 553.503, Florida Statutes;
- The Fair Housing Act as implemented by 24 CFR 100;
- Section 504 of the Rehabilitation Act of 1973*; and
- Titles II and III of the Americans with Disabilities Act of 1990 as implemented by 28 CFR 35.

*All Developments must comply with Section 504 of the Rehabilitation Act of 1973, as implemented by 24 CFR Part 8 (“Section 504 and its related regulations”). All Developments must meet accessibility standards of Section 504. Section 504 accessibility standards require a minimum of 5 percent of the total dwelling units, but not fewer than one unit, to be accessible for individuals with mobility impairments. An additional 2 percent of the total units, but not fewer than one unit, must be accessible for persons with hearing or vision impairments. All of the accessible units must be equally distributed among different unit sizes and Development types and must be dispersed on all accessible routes throughout the Development.

To the extent that a Development is not otherwise subject to Section 504 and its related regulations, the Development shall nevertheless comply with Section 504 and its related regulations as requirements of the Corporation funding program to the same extent as if the Development were subject to Section 504 and its related regulations in all respects. To that end, all Corporation funding shall be deemed “Federal financial assistance” within the meaning of that term as used in Section 504 and its related regulations for all Developments.

Note: Section 504 of the Rehabilitation Act of 1973 requirements are met through the Applicant’s commitment to meet either the Level 1 or Level 2 requirements described in c. below

b. General Features

The Development will provide the following General Features:

- Termite prevention;
- Pest control;
- Window covering for each window and glass door inside each unit;
- Cable or satellite TV hook-up in each unit and, if the Development offers cable or satellite TV service to the residents, the price cannot exceed the market rate for service of similar quality available to the Development’s residents from a primary provider of cable or satellite TV;
- At least two full bathrooms in all 3 bedroom or larger new construction units;
- Washer and dryer hook ups in each of the Development’s units or an onsite laundry facility for resident use. If the proposed Development will have an onsite laundry facility, the following requirements must be met:
 - There must be a minimum of one Energy Star certified washer and one Energy Star certified or commercial grade dryer per every 15 units. To determine the required number of washers and dryers for the onsite laundry facility; divide the total number of the Development’s units by 15, and then round the equation’s total up to the nearest whole number;
 - At least one washing machine and one dryer shall be front loading that meets the accessibility standards of Section 504;
- Bathtub with shower in at least one bathroom in at least 90 percent of the new construction units.
- Full-size range and oven must be incorporated in all units.
- A Community Building/dedicated space that includes:
 - At least one private office space with a door for resident purposes such as meeting with case managers and/or counselors; and

- At least one enclosed training room with a door to conduct group training and educational activities for residents.

c. Required Accessibility Features

Federal and state law and building code regulations requires that programs, activities, and facilities be readily accessible to and usable by persons with disabilities. The Corporation requires that the design, construction, or alteration of its financed Developments be in compliance with federal and state accessibility requirements. When more than one law and accessibility standard applies, the Applicant shall comply with the standard (2010 ADA Standards, Section 504, Fair Housing Act, or Florida Building Code, Accessibility) which affords the greater level of accessibility for the residents and visitors. Areas required to be made accessible to mobility-impaired residents and their visitors, including those in wheelchairs, shall include, but not be limited to, accessible routes and entrances, paths of travel, primary function areas, parking, trash bins, mail and package receiving areas for residents, pool and other amenities, including paths of travel to amenities and laundry rooms, including washers and dryers.

(1) Level 2 Accessibility Requirements

- (a) Set aside a minimum of five percent of the total units, rounded up, as fully accessible units in accordance with the 2010 ADA Standards for Accessible Design, regardless of whether the proposed Development consists of new construction or Substantial Rehabilitation. These fully accessible units must (A) be on an accessible route and provide mobility features that comply with the residential dwelling units provision of the 2010 ADA Standards for Accessible Design*; and (B) be equally distributed among different unit sizes and Development types and must be dispersed throughout the Development (not located in the same area, or on a single floor); and
- (b) Set aside at least one additional unit to be accessible to persons with visual and hearing impairments in accordance with the 2010 ADA Standards for Accessible Design,* regardless of whether the proposed Development consists of new construction or Substantial Rehabilitation. The unit(s) that is accessible to persons with visual and hearing impairments shall comply with the communication features described for Residential Dwelling Units with Communication Features in the 2010 ADA Standards for Accessible Design.

d. Required Green Building Features in all Developments

- (1) All units and, as applicable, all common areas must have the features listed below:

- Low or No-VOC paint for all interior walls (Low-VOC means 50 grams per liter or less for flat; 150 grams per liter or less for non-flat paint);
- Low-flow water fixtures in bathrooms—WaterSense labeled products or the following specifications:
 - Toilets: 1.28 gallons/flush or less,
 - Urinals: 0.5 gallons/flush,
 - Lavatory Faucets: 1.5 gallons/minute or less at 60 psi flow rate,
 - Showerheads: 2.0 gallons/minute or less at 80 psi flow rate;
- Energy Star certified refrigerator;
- Energy Star certified dishwasher;
- Energy Star certified ventilation fan in all bathrooms;
- Water heater minimum efficiency specifications:
 - Residential Electric:
 - Up to 55 gallons = 0.95 EF or 0.92 UEF; or
 - More than 55 gallons = Energy Star certified; or
 - Tankless = 0.97 EF and Max GPM of ≥ 2.5 over a 77° rise or 0.87 UEF and GPM of ≥ 2.9 over a 67° rise;
 - Residential Gas (storage or tankless/instantaneous): Energy Star certified,
 - Commercial Gas Water Heater: Energy Star certified;
- Energy Star certified ceiling fans with lighting fixtures in bedrooms;
- Air Conditioning (in-unit or commercial):
 - Air-Source Heat Pumps – Energy Star certified:
 - ≥ 8.5 HSPF/ ≥ 15 SEER/ ≥ 12.5 EER for split systems
 - ≥ 8.2 HSPF/ ≥ 15 SEER/ ≥ 12 EER for single package equipment including gas/electric package units
 - Central Air Conditioners – Energy Star certified:
 - ≥ 15 SEER/ ≥ 12.5 EER* for split systems
 - ≥ 15 SEER/ ≥ 12 EER* for single package equipment including gas/electric package units.

NOTE: Window air conditioners and portable air conditioners are not allowed. Package Terminal Air Conditioners (PTACs) / Package Terminal Heat Pumps (PTHPs) are allowed in studio and 1 bedroom units.

- (2) In addition to the required Green Building features outlined in (1) above, this New Construction Development commits to achieve the following Green Building Certification program:

_____ Leadership in Energy and Environmental Design (LEED);

- _____ Florida Green Building Coalition (FGBC);
- _____ Enterprise Green Communities; or
- X ICC 700 National Green Building Standard (NGBS)

e. Housing Stability Services and Access to Community-Based Services Coordination

(1) Housing Stability Services Coordination

To serve the High Utilizer tenants who will be part of the pilot, during lease-up and through the Pilot Period, the Applicant must provide and oversee a Housing Stability Services Coordinator to support these residents, oversee implementation of resident plans and provide or coordinate services for each resident based on the housing stability services listed in Exhibit I of the RFA. In addition, Applicants and Managing Entities may propose additional staff and/or supports in the RFA application narratives to ensure that these residents receive the support needed to develop stability to live independently in their communities.

The Housing Stability Services Coordinator will work full time, at the Development, to provide housing stability services, including broad supportive services coordination, such as employment and training support, services coordination and appropriate referrals for High Utilizer residents, as further explained in Exhibit I of the RFA. The primary responsibilities of the Housing Stability Services Coordinator(s) may not include provision of resident services coordination to the rest of the residents.

Note: Once the Pilot Period is completed, Applicants and Managing Entities are encouraged to continue working together to provide Permanent Supportive Housing for the Managing Entities' consumers.

(2) Resident Community-Based Services Coordination

The provision of community-based Services Coordination for all but the High Utilizer residents will be the responsibility of the Applicant but may be in conjunction with public and/or private partnerships as approved by the Corporation in credit underwriting. All proposed Developments will be required to assist interested residents with the coordination of their community-based services. The purpose is to assist each resident to become aware of, access and/or maintain

adequate and appropriate community-based services and resources. It is not the intent for this resident service to take the place of Services Coordination already provided for a resident by a program and/or agency as part of their supportive services plan. The focus shall be to assist residents not receiving community-based Services Coordination by another program and/or agency, as well as to assist those residents who need additional assistance with coordination of community-based services.

The approved provider of this service must have a minimum of five years' experience administering and providing supportive services including outreach, information and referral services, benefits counseling, community-based services planning and coordination, and/or other related supportive services. Such experience must demonstrate that the supportive services listed above have been oriented to the needs and preferences of each intended resident in assisting them to access services related to health care, independent activities of daily living, employment, income and housing. The provider of this resident service shall also provide, at credit underwriting, information demonstrating its mission, qualifications, experience, agreements and/or contracts with state and federal supportive services programs, professional staffing and experience in serving the intended residents described in question C.1. of Exhibit A of the RFA.

Community-based Services Coordination shall be offered and made available on site and at no charge to the residents initially and regularly, and resident participation shall be voluntary. Resident participation shall not be a requirement for new or continued residency. The Applicant shall commit to submit a Resident Community-Based Service Coordination Plan at credit underwriting. The Resident Community-Based Service Coordination Plan shall adhere to guidelines developed by the Corporation, in conjunction with state agencies, or their designee(s), that administer publicly funded supportive services for the intended residents.

Property management and resident community-based Services Coordination should not be the responsibility of the same staff persons; the functions must be entirely separate.

HOME-ARP, NHTF, & HC CREDIT UNDERWRITING REPORT

DEVELOPMENT

NAME: Jersey Commons

DATE: August 24, 2023

In accordance with the applicable Program Rule(s), the applicant is required to submit the information required to evaluate, complete, and determine its sufficiency in satisfying the requirements for Credit Underwriting to the Credit Underwriter in accordance with the schedule established by the Florida Housing Finance Corporation ("FHFC"). The following items must be satisfactorily addressed. "Satisfactorily" means that the Credit Underwriter has received assurances from third parties unrelated to the applicant that the transaction can close within the allowed time frame. Unsatisfactory items, if any, are noted below in the "Issues and Concerns" section of the Executive Summary.

FINAL REVIEW	STATUS	NOTE
REQUIRED ITEMS:	Satis. / Unsatis.	
1. The development's final "as submitted for permitting" plans and specifications. Note: Final "signed, sealed, and approved for construction" plans and specifications will be required thirty days before closing.	Satis.	1.
2. Final site plan and/or status of site plan approval.	Satis.	
3. Permit Status.	Satis.	2.
4. Pre-construction analysis ("PCA"). a. No construction costs exceeding 20% is subcontracted to any one entity with the exception of a subcontractor contracted to deliver the building shell of a building of at least 5 stories which may not have more than 31% of the construction cost in a subcontract. b. No construction costs is subcontracted to any entity that has common ownership or is an affiliate of the general contractor of the developer.	Satis. Satis. Satis.	
5. Survey.	Satis.	3.
6. Complete, thorough soil test reports.	Satis	
7. Full or self-contained appraisal as defined by the Uniform Standards of Professional Appraisal Practice.	Satis.	
8. Market Study separate from the Appraisal.	Satis.	
9. Environmental Site Assessment – Phase I and/or the Phase II if applicable (If Phase I and/or II disclosed environmental problems requiring remediation, a plan, including time frame and cost, for the remediation is required). If the report is not dated within one year of the Application date, an update from the assessor must be provided indicating the current environmental status.	Satis.	
10. Audited financial statements for the most recent fiscal year ended or acceptable alternative as stated in Rule for credit enhancers, applicant, general partner, principals, guarantors and general contractor.	Satis.	
11. Resumes and experience of applicant, general contractor and management agent. Confirmed active status on Sunbiz for Applicant, Developer, and GC entities.	Satis.	
12. Credit authorizations; verifications of deposits and mortgage loans.	Satis.	
13. Management Agreement and Management Plan.	Satis.	
14. Firm commitment from the credit enhancer or private placement purchaser, if any.	N/A	
15. Firm commitment letter from the syndicator, if any.	Satis.	4.

HOME-ARP, NHTF, & HC CREDIT UNDERWRITING REPORT

16. Firm commitment letter(s) for any other financing sources.	Satis.	5.
17. Updated sources and uses of funds.	Satis.	
18. Draft construction draw schedule showing sources of funds during each month of the construction and lease-up period.	Satis.	6.
19. Fifteen-year income, expense, and occupancy projection.	Satis.	
20. Executed general construction contract with "not to exceed" costs.	Satis.	
21. HC ONLY: 15% of the total equity to be provided prior to or simultaneously with the closing of the construction financing.	Satis.	
22. Any additional items required by the credit underwriter.	Satis.	
23. Receipt of executed Florida Housing Fair Housing, Section 504 and ADA Design Certification Forms 121, 126, and 128.	Satis.	
24. If the owner has a HAP Contract or ACC with HUD, then receipt of HUD approval for an owner-adopted preference or limited preference specifically for individuals or families who are referred by a designated Referral Agency serving the county where the Development is located.	N/A	
25. Receipt of Tenant Selection Plan	Satis.	
26. Receipt of GC Certification	Satis.	
27. Reliance for FHDC as agent for FHFC is include in all applicable third party reports: Appraisal, Market Study, PCA, CNA, and Phase I.	Satis.	

NOTES AND DEVELOPER RESPONSES:

Notes:

1. Closing is conditioned upon receipt of final plans and specifications.
2. Acceptable permits or permit ready letter is a condition to closing.
3. Closing is conditioned upon receipt of a final survey.
4. Closing is conditioned upon receipt of an Amended and Restated Operating Agreement.
5. Closing is conditioned upon receipt of a firm loan commitment from TD Bank (construction financing) with terms and conditions that are not substantially different than those utilized in this credit underwriting report.
6. At this time a draft construction draw schedule in FHFC format has not been received. Receipt of a final draw schedule is a condition to closing.



August 3, 2023

Amanda Franklin
Florida Housing Finance Corporation
227 N. Bronough Street, Suite 5000
Tallahassee, Florida 32301

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EMAIL: INFO@CARRFOUR.ORG

RE: Apollo Gardens – HOME-ARP & NHTFT Funding Firm Deadline Extension

Dear Ms. Franklin,

Apollo Gardens, LLLP is respectfully requesting a 6-month extension to the HOME-ARP & NHTF Firm Loan Commitment for Apollo Gardens. Given that the credit underwriting report was not completed for the HOME-ARP & NHTF Loan by July 31, 2023 in order to make the September 8, 2023 Florida Housing Finance Corporation Board Meeting, this extension is necessary.

Unfortunately, the development of Apollo Gardens has been impacted by neighborhood opposition and as a result, the finality of the site plan has been delayed. As we continue to work through addressing this opposition, we are continuing to progress towards meeting the January 2024 deadline for the execution of the limited partnership agreement and construction commencement. This extension of the HOME-ARP & NHTF Firm Loan Commitment will better line up with the current deadlines of construction commencement.

The 1% fee for extension will be sent via wire to Florida Housing Finance Corporation as requested.

Should you have any questions or concerns, please reach out to us at sberman@carrfour.org or (305) 371-8300, Extension 1303.

Sincerely,

A handwritten signature in blue ink that reads "Stephanie Berman". The signature is fluid and cursive, with the first name being more prominent.

Stephanie Berman
President & CEO
Carrfour Supportive Housing

July 27, 2023

Florida Housing Finance Corporation
227 N Bronough St # 5000
Tallahassee, FL 32301
c/o Amanda Franklin
via email Amanda.Franklin@floridahousing.org



Re: Request to extend CUR deadline for Village at Cedar Hills / 2022-270CAN / Ability VCH, LLC.

May this letter serve as a formal written request from Ability, VCH, LLC to Florida Housing Finance Corporation to extend the due date for the Credit Underwriting Report and the Firm Loan Commitment for Village at Cedar Hills, 2022-270CAN. Ability VCH, LLC is requesting FHFC Board approval to extend the CUR deadline by 6 months.

This request is being made because Ability VCH, LLC will not meet the July 31, 2023 submission deadline for the draft Credit Underwriting Report (CUR). The reason a 6 month extension is being requested is due to multiple issues and delays with confirming the sewer utility connection with Jacksonville Energy Authority. Ability VCH, LLC has submitted multiple sewer connection plans to the utility company and each plan has been rejected. We are actively working with the utility company and with the Civil Engineer to find a solution to the sewer connection problem. Unfortunately, these delays have impacted the project's ability to furnish the required documentation for the Credit Underwriting Report to FHFC by July 31, 2023.

Ability VCH, LLC will agree to pay the applicable extension fees to Florida Housing Finance Corporation. Ability VCH, LLC has invested significant amounts of time and capital into predevelopment activities, and we are committed to following through with the construction of this affordable housing development. After the extension is approved, we expect to meet all critical deadlines for this project. Thank you for your time and consideration with this request.

Sincerely,



Shannon Nazworth
President and CEO for Ability Housing, Inc.
Registered Agent for Ability VCH, LLC



August 23, 2023

Ms. Nicole Gibson
Federal Loan Programs Director
Florida Housing Finance Corporation
227 N. Bronough Street, Suite 5000
Tallahassee, Florida 32301-3291

Re: Hermosa Arcadia (“Development”) – HOME RFA 2020-206 (2021-285H)

Credit Underwriting Report Update Letter (“CUL”) – Changes to the final Credit Underwriting Report, dated February 23, 2022 (“CUR”) and CUR Update Letter, dated June 3, 2022 (“CUR Update Letter”) to include additional HOME Viability Funding

Dear Ms. Gibson,

First Housing Development Corporation of Florida (“FHDC”, “First Housing”, or “Servicer”) reviewed a request letter, dated July 17, 2023, from a representative of Hermosa Arcadia, LLC (“Borrower” or “Applicant”), requesting Florida Housing Finance Corporation (“FHFC” or “Florida Housing”) approve additional HOME Viability Loan funding for Hermosa Arcadia in order to complete construction.

Shortly after closing, it was brought to the attention of the development team that that Right-of-Way (“ROW”) on the eastern boundary of the site was located in Desoto County. However, the permit letter was provided under the assumption that the ROW was located in the City of Arcadia. Desoto County reviewed the plans and concluded that the Development could not drain into the ROW and would not issue a permit. The Developer has negotiated easements in order to excavate a ½ acre stormwater pond on a site approximately 230 linear feet from the Development. Storm drainpipes would be installed within a utility easement from the Development to the drainage area. Please refer to page 9, for a map of the site and easements. This concept has been reviewed and the site plan was approved on April 13, 2023. Due to the change in plans and delay in construction, the overall development costs have increased. The Development is requesting additional HOME Viability funding in order to complete the Development.

FHDC

On behalf of Florida Housing, First Housing has performed certain due diligence and formulated a recommendation and closing conditions which are contained at the end of this CUL. For the purposes of this analysis, First Housing has reviewed the following:

- Rule Chapter 67-48.
- CUR and CUR Update Letter.
- Servicer Closing Letter and Final Sources & Uses / Construction Draw Schedule (“Closing Letter”), dated June 8, 2022.
- Request letter, from a representative of the Borrower.
- Site Development Plan Amendment Approval, date April 13, 2023.
- Change Order #1, dated August 3, 2022 and Change Order #2, dated August 10, 2023.
- Multifamily Note, dated June 8, 2022, paid to the order of Neighborhood Lending Partners of Florida, Inc. (“NLP”).
- Construction Loan Agreement, dated June 8, 2022, between Hermosa Arcadia, LLC and NLP
- Promissory Note, dated June 8, 2022, paid to the order of Florida Housing and Allonge to Promissory Note, dated June 27, 2022.
- Construction Loan Agreement, dated June 8, 2022, between Hermosa Arcadia, LLC and Florida Housing.

Background

The Development is located at 1560 E. Gibson St., Arcadia, FL 34266. The Development will consist of 27-units within one Garden style apartment building. The Development’s demographic commitment is family, with 20% of the units (6 units) set-aside as HOME Assisted Units at or below 50% of the Area Median Income (“AMI”) and 80% of the units (21 units) set-aside as HOME Assisted Units at or below 60% of AMI for a period of 50 years.

On June 8, 2022 the HOME Loan closed. According to an Inspection Field Report, dated November 11, 2022, the Development was approximately 6.67% complete. Construction was halted due to the ROW issue mentioned above.

FHDC

At closing, as stated in the Closing Letter, the HOME Viability Loan in the amount of \$1,530,000 was not included as a construction source, as environmental review by HUD was pending. No HOME Viability Loan proceeds were available to fund until the HOME Viability closed upon receipt of HUD's approval of the Environmental. A HUD approval letter, dated June 27, 2022, was received and the HOME Viability Loan closed on June 27, 2022. With the inclusion of the HOME Viability Loan, the Owner Equity and Deferred GC Fee are no longer considered a source. Below is the final Construction/Permanent Sources.

CONSTRUCTION/PERMANENT SOURCES:			
Source	Lender	Construction	Permanent
Regulated Mortgage Lender	NLP	\$880,000	\$880,000
FHFC - HOME	FHFC	\$5,600,000	\$5,600,000
FHFC - Viability	FHFC	\$1,530,000	\$1,530,000
Deferred Developer Fee	National Development of America, Inc., Revital Development Group, LLC, & AHA Development, LLC	\$329,061	\$329,061
TOTAL		\$8,339,061	\$8,339,061

First Housing received a letter dated, August 15, 2023, indicating the Federal Home Loan Bank of Atlanta (“FHLB”) Board of Directors approved an award of \$750,000 to NLP and its developer partners to help fund Hermosa Arcadia, as part of FHLB’s 2023 Affordable Housing Program (“AHP”). Even though the Borrower received the letter, they do not have an agreement in place. For the purposes of this CUL, First Housing has not included the AHP Subsidy.

Please note, including the AHP Subsidy would require the Development to incorporate an additional 11 units at 50% or less of Area Median Income (“AMI”). Below would be the set asides including the AHP.

Set Asides:

Program	% of Units	# of Units	% AMI	Term (Years)
HOME Assisted Units	20%	6	50%	50
HOME Assisted Units	80%	21	60%	50
AHP	60%	17	50%	15
AHP	40%	10	60%	15

FHDC

Sources Overview

CONSTRUCTION/PERMANENT SOURCES:				
Source	Lender	Construction	Permanent	Perm Loan/Unit
Regulated Mortgage Lender	NLP	\$880,000	\$880,000	\$32,593
FHFC - HOME	FHFC	\$5,600,000	\$5,600,000	\$207,407
FHFC - Viability	FHFC - HOME Viability	\$1,530,000	\$1,530,000	\$56,667
FHFC - Viability	FHFC - HOME Viability	\$1,215,000	\$1,215,000	\$45,000
Deferred Developer Fee	National Development of America, Inc., Revital Development Group, LLC, & AHA Development, LLC	\$600,523	\$600,523	\$22,242
TOTAL		\$9,825,523	\$9,825,523	\$363,908

Construction and Permanent Loan - NLP

First Housing reviewed a Multifamily Note, dated June 8, 2022, where Hermosa Arcadia, LLC promises to pay to the order of NLP, in the amount of \$880,000. During construction, interest only payments will be required. The construction period loan shall bear interest at a rate equal to one-month Secured Overnight Financing Rate (“SOFR”), with a floor of 0.50%, plus 2.50% per annum. During the permanent period, payments of principal and interest based on a 35-year amortization schedule will be required. The permanent period loan interest rate is fixed at 5.61%. According to the Note, the loan shall be due and payable in full on June 8, 2044, unless the construction maturity was extended, then the maturity is December 8, 2044. Due to the delay in construction, there is a possibility the interest rate lock will expire before conversion. At the time of conversion, if the permanent loan interest rate is greater than 5.61%, FHFC will need to approve the final permanent loan amount.

FHFC – HOME and HOME Viability Loan:

First Housing reviewed a Promissory Note, dated June 8, 2022, where Hermosa Arcadia, LLC promises to pay to the order of FHFC in the amount of \$5,600,000. The HOME loan interest rate is 0% per annum plus permanent loan servicing and compliance monitoring fees. The HOME Loan is non-amortizing over the life of the loan. The HOME Loan has a total term of 22.5 years, of which 2.5 years is for the construction/stabilization period and 20 years is for the permanent period. Annual payments of all applicable fees are required. The HOME Loan principal will be due at maturity. First Housing reviewed an Allonge to Promissory Note, dated June 27, 2022, which increased the principal amount to \$7,130,000 (\$5,600,000 HOME and \$1,530,000 HOME Viability).

FHDC

FHFC – HOME Viability Loan:

The \$1,215,000 additional HOME Viability Loan will be made under the same terms of the original HOME Loan and will be added to the current HOME Viability Loan in the amount of \$7,130,000, for a total loan amount of \$8,345,000. Additionally, the Applicant will be required to defer at least 40% of the Developer Fee.

Deferred Developer Fee:

In order to balance the sources and uses during the permanent period, the Developer must defer \$600,523 or 53.57% of the total Developer Fee of \$1,121,042. This meets the HOME Viability requirement that the Applicant must defer at least 40% of the Developer Fee.

FHDC

Uses of Funds

Please note the Applicant Costs column is based on the Final Sources & Uses / Construction Draw Schedule and the Revised Applicant Costs column is based on an updated Sources and Uses provided by the Developer throughout the CUL.

CONSTRUCTION COSTS:	Applicant Costs	Revised Applicant Costs	Underwriters Total Costs - CUR	Cost Per Unit	HOME Ineligible Costs - CUR
New Rental Units	\$4,159,782	\$4,406,745	\$5,626,696	\$208,396	\$0
Site Work	\$687,959	\$1,219,952	\$0	\$0	\$0
Constr. Contr. Costs subject to GC Fee	\$4,847,741	\$5,626,697	\$5,626,696	\$208,396	\$0
General Conditions	\$290,864	\$337,602	\$337,601	\$12,504	\$0
Overhead	\$96,954	\$112,533	\$112,533	\$4,168	\$0
Profit	\$290,865	\$337,602	\$337,602	\$12,504	\$0
General Liability Insurance	\$21,815	\$21,815	\$21,815	\$808	\$0
Payment and Performance Bonds	\$55,482	\$55,482	\$55,482	\$2,055	\$0
Total Construction Contract/Costs	\$5,603,721	\$6,491,731	\$6,491,730	\$240,434	\$0
Hard Cost Contingency	\$448,297	\$519,339	\$519,338	\$19,235	\$519,338
FF&E paid outside Constr. Contr.	\$40,000	\$40,000	\$40,000	\$1,481	\$40,000
Total Construction Costs:	\$6,092,018	\$7,051,070	\$7,051,068	\$261,151	\$559,338

Notes to the Total Construction Costs:

1. The Applicant has provided an executed construction contract, dated January 12, 2022, in the amount of \$5,603,721. This is a Guaranteed Maximum Price (“GMP”) Agreement between Hermosa Arcadia, LLC (“Owner”) and Marmer Construction, Inc. Per this contract, substantial completion is to be achieved no later than twelve months (365 calendar days) from the date of commencement. A minimum of 10% retainage holdback on all construction draws until the Development is 50% complete, and 0% retainage thereafter is required (if approved by Lender shall be reduced to 0%). No retainage is to be held on premiums paid for insurance or payment and performance bonds. The contract provides for compliance with the Federal Labor Standards and Wage Determination requirements pursuant to the Davis-Bacon Act as well as the Section 3 Clause requirements of the Housing and Urban Development Act of 1968.
2. First Housing received Change Orders #1 and #2. According to Change Order #1, the GMP has increased by \$84,461 due to cost escalation in concrete and trenching for electrical conduit. According to the Change Order #2, the GMP increased by \$803,547.74 due to an overall project delay cost increase. The GMP has increased from \$5,603,721 to \$6,491,729.74 for a difference of \$888,008.74. On Solid Ground, LLC (“OSG”) reviewed Change Orders #1 and #2. It is OSG’s opinion that the change orders are reasonable.

FHDC

3. The GC fee is within the maximum 14% of hard costs allowed by the RFA and Rule Chapter 67-48.
4. The GC has budgeted for a Payment and Performance Bond (“P&P Bond”) to secure the construction contract.
5. The Hard Cost Contingency has been calculated at 8% of total construction contract. GLE Associates, Inc. recommended a hard cost contingency of 6-8% for a project of this scope and size. This contingency is above the maximum 5% allowable in the RFA and Rule Chapter 67-48. At the April 1, 2022, FHFC Telephonic Board meeting, the Board delegated staff to approve contingency reserve increases upon recommendations by the credit underwriter. First Housing recommended that FHFC approve the contingency of 8.00%. FHFC staff approved the increase in the hard cost contingency on May 5, 2022.
6. The GC Contract includes \$105,000 in allowances, which is approximately 1.62% of the GMP. The Plan and Cost Review (“PCR”) indicated the allowances are in an acceptable range for the Development.

Entrance Signage	\$10,000
Building Signage	\$7,500
Mailboxes	\$7,500
Common Area Cabinets and Countertops	\$10,000
Door Hardware	\$20,000
Landscape & Irrigation	\$50,000
Total	\$105,000

FHDC

GENERAL DEVELOPMENT COSTS:	Applicant Costs	Revised Applicant Costs	Underwriters Total Costs - CUR	Cost Per Unit	HOME Ineligible Costs - CUR
Accounting Fees	\$15,000	\$15,000	\$15,000	\$556	\$0
Appraisal	\$4,500	\$13,400	\$9,650	\$357	\$0
Architect's Fee - Site/Building Design	\$70,000	\$80,000	\$80,000	\$2,963	\$0
Architect's Fee - Supervision	\$13,500	\$13,500	\$13,500	\$500	\$0
Building Permits	\$23,510	\$23,510	\$23,510	\$871	\$0
Builder's Risk Insurance	\$61,988	\$61,988	\$61,988	\$2,296	\$0
Engineering Fees	\$100,000	\$140,000	\$140,000	\$5,185	\$0
Environmental Report	\$18,000	\$18,000	\$18,000	\$667	\$18,000
FHFC Application Fee	\$3,000	\$3,000	\$3,000	\$111	\$3,000
FHFC Credit Underwriting Fee	\$18,979	\$27,979	\$23,479	\$870	\$23,479
Lender Inspection Fees / Const Admin	\$60,000	\$60,000	\$60,000	\$2,222	\$0
Green Building Cert. (LEED, FGBC, NAHB)	\$6,960	\$6,960	\$6,960	\$258	\$0
Insurance	\$22,400	\$82,400	\$82,400	\$3,052	\$0
Legal Fees - Organizational Costs	\$33,614	\$108,614	\$108,614	\$4,023	\$0
Market Study	\$5,000	\$5,000	\$5,000	\$185	\$0
Marketing and Advertising	\$25,000	\$25,000	\$25,000	\$926	\$25,000
Plan and Cost Review Analysis	\$2,800	\$3,100	\$3,100	\$115	\$0
Property Taxes	\$15,000	\$15,000	\$15,000	\$556	\$0
Soil Test	\$10,000	\$20,000	\$20,000	\$741	\$0
Survey	\$20,000	\$45,000	\$45,000	\$1,667	\$0
Title Insurance and Recording Fees	\$57,250	\$57,250	\$57,250	\$2,120	\$5,725
Utility Connection Fees	\$55,500	\$55,500	\$55,500	\$2,056	\$0
Soft Cost Contingency	\$33,869	\$52,465	\$52,502	\$1,945	\$52,502
Other: Private Provider Inspection Fees	\$40,000	\$40,000	\$40,000	\$1,481	\$0
Other: Misc.	\$0	\$138,100	\$138,100	\$5,115	\$0
Total General Development Costs:	\$715,870	\$1,110,766	\$1,102,553	\$40,835	\$127,706

Notes to the General Development Costs:

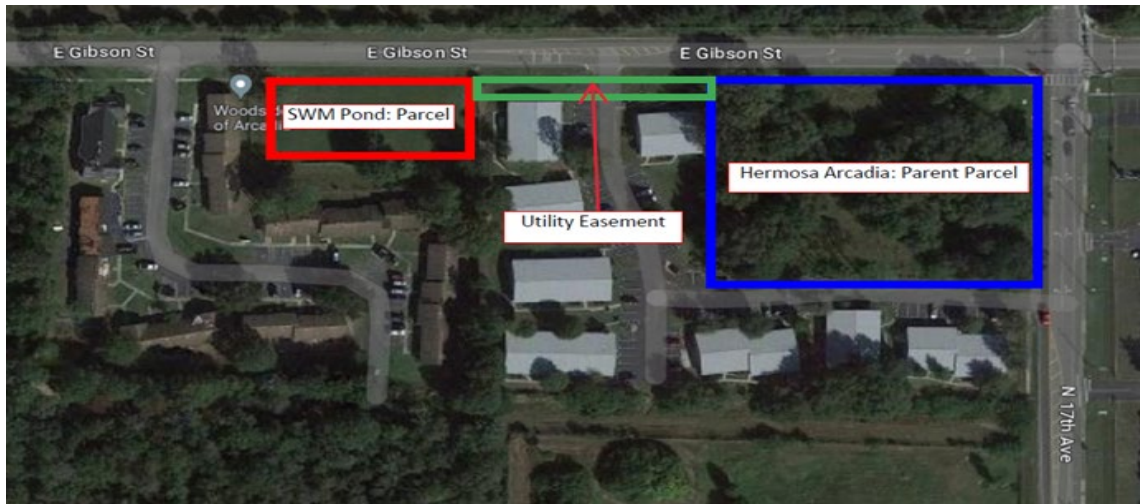
1. General Development Costs are based on an updated Sources and Uses provided by the Developer.
2. First Housing used the actual costs for the Appraisal.
3. The FHFC Credit Underwriting Fee includes an original underwriting fee of \$14,479, an update letter underwriting fee of \$4,500, and this update letter underwriting fee of \$4,500.
4. First Housing increased the Plan and Cost Review line item by \$300 fee to include OCG's review of the Change Orders.
5. First Housing has adjusted Soft Cost Contingency to 5% of the General Development Costs less the soft cost contingency, as allowed by the RFA and Rule Chapter 67-48 for new construction developments.

FHDC

6. The Misc. Expense of \$138,100 includes a \$25,000 Utility Easement Payment, legal fees for the utility easement, a \$92,500 Storm Water Management (“SWM”) Pond Easement Payment, and additional miscellaneous costs.

First Housing received a draft Grant of Drainage Easement Agreement, between Clockwork PH3, LLC (“Grantor”) and Hermosa Arcadia, LLC (“Grantee”). According to the agreement, the Grantor grants and conveys to and for the benefit of the Grantee and assigns in perpetuity the non-exclusive easements for underground stormwater transmission and drainage under and through the easement area. Receipt of an executed Grant of Drainage Easement Agreement, including the one-time payment of \$25,000, is a condition to close.

First Housing received a draft Stormwater Pond Drainage Easement Agreement, between Hermosa SWM Parcel, LLC (“Grantor”) and Hermosa Arcadia, LLC (“Grantee”). According to the agreement, the Grantor grants and conveys to and for the benefit of the Grantee and assigns in perpetuity the non-exclusive stormwater pond easement for the sole purpose of the conveyance, retention, and detention of storm water run-off origination from the Development. Receipt of an executed Stormwater Pond Drainage Easement Agreement, including the one-time payment of \$92,500, is a condition to close.



FINANCIAL COSTS:	Applicant Costs	Revised Applicant Costs	Underwriters Total Costs - CUR	Cost Per Unit	HOME Ineligible Costs - CUR
	Construction Loan Application Fee	\$7,500	\$9,000	\$9,000	\$333
Construction Loan Origination Fee	\$8,800	\$8,800	\$8,800	\$326	\$0
Construction Loan Interest	\$40,656	\$78,817	\$78,817	\$2,919	\$0
Permanent Loan Application Fee	\$12,000	\$12,000	\$12,000	\$444	\$0
Permanent Loan Origination Fee	\$8,800	\$8,800	\$8,800	\$326	\$0
Misc Loan Closing Costs	\$875	\$875	\$875	\$32	\$0
Legal Fees - Financing Costs	\$120,000	\$158,500	\$158,500	\$5,870	\$0
Total Financial Costs:	\$198,631	\$276,792	\$276,792	\$10,252	\$0
Dev. Costs before Acq., Dev. Fee & Reserves	\$7,006,519	\$8,438,628	\$8,430,413	\$312,238	\$687,044

FHDC

Notes to the Financial Costs:

1. The Financial Costs are based on an updated Sources and Uses provided by the Developer.

NON-LAND ACQUISITION COSTS	Applicant Costs	Revised Applicant Costs	Underwriters Total Costs - CUR	Cost Per Unit	HC Ineligible Costs - CUR
Total Non-Land Acquisition Costs:	\$0	\$0	\$0	\$0	\$0

Notes to the Non-Land Acquisition Costs:

1. As this is new construction, there are no non-land acquisition costs.

DEVELOPER FEE ON NON-ACQUISITION COSTS	Applicant Costs	Revised Applicant Costs	Underwriters Total Costs - CUR	Cost Per Unit	HOME Ineligible Costs - CUR
Developer Fee - Unapportioned	\$1,121,042	\$1,121,042	\$1,121,042	\$41,520	\$0
Total Other Development Costs:	\$1,121,042	\$1,121,042	\$1,121,042	\$41,520	\$0

Notes to the Other Development Costs:

1. The Developer Fee is within 16% of the Total Development Cost before Developer Fee, and Operating Deficit Reserves, which is allowed by the RFA and Rule Chapter 67-48.
2. No Developer Fee will be allowed on the increased costs and all remaining Developer Fee must be deferred until construction completion.

LAND ACQUISITION COSTS	Applicant Costs	Revised Applicant Costs	Underwriters Total Costs - CUR	Cost Per Unit	HOME Ineligible Costs - CUR
Land	\$210,000	\$210,000	\$210,000	\$7,778	\$0
Land Carrying Costs	\$1,500	\$1,500	\$1,500	\$56	\$0
Total Acquisition Costs:	\$211,500	\$211,500	\$211,500	\$7,833	\$0

Notes to Acquisition Costs:

1. According to the Loan Closing Statement and Disbursement Sheet, dated June 8, 2022, the land costs totaled \$210,000.
2. The Appraisal, dated July 14, 2021, prepared by Integra indicates an estimated market value “as is” of the unencumbered fee simple interest in the Development, free and clear of financing, as of April 17, 2021 is \$216,000, which supports the purchase price and land carrying costs.

FHDC

RESERVE ACCOUNTS	Applicant Costs	Revised Applicant Costs	Underwriters Total Costs - CUR	Cost Per Unit	HOME Ineligible Costs - CUR
Operating Deficit Reserve (Lender)	\$0	\$62,568	\$62,568	\$2,317	\$62,568
Total Reserve Accounts:	\$0	\$62,568	\$62,568	\$2,317	\$62,568

Notes to Reserve Accounts:

1. According to the Construction Loan Agreement, dated June 8, 2022, between Hermosa Arcadia, LLC and NLP, no later than the Construction Loan Maturity Date, the Borrower agrees that it will deposit \$62,568 into a non-interest bearing account.

TOTAL DEVELOPMENT COSTS	Applicant Costs	Revised Applicant Costs	Underwriters Total Costs - CUR	Cost Per Unit	HOME Ineligible Costs - CUR
TOTAL DEVELOPMENT COSTS:	\$8,339,061	\$9,833,738	\$9,825,523	\$363,908	\$749,612

Notes to Total Development Costs:

1. The Total Development Costs (“TDC”) has increased a total of \$1,486,462 or 17.83% from \$8,339,061 to \$9,825,523 since the Closing. The increase is mainly due to an increase in construction costs.
2. Based on the TDC per unit limitations in effect as of the April 1, 2022 FHFC Telephonic Board meeting, Florida Housing has set the TDC for RFA 2020-206, exclusive of land costs, to no more than \$403,725.38 per unit for a new construction Garden Enhanced Structural Systems Construction structure in DeSoto County. The Development TDC per unit less land and Operating Reserves is \$353,758, which meets the requirements.

FHDC

Operating Pro Forma: Hermosa Arcadia

FINANCIAL COSTS:				Year 1	Year 1 Per Unit
OPERATING PRO FORMA					
INCOME:	Gross Potential Rental Income			\$265,608	\$9,837
	Other Income				
	Ancillary Income			\$2,325	\$86
	Gross Potential Income			\$267,933	\$9,923
	Less:				
	Physical Vac. Loss Percentage: 4.00%			\$10,717	\$397
Collection Loss Percentage: 1.00%			\$2,679	\$99	
Total Effective Gross Income				\$254,536	\$9,427
EXPENSES:	Fixed:				
	Real Estate Taxes			\$14,774	\$547
	Insurance			\$45,900	\$1,700
	Variable:				
	Management Fee Percentage: 5.00%			\$12,727	\$471
	General and Administrative			\$18,225	\$675
	Payroll Expenses			\$32,400	\$1,200
	Utilities			\$9,450	\$350
	Marketing and Advertising			\$675	\$25
	Maintenance and Repairs/Pest Control			\$13,500	\$500
	Grounds Maintenance and Landscaping			\$18,090	\$670
	Reserve for Replacements			\$8,100	\$300
Total Expenses				\$173,841	\$6,439
Net Operating Income				\$80,696	\$2,989
Debt Service Payments					
First Mortgage - NLP			\$57,472	\$2,129	
Second Mortgage - FHFC HOME & Viability Loan			\$0	\$0	
First Mortgage Fees - NLP			\$0	\$0	
Second Mortgage Fees- FHFC HOME Loan & Viability Loan			\$14,340	\$531	
Total Debt Service Payments				\$71,812	\$2,660
Cash Flow after Debt Service				\$8,883	\$329
Debt Service Coverage Ratios					
DSC - First Mortgage plus Fees			1.40x		
DSC - Second Mortgage plus Fees			1.12x		
Financial Ratios					
Operating Expense Ratio			68.30%		
Break-even Economic Occupancy Ratio (all debt)			91.93%		

Notes to the Operating Pro Forma and Ratios:

1. This Development will be utilizing HOME funds that will impose rent restrictions. The Applicant committed to set aside 20% of the units (6 units) as Low Home units and 80% of the units (21 units) as High Home units. The Low HOME and High HOME rents are based on the 2023 rents published on Florida Housing's website for DeSoto County less utility allowances. Receipt of an Appraisal reflecting the 2023 rents and verifying expenses is a condition to close. Below is the rent roll for the Development:

FHDC

DeSoto County

Bed Rooms	Bath Rooms	Units	Square Feet	AMI%	Low HOME Rents	High HOME Rents	Gross HC Rent	Utility Allow.	Net Restricted Rents	PBRA Contr Rents	Applicant Rents	Appraiser Rents	CU Rents	Annual Rental Income
3	2.0	3	1,049	50%	\$ 835			\$184	\$ 651		\$ 651	\$ 576	\$ 651	\$ 23,436
3	2.0	10	1,049	60%		\$ 1,052		\$184	\$ 868		\$ 868	\$ 758	\$ 868	\$ 104,160
3	2.0	3	1,050	50%	\$ 835			\$184	\$ 651		\$ 651	\$ 576	\$ 651	\$ 23,436
3	2.0	11	1,050	60%		\$ 1,052		\$184	\$ 868		\$ 868	\$ 758	\$ 868	\$ 114,576
		27	28,337											\$ 265,608

2. The utility allowances are based on a Utility Allowance Study, prepared by Matern Professional Engineering, Inc. FHFC staff approval of the utility allowances is a condition to close.
3. The vacancy and collection loss rate of 5% has been estimated by First Housing.
4. Ancillary Income is comprised of revenue from the laundry facility, vending machines, late charges, forfeited security deposits and other miscellaneous sources.
5. Based upon operating data from comparable properties, third-party reports (Appraisal and Market Study) and the Credit Underwriter's independent due diligence, First Housing represents that, in its professional opinion, estimates for Rental Income, Vacancy, Other Income, and Operating Expenses fall within a band of reasonableness.
6. Based on email exchanges with a representative of the Borrower, Insurance rates have increased significantly from the original CUR. First Housing has increased Insurance from \$700/unit to \$1,700/unit.
7. The Borrower provided an executed Management Agreement, dated May 13, 2022, which reflects a fee of 5% of total gross monthly collections. First Housing has included a management fee of 5%.
8. The landlord will be responsible for common area utility expenses. The residents will be responsible for water/sewer and electricity expenses. Utilities are estimated at \$350 per unit.
9. As part of the Stormwater Pond Drainage Easement Agreement, the Borrower will be responsible for maintenance of the stormwater pond. First Housing has increased the Grounds Maintenance and Landscaping from \$600/unit to \$670/unit.
10. Replacement Reserves are \$300 per unit per year, as required by FHFC Rule Chapter 67-48.

FHDC

11. Refer to Exhibit 1, for a 15-Year Pro Forma, which reflects rental income increasing at an annual rate of 2%, and expenses increasing at an annual rate of 3%.

Recommendation:

First Housing recommends an additional HOME Viability Loan in the amount of \$1,215,000 for the construction and permanent financing of the Development.

This recommendation is conditioned upon the following:

1. Payment of any outstanding arrearages to the Corporation, its Legal Counsel, Servicer of any agent or assignee of the Corporation for past due issues applicable to the development team (Applicant or Developer or Principal, Affiliate or Financial Beneficiary, as described in 67-48.0075(5) F.A.C., of an Applicant or a Developer).
2. Satisfactory receipt of an Appraisal reflecting the 2023 rents.
3. At the time of conversion, if the permanent loan interest rate is greater than 5.61%, FHFC will need to approve the final permanent loan amount.
4. FHFC staff approval of the utility allowance.
5. Satisfactory receipt of an executed Grant of Drainage Easement Agreement, including the one-time payment of \$25,000.
6. Satisfactory receipt of an executed Stormwater Pond Drainage Easement Agreement, including the one-time payment of \$92,500.
7. The Developer Fee will be limited to \$1,121,042. All remaining Developer Fee must be deferred until construction completion.
8. At least 40% of the Developer Fee must be deferred pursuant to the requirements of the Additional Viability Loan.
9. Consent from the First Mortgage Lender for the additional proceeds.
10. Principals of the Development Team will not be eligible to apply for funding under the next HOME RFA cycle.
11. Prepayment of any required compliance monitoring fees and servicing fees, as applicable.

FHDC

12. Payment of all costs and fees to Florida Housing, its Legal Counsel, and Servicer, as applicable.
13. Satisfactory resolution of any outstanding past due and/or noncompliance items.
14. All other due diligence required by FHFC, its Legal Counsel, and Servicer.

Prepared by:



Stephanie Petty
Senior Credit Underwriter

Reviewed by:



Ed Busansky
Senior Vice President

15 Year Proforma

FINANCIAL COSTS:		Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11	Year 12	Year 13	Year 14	Year 15
OPERATING PRO FORMA																
INCOME:	Gross Potential Rental Income	\$265,608	\$270,920	\$276,339	\$281,865	\$287,503	\$293,253	\$299,118	\$305,100	\$311,202	\$317,426	\$323,775	\$330,250	\$336,855	\$343,592	\$350,464
	Other Income															
	Ancillary Income	\$2,325	\$2,372	\$2,419	\$2,467	\$2,517	\$2,567	\$2,618	\$2,671	\$2,724	\$2,779	\$2,834	\$2,891	\$2,949	\$3,008	\$3,068
	Gross Potential Income	\$267,933	\$273,292	\$278,757	\$284,333	\$290,019	\$295,820	\$301,736	\$307,771	\$313,926	\$320,205	\$326,609	\$333,141	\$339,804	\$346,600	\$353,532
	Less:															
	Physical Vac. Loss Percentage: 4.00%	\$10,717	\$10,932	\$11,150	\$11,373	\$11,601	\$11,833	\$12,069	\$12,311	\$12,557	\$12,808	\$13,064	\$13,326	\$13,592	\$13,864	\$14,141
Collection Loss Percentage: 1.00%	\$2,679	\$2,733	\$2,788	\$2,843	\$2,900	\$2,958	\$3,017	\$3,078	\$3,139	\$3,202	\$3,266	\$3,331	\$3,398	\$3,466	\$3,535	
Total Effective Gross Income	\$254,536	\$259,627	\$264,820	\$270,116	\$275,518	\$281,029	\$286,649	\$292,382	\$298,230	\$304,194	\$310,278	\$316,484	\$322,814	\$329,270	\$335,855	
EXPENSES:	Fixed:															
	Real Estate Taxes	\$14,774	\$15,217	\$15,674	\$16,144	\$16,628	\$17,127	\$17,641	\$18,170	\$18,715	\$19,277	\$19,855	\$20,451	\$21,064	\$21,696	\$22,347
	Insurance	\$45,900	\$47,277	\$48,695	\$50,156	\$51,661	\$53,211	\$54,807	\$56,451	\$58,145	\$59,889	\$61,686	\$63,536	\$65,442	\$67,406	\$69,428
	Variable:															
	Management Fee Percentage: 5.00%	\$12,727	\$12,981	\$13,241	\$13,506	\$13,776	\$14,051	\$14,332	\$14,619	\$14,911	\$15,210	\$15,514	\$15,824	\$16,141	\$16,463	\$16,793
	General and Administrative	\$18,225	\$18,772	\$19,335	\$19,915	\$20,512	\$21,128	\$21,762	\$22,414	\$23,087	\$23,779	\$24,493	\$25,228	\$25,984	\$26,764	\$27,567
	Payroll Expenses	\$32,400	\$33,372	\$34,373	\$35,404	\$36,466	\$37,560	\$38,687	\$39,848	\$41,043	\$42,275	\$43,543	\$44,849	\$46,195	\$47,580	\$49,008
	Utilities	\$9,450	\$9,734	\$10,026	\$10,326	\$10,636	\$10,955	\$11,284	\$11,622	\$11,971	\$12,330	\$12,700	\$13,081	\$13,473	\$13,878	\$14,294
	Marketing and Advertising	\$675	\$695	\$716	\$738	\$760	\$783	\$806	\$830	\$855	\$881	\$907	\$934	\$962	\$991	\$1,021
	Maintenance and Repairs/Pest Control	\$13,500	\$13,905	\$14,322	\$14,752	\$15,194	\$15,650	\$16,120	\$16,603	\$17,101	\$17,614	\$18,143	\$18,687	\$19,248	\$19,825	\$20,420
	Grounds Maintenance and Landscaping	\$18,090	\$18,633	\$19,192	\$19,767	\$20,360	\$20,971	\$21,600	\$22,248	\$22,916	\$23,603	\$24,311	\$25,041	\$25,792	\$26,566	\$27,363
Reserve for Replacements	\$8,100	\$8,100	\$8,100	\$8,100	\$8,100	\$8,100	\$8,100	\$8,100	\$8,100	\$8,100	\$8,343	\$8,593	\$8,851	\$9,117	\$9,390	
Total Expenses	\$173,841	\$178,686	\$183,674	\$188,808	\$194,095	\$199,537	\$205,139	\$210,907	\$216,845	\$222,958	\$229,495	\$236,225	\$243,153	\$250,286	\$257,630	
Net Operating Income	\$80,696	\$80,941	\$81,146	\$81,308	\$81,424	\$81,492	\$81,510	\$81,475	\$81,385	\$81,236	\$80,783	\$80,259	\$79,660	\$78,984	\$78,225	
Debt Service Payments																
First Mortgage - NLP	\$57,472	\$57,472	\$57,472	\$57,472	\$57,472	\$57,472	\$57,472	\$57,472	\$57,472	\$57,472	\$57,472	\$57,472	\$57,472	\$57,472	\$57,472	\$57,472
Second Mortgage - FHFC HOME & Viability Loan	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
First Mortgage Fees - NLP	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Second Mortgage Fees- FHFC HOME Loan & Viability Loan	\$14,340	\$14,443	\$14,549	\$14,658	\$14,771	\$14,887	\$15,006	\$15,129	\$15,256	\$15,386	\$15,520	\$15,659	\$15,801	\$15,948	\$16,099	
Total Debt Service Payments	\$71,812	\$71,915	\$72,021	\$72,130	\$72,243	\$72,359	\$72,478	\$72,601	\$72,728	\$72,858	\$72,992	\$73,131	\$73,273	\$73,420	\$73,571	
Cash Flow after Debt Service	\$8,883	\$9,026	\$9,125	\$9,177	\$9,181	\$9,133	\$9,032	\$8,874	\$8,657	\$8,378	\$7,791	\$7,128	\$6,387	\$5,563	\$4,654	
Debt Service Coverage Ratios																
DSC - First Mortgage plus Fees	1.40	1.41	1.41	1.41	1.42	1.42	1.42	1.42	1.42	1.41	1.41	1.40	1.39	1.37	1.36	
DSC - Second Mortgage plus Fees	1.12	1.13	1.13	1.13	1.13	1.13	1.12	1.12	1.12	1.11	1.11	1.10	1.09	1.08	1.06	
Financial Ratios																
Operating Expense Ratio	68.30%	68.82%	69.36%	69.90%	70.45%	71.00%	71.56%	72.13%	72.71%	73.29%	73.96%	74.64%	75.32%	76.01%	76.71%	
Break-even Economic Occupancy Ratio (all debt)	91.93%	91.95%	91.98%	92.02%	92.08%	92.16%	92.26%	92.37%	92.49%	92.63%	92.86%	93.11%	93.37%	93.64%	93.93%	

Harper's Pointe, L.P.
206 Peach Way
Columbia, Missouri 65203

April 26, 2023

Melissa Levy
Multifamily Programs
Florida Housing Finance Corporation
227 N. Bronough, Suite 5000
Tallahassee, Florida 32301

Re: Harper's Pointe
RFA 2017-111 / 2018-105C

Dear Ms. Levy:

Pursuant to RFA 2017-111, Section Four, 4., A.3.d.(4), which states:

"The Principals of each Developer identified in the Application, including all co-Developers, may be changed only by written request of an Applicant to Corporation staff and approval of the Board after the Applicant has been invited to enter credit underwriting. In addition, any allowable replacement of an experienced Principal of a Developer entity must meet the experience requirements that were met by the original Principal."

We respectfully request permission that **Richard Otto Maly, as Trustee of Peach Way Development Trust** on the attached Developer Disclosure form be replaced by **Carleen Schreder as Trustee of Peach Way Development Trust**. This modification of the trustee occurred on February 24, 2020. It is a normal occurrence to modify trustees in the ordinary course of business. No other revisions are requested and there is no replacement of the individual listed on the developer experience form, William A. Markel, Officer.

Thank you for your consideration.

Sincerely,

Harper's Pointe, L.P.

By: 

William A. Markel

JES Partnerships-Harper's Pointe, L.L.C.

cc: Kevin Tetreau

Principal Disclosures for the Developer

APPROVED for HOUSING CREDIT APPLICATION
FHFC Advance Review 12.7.17

How many Developers are part of this Application structure?

1

Select the organizational structure for the Developer entity:

The Developer is a: For-Profit Corporation

Provide the name of the Developer For-Profit Corporation:

JES Dev Co, Inc.

First Principal Disclosure Level:

JES Dev Co, Inc.

[Click here for Assistance with Completing the Entries for the First Level Principal Disclosure for a Developer](#)

First Level Entity #	Select Type of Principal of Developer	Enter Name of First Level Principal	Select organizational structure of First Level Principal identified
1.	<u>Shareholder</u>	<u>Peach Way Development Trust</u>	<u>Trust</u>
2.	<u>Director</u>	<u>Jeffrey E. Smith</u>	<u>Natural Person</u>
3.	<u>Officer</u>	<u>Jeffrey E. Smith</u>	<u>Natural Person</u>
4.	<u>Officer</u>	<u>William A. Markel</u>	<u>Natural Person</u>

Second Principal Disclosure Level:

JES Dev Co, Inc.

[Click here for Assistance with Completing the Entries for the Second Level Principal Disclosure for a Developer](#)

Select the corresponding First Level Principal Entity # from above for which the Second Level Principal is being identified

Second Level Entity #	Select the type of Principal being associated with the corresponding First Level Principal Entity	Enter Name of Second Level Principal	Select organizational structure of Second Level Principal identified
1. (Peach Way Development Trust)	<u>Trustee</u>	<u>Richard Otto Maly</u>	<u>Natural Person</u>
1. (Peach Way Development Trust)	<u>Beneficiary</u>	<u>Jeffrey Walker Smith</u>	<u>Natural Person</u>

Principal Disclosures for the Developer

How many Developers are part of this Application structure?

1

Select the organizational structure for the Developer entity:

The Developer is a: For-Profit Corporation

Provide the name of the Developer For-Profit Corporation:

JES Dev Co, Inc.

First Principal Disclosure Level:

JES Dev Co, Inc.

[Click here for Assistance with Completing the Entries for the First Level Principal Disclosure for a Developer](#)

<u>First Level Entity #</u>	<u>Select Type of Principal of Developer</u>	<u>Enter Name of First Level Principal</u>	<u>Select organizational structure of First Level Principal identified</u>
1.	<u>Shareholder</u>	<u>Peach Way Development Trust</u>	<u>Trust</u>
2.	<u>Officer/Director</u>	<u>Jeffrey Walker Smith</u>	<u>Natural Person</u>
3.	<u>Officer/Director</u>	<u>William A. Markel</u>	<u>Natural Person</u>

Second Principal Disclosure Level:

JES Dev Co, Inc.

[Click here for Assistance with Completing the Entries for the Second Level Principal Disclosure for a Developer](#)

Select the corresponding First Level Principal Entity # from above for which the Second Level Principal is being identified

<u>Second Level Entity #</u>	<u>Select the type of Principal being associated with the corresponding First Level Principal Entity</u>	<u>Enter Name of Second Level Principal</u>	<u>Select organizational structure of Second Level Principal identified</u>
<u>1. (Peach Way Development Trust</u>	<u>1.A. Trustee</u>	<u>Carleen Schreder</u>	<u>Natural Person</u>
<u>1. (Peach Way Development Trust</u>	<u>1.B. Beneficiary</u>	<u>Jeffrey Walker Smith</u>	<u>Natural Person</u>



"Exploring New Horizons to Create Better Communities"

HOUSING AUTHORITY OF THE CITY OF COCOA

828 Stone Street; Cocoa, FL 32922

(321) 636-8535 Fax: (321) 631-8666

www.haccfl.com

COMMISSIONERS

Joe Robinson, Chairman
Thomas Cole, Vice Chairman
Clinton E. Warner
Marian T. Jackson
Chenita Joiner

INTERIM EXECUTIVE DIRECTOR

Shauna Ginn

June 27, 2023

Lisa,

We would like to request a swap of Resident Programs. Pineda Village applied under RFA 2015-111. Of the 4 programs offered in the RFA, Pineda Village currently provides, 1) Literacy, 2) Family Support Coordinator, and 3) Employment Assistance Program. As part of our request, we ask that Pineda Village be allowed to utilize Resident Program options that were offered in the 2017-114 *Housing Credit Financing for the Preservation of Existing Affordable Multifamily Housing Developments* RFA, in which it's sister property, Cocoa Sunrise Terrace was awarded tax credits. With that approval, we ask that Pineda Village be allowed to swap, as follows:

- 1) Literacy for Homeownership Opportunity Program.
- 2) Family Support Coordinator for Financial Management Program.

Please see the attached cover letter for background information which explains in detail the purpose of the request.

Please contact me if you have any questions or need additional information.

Sincerely,

Shauna Ginn

Interim Executive Director - Cocoa Housing Preservation II, LLC (Pineda Village)

RESOLUTION
of the
Board of Directors of
Florida Housing Finance Corporation
pertaining to
Delegating the Authority and Power to Approve and Execute
Fiscal Determinations in Connection with the Issuance of All
Revenue Bonds and Other Financial Transactions

WHEREAS, the Florida Housing Finance Corporation ("Florida Housing") is authorized under the provisions of Chapter 420, Part V, Florida Statutes, to issue revenue bonds from time to time for the purpose of financing affordable housing; and,

WHEREAS, on July 1, 2022, Senate Bill 196 became law, which encompassed revisions to Chapter 420.509, Florida Statutes. These revisions eliminated the need for the State Board of Administration (SBA) to make fiscal determinations regarding the issuance of Florida Housing Multifamily Mortgage Revenue Bonds (MMRB), Single Family Mortgage Revenue Bonds (SFMRB), as well as other financial transactions formally approved by SBA and instead designated Florida Housing as the state fiscal agency to make fiscal determinations. Under Art. VII, Sec. 16 of the Florida Constitution, the required fiscal determination is that in no state fiscal year will the debt service requirements of the bonds proposed to be issued, and all other bonds secured by the same pledged revenues, exceed the pledged revenues available for such debt service requirements; and,

WHEREAS, the Board of Directors of Florida Housing (the "Board") has authorized and may in the future authorize the issuance of revenue bonds (the "Bonds"), and desires for to authorize the Executive Director of Florida Housing, and such persons operating in the capacity of Executive Director, to execute approval of Fiscal Determination as required under Art. VII, Sec. 16 of the Florida Constitution and allowed under Chapter 420.509, Florida Statutes, in connection with the issuance of revenue bonds and closing of the transactions to effectuate the issuance and closings and to bind Florida Housing thereby;

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE FLORIDA HOUSING FINANCE CORPORATION AS FOLLOWS:

Effective September 8, 2023, the Board hereby designates and authorizes the Executive Director and such persons operating in the capacity of Executive Director for as long as they are employed in those capacities by Florida Housing, and all successor Executive Directors and acting appointees, to approve Fiscal Determinations and execute final approval to effectuate the issuance of revenue bonds, as required by S.16, Art. VII of the Florida Constitution and as allowed under Chapter 420.509, F.S. Such designation and authorization shall be deemed to apply from and after the effective date hereof.

ADOPTED at the Board of Directors meeting held on the 8th day of September, 2023
and signed this _____ day of September, 2023.

(SEAL)

FLORIDA HOUSING FINANCE
CORPORATION, a public
corporation and a public body
corporate and politic duly created
and existing under the laws of the
State of Florida

ATTEST:

Melissa Levy, Assistant Secretary
Florida Housing Finance Corporation

Mario Facella, Chair, Florida Housing
Finance Corporation's Board of Directors

**STATE OF FLORIDA
COUNTY OF LEON**

I hereby certify that the above and foregoing is a true and correct copy of a Resolution adopted at a duly noticed public meeting of the Florida Housing Finance Corporation, legally called and held on the 8th day of September, 2023, at which a quorum was present, all as will appear by reference to the original Resolution incorporated in the official records of the Florida Housing Finance Corporation.

By _____
Tim Kennedy, Multifamily
Loans/Bonds Director, Florida Housing
Finance Corporation

**STATE OF FLORIDA
COUNTY OF LEON**

The foregoing instrument was acknowledged before me by means of physical presence or online notarization, this ____ day of _____, 2023, by Tim Kennedy, as Multifamily Loans and Bonds Director of the Florida Housing Finance Corporation, a public corporation and a public body corporate and politic duly created and existing under the laws of the State of Florida, on behalf of the corporation. He is personally known to me.

NOTARY SEAL

Notary Public

Name typed, printed or stamped

My Commission Expires: _____

**STATE OF FLORIDA
FLORIDA HOUSING FINANCE CORPORATION**

FHFC CASE NO. 2023-062VW
APPLICATION NO. 2020-501C

414 EAST PINE STREET, LP,

Petitioner

vs.

FLORIDA HOUSING FINANCE
CORPORATION,

Respondent.

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FLORIDA HOUSING
FINANCE CORPORATION

PETITION FOR WAIVER OF RULE 67-21.026(13)(e)

414 EAST PINE STREET, LP, a Florida limited partnership (“**Petitioner**”), by and through its undersigned counsel, hereby petitions Respondent, the FLORIDA HOUSING FINANCE CORPORATION (the “**Corporation**”) for a waiver of Rule 67-21.026(13)(e), Florida Administrative Code (“F.A.C.”), relating to the work that a General Contractor (“**GC**”) may self-perform. This Petition is filed pursuant to Section 120.542, Florida Statutes (“F.S.”), and Chapter 28-104, F.A.C. In support of its Petition, the Petitioner states:

A. THE PETITIONER

1. The address, telephone number, facsimile number and e-mail address of the Petitioner are:

414 EAST PINE STREET, LP
101 S. Terry Avenue
Orlando, Florida 32805
Telephone: (407) 648-1623
Attention: Orlando Neighborhood Improvement
Corporation, c/o Alfred Arzuga
Email: Arzuaga@orlandoneighborhood.org

2. For purposes of this Petition, the address, telephone number, facsimile number and e-mail address of Petitioner's counsel is:

Yisell Rodriguez, Esq.
Nelson Mullins Riley & Scarborough LLP
390 N. Orange Ave., Suite 1400
Orlando, Florida 32801
Telephone: (407) 669-4290
Facsimile: (407) 425-8377
Email: yisell.rodriguez@nelsonmullins.com

B. THE DEVELOPMENT

3. Petitioner is the owner of that certain 197-unit multifamily residential development commonly known as Baptist Terrace, located within Orange County, Florida (the "**Development**"). Petitioner's acquisition, rehabilitation, installation and equipping of the Development was financed, in part, by a loan in the principal amount of up to \$21,500,000 (the "**Loan**") from the Orange County Housing Finance Authority (the "**OHFA**") that was financed by the proceeds of multifamily housing revenue bonds (the "**Bonds**"). On July 1, 2020, the OHFA issued the Bonds and disbursed a portion of the Loan to Petitioner. On June 29, 2020 Petitioner submitted its Non-Competitive 4% Application Package (Rev. 04-2020) for Non-Competitive Housing Credits (the "**Application**") and requested an annual amount of \$1,250,412 in Housing Credits to assist in financing the acquisition and rehabilitation of the Development.

C. WAIVER IS PERMANENT

4. The waiver being sought is permanent in nature.

D. THE RULE FROM WHICH WAIVER IS REQUESTED

5. Petitioner requests a waiver from Rule 67-21.026(13)(e), F.A.C. (2020) (the “Rule”), which requires that a GC meet certain conditions. The specific provisions of the Rule from which Petitioner is seeking a waiver are as follows:

(13) The General Contractor must meet the following conditions:

(e) Ensure that no construction or inspection work that is normally performed by subcontractors is performed by the General Contractor

6. On April 29, 2022, during the rule development process, the Board made a change allowing the General Contractor to conduct a restricted amount of work on their own as follows:

"Ensure that no construction or inspection work is performed by the General Contractor, with the following exceptions: (i) the General Contractor may perform its duties to manage and control the construction of the Development; and (ii) the General Contractor may self-perform work of a de minimis amount, defined for purposes of this paragraph as the lesser of \$350,000 or 5 percent of the construction contract." The Board decided to apply the updated 2022 version of the Rule retroactively to projects that had submitted applications under older rules. Therefore, even though the Development initially applied under the 2020 version of the Rule, it is now subject to the recently approved 2022 Rule based on the Board's decision.

E. STATUTES IMPLEMENTED BY THE RULE

7. The Rule is implementing, among other sections of the Florida Housing Finance Corporation Act, the statute that created the Housing Tax Credit Program and the Multifamily Mortgage Revenue Bonds Program. See §§ 420.509, 420.5099, F.S.

8. The Corporation has the authority pursuant to Section 120.542(1), F.S., and Chapter 28-104, F.A.C., to grant waivers to its rule requirements when strict application of such rules would lead to unreasonable, unfair and unintended results in particular instances. Waivers shall be granted when the person subject to the rule demonstrates that the application of the rule would (1) create a substantial hardship or violate principals of fairness, and (2) the purpose of the underlying statute has been or will be achieved by other means by the person. § 120.542(2), F. S.

F. JUSTIFICATION FOR GRANTING THE WAIVER OF THE RULE

9. Petitioner is seeking a waiver from 67-21.026(13)(e), F.A.C. (2022), which limits the amount of work a GC may perform to a de minimis amount. When Petitioner initially began the rehabilitation of the Development, the GC did not intend on self-performing any work. The COVID-19 Pandemic had an immediate and detrimental effect on both the construction industry and this Development. This resulted in labor shortages and disruptions in the supply chain. Due to the limited availability of materials, finding and hiring subcontractors became a difficult and expensive undertaking. The COVID-19 Pandemic caused a significant shortage of subcontractor labor to the point where certain parts of the project did not receive any bids. Subcontractors encountered difficulties in adhering to the project schedule and experienced various setbacks, including the need for quarantine measures.

10. The total cost of the self-performed work was \$475,902.51, which exceeds the de minimis amount by \$125,902.51. There were no additional fees included in this amount. The GC did not apply any profit, overhead, or any type of administrative fees to any of the self-performed work. Below is a breakdown of the costs and the self-performed work, along with the rationale for the GC's self-performance:

- \$3,000 for setting up and removing safety barriers during parking lot work. The GC had to perform this work due to a shortage of subcontractor labor.
- \$600 for general site cleanup of lawns and plantings. The GC had to perform this work due to a shortage of subcontractor labor.
- \$13,641 to assist with interior demolition and clean up. The GC had to assist because the subcontractors were quarantined due to COVID.
- \$8,583 for concrete patching in apartments and slab work at sewer line replacement. The GC had to perform this work because a concrete subcontractor was unable to perform small repair work over multiple phases.
- \$224,652 for framing, blocking and miscellaneous rough carpentry. Because of COVID implications, the original subcontractor was unable to meet the required schedule and the GC had to perform the work.
- \$17,613 for installation of handrails in corridors. The GC had to perform this work because no subcontractor bids were received.
- \$49,968 for fire caulking and labeling penetrations. The GC had to perform this work because no subcontractor bids were received.
- \$25,158 for installation of new doors, hardware, and frames. The GC had to perform this work due to a shortage of subcontractor labor.
- \$56,062 for miscellaneous drywall patching and skim coat. The GC had to perform this work because the drywall subcontractor did not include this change order in their original quote and declined to perform the work.
- \$5,960 to clean, repair and repaint shuffleboard court. The GC had to perform this work due to a shortage of subcontractor labor.

- \$52,151 for installation of toilet accessories. The GC had to perform this work because no subcontractor bids were received.
- \$9,258 to assist team with offloading and placing cabinets and tops. Due to limited resources from COVID quarantines, GC had to assist to meet schedule.
- \$9,258 for appliance installation. GC had to assist because the subcontractor was understaffed due to COVID.

11. In this instance, Petitioner meets the standards for a waiver of the Rule. Unless the Rule is waived to allow the Petitioner to continue with the Development and obtain Form 8609, as is required for allocation of non-competitive housing credits, certain unreasonable, unfair and unintended results will occur, resulting in a substantial hardship to the Petitioner and the Development. The delays associated with requiring Petitioner to hire subcontractors to perform the above tasks would have delayed the rehabilitation of the Development, causing a substantial economic hardship to the Petitioner and the elderly population of Orange County. The requested waiver will not adversely impact the Development or the Corporation and will ensure that the 197 affordable housing units of the Development will be preserved and made available for the target population in Orange County.

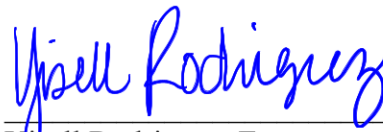
12. The requested waiver of the Rule serves the purpose of the Statute that is implemented by the Rule. The Florida Housing Finance Corporation Act (Section 420.501, et seq.) was passed in order to encourage private and public investment in facilities for persons of low-income. The purpose of the creation of the Housing Tax Credit Program and Multifamily Mortgage Revenue Bonds Program is to stimulate creative private sector initiatives to increase the supply of affordable housing. By granting the waiver of the Corporation's limitation on GC self-performance, Petitioner will be able to move forward and obtain Form 8609 for non-

competitive housing credits with all its eligible rehabilitation costs accounted for, as requested in this Petition, and the Corporation would recognize the goal of increasing the supply of affordable housing through private investment in persons of low-income.

G. ACTION REQUESTED

13. For the reasons set forth herein, Petitioner respectfully requests the Corporation (i) grant the requested waiver of Rule 67-21.026(13)(e); (ii) grant the Petition and all the relief requested herein; and (iii) grant such further relief as it may deem appropriate.

Respectfully submitted,



Yisell Rodriguez, Esq.
Fla. Bar No. 117915
Nelson Mullins Riley & Scarborough LLP
390 N. Orange Ave., Suite 1400
Orlando, FL 32801
Telephone: (407) 669-4290
Facsimile: (407) 425-8377
Email: yisell.rodriquez@nelsonmullins.com
COUNSEL FOR PETITIONER

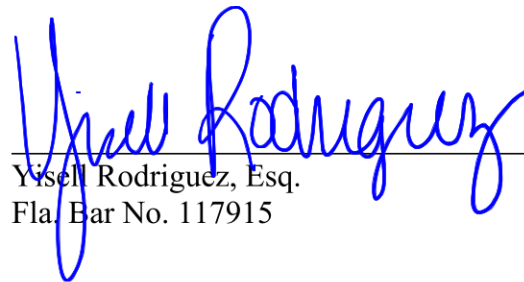
CERTIFICATE OF SERVICE

I HEREBY CERTIFY that the foregoing Petition was filed by electronic delivery to:

Florida Housing Finance Corporation,
Attn: Corporation Clerk
227 North Bronough Street, Suite 5000
Tallahassee, Florida 32301
CorporationClerk@floridahousing.org

Joint Administrative Procedures Committee
680 Pepper Building
111 W. Madison Street
Tallahassee, Florida 32399
Joint.admin.procedures@leg.state.fl.us

This 14th day of July, 2023.



Yisell Rodriguez, Esq.
Fla. Bar No. 117915

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FLORIDA HOUSING
FINANCE CORPORATION

STATE OF FLORIDA
FLORIDA HOUSING FINANCE CORPORATION

CASE NO. _____

NARANJA GRAND II, LLC, a Florida
limited liability company,

Petitioner,

FHFC CASE NO. 2023-063VW
Application No. 2022-201BSN / 2021-528C
RFA 2021-205

FLORIDA HOUSING FINANCE
CORPORATION,

Respondent.

_____ /

PETITION FOR WAIVER OF RULE 67-48.0072(21)(b), F.A.C. (05/18/2021)

Pursuant to Section 120.542, Florida Statutes, and Rule 28-104.002, Florida Administrative Code (“F.A.C.”), Petitioner Naranja Grand II, LLC, submits this Petition to Respondent Florida Housing Finance Corporation (“Florida Housing”) for a waiver of Rule 67-48.0072 (21)(b), F.A.C. (the “Rule”) in effect at the time the Petitioner submitted its Application 2022-201BSN (the “Application”) in response to Florida Housing’s Request for Applications 2021-205 SAIL Financing of Affordable Multifamily Housing Developments To Be Used In Conjunction With Tax-Exempt Bonds And Non-Competitive Housing Credits (the “RFA”). Under the Rule, a firm loan commitment must be issued within 12 months of Petitioner’s acceptance to enter credit underwriting. Because Petitioner experienced significant delays beyond its control, Petitioner anticipates that the credit underwriting report cannot be approved until the Florida Housing Board meeting on September 8, 2023, which is after the firm loan commitment deadline. Petitioner therefore seeks a Rule waiver so that it may obtain another 6-month extension of the firm loan commitment deadline. In support of its Petition, the Petitioner states as follows:

A. THE PETITIONER

1. The name, address, telephone and facsimile numbers, and email address for Petitioner and its qualified representative are:

Matthew Rieger
Naranja Grand II, LLC
3225 Aviation Ave, 6th Floor
Coconut Grove, FL 33133
Phone: (305)860-8188
Fax: N/A
Email: mattr@htgf.com

2. The name, address, telephone and facsimile numbers, and email address for Petitioner's attorney are:

Brian J. McDonough
Stearns Weaver Miller Weissler Alhadeff
& Sitterson
150 West Flagler Street
Suite 2200
Miami, FL 33130
bmcdonough@stearnsweaver.com
Tel: (305) 789-3350
Fax: (305) 789-3395

Bridget Smitha
Stearns Weaver Miller Weissler Alhadeff
& Sitterson
106 East College Avenue, Suite 700
Tallahassee, FL 32301
bsmitha@stearnsweaver.com
Direct: 850-329-4852
Fax: 850-329-4844

B. THE DEVELOPMENT AND ITS FINANCING

3. The following information pertains to the development underlying Petitioner's Application (the "Development"):

- Development Name: Naranja Grand II
- Development Address: Waldin Dr., at the SW corner of the intersection of Waldin Dr. and SW 147th Ave.
- County: Miami-Dade
- Developer: Naranja Grand II Developer, LLC
- Number of Units: 200 new construction

- Type: High Rise
- Set Asides: 5% at or below 30% AMI; 5% at or below 40% AMI; 10% at or below 50% AMI; 45% at or below 60% AMI; and 35% at or below 70% AMI
- Demographics: Family
- Funding: State Apartment Incentive Loan (“SAIL”) \$5,000,000, Extremely Low Income (“ELI”) \$600,000, \$1,546,000 Housing Credits, and NHTF \$1,546,000

4. On March 3, 2022, Petitioner accepted an invitation to enter credit underwriting dated March 1, 2022. Thus, Petitioner had a firm loan commitment deadline of March 3, 2023. Although the Rule provides that the firm loan commitment must be issued within twelve months of acceptance to enter credit underwriting, it also provides that Petitioner may request one extension of up to six months. Petitioner exercised this right and Florida Housing’s Board approved the extension request on March 10, 2023 to extend the deadline to September 3, 2023. Petitioner paid the extension fee required by the Rule.

5. Petitioner now seeks an additional 6-month extension to and including March 3, 2024.

C. WAIVER IS PERMANENT

6. The requested waiver is permanent in nature.

D. RULE AND RFA PROVISIONS FROM WHICH WAIVER IS SOUGHT

7. Petitioner requests a waiver from the Rule, which provides:

(21) Information required by the Credit Underwriter shall be provided as follows:

(b) For SAIL, EHCL, and HOME, unless stated otherwise in a competitive solicitation, the firm loan commitment must be issued within twelve (12) months of the Applicant’s acceptance to enter credit underwriting. Unless an extension is approved by the Corporation in writing, failure to achieve issuance of a firm loan commitment by the specified deadline shall result in withdrawal of the preliminary commitment. Applicants may request one (1) extension of up to six (6) months to secure a firm loan commitment. All extension requests must be

submitted in writing to the program administrator and contain the specific reasons for requesting the extension and shall detail the time frame to achieve a firm loan commitment. In determining whether to grant an extension, the Corporation shall consider the facts and circumstances of the Applicant's request, inclusive of the responsiveness of the Development team and its ability to deliver the Development timely. The Corporation shall charge a non-refundable extension fee of one (1) percent of each loan amount if the request to extend the credit underwriting and firm loan commitment process beyond the initial twelve (12) month deadline is approved. If an approved extension is utilized, Applicants must pay the extension fee not later than seven (7) Calendar Days after the original twelve (12) month deadline. If, by the end of the extension period, the Applicant has not received a firm loan commitment, then the preliminary commitment shall be withdrawn.

See Rule 67-48.072(21)(b), F.A.C. (05/18/2021).

E. STATUTES IMPLEMENTED BY THE RULE

8. The Rule implements, among other sections of the Florida Housing Finance Corporation Act (the "Act"),¹ Section 420.5087 (State Apartment Incentive Loan Program); Section 420.5089 (HOME Investment Partnership Program and HOME Investment Partnership Fund); and Section 420.5099 (allocation of the low-income housing tax credit).

F. JUSTIFICATION FOR THE REQUESTED WAIVER

9. Under Section 120.542(l), Fla. Stat., and Chapter 28-104, F.A.C., Florida Housing has the authority to grant waivers to its rule requirements when strict application of these rules would lead to unreasonable, unfair, and unintended consequences in particular instances. Waivers must be granted when: (1) the person who is subject to the rule demonstrates that the application of the rule would create a substantial hardship or violate principles of

¹ The Florida Housing Finance Corporation Act is set forth in Sections 420.501 through 420.517 of the Florida Statutes.

fairness, and (2) the purpose of the underlying statute has been or will be achieved by other means by the person. § 120.542(2), Fla. Stat.

10. Because Petitioner was previously granted a six-month extension of the firm loan commitment deadline, the requested extension may not be granted without a waiver of the Rule.

11. Petitioner is requesting an extension of the firm loan commitment deadline from September 3, 2023 to March 3, 2024.

12. The need for the requested extension was created by circumstances beyond Petitioner's control, as set forth below:

- a. Unfortunately, there are a multitude of issues beyond the Petitioner's control that have caused a significant delay in the timeline for this development, which include rising construction costs, interest rates, insurance costs, and prevailing wages. The project's financing gap has risen substantially. To address the financing gap, Petitioner has applied for additional funds from Florida Housing and been given a Notice of Preliminary Award from RFA 2023-211, Construction Inflation Response Viability Funding under the Naranja Grand II application 2023-236V.
- b. The Development is located on a Miami-Dade County owned site, which required the Petitioner to solve an array of legal and planning issues with the County. These legal issues have affected the Petitioner's ability to attain timely site plan approval from the County.

13. Currently, the Development has fully completed construction documents and has plans to have a draft credit underwriting report ("CUR") ready by July 31st. With this draft CUR, Petitioner anticipates CUR approval at the next Florida Housing Board Meeting, which will be held on September 8, 2023. Rule 67-48.0072(21)(a), F.A.C., prohibits Florida Housing

from issuing a firm loan commitment until after approval of the Credit Underwriter's recommendation for funding by the Board. Thus, Petitioner will not be able to satisfy the firm loan commitment requirement before the September 3, 2023 deadline.

14. The requested waiver will not prejudice Petitioner, the Development, any other applicant, or Florida Housing. A denial of the Petition, however, would: (a) result in substantial economic hardship to Petitioner, as it has incurred significant costs to date in an effort to ensure that the Development proceeds to completion; (b) deprive Miami-Dade County of essential affordable rental units set aside for families, who desperately need that housing, as well as other amenities and services that the Development will offer; and (c) violate principles of fairness². *See* § 120.542(2), F.S.

15. If this Petition is not granted, the preliminary commitment will be withdrawn and the Development will not be constructed. As a result, Miami-Dade County will have less affordable housing units available for families in need, and the related economic development will not occur. Granting the waiver will ensure the availability of funds that will otherwise be lost as a result of the delays.

16. As discussed herein, Petitioner is requesting a second extension of the firm loan commitment deadline from September 3, 2023 to March 3, 2024, which request requires a waiver of the Rule.

²“Substantial hardship” means a demonstrated economic, technological, legal or other type of hardship to the person requesting the variance or waiver. “Principles of Fairness” are violated when literal application of a rule affects a particular person in a manner significantly different from the way it affects other similarly situated persons who are subject to the rule. Section 120.542(2), Florida Statutes.

17. The requested waiver will ensure the availability of funds that will otherwise be lost as a consequence of the delays described herein.

18. The foregoing facts demonstrate the hardship and other circumstances that justify Petitioner's request for a Rule waiver.

19. Controlling statutes and Florida Housing's Rules are designed to allow the flexibility necessary to provide relief from requirements when strict application, in particular circumstances, would lead to unreasonable, unfair, or unintended results. As demonstrated above, the requested waiver serves the purposes of Section 420.5087 and the Act, as a whole, because one of their primary goals is to facilitate the availability of decent, safe and sanitary housing in the State of Florida to low-income persons and households. Further, by granting the requested waiver, Florida Housing would recognize principles of fundamental fairness in the development of affordable rental housing.

20. Should Florida Housing require additional information, a representative of Petitioner is available to answer questions and to provide all information necessary for consideration of this Petition.

G. ACTION REQUESTED

21. Petitioner requests the following:
- a. That Florida Housing grant Petitioner a waiver from the requirements of Rule 67-48.0072(21)(b), Florida Administrative Code, and extend the firm loan commitment deadline from September 3, 2023 to March 3, 2024;
 - b. That Florida Housing grant the Petition and all the relief requested therein; and
 - c. That Florida Housing grant such further relief as may be deemed appropriate.

Respectfully submitted,

STEARNS WEAVER MILLER WEISSLER
ALHADEFF & SITTERSON, P.A.

Counsel for Petitioner

150 West Flagler Street, Suite 150

Miami, Florida 33131

Tel: (305) 789-3350

Fax: (305) 789-3395

E-mail: bmcdonough@swwmwas.com

/s/ Brian J. McDonough

BRIAN J. MCDONOUGH, ESQ.

CERTIFICATE OF SERVICE

The original Petition is being served by electronic transmission for filing with the Corporation Clerk for the Florida Housing Finance Corporation, CorporationClerk@floridahousing.org, with a copy served by U.S. Mail to the Joint Administrative Procedures Committee, 680 Pepper Building, 111 W. Madison Street, Tallahassee, Florida 32399-1400, this 16th day of August, 2023.

/s/ Brian J. McDonough

Brian J. McDonough, Esq.

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AUG 17 2023 11:00 AM

FLORIDA HOUSING
FINANCE CORPORATION

STATE OF FLORIDA
FLORIDA HOUSING FINANCE CORPORATION

HTG Oasis, Ltd,
a Florida limited partnership,

Petitioner,

FLORIDA HOUSING FINANCE
CORPORATION,

Respondent.

FHFC CASE NO. 2023-066VW

App. No. 2022-099C/2023-268C/2023-241V

PETITION FOR WAIVER OF RULE 67-48.004(3)(h), F.A.C. (5/18/21)

HTG Oasis, Ltd. (the "Petitioner") by and through its undersigned counsel, hereby petitions Respondent, Florida Housing Finance Corporation ("Florida Housing"), for a waiver of Rule 67-48.004(3)(h), Florida Administrative Code ("F.A.C.") effective May 18, 2021 (the "Rule"), which prohibits revising the demographic commitment identified in the application it submitted in response to RFA 2021-203 Housing Credit Financing For Affordable Housing Developments Located In Miami-Dade County ("RFA"). After Petitioner submitted its application, Petitioner determined that it needs to qualify for an exemption provided under Section 196.1975, Florida Statutes, for property used by nonprofit homes for the aged ("Tax Exemption"). The Tax Exemption will allow the Petitioner to leverage a sufficient amount of permanent debt to be financially feasible. Petitioner therefore respectfully requests a waiver in order to change its demographic commitment from "family" to "elderly." Neither Florida Housing, nor any applicant, will be prejudiced if this petition is granted because the development is funded under the Tier 1 Urban District Goal, which is not tied to a specific demographic set aside. In support, Petitioner states as follows:

A. THE PETITIONER

1. The address, telephone, facsimile numbers and e-mail address for Petitioner and its qualified representative are:

Matthew A. Rieger
HTG Oasis, Ltd.
3225 Aviation Ave., 6th Floor
Coconut Grove, FL 33133
Telephone: (305)860-8188
Fax: n/a
Email: mattr@htgf.com

2. The address, telephone and facsimile number and e-mail address of Petitioner's counsel are:

Brian J. McDonough, Esq.
Stearns Weaver Miller Weissler Alhadeff &
Sitterson, P.A.
150 West Flagler Street
Suite 2200
Miami, Florida 33130
Telephone: 305-789-3350
Fax: 305-789-3395
Email: Bmcdonough@stearnsweaver.com

Bridget Smitha
Stearns Weaver Miller Weissler Alhadeff &
Sitterson, P.A.
106 East College Avenue, Suite 700
Tallahassee, FL 32301
Telephone: 850-329-4852
Fax: 850-329-4844
Email: BSmitha@stearnsweaver.com

B. DEVELOPMENT BACKGROUND

3. The following information pertains to the development underlying Petitioner's Application No. 2022-099C/2023-268C/2023-241V (the "Application"):

- Development Name: Oasis at Aventura
- Development Address: NE 25th Ave, NE 25th Ave and NE 187th St
- County: Miami-Dade
- Developers: HTG Oasis Developer, LLC
- Number of Units: 95 new construction
- Type: High-Rise

- Set Asides: 10 units (10%) at or below 25% AMI, and 85 units (90%) at or below 60% AMI; 50% of the ELI units will be set-aside for Persons with Special Needs
- Demographics: Family
- Funding: 9% HC request of \$2,266,000 annually; Viability Loan of \$4,300,000

C. WAIVER IS PERMANENT

4. The waiver being sought is permanent in nature.

D. THE RULE FROM WHICH WAIVER IS REQUESTED

5. Petitioner requests a waiver of Rule 67-48.004(3)(h), effective May 18, 2021,

which provides in pertinent part:

(3) For the SAIL, HOME and Housing Credit Programs, notwithstanding any other provision of these rules, the following items as identified by the Applicant in the Application must be maintained and cannot be changed by the Applicant after the applicable submission, unless provided otherwise below:

(h) Demographic Commitment

Id.

E. STATUTES IMPLEMENTED BY THE RULE.

6. Rule 67-48.004, F.A.C., implements, among other sections of the Florida Housing Finance Corporation Act (the “Act”):

- Section 420.5087, State Apartment Incentive Loan Program;
- Section 420.5089, HOME Investment Partnership Program; HOME Investment Partnership Fund; and
- Section 420.5099, Allocation of the low-income housing tax credit.

7. Per Section 420.5099(1)-(2), Florida Housing acts as the State's housing credit agency and is authorized to establish procedures for allocating and distributing low-income housing tax credits.

F. JUSTIFICATION FOR GRANTING WAIVER OF THE RULE.

8. Petitioner timely submitted its Application on August 26, 2021.

9. In the Application, Petitioner identified "family" as the demographic commitment and intended to provide the following resident programs: (a) Adult Literacy; (b) Employment Assistance Program; and (c) Financial Management Program.

10. Petitioner subsequently experienced substantial increases in construction costs and operating expenses outside of Petitioner's control that required Petitioner to explore additional ways to make the Development financially feasible. Petitioner determined that it must change the demographic commitment from "family" to "elderly" in order to qualify for the Tax Exemption (62+) and to leverage a sufficient amount of permanent debt to be financially feasible.¹ Furthermore, the Development features all 1-bedroom units which caters more to the

¹ Petitioner anticipates it would be liable for real estate taxes amounting to more than \$1,100,000 of lost permanent debt proceeds. If Petitioner qualifies for the exemption, its paid fee would decrease from approximately 61% (excludes real estate taxes) to approximately 38% (includes RE taxes). Both scenarios assume the full \$4,300,000 in viability loan proceeds and 1.15x debt service coverage ratio for the permanent loan. Petitioner's current appraisal estimates the Operating Expense Savings realized with the exemption would amount to \$86,640 for the year 1 stabilized real estate taxes (*i.e.*, the realized year 1 savings to the Development). Excluding real estate taxes would allow Petitioner to underwrite up to approximately \$7,340,000 of permanent debt proceeds (subject to approval from the credit underwriter). Even with the exemption and viability loan proceeds, the Development has almost 40% of the developer fee deferred. Without the waiver, Petitioner would have to reduce its permanent loan by more than \$1,100,000 and offset the funding gap with additional deferral of the developer fee. Petitioner's deferred fee would increase from approximately 40% to approximately 61% without the waiver. Petitioner has already sized its permanent loan with the real estate taxes excluded from the operating expenses. Petitioner also entered into an Early Index Lock Agreement with the permanent lender to remove all permanent debt interest rate risk from the transaction. In doing this, Petitioner can only modify the loan amount by +/- 10%. If Petitioner is required to underwrite real estate taxes,

elderly demographic. If this petition is granted, and the demographic commitment is changed to “elderly,” Petitioner will provide the following resident programs: (a) Daily Activities; (b) Assistance with Light Housekeeping, Grocery Shopping and/or Laundry; and (c) Resident Assurance Check-In Program. Petitioner will also incorporate all of the required construction features in the RFA for the Elderly demographic (*e.g.*, 20% of the newly constructed units will have roll-in showers).

11. Neither Florida Housing, nor any applicant, will be prejudiced if this petition is granted because the development is funded under the Tier 1 Urban District Goal, which is not tied to a specific demographic set aside. If the Application had included the requested Demographic Commitment (*i.e.*, elderly), it would not have changed Petitioner’s scoring, ranking, or funding.

12. Under Section 120.542(1), Fla. Stat., and Chapter 28-104, F.A.C., Florida Housing has the authority to grant waivers to its rule requirements when strict application of the rules would lead to unreasonable, unfair and unintended consequences, in particular instances. Waivers shall be granted when the person who is subject to the rule demonstrates that the application of the rule would: (1) create a substantial hardship or, violate principles of fairness,² and (2) the purpose of the underlying statute has been or will be achieved by other means by the person. § 120.542(2), Fla. Stat.

this would result in more than a 10% reduction of the permanent loan and trigger breakage/unwinding fees with Freddie Mac.

² “Substantial hardship” means a demonstrated economic, technological, legal, or other type of hardship to the person requesting the variance or waiver. For purposes of this section, “principles of fairness” are violated when the literal application of a rule affects a particular person in a manner significantly different from the way it affects other similarly situated persons who are subject to the rule. § 120.542(2), Fla. Stat.

13. If the Rule is imposed, Petitioner will suffer a substantial and unnecessary economic and operational hardship. Specifically, denial of this petition will prevent Petitioner from qualifying for the Tax Exemption and from being able to leverage a sufficient amount of permanent debt. In contrast, granting the petition will promote the financial feasibility of the Development.

14. As discussed above, Petitioner meets the standards for granting the requested waiver.

15. The requested waiver will ensure that 95 affordable housing units will be made available for the target population in Miami-Dade County, Florida. The strict application of the Rule will create a substantial hardship for Petitioner because the change in the demographic commitment is necessary to make the Development financially feasible. Granting the waiver will serve the purposes of the Statute and the Act, because one of the Act's primary purposes is to facilitate the availability of decent, safe and sanitary housing in the State. Denying the waiver would deny Miami-Dade County these much-needed affordable housing units.

G. ACTION REQUESTED

16. For the reasons set forth herein, Petitioner respectfully requests Florida Housing: (i) grant the requested permanent waiver of the Rule such that Petitioner is able to amend the Demographic Commitment from family to elderly; (ii) grant this Petition and all of the relief requested herein; and (iii) grant such further relief as it may deem appropriate.

Respectfully submitted,

STEARNS WEAVER MILLER WEISSLER
ALHADEFF & SITTERSON, P.A.
150 West Flagler Street, 22nd Floor
Miami, Florida 33131
Tel: (305) 789-3350
Fax: (305) 789-3395
E-mail: bmcdonough@stearnsweaver.com

Counsel for Petitioner

By: /s/ Brian J. McDonough
BRIAN J. MCDONOUGH, ESQ.

CERTIFICATE OF SERVICE

This Petition is being served by electronic transmission for filing with the Clerk for the Florida Housing Finance Corporation, CorporationClerk@FloridaHousing.org, with a copy served by U.S. Mail on the Joint Administrative Procedures Committee, 680 Pepper Building, 111 W. Madison Street, Tallahassee, Florida 32399-1400, this 17th day of August, 2023.

By: /s/ Brian J. McDonough
Brian J. McDonough, Esq.

STATE OF FLORIDA
FLORIDA HOUSING FINANCE CORPORATION

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AUG 18 2023 2:38 PM

MIAMI BEACH HOUSING INITIATIVES, INC.,

Petitioner,

FHFC Case # 2023-067VW

vs.

FHFC APPLICATION: 2020-483SA
REQUEST FOR APPLICATIONS: 2020-102

FLORIDA HOUSING FINANCE
CORPORATION,

Respondent.

_____ /

PETITION FOR WAIVER OF RULE 67-48.0072(26) F.A.C. (7/11/19)

Petitioner Miami Beach Housing Initiatives, Inc. (“MBHI”) a Florida non-profit corporation and an instrumentality of the Housing Authority of the City of Miami Beach, hereby petitions Respondent, Florida Housing Finance Corporation (“Florida Housing”), for a waiver of Rule 67-48.0072(26) F.A.C. (July 11, 2019) (the “Rule”) so that it may extend the SAIL/ELI closing deadline of September 8, 2023. MBHI experienced a series of delays beyond its control, as outlined in more detail below. Accordingly, MBHI is requesting an extension of the loan closing deadline to the December 15, 2023 Florida Housing Board meeting to be consistent with the CHIRP closing deadline extension. In support, MBHI states as follows:

A. THE PETITIONER

The name, address, telephone, and email address for MBHI and its qualified representative are:

Miguell Del Campillo, Executive Director
Miami Beach Housing Initiatives, Inc.
200 Alton Road, Miami Beach, FL 33139
Telephone: (305) 532-6401, extension 3020
Email: miguell@hacmb.org

The name, address, telephone, and email address for MBHI's attorney are:

Alexander L. Palenzuela
Law Office of Alexander L. Palenzuela, P.A.
1200 Brickell Avenue, Suite 1950
Miami, FL 33131-3298
Telephone: (305) 333-0467
Email: alp@alp-law.com

B. DEVELOPMENT BACKGROUND

The following information pertains to the development (the "Development") underlying MBHI's application:

- Development Name: The Heron
- Development Address: 1158 Marseille Drive, Miami Beach, FL 33141
- County: Miami-Dade
- Developer: Housing Authority of the City of Miami Beach
- Number of Units: 20
- Type: Mid-Rise, 4 stories
- Set-Asides: Four units at or below 28% AMI, Eight units at or below 30% AMI, and Eight units at or below 60% AMI
- Demographics: Special Needs Elderly
- Funding from Florida Housing: \$3,999,980 SAIL, \$389,200 SAIL-ELI, and \$2,520,000 HOME-ARP CHIRP

C. WAIVER IS PERMANENT

The waiver being sought is permanent.

D. THE RULE FROM WHICH WAIVER IS REQUESTED

MBHI seeks a waiver of Rule 67-48.0072(26), effective July 11, 2019, which provides:

(26) For SAIL and HOME, unless stated otherwise in a competitive solicitation, these Corporation loans and other mortgage loans related to the Development must close by the date of the Board of Directors meeting immediately following 180 Calendar Days of the firm loan commitment(s). Unless an extension is approved by the Board, failure to close the loan(s) by the specified deadline outlined above shall result in the firm loan commitment(s) being deemed void and the funds shall be de-obligated. Applicants may request one (1) extension of the loan closing deadline outlined above for a term of up to 90 Calendar Days. All extension requests must be submitted in writing to the program administrator and contain the specific reasons for requesting an extension and shall detail the time frame to close the loan. The Board shall consider the facts and circumstances of each Applicant's request, inclusive of the Applicant's ability to close within the extension term and any credit underwriting report, prior to determining whether to grant the requested extension. The Corporation shall charge an extension fee of one (1) percent of each Corporation loan amount if the Board approves the request to extend the loan closing deadline beyond the applicable period outlined above. If an approved extension is utilized, Applicants must pay the extension fee not later than seven (7) Calendar Days after the Board approves the request to extend the original loan closing deadline. In the event the Corporation loan(s) does not close by the end of the extension period, the firm loan commitment(s) shall be deemed void and the funds shall be de-obligated.

E. STATUTES IMPLEMENTED BY THE RULE

The Rule implements Section 420.5087 (State Apartment Incentive Loan Program), Section 420.5089 (HOME Investment Partnership Program; HOME Investment Partnership Fund) of the Florida Housing Finance Corporation Act (“the Act”) set forth in Sections 420.50 through 420.55 of the Florida Statutes.

F. JUSTIFICATION FOR GRANTING WAIVER OF THE RULE

1. MBHI timely submitted its Application for the Development on April 1, 2020 in response to RFA 2020-102 SAIL Financing For Smaller Developments For Persons With Special Needs (the “RFA”).
2. On July 8, 2020, Florida Housing issued an invitation to enter credit underwriting to MBHI, which states that the firm loan commitment must be issued within 12 months of the acceptance to enter credit underwriting. The acceptance was acknowledged on July 9, 2020, giving MBHI a firm loan commitment issuance deadline of July 9, 2021.

3. On June 18, 2021, the Florida Housing Board approved the request for a firm loan commitment issuance deadline extension from July 9, 2021, to January 9, 2022. On December 10, 2021, the Board approved the Rule waiver request for an additional firm loan commitment issuance deadline extension from January 9, 2022, to July 9, 2022.
4. On May 9, 2022, Florida Housing issued the 2022 Construction Housing Inflation Response Program (CHIRP) Invitation to Participate (ITP). Florida Housing received a CHIRP ITP Application from MBHI on July 1, 2022, requesting HOME-ARP funds.
5. On June 17, 2022, the Florida Housing Board approved an additional Rule waiver request to extend firm loan commitment issuance deadline from July 9, 2022, to January 9, 2023.
6. On January 27, 2023, the Florida Housing Board approved the final credit underwriting report with a positive recommendation for funding. On January 30, 2023, staff issued a firm commitment to the Applicant giving them a loan closing deadline of May 30, 2023.
7. On June 9, 2023, the Florida Housing Board approved a waiver of the CHIRP ITP to waive the loan closing deadline from June 9, 2023 to September 8, 2023 and a request for a SAIL/ELI loan closing deadline from May 30, 2023 to September 8, 2023, subject to payment of the required non-refundable extension fee of one percent of the SAIL/ELI loan amounts, pursuant to the requirements of the RFA.
8. On August 18, 2023, MBHI submitted a check to Florida Housing in the amount of \$43,891.80 for payment of the required non-refundable extension fee of one percent of the SAIL/ELI loan amounts.

9. Because MBHI exercised the single extension allowed under the Rule, MBHI must request via this Petition a waiver of the Rule to allow an additional extension. The need for this extension was created by forces outside of Petitioner's control.

10. In order to qualify for CHIRP funding, MBHI was required to convert some of the 60% AMI units to 30% AMI units, resulting in a loss of revenue. This required the addition of eight (8) project-based vouchers (PBV) to have sufficient income to support the increased debt, resulting in the need for a Subsidy Layering Review (SLR) to be completed by HUD. MBHI cannot close without HUD approval which is expected to be issued within sixty days. MBHI anticipates that the approval will be granted after the current loan closing deadline of September 8, 2023.

11. The Development sources include substantial funding from the City of Miami Beach and Miami-Dade County. MBHI has requested draft closing documents from the City and County for legal counsel review in preparation for closing, however they have not yet been provided. The lack of all closing documents has caused a considerable delay in preparing for the loan closing.

12. Lastly, MBHI has been working diligently to obtain building permits for the Development. The delay in obtaining permit approvals has slowed MBHI's progress in complying with the terms of the loan closings. MBHI anticipates that the building permit will be issued within the next ninety days.

13. Unfortunately, due to delays related to the foregoing, MBHI does not believe it will be able to satisfy the current loan closing deadline.

14. Thus, MBHI is in need of a Rule waiver to obtain a second extension of the loan closing deadline.

15. As set forth above, this request was not necessitated through any fault of MBHI. Rather, MBHI exercised due diligence in attempting to move towards construction.

16. If the Petition is denied, the preliminary commitment will be withdrawn per Rule 67-48.0072(26), F.A.C. Because the Development cannot move forward without the Florida Housing funding, the denial would cause Miami-Dade County to lose these twenty permanent supportive housing units.

17. This Petition should be granted, as opposed to de-obligating the award, because Miami-Dade County is currently experiencing a shortage of affordable housing units. Granting the Petition will result in the delivery of twenty affordable housing units much faster than would reallocating the funding to a new development.

18. Under Section 120.542(1), Florida Statutes and Chapter 28-104 F.A.C., Florida Housing has the authority to grant waivers to its rule requirements when strict application of the rules would lead to unreasonable, unfair, and unintended consequences, in particular instances. Waivers shall be granted when the person who is subject to the rule demonstrates that the application of the rule would: (1) create a substantial hardship or, violate principals of fairness, and (2) the purpose of the underlying statute has been or will be achieved by other means by the person. *See* § 120.542(2), Florida Statutes.

19. In this instance, MBHI meets the standards for a waiver of the Rule. The requested waiver will not adversely impact the Development or Florida Housing and will ensure that twenty permanent supportive housing units for elderly persons with special needs will be made available in Miami-Dade County. The strict application of the Rule would cause the funding commitment to be withdrawn. Further, the waiver will serve the purposes of the Act, because one of the Act's primary purposes is to facilitate the availability of decent,

safe, and sanitary housing in the State. By granting this waiver, and further ensuring the development of twenty affordable housing unit in Miami-Dade County, Florida Housing would recognize the goal of increasing the supply of affordable housing though private investment in persons of low-income, and recognizing the economic realities and principles of fundamental fairness in developing affordable housing. *See* § 420.5099(2), Fla. Stat.

20. The foregoing demonstrates the hardship and other circumstances justifying this Petition.

21. Should Florida Housing require additional information, a representative of MBHI is available to answer questions and to provide all information necessary for consideration of this Petition.

G. ACTION REQUESTED

For the reasons set forth herein, MBHI respectfully requests Florida Housing: (i) grant the requested waiver to extend the loan closing deadline to the December 15, 2023 Florida Housing Board meeting to be consistent with the CHIRP closing deadline extension; (ii) grant this Petition and all of the relief requested herein; and (iii) grant such further relief as it may deem appropriate.

Respectfully submitted,

/s/ Alexander L. Palenzuela

ALEXANDER L. PALENZUELA

Law Office of Alexander L. Palenzuela, P.A.

Florida Bar No. 946095

1200 Brickell Avenue, Suite 1950

Miami, FL 33131-3298

Telephone: (305) 333-0467

Email: alp@alp-law.com

Attorney for Miami Beach Housing Initiatives, Inc.

CERTIFICATE OF SERVICE

I hereby certify that the foregoing Petition for Waiver has been furnished to the Corporation Clerk whose address is Clerk, Housing Finance Corporation, 227 N. Bronough Street, Suite 5000, Tallahassee, FL 32301-1329, email: CorporationClerk@floridahousing.org; and to the Joint Administrative Procedures Committee, 680 Pepper Building, 111 W. Madison Street, Tallahassee, FL 32399; email address: japc@leg.state.fl.us; via electronic email on this 18th day of August, 2023.

/s/ Alexander L. Palenzuela
Alexander L. Palenzuela

STATE OF FLORIDA
FLORIDA HOUSING FINANCE CORPORATION

CASE NO. 2023-068VW

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COLLEGE PRESERVATION, LP

Petitioner,

FLORIDA HOUSING
FINANCE CORPORATION

vs.

FHFC Application No. 2022-195BS/2021-522C
REQUEST FOR APPLICATIONS: 2021-205

FLORIDA HOUSING FINANCE
CORPORATION,

Respondent.

PETITION FOR WAIVER OF RULE 67-48.0072(21)(b),
FLORIDA ADMINISTRATIVE CODE

Pursuant to section 120.542, Florida Statutes, ("F.S.") and rule 28-104.002, Florida Administrative Code, ("F.A.C.") Petitioner, College Preservation, LP ("College") submits this Petition to Respondent, Florida Housing Finance Corporation ("Florida Housing") for a waiver of rule 67-48.0072(21)(b) F.A.C. (5/18/2021), which was in effect at the time the Petitioner submitted its Application in response to Florida Housing's Request for Applications 2021-205, SAIL Financing of Affordable Multifamily Housing Developments to be used in conjunction with Tax-Exempt Bond Financing and Non-Competitive Housing Credits (the "RFA"). College seeks an additional extension allowed under the rule for the issuance of a firm loan commitment. In support of this Petition, College states:

A. PETITIONER AND ATTORNEY

1. The name, address, telephone number, and email address for Petitioner is: College Preservation, LP, 1022 W. 23rd Street, Suite 300, Panama City, FL 32405, 850-769-8981,

jim.boyd@royalamerican.com. For purposes of this proceeding, the contact information for Petitioner shall be that of the undersigned counsel.

2. The name, address, telephone number, and email address for Petitioner's attorney is: James A. Boyd, Jr., General Counsel, Royal American Development, Inc., 1022 W. 23rd Street, Suite 300, Panama City, FL 32405; 850-769-8981; jim.boyd@royalamerican.com.

B. BACKGROUND

3. Florida Housing issued the RFA on August 17, 2021. On December 10, 2021, the Florida Housing Board of Directors ("Board") approved recommendations to fund certain Applicants. On March 1, 2022, staff issued an invitation to enter credit underwriting to College.

4. The following current background information regarding College is provided to facilitate staff's preparation of memorandum to the Florida Housing Board of Directors ("Board"):

- Development Name: College Arms Apartments, located at 2305 Husson Ave., Palatka, Florida
- Developer, including at least one natural person Principal: Royal American Properties, LLC., Jeannette B. Chapman
- County of Development: Putnam
- Number of Units: 108
- Type: Acquisition/Rehabilitation - Garden Apartments
- Set Asides: 10% at 40% AMI; 90% at 60% AMI
- Demographics: Family
- Funding Amounts: SAIL - \$4,999,860; ELI - \$522,100; Annual 4% Housing Credits - \$834,462; and MMRB - \$10,000,000

5. The College development consist of the acquisition and rehabilitation of two contiguous apartment complexes – College Arms Phase I (completed in 1973) and College Arms Phase II (completed in 1982). 100% of the units in College are covered by project based rental assistance (PBRA), specifically three separate HUD HAP contracts. In addition, College Arms Phase II has an outstanding RD515 loan that will be satisfied at closing. College represents the preservation of 108 PBRA units in the small, rural Florida county of Putnam – a small rural county in desperate need of PBRA units.

6. In accordance with rule 67-48.0072(21)(b), F.A.C. and the preliminary commitment letter to College, the firm loan commitment was to be issued within twelve months of the acceptance to enter credit underwriting. The acceptance of the Invitation to Enter Credit Underwriting was acknowledged on March 7, 2022, which gave College a firm loan commitment issuance deadline of March 7, 2023.

7. Rule 67-48.0072(21)(b), F.A.C. allows Applicants to ask for one extension of up to six months to secure a firm loan commitment. On February 13, 2023, Florida Housing received an extension request from College to extend the firm loan commitment issuance deadline to September 7, 2023. The letter cited delays related to HUD's processing of the three HAP contract assignment and assumptions due to HUD's Covid remote work policy and its associated slowdown in HUD's processing of requests. Based on the staff recommendation the Board approved the request at its Board meeting on March 10, 2023. Consistent with the extension approval, College paid a non-refundable extension fee of one percent of the loan amount as required by rule 67-48.0072(21)(b), F.A.C.

8. At this time College is in need of an additional 6 months extension of the time to obtain a firm loan commitment, up to and including March 7, 2024, for the reasons discussed below. Because Rule 67-48.0072(21)(b), F.A.C. allows only one six-month extension to secure a firm loan commitment, which has already been approved, an additional rule waiver is now required and is requested through this Petition.

9. The requested waiver is permanent in nature.

C. RULE FROM WHICH WAIVER IS SOUGHT

10. Rule 67-48.0072(21)(b), F.A.C. (5/18/2021) provides:

(b) For SAIL, EHCL, and HOME, unless stated otherwise in a competitive solicitation, the firm loan commitment must issued within twelve (12) months of the Applicant's acceptance to enter credit underwriting. Unless an extension is approved by the Corporation in writing, failure to achieve issuance of a firm loan commitment by the specified deadline shall result in withdrawal of the preliminary commitment. Applicants may request one (1) extension of up to six (6) months to secure a firm

loan commitment. All extension requests must be submitted in writing to the program administrator and contain the specific reasons for requesting the extension and shall detail the time frame to achieve a firm loan commitment. In determining whether to grant an extension, the Corporation shall consider the facts and circumstances of the Applicant's request, inclusive of the responsiveness of the Development team and its ability to deliver the Development timely. The Corporation shall charge a non-refundable extension fee of one (1) percent of each loan amount if the request to extend the credit underwriting and firm loan commitment process beyond the initial twelve (12) month deadline is approved. If an approved extension is utilized, Applicants must pay the extension fee not later than seven (7) Calendar Days after the original twelve (12) month deadline. If, by the end of the extension period, the Applicant has not received a firm loan commitment, then the preliminary commitment shall be withdrawn.

D. STATUTES IMPLEMENTED BY THE RULE

11. Rule 67-48.0072(21)(b), F.A.C. implements section 420.5087, F.S. (State Apartment Incentive Loan Program), section 420.5089, F.S. (HOME Investment Partnership Program and HOME Investment Partnership Fund), and section 420.5099, F.S. (allocation of the low-income housing tax credit program). All of these programs are part of the Florida Housing Finance Corporation Act, found at sections 420.501-420.517, F.S. One of the purposes of the Act is "to create new programs to stimulate the construction and substantial rehabilitation of rental housing for eligible persons and families." 420.502(8), F.S.

E. JUSTIFICATION FOR REQUESTED WAIVER

12. Section 120.542(1), F.S. provides that "[s]trict application of uniformly applicable rule requirements can lead to unreasonable, unfair, and unintended results in particular instances. The Legislature finds that it is appropriate in such cases to adopt a procedure for agencies to provide relief to persons subject to regulation." That procedure requires those seeking a variance of, or waiver from, a particular rule to demonstrate that application of the rule would create a substantial hardship or would

violate principles of fairness. *Id.*, 120.542(2), F.S. Petitions for variances and waivers also are required to demonstrate the purposes of the underlying statute will be achieved. *Id.*

13. The development team has diligently pursued the development process towards College's closing – plans are finalized; permits are ready to be picked up; initial due diligence has begun with lender and syndicator; and the request for the payoff of the RD515 loan and the request for three new 20 year Mark-up-to-Market HAP contracts are in process. Unfortunately, due to the time required for addressing the RD and HUD components of the development, College's current third-party reports required for the Credit Underwriting Report ("CUR") have gone stale. Due to the current timeline for updating the third-party reports, College's CUR will not be ready in time to meet College's current Firm Commitment deadline of September 7, 2023. However, College's CUR is on track to be approved this year and College will be ready to close immediately thereafter.

14. The issues described above have created a "substantial hardship" for College that justifies a waiver of Rule 67-48.0072(21)(b), F.A.C. College believes an additional extension of 6 months would allow College sufficient time to secure the firm loan commitment.

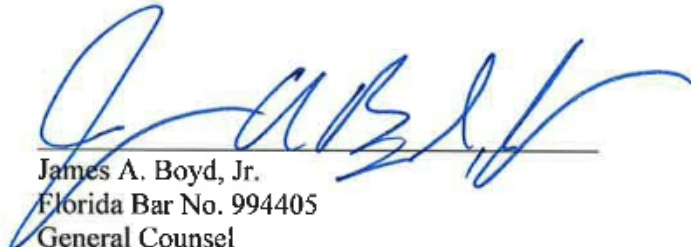
15. The requested waiver will not adversely affect any party, including any other party that applied to receive SAIL funding in the RFA or Florida Housing. A denial of the requested waiver, however, would result in substantial economic hardship to College, as it has incurred significant costs to date in an effort to ensure that the proposed development proceeds to completion. Additionally, denial of the waiver would deprive Putnam County of much-needed substantial rehabilitation of Section 8 units. If this Petition is not granted, College will be unable to obtain SAIL funding, which would cause the proposed development to not be viable.

16. The statutes underlying rule 67-48.0072(21)(b), F.S. will be served by the approval of College's waiver request. One of the statutory goals of the Florida Housing Finance Corporation Act is for proceeds of a SAIL loan to be used to facilitate the availability of decent, safe, and sanitary housing in Florida to low-income persons and households. § 420.502(4), F.S. This Act was passed to create inducements and opportunities for private and public investment in rental housing to preserve the supply of affordable housing for low-income persons and households. By granting this waiver request, Florida Housing would further the goal of preserving the supply of affordable housing units.

F. ACTION REQUESTED

17. For the reasons expressed, College respectfully requests that the Florida Housing Board grant the requested waiver of rule 67-48.0072(21)(b), F.A.C. as College has demonstrated a "substantial hardship." College is specifically requesting an additional 6 months - up to and including March 7, 2024, to secure the firm loan commitment.

Respectfully submitted on August 21, 2023



James A. Boyd, Jr.
Florida Bar No. 994405
General Counsel
ROYAL AMERICAN DEVELOPMENT, INC.
1022 W. 23rd Street, 3rd Floor
Panama City, FL 32405
Tel: (850)769-8981
Email: jim.boyd@royalamerican.com

Counsel for Petitioner

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that the Petition for Waiver is being served by electronic transmission for filing with Ana McGlamory, Agency Clerk (CorporationClerk@Floridahousing.org) and Betty Zachem, Interim General Counsel (Betty.Zachem@floridahousing.org) for the Florida Housing Finance Corporation, at 227 N. Bronough Street, Suite 5000, Tallahassee, FL 32301-1329, and that a copy served via electronic transmission on the Joint Administrative Procedures Committee, at (JAPC@leg.state.fl.us), at 680 Pepper Building, 111 W. Madison Street, Tallahassee, FL 32399, this 21st day of August 2023.

/s/ James A. Boyd, Jr.
James A. Boyd, Jr.

SELTZER MANAGEMENT GROUP, INC.

17633 ASHLEY DRIVE
PANAMA CITY BEACH, FL 32413
TEL: (850) 233-3616
FAX: (850) 233-1429

August 24, 2023

Mr. Tim Kennedy
Multifamily Loans and Bonds Director
Florida Housing Finance Corporation
227 North Bronough Street, Suite 5000
Tallahassee, Florida 32301

Re: Whispering Oaks – MMRN, SAIL & ELI RFA 2021-205 (2022-144BS) / 4% HC (2021-518C) / Construction Inflation Response Viability Funding RFA 2023-211 (2023-255V)

Credit Underwriting Report Update Letter (“CUR Update Letter”) – Changes to the Final Credit Underwriting Report, dated March 1, 2023 (“Final CUR”) to include the Viability Loan and an Increase to the First Mortgage Construction Multifamily Mortgage Revenue Note (“MMRN”)

Dear Mr. Kennedy:

Seltzer Management Group, Inc. (“SMG” or “Seltzer”) reviewed a notice of preliminary award, dated June 14, 2023, from Florida Housing Finance Corporation (“FHFC” or “Florida Housing”), with a preliminary Viability Loan in the amount of \$6,500,000. Subsequently we received a MMRN Increase Letter from SP East LLC (“Applicant” or “Borrower”) dated July 11, 2023 to increase the first mortgage construction MMRN from \$28,000,000 to \$30,000,000.

On behalf of Florida Housing, Seltzer has performed certain due diligence and formulated a recommendation and closing conditions which are contained at the end of the CUR Update Letter. For the purposes of this analysis, Seltzer has reviewed the following:

- Final CUR
- RFA 2023-211 Application for Viability Funding
- Letter from Applicant to FHFC requesting an increase to the first mortgage construction MMRN
- Correspondence from the Borrower and Florida Housing
- Fifth Third Commercial Funding, Inc. (“Fifth Third”) Letter of Intent (“LOI”) dated July 13, 2023
- Raymond James Affordable Housing Investments, Inc. (“RJAHI”) LOI dated July 12, 2023
- Updated Sources and Uses of Funds / Pro Forma provided by the Borrower
- An updated Appraisal dated June 13, 2023, completed by Colliers International Valuation & Advisory Services (“Colliers”)
- GLE Associates, Inc. (“GLE”) Revised Plan and Cost Review dated February 6, 2023 and revised August 11, 2023

PERMANENT FINANCING INFORMATION						
	1st Source	2nd Source	3rd Source	4th Source	5th Source	Other
Lender/Grantor	FHFC MMRN / CapOne / Freddie Mac	FHFC Viability	FHFC SAIL	FHFC SAIL ELI	Orange County AHTF	Orange County Loan
Amount	\$17,338,968	\$6,500,000	\$3,960,000	\$600,000	\$1,860,000	\$75,000
Underwritten Interest Rate	6.03%	1.00%	1.00%	0.00%	0.50%	0.00%
Loan Term	15.0	15.5	15.5	15.5	20.0	15.5
Amortization	40.0	N/A	N/A	N/A	30.0	N/A
Market Rate/Market Financing LTV	29.8%	41.0%	47.8%	48.8%	52.0%	52%
Restricted Market Financing LTV	60.6%	83.4%	97.2%	99.3%	105.8%	106%
Loan to Cost - Cumulative	29.0%	39.9%	46.5%	47.5%	50.6%	50.7%
Loan to Cost - SAIL Only			6.6%			
Debt Service Coverage	1.190	1.119	1.077	1.074	1.022	1.022
Operating Deficit & Debt Service Reserves	\$572,116.00					
# of Months covered by the Reserves	5.6					

Deferred Developer Fee	\$5,447,798
As-Is Land Value	\$4,200,000
Market Rent/Market Financing Stabilized Value	\$58,200,000
Rent Restricted Market Financing Stabilized Value	\$28,600,000
Projected Net Operating Income (NOI) - Year 1	\$1,432,456
Projected Net Operating Income (NOI) - 15 Year	\$1,701,647
Year 15 Pro Forma Income Escalation Rate	2.00%
Year 15 Pro Forma Expense Escalation Rate	3.00%
Note Structure	Private Placement
Housing Credit (HC) Syndication Price	\$0.89
HC Annual Allocation - Qualified in CUR	\$2,415,628
HC Annual Allocation - Equity Letter of Interest	\$2,699,730

Construction Sources

Source	Lender	Applicant	Revised Applicant	Underwriter	Interest Rate	Construction Debt Service
First Mortgage	FHFC MMRN / Fifth Third	\$28,000,000	\$30,000,000	\$30,000,000	8.96%	\$3,897,600
Second Mortgage	FHFC Viability	\$0	\$6,500,000	\$5,500,000	1.00%	\$94,250
Third Mortgage	FHFC SAIL	\$3,960,000	\$3,960,000	\$0	1.00%	\$57,420
Fourth Mortgage	FHFC SAIL ELI	\$600,000	\$600,000	\$600,000	0.00%	\$0
Fifth Mortgage	Orange County AHTF	\$1,860,000	\$1,860,000	\$1,860,000	0.50%	\$13,485
Sixth Mortgage/Bridge	Orange County Loan	\$75,000	\$75,000	\$75,000	0.00%	\$0
HC Equity	RJAH	\$16,896,791	\$19,064,933	\$16,852,906		
Deferred Developer Fee	Developer	\$1,436,776	(\$4,669,172)	\$4,921,457		
Total		\$52,828,567	\$57,390,761	\$59,809,363		\$4,062,755

Please note that throughout this report, the Applicant column is based on Seltzer’s conclusions in the Final CUR. The Revised Applicant column is based on the updated Source and Use and Budget provided by the Applicant, and the Underwriter column reflects Seltzer’s analysis.

First Mortgage

Applicant initially applied for \$23,000,000 in Tax-Exempt Notes to be issued by Florida Housing for the acquisition and construction of Whispering Oaks. On January 10, 2023, Florida Housing approved the Applicant’s request to increase the MMRN to \$27,000,000. On July 25, 2023, Florida Housing approved the Applicant’s request to increase the MMRN to \$30,000,000.

Per a July 13, 2023 LOI, Fifth Third will provide a construction loan to FHFC in an amount up to \$30,000,000. The construction period will be interest only payments for up to 30 months, with a 6-month extension option upon payment of a fee of 25 basis points (0.25%). The construction period is currently estimated to be 26 months from the date of closing. The interest rate will be based upon the Term Secured Overnight Financing Rate (“SOFR”) plus a spread of 2.65%, subject to a Term SOFR floor of 0.75%. As of August 13, 2023, the Term SOFR was 5.31%. For any future increases in the Term SOFR, Seltzer has included an underwriting cushion of 100 basis points, resulting in an all in interest rate of 8.96%. An origination fee of 0.75% of the total MMRN amount will be payable at loan closing.

Other Construction Sources of Funds:

Additional sources of funds for this Development during construction consists of Viability in the amount of \$5,500,000, SAIL in the amount of \$0, SAIL ELI in the amount of \$600,000, a loan from Orange County in the amount of \$1,860,000, a deferred payment loan from Orange County in the amount of \$75,000, Housing Credit equity of \$16,852,906, and deferred Developer Fees in the amount of \$4,921,457. See the Permanent Financing section below for details.

Permanent Sources

Source	Lender	Applicant	Revised Applicant	Underwriter	Interest Rate	Amort. Yrs.	Term Yrs.	Annual Debt
First Mortgage	FHFC MMRN / CapOne / Freddie Mac	\$18,893,000	\$16,859,700	\$17,338,968	6.03%	40	15	\$1,149,171
Second Mortgage	FHFC Viability	\$0	\$6,500,000	\$6,500,000	1.00%	N/A	15.5	\$65,000
Third Mortgage	FHFC SAIL	\$3,960,000	\$3,960,000	\$3,960,000	1.00%	N/A	15.5	\$39,600
Fourth Mortgage	FHFC SAIL ELI	\$600,000	\$600,000	\$600,000	0.00%	N/A	15.5	\$0
Fifth Mortgage	Orange County AHTF	\$1,860,000	\$1,860,000	\$1,860,000	0.50%	30	20	\$66,779
Sixth Mortgage	Orange County Loan	\$75,000	\$75,000	\$75,000	0.00%	N/A	15.5	\$0
HC Equity	RJAH	\$22,008,718	\$24,027,597	\$24,027,597				
Def. Developer Fee	Developer	\$5,431,849	\$3,508,464	\$5,447,798				
Total		\$52,828,567	\$57,390,761	\$59,809,363				\$1,320,550

Tax Exempt Permanent Loan:

Per a December 21, 2022 Loan Application, Capital One, N.A. (“CapOne”), or its affiliates, will provide permanent financing for Whispering Oaks in an amount up to \$18,893,000. Upon satisfaction of the conditions for conversion, as determined by CapOne, CapOne will purchase the MMRN tax-exempt loan from Fifth Third, at which time the loan will be reduced to a maximum amount of \$17,338,968.

Per an email dated July 17, 2023, CapOne confirmed the interest rate was locked on March 16, 2023 and subsequently extended until September 12th at a rate of 4.17%, with a spread of 247 basis points (2.47%) for an all-in rate of 6.03%. The term of the loan is 15 years with a 40-year amortization.

The Note will mature 15 years following the termination of the construction phase and conversion to the permanent phase. At maturity, the Applicant may satisfy the loan via refinancing or sale of the Development pending market feasibility. In the event the Applicant is unable to refinance or sell the Development, then an event of default would not be triggered under the loan documents. Instead, a “Mortgage Assignment Event” would occur whereby Freddie Mac agrees to cancel the Note in exchange for an assignment, by the Fiscal Agent, of the mortgage and all other related documents and accounts. The Fiscal Agent would cancel the Note and discharge the lien of the Funding Loan Agreement. Then the Fiscal Agent would assign the mortgage loan and any other related documents and collateral to Freddie Mac, effectively ending the tax-exempt financing provided by FHFC. Under this scenario, the Note will have been redeemed/cancelled not by payment of cash but by the assignment of the mortgage loan documents; therefore, there is no default. As the new direct mortgagee, Freddie Mac would then be in a position to work with the Applicant to arrive at a resolution without involvement of either FHFC or the Fiscal Agent (as the Note would have been cancelled and would no longer be outstanding).

Annual payments of all applicable fees will be required and are included in the debt service coverage ratio. Fees include Permanent Loan Servicing Fee to be paid annually based on 2.3 basis points (0.023%) of the outstanding MMRN amount or a minimum of \$236 per month; Annual Compliance Monitoring Fee based on a monthly base fee of \$183 and an additional fee per set-aside unit of \$11.24, subject to a minimum of \$286 per month; and an annual Fiscal Agent Fee of \$4,500 and an annual Fiscal Agent Fee based on 24 basis points (0.24%) on the outstanding MMRN balance.

Viability

Borrower applied to FHFC under RFA 2023-211 for Viability funds in the amount of \$6,500,000. The Viability loan shall be non-amortizing and shall have an interest rate of 1.00%. The Viability loan will have a total term of 18.5 years, of which 36 months is for the construction / stabilization period with 15.5 years for the permanent period. As required by Freddie Mac, the first mortgage lender and permitted by the RFA, the Viability Loan term will be coterminous with the first mortgage plus six months which is included in the Viability total term of 18.5 years. Closing of the Viability loan funding will be simultaneous with the closing of other Corporation funding. Annual payments of all applicable fees will be required. Any unpaid interest will be deferred until cash flow is available. However, at maturity of the Viability Loan, all principal and unpaid interest will be due. The Annual Permanent Loan Servicing Fee is based on 25 bps of the outstanding loan amount with a maximum of \$936 per month, subject to a minimum of \$236 per month. Refer to Exhibit 2 for the Viability Sizing Calculator. Payments made on the loan, if any, will be made from 75% of available cash flow.

SAIL

Borrower applied to FHFC under RFA 2021-205 for SAIL funds in the amount of \$3,960,000. SAIL will have a total term of 18.5 years, of which 36 months is for the construction / stabilization period with 15.5 years for the permanent period. As required by Freddie Mac, the first mortgage lender, and permitted by Rule Chapter 67-48, the SAIL Loan term will be coterminous with the first mortgage plus six months which is included in the SAIL total term of 18.5 years. The SAIL will be non-amortizing and will bear 1.00% simple interest per annum. Any unpaid interest will be deferred until cash flow is available. At the maturity of the SAIL, however, all principal and unpaid interest is due. The Applicant shall not be obligated to pay more than 75% of surplus cash flow on an annual basis as required by Freddie Mac. Annual payments of all applicable fees will be required. The Annual Permanent Loan Servicing Fee is based on 25 bps of the outstanding loan amount with a maximum of \$936 per month, subject to a minimum of \$236 per month. The Compliance Monitoring Fee is based on an annual multiple program fee of \$1,023. Payments made on the loan, if any, will be made from 75% of available cash flow.

ELI Loan

Applicants who submitted an Application for RFA 2021-205 are also eligible for ELI Loan funding for the required ELI set-aside units not to exceed the lesser of (a) \$600,000; or (b) the maximum amount based on the ELI set-aside per unit limits; for 10% of the total units. The ELI Loan is in the form of a forgivable loan in an amount of \$600,000.

The ELI AMI for Orange County is 30%. The Borrower committed to set aside 15% of the units (29 units) at or below 30% AMI for ELI as required by the Average Income Test. The ELI Loan is non-amortizing at 0.00% simple interest per annum. The principal is forgivable at maturity provided the units for which the ELI Loan amount is awarded are targeted to ELI Households for the first 15 years of the 50-year Compliance Period. The Persons with Special Needs set-aside requirement must be maintained throughout the entire 50-year Compliance Period. The ELI Loan will have a total term of 18.5 years, of which 36 months is for the construction/stabilization period with 15.5 years for the permanent period. As required by Freddie Mac, the first mortgage lender and permitted by the RFA, the ELI Loan term will be coterminous with the first mortgage plus six months which is included in the ELI total term of 18.5 years. The Applicant shall not be obligated to pay more than 75% of surplus cash flow on an annual basis as required by Freddie Mac. Annual payments of all applicable fees will be required. The Annual Permanent Loan Servicing Fee is based on 25 bps of the outstanding loan amount with a maximum of \$936 per month, subject to a minimum of \$236 per month. The annual ELI Compliance Monitoring Multiple Program Fee is \$1,023. Payments made on the loan, if any, will be made from 75% of available cash flow.

Orange County AHTF Loan:

Orange County will provide a loan to Whispering Oaks for \$1,860,000. The loan will have a 0.50% interest rate with a 20-year term based on a 30-year amortization. Monthly payments of principal and interest, plus a 0.50% service fee will be required. A balloon payment will be due at the end of the 20-year term. The loan includes the property having a 20-year affordability period with 48 units at 50% AMI and 144 units at 60% AMI, using the Average Income Test is acceptable per Orange County. Payments made on the loan, if any, will be made from 75% of available cash flow.

Orange County Loan:

Orange County issued a loan funding to the Applicant in the amount of \$75,000. The loan will have a 0% interest rate with a 15.5-year term. Payments will not be required as long as the development is not in default of the agreement with the loan being fully forgivable at the end of the affordability period. The loan will be for one unit of affordable rental housing designated for families at or below 60% of area median income for 15.5 years. Payments made on the loan, if any, will be made from 75% of available cash flow.

Housing Credit Equity Investment

The Applicant will apply to FHFC to receive “in kind” 4% HC directly from the United States Treasury in conjunction with the tax-exempt financing.

Based upon the most recent executed LOI dated July 12, 2023, RJAHI or an affiliate will purchase a 99.99% interest in the Applicant and provide HC equity as follows:

Capital Contributions	Amount	Percent of Total	When Due
1st Installment	\$3,604,140	15.00%	Closing
2nd Installment	\$1,201,380	5.00%	25% Completion and 04/01/24
3rd Installment	\$2,402,760	10.00%	50% Completion and 10/01/24
4th Installment	\$2,402,760	10.00%	75% Completion and 01/01/25
5th Installment	\$7,241,866	30.14%	99% Completion and 07/01/25
6th Installment	\$4,291,381	17.86%	Construction Completion and 07/01/25
7th Installment	\$2,883,310	12.00%	Stabilized Operations and 04/01/26
Total	\$24,027,597	100.00%	

Annual Tax Credits per Syndication Agreement:	\$2,699,730
Total HC Available to Syndicator (10 Years):	\$26,994,600
Syndication Percentage (limited partner interest):	99.990%
Calculated HC Exchange Rate (per dollar):	\$0.890
Proceeds Available During Construction:	\$16,852,906

At least 15% of the total HC Equity will be disbursed at closing, as required by FHFC.

Other Sources of Funds

In order to balance the sources and uses of funds after all loan proceeds, net operating income, and equity installments, the Developer will have to defer \$4,921,457 (58.8%) of Developer Fees during the construction period, and \$5,447,798 (65.11%) of Developer Fees during the permanent period.

Use of Funds:

The costs in the “Applicant Costs” represent the final costs as reflected in the approved CUR. Material changes to costs from the final CUR are noted in their respective sections below.

CONSTRUCTION COSTS:	Applicant Costs	Revised Applicant Costs	Underwriters Total Costs - CUR	Cost Per Unit	HC Ineligible Costs - CUR
Accessory Buildings				\$0	
Demolition				\$0	\$0
Installation of Pre Fab Units				\$0	
New Rental Units	\$22,986,472	\$32,079,746	\$25,404,050	\$132,313	
Off-Site Work				\$0	\$0
Recreational Amenities				\$0	
Rehab of Existing Common Areas				\$0	
Rehab of Existing Rental Units				\$0	
Site Work	\$7,590,090		\$6,675,696	\$34,769	\$1,001,354
Swimming Pool				\$0	
Furniture, Fixture, & Equipment				\$0	
Hard Cost Contingency - in Constr. Cont.				\$0	
Constr. Contr. Costs subject to GC Fee	\$30,576,562.00	\$32,079,746	\$32,079,746	\$167,082	\$1,001,354
General Conditions	\$1,834,593.72	\$4,491,164	\$1,924,785	\$10,025	
Overhead	\$611,531.24		\$641,594	\$3,342	
Profit	\$1,834,593.72		\$1,924,785	\$10,025	
Builder’s Risk Insurance				\$0	
General Liability Insurance				\$0	
Payment and Performance Bonds				\$0	
Contract Costs not subject to GC Fee				\$0	
Total Construction Contract/Costs	\$34,857,280.68	\$36,570,910	\$36,570,910	\$190,473	\$1,001,354
Hard Cost Contingency	\$1,528,828.00	\$3,291,381	\$3,291,381	\$17,143	
PnP Bond paid outside Constr. Contr.	\$363,861.00	\$398,623	\$398,623	\$2,076	
Fees for LOC used as Constr. Surety				\$0	
Demolition paid outside Constr. Contr.				\$0	
FF&E paid outside Constr. Contr.			\$0	\$0	
Other:				\$0	
Total Construction Costs:	\$36,749,970	\$40,260,914	\$40,260,914	\$209,692	\$1,001,354

Notes to the Construction Costs:

- The Applicant has provided an updated, executed AIA Document A102-2017 Standard Form of Agreement between Owner and Contractor where the basis of payment is the Cost of the Work plus a Fee with a Guaranteed Maximum Price dated May 17, 2023 in the amount of \$36,570,910. The contract provides for a date of commencement of August 28, 2023. The Agreement calls for achievement of substantial completion to occur not later than April 30, 2025. Ten (10%) percent retainage will be withheld on all work performed up to 50% completion and no retainage thereafter.

Final payment will be made when the General Contractor has fully performed the contract, the General Contractor has submitted a final accounting for the Cost of the Work and a final application for payment and the final certificate for payment has been issued by the Architect. The Owner’s final payment to the General Contractor shall be made no later than 30 days after the Architect’s final Certificate for Payment.
- General Contractor fees as stated are within the 14% maximum per RFA 2021-205 and Rules 67-21 and 67-48 (“Rules”). General liability insurance and payment and performance bond costs reflected in the schedule of values are excluded from construction hard costs in the General Contractor fee calculation.

3. The hard cost contingency is over the 5.00% allowed by RFA 2021-205 and Rules and is not included within the GC Contract or schedule of values. GLE confirmed in the PCA that a 9.0% hard cost contingency is acceptable for a development this size, however, the percentage is in excess of the Rule and RFA requirements. Per the RFA and Rules, the maximum hard cost contingency is 5%. At the April 1, 2022, FHFC Telephonic Board meeting, the Board delegated staff to approve contingency reserve increases upon recommendations by the credit underwriter. Seltzer recommends that FHFC approve the contingency of 9.00%. FHFC staff approval of the increase in the hard cost contingency is a condition to close.

GENERAL DEVELOPMENT COSTS:	Applicant Costs	Revised Applicant Costs	Underwriters Total Costs - CUR	Cost Per Unit	HC Ineligible Costs - CUR
Accounting Fees	\$30,000	\$40,000	\$40,000	\$208	\$20,000
Appraisal	\$8,000	\$10,000	\$10,000	\$52	
Architect's and Planning Fees				\$0	
Architect's Fee - Green Initiative				\$0	
Architect's Fee - Landscape	\$20,000	\$23,262	\$23,262	\$121	
Architect's Fee - Site/Building Design	\$225,000	\$225,000	\$225,000	\$1,172	
Architect's Fee - Supervision	\$55,000	\$55,000	\$55,000	\$286	
Building Permits	\$164,872	\$164,872	\$164,872	\$859	
Builder's Risk Insurance				\$0	
Capital Needs Assessment/Rehab				\$0	
Engineering Fees	\$96,020	\$108,430	\$108,430	\$565	
Environmental Report	\$2,800	\$78,462	\$78,462	\$409	
Federal Labor Standards Monitoring				\$0	
FHFC Administrative Fees	\$217,407	\$248,220	\$249,230	\$1,298	\$249,230
FHFC Application Fee	\$3,000	\$3,000	\$3,500	\$18	\$3,500
FHFC Credit Underwriting Fee	\$26,001	\$25,196	\$31,147	\$162	\$31,147
FHFC Compliance Fee		\$100,000		\$0	\$0
FHFC Other Processing Fee(s)	\$39,600	\$39,600	\$39,600	\$206	\$39,600
Impact Fee	\$0	\$315,264	\$315,264	\$1,642	
Lender Inspection Fees / Const Admin	\$66,000	\$110,000	\$110,000	\$573	
Green Building Cert. (LEED, FGBC, NGBS)	\$46,020	\$5,700	\$46,020	\$240	
Home Energy Rating System (HERS)				\$0	
Insurance	\$250,000	\$300,000	\$300,000	\$1,563	
Legal Fees - Organizational Costs	\$125,000	\$125,000	\$125,000	\$651	\$62,500
Local Subsidy Underwriting Fee				\$0	
Market Study	\$5,000	\$5,000	\$5,000	\$26	\$5,000
Marketing and Advertising	\$75,000	\$75,000	\$75,000	\$391	\$75,000
Plan and Cost Review Analysis	\$6,850	\$7,150	\$7,150	\$37	
Property Taxes	\$145,000	\$145,000	\$145,000	\$755	
Soil Test	\$18,865	\$23,365	\$23,365	\$122	
Survey	\$50,000	\$82,205	\$82,205	\$428	\$20,551
Tenant Relocation Costs				\$0	
Title Insurance and Recording Fees	\$125,000	\$125,000	\$125,000	\$651	\$31,250
Traffic Study		\$11,000	\$11,000	\$57	
Utility Connection Fees	\$600,000	\$750,000	\$750,000	\$3,906	
Soft Cost Contingency	\$100,000	\$165,000	\$165,000	\$859	
Total General Development Costs:	\$2,500,435	\$3,365,726	\$3,313,507	\$17,258	\$537,778

Notes to the Construction Costs:

1. The FHFC Administrative Fee is based on 9% of the recommended annual allocation of HC. The FHFC Application Fee is reflective of the application fees stated in RFAs 2021-205 and 2023-211.
2. The total FHFC Credit Underwriting Fees include \$26,001 for the SAIL, ELI and HC Underwriting and \$5,146 for the Viability Loan Underwriting.

3. FHFC Other Processing fees include the fees for a Firm Date Extension, change to the Average Income Test and a Request to Change Total Number of Units, Set-Asides and Unit Mix.
4. Other General Development Costs are based on the Applicant's estimates, which appear reasonable.

FINANCIAL COSTS:	Applicant Costs	Revised Applicant Costs	Underwriters Total Costs - CUR	Cost Per Unit	HC Ineligible Costs - CUR
Construction Loan Application Fee				\$0	
Construction Loan Underwriting Fee				\$0	
Construction Loan Origination Fee	\$210,000	\$225,000	\$225,000	\$1,172	
Construction Loan Commitment Fee				\$0	
Construction Loan Closing Costs	\$25,000	\$25,000	\$25,000	\$130	
Construction Loan Interest	\$2,160,000	\$2,000,000	\$3,897,600	\$20,300	\$1,376,150
Construction Loan Servicing Fees	\$15,000	\$15,000	\$15,000	\$78	
Permanent Loan Application Fee	\$49,543	\$49,543	\$49,543	\$258	\$49,543
Permanent Loan Underwriting Fee				\$0	\$0
Permanent Loan Subsidy Layering Rev.				\$0	\$0
Permanent Loan Commitment Fee				\$0	\$0
Permanent Loan Origination Fee	\$377,860	\$168,596	\$346,779	\$1,806	\$346,779
Permanent Loan Closing Costs				\$0	\$0
Permanent Loan Interest				\$0	\$0
Permanent Loan Servicing Fee				\$0	\$0
FHFC Note Short-Term Redemption Fee				\$0	\$0
FHFC Note Fiscal Agent Fee	\$9,750	\$5,000	\$9,750	\$51	\$9,750
FHFC Note Credit Enhancement Fee				\$0	\$0
FHFC Note Cost of Issuance	\$301,891	\$220,000	\$330,293	\$1,720	\$330,293
FHFC Note Interest				\$0	\$0
FHFC Note Servicing Fee				\$0	\$0
SAIL Commitment Fee	\$39,600	\$39,600	\$39,600	\$206	\$39,600
SAIL Closing Costs				\$0	\$0
SAIL Interest				\$0	\$0
SAIL Servicing Fee				\$0	\$0
SAIL-ELI Commitment Fee	\$6,000		\$6,000	\$31	\$6,000
SAIL-ELI Closing Costs				\$0	\$0
SAIL-ELI Servicing Fee				\$0	\$0
Misc Loan Application Fee				\$0	
Misc Loan Underwriting Fee				\$0	
Misc Loan Subsidy Layering Review				\$0	
Misc Loan Origination Fee			\$65,000	\$339	
Misc Loan Closing Costs				\$0	
Misc Loan Interest				\$0	
Misc Loan Servicing Fee				\$0	
Legal Fees - Financing Costs	\$75,000	\$75,000	\$75,000	\$391	\$75,000
Placement Agent/Underwriter Fee	\$35,000	\$35,000	\$35,000	\$182	\$35,000
Initial TEFRA Fee	\$1,000	\$1,000	\$1,000	\$5	\$1,000
Other: FHFC Issuer Fee	\$140,400		\$156,000	\$813	\$156,000
Other: Freddie Mac Application Fee	\$18,893		\$18,893	\$98	\$18,893
Total Financial Costs:	\$3,464,937	\$2,858,739	\$5,295,458	\$27,581	\$2,444,008
Dev. Costs before Acq., Dev. Fee & Reserves	\$42,715,342	\$46,485,379	\$48,869,879	\$254,531	\$3,983,140

Notes to the Financial Costs:

1. Construction Origination Fee is based on 0.75% of the loan amount per the Fifth Third LOI.
2. Construction Loan Interest is based on SMG's estimate.
3. Permanent Origination fee is based on 2% of the loan amount per CapOne.

4. FHFC Note Cost of Issuance includes fees and expenses of the Issuer, Real Estate Counsel for MMRN, Viability, SAIL and ELI, Note Counsel and Disclosure Counsel Fees, Fiscal Agent Fee, Servicer Closing Fee and other fees.
5. SAIL Commitment Fee consists of a SAIL commitment fee equal to 1% of the SAIL amount.
6. SAIL ELI Commitment Fee consists of an ELI commitment fee equal to 1% of the ELI Loan amount.
7. Misc Loan Origination Fee consists of a 1% Viability commitment fee based on the Viability loan amount.
8. Other Financial Costs are based on the Borrower's estimates, which appear reasonable.
9. FHFC Issuer Fee is the annual Issuer Fee of 24 basis points (0.24%) during the construction period estimated at 26 months on the total note amount.
10. The Freddie Mac Application fee is per the CapOne LOI.

NON-LAND ACQUISITION COSTS	Applicant Costs	Revised Applicant Costs	Underwriters Total Costs - CUR	Cost Per Unit	HC Ineligible Costs - CUR
Brokerage Fees - Building			\$0	\$0	
Building Acquisition Cost				\$0	
Total Non-Land Acquisition Costs:	\$0	\$0	\$0	\$0	\$0

Notes to the Non-Land Acquisition Costs:

1. Since this is a new construction development, there are no non-land acquisition costs.

DEVELOPER FEE ON NON-ACQUISITION COSTS	Applicant Costs	Revised Applicant Costs	Underwriters Total Costs - CUR	Cost Per Unit	HC Ineligible Costs - CUR
Developer Fee - Unapportioned	\$7,575,211	\$8,367,368	\$8,367,368	\$43,580	
Other:				\$0	
Total Other Development Costs:	\$7,575,211	\$8,367,368	\$8,367,368	\$43,580	\$0

Notes to the Other Development Costs:

1. Developer Fee is within 18% of the Development's construction cost, exclusive of land acquisition costs and reserves, as required per the RFA and Rules.

LAND ACQUISITION COSTS	Applicant Costs	Revised Applicant Costs	Underwriters Total Costs - CUR	Cost Per Unit	HC Ineligible Costs - CUR
Land	\$2,000,000	\$2,000,000	\$2,000,000	\$10,417	\$2,000,000
Other:				\$0	\$0
Total Acquisition Costs:	\$2,000,000	\$2,000,000	\$2,000,000	\$10,417	\$2,000,000

Notes to the Land Acquisition Costs:

1. Applicant provided a Purchase and Sale Agreement ("PSA") between SP Whispering LLC ("Seller") and SP East LLC ("Purchaser") dated July 3, 2021, with a purchase price of \$2,000,000 and a closing date of July 31, 2022.

Subsequently, the Applicant provided a Fifth Amendment to the PSA dated June 21, 2023, moved the closing date deadline to September 30, 2023. The Appraisal supports the purchase price.

RESERVE ACCOUNTS	Applicant Costs	Revised Applicant Costs	Underwriters Total Costs - CUR	Cost Per Unit	HC Ineligible Costs - CUR
Operating Deficit Reserve (FHFC)				\$0	\$0
Operating Deficit Reserve (Lender)				\$0	\$0
Operating Deficit Reserve (Syndicator)	\$538,014	\$538,014	\$572,116	\$2,980	\$572,116
Replacement Reserves (FHFC)				\$0	\$0
Replacement Reserves (Lender)				\$0	\$0
Replacement Reserves (Syndicator)				\$0	\$0
Other:				\$0	\$0
Total Reserve Accounts:	\$538,014	\$538,014	\$572,116	\$2,980	\$572,116

Notes to Reserve Accounts:

- Reserves – Operating Deficit is the Operating Deficit Reserve (“ODR”) required by the Syndicator (RJAH). At the end of the Compliance Period, any remaining balance of the ODR less amounts that may be permitted to be drawn (which includes Deferred Developer Fee and reimbursements for authorized member/partner and guarantor loan(s) pursuant to the operating/partnership agreement), will be used to pay FHFC loan debt; if there is no FHFC loan debt on the proposed Development at the end of the Compliance Period, any remaining balance shall be used to pay outstanding FHFC fees. If any balance is remaining in the ODR after the payments above, the amount should be placed in a Replacement Reserve account for the Development. In no event shall the payments of amounts to the Applicant or the Developer from the Reserve Account cause the Developer Fee or General Contractor Fee to exceed the applicable percentage limitations provided for in the Rule. Any and all terms and conditions of the ODR must be acceptable to Florida Housing, its Servicer and its Legal Counsel.

In exchange for receiving funding from the Corporation, the Corporation reserves the authority to restrict the disposition of any funds remaining in any operating deficit reserve(s) after the term of the reserve’s original purpose has terminated or is near termination. Authorized disposition uses are limited to payments towards any outstanding loan balances of the Development funded from the Corporation, any outstanding Corporation fees, any unpaid costs incurred in the completion of the Development (i.e., deferred Developer Fee), the Development’s capital replacement reserve account (provided, however, that any operating deficit reserve funds deposited to the replacement reserve account will not replace, negate, or otherwise be considered an advance payment or pre-funding of the Applicant’s obligation to periodically fund the replacement reserve account), the reimbursement of any loan(s) provided by a partner, member or guarantor as set forth in the Applicant’s organizational agreement (i.e., operating or limited partnership agreement). The actual direction of the disposition is at the Applicant’s discretion so long as it is an option permitted by the Corporation. In no event, shall the payment of amounts to the Applicant or the Developer from any operating deficit reserve established for the Development cause the Developer Fee or General Contractor fee to exceed the applicable percentage limitations provided for in this RFA.

TOTAL DEVELOPMENT COSTS	Applicant Costs	Revised Applicant Costs	Underwriters Total Costs - CUR	Cost Per Unit	HC Ineligible Costs - CUR
TOTAL DEVELOPMENT COSTS:	\$52,828,567	\$57,390,761	\$59,809,363	\$311,507	\$6,555,256

Notes to Total Development Costs:

- Per RFA 2021-205, Total Development Cost (“TDC”) is limited on a per unit basis based on the construction type of the units as indicated by the Applicant. The Applicant has indicated a construction type of Garden – Non ESSC Construction, which had a maximum allowable per unit cost of \$275,100. Based on changes to TDC limits as approved at the April 1, 2022 Telephonic FHFC Board Meeting, the

maximum allowable per unit cost is \$358,149.60, this is inclusive of the \$7,500 tax exempt bond boost. Whispering Oak's final TDC per unit is \$298,110.66, which is in compliance with the limit.

- Since the final CUR, total development costs have increased \$6,980,796, approximately 13.21%, primarily due to the increase in construction costs, general development costs and financial costs.

Operating Pro Forma

OPERATING PRO FORMA		ANNUAL	PER UNIT
INCOME	Gross Potential Rental Income	\$2,714,760	\$14,139
	Rent Subsidy (ODR)	\$0	\$0
	Other Income:		
	Miscellaneous	\$80,640	\$420
	Gross Potential Income	\$2,795,400	\$14,559
	Less:		
	Economic Loss - Percentage: 0.0%	\$0	\$0
	Physical Vacancy Loss - Percentage: 3.0%	(\$83,862)	(\$437)
	Collection Loss - Percentage: 2.0%	(\$55,908)	(\$291)
	Total Effective Gross Revenue		\$2,655,630
EXPENSES	Fixed:		
	Real Estate Taxes	\$213,637	\$1,113
	Insurance	\$192,000	\$1,000
	Other	\$0	\$0
	Variable:		
	Management Fee - Percentage: 5.3%	\$141,937	\$739
	General and Administrative	\$60,000	\$313
	Payroll Expenses	\$268,000	\$1,396
	Utilities	\$170,000	\$885
	Marketing and Advertising	\$4,800	\$25
	Maintenance and Repairs	\$81,600	\$425
	Grounds Maintenance and Landscaping	\$33,600	\$175
	Resident Programs	\$0	\$0
	Contract Services	\$0	\$0
	Security	\$0	\$0
	Other-Pest Control	\$0	\$0
	Reserve for Replacements	\$57,600	\$300
Total Expenses		\$1,223,174	\$6,371
Net Operating Income		\$1,432,456	\$7,461
Debt Service Payments			
DEBT SERVICE	First Mortgage - FHFC MMRN / CapOne / Freddie	\$1,149,171	\$5,985
	Second Mortgage - FHFC Viability	\$65,000	\$339
	Third Mortgage - FHFC SAIL	\$39,600	\$206
	Fourth Mortgage - FHFC SAIL ELI	\$0	\$0
	Fifth Mortgage - Orange County AHTF	\$66,779	\$348
	All Other Mortgages -	\$0	\$0
	First Mortgage Fees - FHFC MMRN / CapOne / Fre	\$54,456	\$284
	Second Mortgage Fees - FHFC Viability	\$11,232	\$59
	Third Mortgage Fees - FHFC SAIL	\$10,923	\$57
	Fourth Mortgage Fees - FHFC SAIL ELI	\$3,855	\$20
	Fifth Mortgage Fees - Orange County AHTF	\$0	\$0
	All Other Mortgages Fees -	\$0	\$0
	Total Debt Service Payments		\$1,401,015
Cash Flow After Debt Service		\$31,440	\$164

Debt Service Coverage Ratios		
	DSC - First Mortgage plus Fees	1.190
	DSC - Second Mortgage plus Fees	1.119
	DSC - Third Mortgage plus Fees	1.077
	DSC - Fourth Mortgage plus Fees	1.074
	DSC - Fifth Mortgage plus Fees	1.022
	DSC - All Mortgages and Fees	1.022
Financial Ratios		
	Operating Expense Ratio	46.1%
	Break-Even Ratio	94.1%

Notes to the Operating Pro Forma and Ratios:

1. The MMRN program does not impose any rent restrictions; however, the development will be utilizing Housing Credits, SAIL and ELI which will impose rent restrictions. Whispering Oaks is projected to achieve 2023 Maximum Allowable HC Rents published by Florida Housing on all units at 30% AMI, 50% AMI, 60% AMI, 70% AMI and 80% AMI based upon the Appraiser's estimate of achievable rents per comparable properties surveyed. Utility Allowances are based upon a September 15, 2022 Energy Consumption Model from Matern, has not been approved by FHFC and will be a condition to close. The model reflects the residents paying for electricity and the Applicant paying for water, sewer, pest control, and trash pick-up. No manager/employee units are anticipated at this time.

The DSC for the permanent first mortgage and SAIL reflects a ratio lower than 1.10 to 1.00. According to Rule 67-48.0072 (11), the combined minimum DSC shall be 1.10 to 1.00 for SAIL including all superior mortgages. However, if the Applicant defers at least 35 percent of its Developer Fee following the last disbursement of all permanent sources of funding identified in the final credit underwriting report and, in the case of a Housing Credit Development, the final cost certification documentation, and when the primary expected source of repayment has been identified as projected cash flow, the minimum DSC shall be 1.00 to 1.00 for the SAIL, including all superior mortgages. This Development meets the preceding guidelines.

To ensure that the Third Mortgage SAIL meets or exceeds the minimum DSC of 1.00 to 1.00, based on the projection/estimates and loan amounts in this report, the interest rate of the permanent period First Mortgage Loan may not exceed 6.54%. Following the rate lock of the permanent period First Mortgage Loan, the Servicer will review and confirm if the Development is still able to support the proposed First Mortgage Loan amount of \$17,338,968, or if a reduction to the loan amount is necessary. The Servicer's DSC confirmation is a condition to close.

2. The Viability and SAIL will be repaid from available cash flow. The Break-Even Ratio would be 88.0% if the Viability interest payments, SAIL interest payments and Orange County AHTF Loan payments were excluded.

A rent roll for the Development is illustrated in the following table:

MSA/County: Orlando – Kissimmee – Sanford MSA / Orange County

Bed Rooms	Bath Rooms	Units	Square Feet	AMI%	Low HOME Rents	High HOME Rents	Gross HC Rent	Utility Allow.	Net Restricted Rents	PBRA Contr Rents	Applicant Rents	Appraiser Rents	CU Rents	Annual Rental Income
2	2.0	17	1,074	30%			\$593	\$67	\$526		\$525	\$525	\$525	\$107,100
2	2.0	15	1,074	50%			\$988	\$67	\$921		\$921	\$921	\$921	\$165,780
2	2.0	56	1,065	60%			\$1,186	\$67	\$1,119		\$1,118	\$1,118	\$1,118	\$751,296
2	2.0	18	1,065	70%			\$1,384	\$67	\$1,317		\$1,316	\$1,316	\$1,316	\$284,256
2	2.0	22	1,065	80%			\$1,582	\$67	\$1,515		\$1,513	\$1,513	\$1,513	\$399,432
3	2.0	12	1,211	30%			\$685	\$72	\$613		\$612	\$612	\$612	\$88,128
3	2.0	4	1,211	50%			\$1,141	\$72	\$1,069		\$1,069	\$1,069	\$1,069	\$51,312
3	2.0	22	1,211	60%			\$1,370	\$72	\$1,298		\$1,297	\$1,297	\$1,297	\$342,408
3	2.0	8	1,211	70%			\$1,598	\$72	\$1,526		\$1,525	\$1,525	\$1,525	\$146,400
3	2.0	18	1,211	80%			\$1,827	\$72	\$1,755		\$1,753	\$1,753	\$1,753	\$378,648
		192	214,112											\$2,714,760

3. Miscellaneous income consists of anticipated pet fees, application fees and retained deposits estimated by the Applicant.
4. The appraiser estimates a vacancy loss of 3.5% and a collection loss of 0.5%. To be conservative, Seltzer is utilizing an overall vacancy/collection loss of 5.0%, resulting in an economic and physical occupancy of 95%. Real estate tax expense is based on the Appraiser’s estimate.
5. Management Fees are based upon the Management Agreement provided by the Applicant that reflects a management fee in the amount of 4.0% of the gross collections per month, plus \$11 per unit per month for bookkeeping fees, plus \$2 per unit per month for Resident Services Management and \$2.50 unit per month for Computer and IT Services Support for an all in management fee of 5.3%.
6. Contract Services includes the cost of elevator inspections and landscaping.
7. Other operating expense estimates are based on comparable properties and are supported by the appraisal.
8. Replacement Reserves in the amount of \$300 per unit per year, which increase 3% annually starting in year 11, meet RFA and Rule requirements.
9. The 15-year income and expense projection reflect a increasing debt service coverage (“DSC”) through year 15. At year 15, the DSC on all mortgages and fees is estimated at 1.022. This projection is attached to this report as Exhibit 1.

Conclusion

SMG recommends a Viability Loan in the amount of \$6,500,000 and an increase in the first mortgage construction Multifamily Mortgage Revenue Note to \$30,000,000. Accordingly, SMG provides this analysis for FHFC's consideration to approve the Borrower's request, subject to the following:

- Review and approval of all loan documents consistent with the terms outlined in the CUR and CUR Update Letter by FHFC, its Legal Counsel and Servicer.
- Approval of the increase in hard cost contingency.
- All of the closing conditions in the CUR are to be met.
- Any other due diligence required by FHFC, its Legal Counsel and Servicer.

Should you have any questions please feel free to contact me directly.

SELTZER MANAGEMENT GROUP, INC.



Justin Coles
Credit Underwriter

HC Allocation Calculation

Section I: Qualified Basis Calculation	
Development Cost	\$59,809,363
Less Land Cost	(\$2,000,000)
Less Federal Funds	\$0
Less Other Ineligible Cost	(\$4,555,256)
Less Disproportionate Standard	\$0
Total Eligible Basis	\$53,254,106
Applicable Fraction	100.00%
DDA/QCT Basis Credit	130.00%
Qualified Basis	\$69,230,338
Housing Credit Percentage	4.00%
Annual Housing Credit Allocation	\$2,769,214

Notes to the Qualified Basis Calculation:

1. Other Ineligible Costs primarily include a portion of site work, accounting fees, legal fees, a portion of construction loan interest, permanent loan origination, FHFC Loan commitment fees, Cost of Issuance, FHFC administrative, application, and underwriting fees, market study, marketing and advertising, survey, title and reserves.
2. The Borrower committed to a set aside of 100%. Therefore, SMG has utilized an Applicable Fraction of 100.00%.
3. This Development is located in a Qualified Census Tract; therefore, a 130.00% Basis Credit has been applied.
4. A Housing Credit Percentage of 4.00% is used based on the Consolidated Appropriations Act, 2021.

Section II: Gap Calculation	
Total Development Cost (Including Land and Ineligible Costs)	\$59,809,363
Less Mortgages	(\$30,333,968)
Less Grants	\$0
Equity Gap	\$29,475,395
Percentage to Investment Partnership	99.99%
HC Syndication Pricing	\$0.8900
HC Required to Meet Gap	\$33,121,734
Annual HC Required	\$3,312,173

Notes to the GAP Calculation:

1. Mortgages include the CapOne designee first mortgage, FHFC Viability second mortgage, FHFC SAIL third mortgage, FHFC SAIL ELI fourth mortgage, the Orange County AHTF mortgage and Orange County mortgage.

2. HC Syndication Pricing and Percentage to Investment Partnership are based upon the July 12, 2023 LOI from RJAHI.

Section III: Tax-Exempt Note 50% Test	
Total Depreciable Cost	\$53,254,106
Plus Land Cost	\$2,000,000
Aggregate Basis	\$55,254,106
Tax-Exempt Note Amount	\$30,000,000
Less Debt Service Reserve	\$0
Less Proceeds Used for Costs of Issuance	\$0
Plus Tax-exempt GIC earnings	\$0
Tax-Exempt Proceeds Used for Building and Land	\$30,000,000
Proceeds Divided by Aggregate Basis	54.29%

Notes to 50% Test:

- SMG estimates the Tax-Exempt MMRN amount to be 54.29% of Depreciable Development Costs plus Land Acquisition Costs. If, at the time of Final Cost Certification, the Tax-Exempt Bond Amount is less than 50%, developer fees will have to be reduced by an amount to ensure compliance with the 50% Test. That may, in turn, result in a reduction to HC Equity.

Section IV: Summary	
HC per Qualified Basis	\$2,769,214
HC per Gap Calculation	\$3,312,173
Annual HC Recommended	\$2,769,214

Notes to the Summary:

- The Annual HC Recommended is based on the Qualified Basis calculation.

FINANCIAL COSTS:	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11	Year 12	Year 13	Year 14	Year 15	
OPERATING PRO FORMA																
Gross Potential Rental Income	\$2,714,760	\$2,769,055	\$2,824,436	\$2,880,925	\$2,938,544	\$2,997,314	\$3,057,261	\$3,118,406	\$3,180,774	\$3,244,390	\$3,309,277	\$3,375,463	\$3,442,972	\$3,511,832	\$3,582,068	
Rent Subsidy (ODR)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Other Income:																
Miscellaneous	\$80,640	\$82,253	\$83,898	\$85,576	\$87,287	\$89,033	\$90,814	\$92,630	\$94,483	\$96,372	\$98,300	\$100,266	\$102,271	\$104,316	\$106,403	
Gross Potential Income	\$2,795,400	\$2,851,308	\$2,908,334	\$2,966,501	\$3,025,831	\$3,086,347	\$3,148,074	\$3,211,036	\$3,275,257	\$3,340,762	\$3,407,577	\$3,475,729	\$3,545,243	\$3,616,148	\$3,688,471	
Less:																
Economic Loss - Percentage:																
Physical Vacancy Loss - Percentage:	3.0%	(\$83,862)	(\$85,539)	(\$87,250)	(\$88,995)	(\$90,775)	(\$92,590)	(\$94,442)	(\$96,331)	(\$98,258)	(\$100,223)	(\$102,227)	(\$104,272)	(\$106,357)	(\$108,484)	(\$110,654)
Collection Loss - Percentage:	2.0%	(\$55,908)	(\$57,026)	(\$58,167)	(\$59,330)	(\$60,517)	(\$61,727)	(\$62,961)	(\$64,221)	(\$65,505)	(\$66,815)	(\$68,152)	(\$69,515)	(\$70,905)	(\$72,323)	(\$73,769)
Total Effective Gross Revenue	\$2,655,630	\$2,708,743	\$2,762,917	\$2,818,176	\$2,874,539	\$2,932,030	\$2,990,671	\$3,050,484	\$3,111,494	\$3,173,724	\$3,237,198	\$3,301,942	\$3,367,981	\$3,435,341	\$3,504,047	
Fixed:																
Real Estate Taxes	\$213,637	\$220,046	\$226,647	\$233,447	\$240,450	\$247,664	\$255,094	\$262,747	\$270,629	\$278,748	\$287,110	\$295,724	\$304,595	\$313,733	\$323,145	
Insurance	\$192,000	\$197,760	\$203,693	\$209,804	\$216,098	\$222,581	\$229,258	\$236,136	\$243,220	\$250,516	\$258,032	\$265,773	\$273,746	\$281,958	\$290,417	
Other	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Variable:																
Management Fee - Percentage:	5.3%	\$141,937	\$144,776	\$147,671	\$150,625	\$153,637	\$156,710	\$159,844	\$163,041	\$166,302	\$169,628	\$173,021	\$176,481	\$180,011	\$183,611	\$187,283
General and Administrative	\$60,000	\$61,800	\$63,654	\$65,564	\$67,531	\$69,556	\$71,643	\$73,792	\$76,006	\$78,286	\$80,635	\$83,054	\$85,546	\$88,112	\$90,755	
Payroll Expenses	\$268,000	\$276,040	\$284,321	\$292,851	\$301,636	\$310,685	\$320,006	\$329,606	\$339,494	\$349,679	\$360,170	\$370,975	\$382,104	\$393,567	\$405,374	
Utilities	\$170,000	\$175,100	\$180,353	\$185,764	\$191,336	\$197,077	\$202,989	\$209,079	\$215,351	\$221,811	\$228,466	\$235,320	\$242,379	\$249,651	\$257,140	
Marketing and Advertising	\$4,800	\$4,944	\$5,092	\$5,245	\$5,402	\$5,565	\$5,731	\$5,903	\$6,080	\$6,263	\$6,451	\$6,644	\$6,844	\$7,049	\$7,260	
Maintenance and Repairs	\$81,600	\$84,048	\$86,569	\$89,167	\$91,842	\$94,597	\$97,435	\$100,358	\$103,368	\$106,469	\$109,664	\$112,953	\$116,342	\$119,832	\$123,427	
Grounds Maintenance and Landscaping	\$33,600	\$34,608	\$35,646	\$36,716	\$37,817	\$38,952	\$40,120	\$41,324	\$42,563	\$43,840	\$45,156	\$46,510	\$47,906	\$49,343	\$50,823	
Resident Programs	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Contract Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Security	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Other-Pest Control	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Reserve for Replacements	\$57,600	\$57,600	\$57,600	\$57,600	\$57,600	\$57,600	\$57,600	\$57,600	\$57,600	\$57,600	\$59,328	\$61,108	\$62,941	\$64,829	\$66,774	
Total Expenses	\$1,223,174	\$1,256,722	\$1,291,248	\$1,326,781	\$1,363,350	\$1,400,986	\$1,439,720	\$1,479,586	\$1,520,615	\$1,562,842	\$1,608,031	\$1,654,542	\$1,702,413	\$1,751,686	\$1,802,400	
Net Operating Income	\$1,432,456	\$1,452,021	\$1,471,670	\$1,491,395	\$1,511,189	\$1,531,044	\$1,550,950	\$1,570,898	\$1,590,879	\$1,610,881	\$1,629,167	\$1,647,400	\$1,665,568	\$1,683,655	\$1,701,647	
Debt Service Payments																
First Mortgage - FHFC MMRN / CapOne / Freddie M	\$1,149,171	\$1,149,171	\$1,149,171	\$1,149,171	\$1,149,171	\$1,149,171	\$1,149,171	\$1,149,171	\$1,149,171	\$1,149,171	\$1,149,171	\$1,149,171	\$1,149,171	\$1,149,171	\$1,149,171	
Second Mortgage - FHFC Viability	\$65,000	\$65,000	\$65,000	\$65,000	\$65,000	\$65,000	\$65,000	\$65,000	\$65,000	\$65,000	\$65,000	\$65,000	\$65,000	\$65,000	\$65,000	
Third Mortgage - FHFC SAIL	\$39,600	\$39,600	\$39,600	\$39,600	\$39,600	\$39,600	\$39,600	\$39,600	\$39,600	\$39,600	\$39,600	\$39,600	\$39,600	\$39,600	\$39,600	
Fourth Mortgage - FHFC SAIL ELI	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Fifth Mortgage - Orange County AHTF	\$66,779	\$66,779	\$66,779	\$66,779	\$66,779	\$66,779	\$66,779	\$66,779	\$66,779	\$66,779	\$66,779	\$66,779	\$66,779	\$66,779	\$66,779	
All Other Mortgages -	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
First Mortgage Fees - FHFC MMRN / CapOne / Fred	\$54,456	\$54,306	\$54,143	\$53,965	\$53,773	\$53,563	\$53,336	\$53,090	\$52,824	\$52,536	\$52,225	\$51,889	\$51,527	\$51,136	\$50,716	
Second Mortgage Fees - FHFC Viability	\$11,232	\$11,232	\$11,232	\$11,232	\$11,232	\$11,232	\$11,232	\$11,232	\$11,232	\$11,232	\$11,232	\$11,232	\$11,232	\$11,232	\$11,232	
Third Mortgage Fees - FHFC SAIL	\$10,923	\$10,923	\$10,923	\$10,923	\$10,923	\$10,923	\$10,923	\$10,923	\$10,923	\$10,923	\$10,923	\$10,923	\$10,923	\$10,923	\$10,923	
Fourth Mortgage Fees - FHFC SAIL ELI	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Fifth Mortgage Fees - Orange County AHTF	\$3,855	\$3,855	\$3,855	\$3,855	\$3,855	\$3,855	\$3,855	\$3,855	\$3,855	\$3,855	\$3,855	\$3,855	\$3,855	\$3,855	\$3,855	
All Other Mortgage Fees -	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Total Debt Service Payments	\$1,401,015	\$1,400,866	\$1,400,703	\$1,400,525	\$1,400,332	\$1,400,123	\$1,399,896	\$1,399,650	\$1,399,384	\$1,399,096	\$1,398,785	\$1,398,449	\$1,398,087	\$1,397,696	\$1,397,276	
Cash Flow After Debt Service	\$31,440	\$51,155	\$70,967	\$90,870	\$110,857	\$130,921	\$151,054	\$171,249	\$191,495	\$211,786	\$230,382	\$248,951	\$267,481	\$285,959	\$304,372	
Debt Service Coverage Ratios																
DSC - First Mortgage plus Fees	1.190	1.207	1.223	1.240	1.256	1.273	1.290	1.307	1.324	1.340	1.356	1.372	1.387	1.403	1.418	
DSC - Second Mortgage plus Fees	1.119	1.135	1.150	1.166	1.181	1.197	1.213	1.229	1.245	1.261	1.275	1.290	1.304	1.319	1.333	
DSC - Third Mortgage plus Fees	1.077	1.092	1.106	1.121	1.136	1.152	1.167	1.182	1.197	1.213	1.227	1.241	1.255	1.269	1.283	
DSC - Fourth Mortgage plus Fees	1.077	1.092	1.106	1.121	1.136	1.152	1.167	1.182	1.197	1.213	1.227	1.241	1.255	1.269	1.283	
DSC - Fifth Mortgage plus Fees	1.022	1.037	1.051	1.065	1.079	1.094	1.108	1.122	1.137	1.151	1.165	1.178	1.191	1.205	1.218	
DSC - All Mortgages and Fees	1.022	1.037	1.051	1.065	1.079	1.094	1.108	1.122	1.137	1.151	1.165	1.178	1.191	1.205	1.218	
Financial Ratios																
Operating Expense Ratio	46.1%	46.4%	46.7%	47.1%	47.4%	47.8%	48.1%	48.5%	48.9%	49.2%	49.7%	50.1%	50.5%	51.0%	51.4%	
Break-Even Ratio	94.1%	93.5%	92.8%	92.2%	91.6%	91.0%	90.5%	89.9%	89.4%	88.9%	88.5%	88.1%	87.7%	87.4%	87.0%	

Viability Loan Sizing Parameters and Metrics			
Select the Development	Whispering Oaks		
RFA of Active Award	RFA 2021-205		
Demographic Commitment	Family		
Total Number of Units	192		
Existing Competitive Active Awards:	Set-Aside Units		
9% HC Allocation	NA	NA	
SAIL	\$ 3,960,000	192	
ELI	\$ 600,000	29	
NHTF	NA	NA	
HOME	NA	NA	
Tax Exempt Bond Financing:			
If MMRB, how much is the Perm Amount?	\$ 17,338,968	192*	
Viability Funding Limits:			
Gross Per Development Limit	\$ 15,000,000		
Maximum Per Unit Limit	\$ 38,000		
Net Per Development Limit (\$15,000,000, less \$4,560,000)	\$ 10,440,000		
Maximum Limit from PU Limit (192 units x \$38,000 PU)	\$ 7,296,000		
Lesser of Net Per Development or PU Limit	\$ 7,296,000		
Viability Loan Sizing Parameters			
a. Eligible Request Amount:			
Applicant's Request Amount	\$ 6,500,000		
Per Development/PU Limit	\$ 7,296,000		
Eligible Request Amount:	\$ 6,500,000		
b. Gap Analysis for Viability Sizing Purposes Only:			
Permanent Funding Sources:	DS w/ Fees	DSCR	NCF
Traditional First Mortgage	\$ 17,800,600.63	\$ 1,234,222	1.1606x \$ 198,234
SAIL	\$ 3,960,000.00	\$ 50,523	1.0252x \$ 71,479
ELI	\$ 600,000.00	\$ 3,855	1.0495x \$ 67,624
FHFC Source 3 - NA	\$ -	\$ -	1.0495x \$ 67,624
Orange County AHTF	\$ 1,860,000.00	\$ -	1.0495x \$ 67,624
Orange County Loan	\$ 75,000.00	\$ -	1.0495x \$ 67,624
<additional source>	\$ -	\$ -	1.0495x \$ 67,624
<additional source>	\$ -	\$ -	1.0495x \$ 67,624
<additional source>	\$ -	\$ -	1.0495x \$ 67,624
HC Equity	\$ 24,027,597.00		
Deferred Developer Fee (65.11%)	\$ 5,447,797.86		
Total Sources	\$ 60,270,995.49	\$ 1,364,832	1.0495x \$ 67,624
Additional First Mortgage (Min 1st Sizing)	\$ -	\$ -	
Additional First Mortgage (DCR Sizing)	\$ 461,632.63	\$ -	
Permanent Funding Sources do not equal Total Development Costs. Permanent Sources must be decreased by \$461,632.63. Suggested edit is to reduce the Deferred Developer Fee by \$461,632.63.			
Total Development Costs	\$ 59,809,362.86		
Maximum Developer Fee Percentage	18%		
Total Developer Fee	\$ 8,367,368.00		
Minimum 30% Deferred Developer Fee	\$ 2,510,210.40		
*Set-Asides for MMRB are expressed as the greater of MMRB Set-Asides or 4%HC Set-Asides for purposes of calculating Compliance Monitoring Fees on the MMRB loan.			

Cash Flow Assumptions	
Net Operating Income:	
Total Effective Gross Income in CUR Yr 1	\$ 2,655,630.00
Total Operating Expenses in CUR Yr 1	\$ 1,223,174.20
Net Operating Income in CUR Yr 1	\$ 1,432,455.80
Actual Traditional 1st Mortgage:	
Proposed Amount of Traditional 1st Mortgage	\$ 17,338,968.00
Traditional 1st Mtg Amortization (Years)	40.00
Traditional 1st Mtg Interest Rate	6.030%
Traditional 1st Mtg Mortgage Constant	6.62768%
Local HFA Bond Fees, if applicable	
Traditional 1st Mtg DSCR (w/ fees)	1.19x
Net Cash Flow (NCF) after 1st Mtg Debt Service	\$ 228,829.54
Debt Service (DS) on FHFC Subsidy Loans (w/ fees)	\$ 54,378.00
NCF after FHFC Subsidy Loans DS & Fees	\$ 174,451.54
RFA 2023-211 Minimum 1st Mortgage:	
Maximum 1st Mtg DSCR from Viability RFA	1.25x
Sized Debt Service from maximum DSCR	\$ 1,145,964.64
MMRB Fees to be included in Sized Debt Service	\$ 54,455.57
Sized Debt Service to be incorporated, net of fees	\$ 1,091,509.07
Mortgage Constant to be incorporated	6.62768%
Resulting minimum 1st Mtg	\$ 16,468,955.44
NCF after resulting minimum 1st Mtg	\$ 286,491.16
NCF after FHFC Subsidy Loans DS & Fees	\$ 232,113.16

Rule Chapter 67-48.0072(28)(g)2. Variables and Process:	
Total Vacancy & Collection Rate in CUR	5.000%
Revenue Growth Rate in CUR	2.000%
Operating Expense Growth Rate in CUR	3.000%
Amortization to be incorporated (Years)	40.00
Interest Rate to be incorporated	7.000%
Resulting Mortgage Constant for qualifying debt	7.45718%
Revenue Growth Rate to be incorporated	2.000%
Operating Expense Growth Rate to be incorporated	3.000%
Vacancy Rate to be incorporated	7.000%
Maximum DSCR for Year 1 NOI	1.50x
Maximum DSCR for Year 15 NOI	1.25x
Minimum NCF PU Year 1 (after 1st Mtg DS Only)	\$1,000
Net Operating Income Year 1	NA
Net Operating Income Year 15	NA
(a) Resulting Debt for Year 15 DSCR Limitations	NA
(b)(i) Resulting Debt for Year 1 DSCR Limitation	NA
(b)(ii) Resulting Debt for Year 1 NCS Limitation	NA
(b) Greater of (b)(i) or (b)(ii)	NA
Lesser of (a) or (b)	NA
Sized Minimum 1st Mortgage per Rule	NA
Resulting DSCR from Sized Minimum 1st Mortgage per Rule (using actual 1st mortgage debt structure)	NA

Total FHFC Servicing Fees			
Permanent Loan Servicing	\$ 27,951.96	Add'l MMRB Fees for Add'l 1st Mtg Funding	
MMRB Annual Fee	0.023%	\$ 3,987.96	\$ 106.18
MMRB Annual Minimum	\$2,832	\$ 2,832.00	
MMRB Permanent Loan Servicing Fee	\$ 3,987.96		
Non-MMRB Annual Fee(s)	0.25%	\$ 27,650.00	
Non-MMRB Annual Minimum(s)	\$2,832	\$ 8,496.00	
Non-MMRB Annual Maximum(s)	\$11,232	\$ 33,696.00	
Non-MMRB Permanent Loan Servicing Fee(s)	\$ 23,964.00		
Compliance Monitoring	\$ 6,400.08		
MMRB Annual Base Fee	\$2,196	\$ 2,196.00	
Additional MMRB PSAU Fee	\$11.24	\$ 2,158.08	
MMRB Minimum Annual Fee	\$3,216	\$ 3,216.00	
MMRB Compliance Monitoring Fee	\$ 4,354.08		
Non-MMRB Annual Base(s)	\$2,196	\$ -	
Additional Non-MMRB PSAU Fee(s)	\$11.24	\$ -	
Non-MMRB Annual Minimum(s)	\$3,432	\$ -	
Multiple Program Fee(s)	\$1,023	\$ 2,046.00	
Non-MMRB Compliance Monitoring Fee(s)	\$ 2,046.00		
FHFC MMRB Ongoing Issuer Fees	\$ 41,613.52		
MMRB Annual Fee	0.24%	\$ 41,613.52	\$ 1,107.92
MMRB Annual Minimum	\$10,000	\$ 10,000.00	
FHFC MMRB Trustee Fees	\$ 4,500.00		
Flat Rate	\$4,500	\$ 4,500.00	

Verification Debt Coverage Ratio is Not Enhanced	
Prior Overall Debt Coverage Ratio	
Did the Proposed Development have a DSCR prior to the RFA 2023-211 Application Deadline?	Yes
If yes, what was the Net Operating Income used in calculating the DSCR?	\$ 1,382,210.00
If yes, what was the total of all debt service and servicing fees of all applicable Permanent Sources of Funding used in calculating the DSCR?	\$ 1,316,958.00
If yes, what was the overall Debt Coverage Ratio, inclusive of all applicable Permanent Sources of Funding?	1.0495x
The actual overall Debt Coverage Ratio, inclusive of all actual applicable Permanent Sources of Funding (excludes any additional sized 1st Mtg) is:	1.0736x
The actual overall Debt Coverage Ratio, inclusive of all applicable Permanent Sources of Funding (inclusive of actual debts and applicable additional app sized 1st Mtg) is:	1.0736x
With the Debt Coverage Ratio preliminarily enhanced after Viability, the RFA requires the insertion of an additional first mortgage amount in the gap analysis so the resulting inclusive debt service creates an updated Debt Coverage Ratio that is equal to the prior Debt Coverage Ratio with the Viability Loan re-sized accordingly. Given the loan structure of the proposed Traditional First Mortgage, it is recommended the 1st Mtg be artificially increased by an amount of \$461,632.63 for DCR sizing to achieve the intended DCR of 1.0495x.	
The existing debt coverage ratio of 1.0495x is being enhanced with the Viability Loan sizing process, but Additional First Mortgage sizing has been included in the gap process to size the Viability Loan per RFA requirements.	

**FLORIDA HOUSING FINANCE CORPORATION
AMENDED AND RESTATED AUTHORIZATION RESOLUTION
WHISPERING OAKS**

RESOLUTION NO. _____

A RESOLUTION AMENDING AND RESTATING RESOLUTION NO. 2023-011; AUTHORIZING THE EXECUTION AND DELIVERY OF THE MULTIFAMILY MORTGAGE REVENUE NOTE OR NOTES, 2023 SERIES N [ONE OR MORE SERIES TO BE DESIGNATED] (WHISPERING OAKS) OF THE FLORIDA HOUSING FINANCE CORPORATION (“FLORIDA HOUSING”); PROVIDING FOR A MAXIMUM AGGREGATE PRINCIPAL AMOUNT OF THE MULTIFAMILY MORTGAGE REVENUE NOTE OR NOTES, 2023 SERIES N [ONE OR MORE SERIES TO BE DESIGNATED] (WHISPERING OAKS); APPROVING THE PREPARATION, EXECUTION AND DELIVERY OF A FUNDING LOAN AGREEMENT OR FUNDING LOAN AGREEMENTS BETWEEN FLORIDA HOUSING, THE FUNDING LENDER NAMED THEREIN AND A FISCAL AGENT OR CORPORATE TRUSTEE, AND A PROJECT OR BORROWER LOAN AGREEMENT OR PROJECT OR BORROWER LOAN AGREEMENTS BETWEEN FLORIDA HOUSING AND THE BORROWER NAMED THEREIN; AUTHORIZING A FUNDING LOAN OR FUNDING LOANS FROM THE FUNDING LENDER TO FLORIDA HOUSING EVIDENCED BY THE NOTES; AUTHORIZING THE PROJECT LOAN OR PROJECT LOANS MADE PURSUANT TO THE PROJECT OR BORROWER LOAN AGREEMENT OR PROJECT OR BORROWER LOAN AGREEMENTS TO THE BORROWER NAMED THEREIN; AUTHORIZING THE PREPARATION, EXECUTION AND DELIVERY OF ALL DOCUMENTS NECESSARY FOR THE EXECUTION AND DELIVERY OF THE NOTES, THE MAKING OF THE FUNDING LOAN OR FUNDING LOANS AND THE SECURITY THEREFOR, AND THE MAKING OF THE PROJECT LOAN OR PROJECT LOANS AND THE SECURITY THEREFOR, AND THE SALE AND/OR THE ASSIGNMENT OF THE NOTE OR NOTES, THE FUNDING LOAN OR FUNDING LOANS, THE FUNDING LOAN AGREEMENT OR FUNDING LOAN AGREEMENTS, THE PROJECT LOAN OR PROJECT LOANS AND THE PROJECT LOAN AGREEMENT OR PROJECT LOAN AGREEMENTS, INCLUDING, BUT NOT LIMITED TO, A PRIVATE PLACEMENT MEMORANDUM; AUTHORIZING ALL ACTIONS NECESSARY FOR FINAL APPROVAL OF THE EXECUTION AND DELIVERY OF THE NOTES AND THE FINANCING OF WHISPERING OAKS AND MAKING OTHER PROVISIONS IN

CONNECTION THEREWITH; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, the Florida Housing Finance Corporation (“Florida Housing”) is a public corporation within the Department of Economic Opportunity of the State of Florida (the “State”) and a public body corporate and politic, duly organized under the Florida Housing Finance Corporation Act, Sections 420.501 *et seq.*, Florida Statutes, as amended (the “Act”). Florida Housing is authorized by the Act to issue its bonds, debentures, notes or other evidence of financial indebtedness from time to time to fulfill its public purposes, which include the financing and refinancing of multifamily residential housing developments for rental to persons and families of low, moderate or middle income; and

WHEREAS, pursuant to the Act, Florida Housing has now determined to authorize the execution and delivery of its Multifamily Mortgage Revenue Note or Notes, 2023 Series N [one or more series to be designated] (Whispering Oaks), as tax-exempt or taxable notes (the “Notes”), for the purpose of making a loan or loans to SP East LLC, together with its predecessors, successors, assigns, affiliates and/or related entities (the “Borrower”), to finance the acquisition and new construction of an approximately 192-unit multifamily residential rental development named Whispering Oaks located in unincorporated Orange County, Florida (the “Property”); provided that the maximum aggregate principal amount of the Notes, at the time of execution and delivery, shall not exceed (a) \$30,000,000 or (b) such greater maximum aggregate principal amount of the Notes which, at the time of execution and delivery, does not exceed a maximum aggregate principal amount which would result in a debt service coverage ratio for the Notes, as reflected in the Credit Underwriter Confirmation (as defined below), of less than 1.00 (subject to receipt of private activity bond allocation being made available for the tax-exempt

Notes and compliance with Section 147(f) of the Internal Revenue Code of 1986, as amended);
and

WHEREAS, as required by the Act, the Board of Directors of Florida Housing (the “Board”) has made the following determinations with respect to the financing of the Property:

(1) that a significant number of low, moderate or middle income persons in the State of Florida are subject to hardship finding or obtaining reasonably accessible decent, safe and sanitary residential housing; and

(2) that private enterprise, unaided, is not meeting and cannot reasonably be expected to meet, the need for such residential housing; and

(3) that the need for such residential housing will be alleviated by the financing of the Property; and

WHEREAS, Florida Housing is desirous of taking all action necessary to give final approval for the financing of the Property as described in the Credit Underwriting Report (as defined below) and to execute and deliver the Notes in compliance with the Act and other applicable provisions of State law;

NOW THEREFORE, it is hereby ascertained, determined and resolved:

1. The Property is hereby given final approval for financing on the terms and conditions as described in the Credit Underwriting Report for the Property prepared by Seltzer Management Group, Inc. (the “Credit Underwriter”), presented to and approved by the Board on March 10, 2023, as amended and supplemented by that certain letter dated August 15, 2023 from the Credit Underwriter, presented to and approved by the Board on this date (collectively, the “Credit Underwriting Report”), with such deviations as an Authorized Signatory (as defined below), in consultation with the staff of Florida Housing, Bond Counsel and/or Special Counsel

to Florida Housing, may approve. Execution of the funding loan agreement or funding loan agreements and the project or borrower loan agreement or project or borrower loan agreements, each as described below, by an Authorized Signatory (as defined below) shall be conclusive evidence of such approval.

2. Florida Housing hereby authorizes the execution and delivery of the Notes as a tax-exempt or taxable “Bond” (as such term is defined in, and within the meaning of, the Act), in such series or subseries as Florida Housing shall designate, in a maximum aggregate principal amount, at the time of execution and delivery, that does not exceed (a) \$30,000,000 or (b) such greater maximum aggregate principal amount of the Notes which, at the time of execution and delivery, does not exceed a maximum aggregate principal amount which would result in a debt service coverage ratio for the Notes, as reflected in the Credit Underwriter Confirmation, of less than 1.00 (subject to receipt of private activity bond allocation being made available for the tax-exempt Notes and compliance with Section 147(f) of the Internal Revenue Code of 1986, as amended). The final maximum aggregate principal amount of the Notes that may be executed and delivered shall be determined by an Authorized Signatory after receipt of the Credit Underwriter Confirmation, provided that in no event shall the maximum aggregate principal amount of the Notes, at the time of execution and delivery, exceed a maximum aggregate principal amount which would result in a debt service coverage ratio for the Notes, as reflected in the Credit Underwriter Confirmation, of less than 1.00 (subject to receipt of private activity bond allocation being made available for the tax-exempt Notes and compliance with Section 147(f) of the Internal Revenue Code of 1986, as amended). The “Credit Underwriter Confirmation” is the written confirmation with respect to the Property from the Florida Housing Credit Underwriter, delivered prior to the execution and delivery of the Notes, that, taking into

account any increase in the maximum aggregate principal amount of the Notes, the conditions set forth in and the requirements of the Credit Underwriting Report have been satisfied. Conclusive evidence of the determination and approval of any such increase in the maximum aggregate principal amount of the Notes shall be evidenced by a certificate of an Authorized Signatory.

3. A funding loan agreement or funding loan agreements between Florida Housing, the funding lender named therein (the “Funding Lender”) and a fiscal agent or corporate trustee, setting out the terms and conditions of the Notes and the funding loan or funding loans from the Funding Lender to Florida Housing as evidenced by the Notes (collectively, the “Funding Loan”), is hereby authorized to be prepared and delivered, in such form as may be approved by any member of the Board, the Executive Director, the Chief Financial Officer, the Comptroller or any other person designated by separate resolution of the Board (or any person or persons acting in such capacities) (collectively, or each individually, an “Authorized Signatory”), which form shall set forth as to the Notes such maturities, interest rates and purchase price as shall be determined in accordance with the Act, including Section 420.509, Florida Statutes, and the execution of such funding loan agreement or funding loan agreements by an Authorized Signatory, and the attestation thereof by the Secretary or any Assistant Secretary of Florida Housing, be and hereby is authorized, and the execution thereof by such persons shall be conclusive evidence of such approval.

4. A project or borrower loan agreement or project or borrower loan agreements between Florida Housing and the Borrower, making a loan or loans of the proceeds of the Notes by Florida Housing to the Borrower (collectively, the “Project Loan”), and setting out the payment and other obligations of the Borrower with respect to the Project Loan, including the note or notes made by the Borrower to Florida Housing evidencing the Project Loan, the Notes

and the Property, is hereby authorized to be prepared and delivered, in such form as may be approved by an Authorized Signatory, and the execution of such project or borrower loan agreement or project or borrower loan agreements by an Authorized Signatory, and the attestation thereof by the Secretary or any Assistant Secretary of Florida Housing, be and hereby are authorized, and the execution thereof by such persons shall be conclusive evidence of such approval.

5. If necessary, a private placement memorandum or memorandum of terms and conditions is hereby authorized to be prepared and distributed in connection with the sale of the Notes in such form as shall be approved by an Authorized Signatory, and the execution of such private placement memorandum or memorandum of terms and conditions, if necessary, by an Authorized Signatory shall be conclusive evidence of such approval.

6. The Notes shall be sold in accordance with the requirements of the Act, including Section 420.509(12), Florida Statutes. In the event that, pursuant to the Act, the Notes shall be sold through a private placement, an Authorized Signatory is authorized to execute a note purchase agreement, note placement agreement or funding loan agreement or funding loan agreements, as applicable, upon approval of the terms thereof by the staff of Florida Housing, Bond Counsel and/or Special Counsel to Florida Housing, and the execution of such note purchase agreement, note placement agreement or funding loan agreement or funding loan agreements, as applicable, by an Authorized Signatory shall be conclusive proof of such approval.

7. An Authorized Signatory is authorized to cause to be prepared by the staff of Florida Housing, Bond Counsel and/or Special Counsel to Florida Housing and to execute and deliver any additional documents necessary for the execution and delivery of the Notes and the

making of the Funding Loan, and the security therefor, the making of the Project Loan, and the security therefor, and the sale and/or assignment of the Notes, the Funding Loan, the funding loan agreement or funding loan agreements upon approval by the staff of Florida Housing, Bond Counsel, and/or Special Counsel to Florida Housing, the Project Loan and the project or borrower loan agreement or project or borrower loan agreements. All other actions by Florida Housing necessary for the execution and delivery of the Notes and the making of the Funding Loan, and the security therefor, the making of the Project Loan, and the security therefor, and the sale and/or assignment of the Notes, the Funding Loan, the funding loan agreement or funding loan agreements, the Project Loan and the project or borrower loan agreement or project or borrower loan agreements (including, but not limited to, the changing of the title of the Notes and the series designation of the Notes, if desirable), are hereby authorized.

8. The principal of, premium, if any, and all interest on the Notes shall be payable solely out of revenues and other amounts pledged therefor as described in the funding loan agreement or funding loan agreements. The Notes do not constitute an obligation, either general or special, of the State of Florida or any of its units of local government and shall not be a debt of the State or of any unit of local government thereof, and neither the State nor any unit of local government thereof shall be liable thereon. Florida Housing does not have the power to pledge the credit, the revenues or the taxing power of the State or of any unit of local government thereof; and neither the credit, the revenues, nor the taxing power of the State or of any unit of local government thereof shall be, or shall be deemed to be, pledged to the payment of the Notes.

9. The Notes may be executed either manually or by facsimile signature by an Authorized Signatory or other officer of Florida Housing. In case any Authorized Signatory or officer whose signature or a facsimile of whose signature appears on the Notes ceases to be an

Authorized Signatory or officer before delivery of the Notes, the signature or facsimile signature is nevertheless valid and sufficient for all purposes as fully and to the same extent as if he or she had remained in office until the delivery of the Notes.

10. The maximum aggregate principal amount of the Notes authorized to be executed and delivered hereunder may not exceed the amount permitted in accordance with the applicable Rules of Florida Housing, and reflected in the Credit Underwriter Confirmation, and for which fiscal sufficiency has been determined in accordance with the Act, including Section 420.509(2), Florida Statutes.

11. All resolutions or parts of resolutions in conflict with this Resolution shall be and the same are hereby superseded and repealed to the extent of such conflict.

12. This Resolution shall take effect immediately upon adoption.

[Remainder of page intentionally left blank]

ADOPTED this 8th day of September, 2023.

(SEAL)

FLORIDA HOUSING FINANCE
CORPORATION, a public
corporation and a public body
corporate and politic duly created and
existing under the laws
of the State of Florida

ATTEST:

Melissa Levy, Assistant Secretary, Florida
Housing Finance Corporation's Board of
Directors

Mario Facella, Chair, Florida Housing
Finance Corporation's Board of Directors

STATE OF FLORIDA

COUNTY OF LEON

I hereby certify that the above and foregoing is a true and correct copy of a Resolution adopted at a duly noticed public meeting of the Florida Housing Finance Corporation, legally called and held on the 8th day of September, 2023, at which a quorum was present, all as will appear by reference to the original Resolution incorporated in the official records of the Florida Housing Finance Corporation.

By
Tim Kennedy
Multifamily Loans/Bonds Director,
Florida Housing Finance Corporation

STATE OF FLORIDA
COUNTY OF LEON

The foregoing instrument was acknowledged before me by means of physical presence or online notarization, this ___ day of September, 2023 by Tim Kennedy, as Multifamily Loans and Bonds Director of the Florida Housing Finance Corporation, a public corporation and a public body corporate and politic duly created and existing under the laws of the State of Florida, on behalf of the Corporation. He is personally known to me.

NOTARY SEAL

Notary Public

Name typed, printed or stamped

My Commission Expires: _____

**FLORIDA HOUSING FINANCE CORPORATION
AMENDED AND RESTATED SALE RESOLUTION
WHISPERING OAKS**

RESOLUTION NO. _____

A RESOLUTION AMENDING AND RESTATING RESOLUTION NO. 2023-012; AUTHORIZING AND APPROVING THE PRIVATE PLACEMENT OF THE MULTIFAMILY MORTGAGE REVENUE NOTE OR NOTES, 2023 SERIES N [ONE OR MORE SERIES TO BE DESIGNATED] (WHISPERING OAKS) OF THE FLORIDA HOUSING FINANCE CORPORATION (“FLORIDA HOUSING”); AUTHORIZING THE NEGOTIATION AND EXECUTION OF A NOTE PURCHASE AGREEMENT, NOTE PLACEMENT AGREEMENT OR FUNDING LOAN AGREEMENT OR FUNDING LOAN AGREEMENTS AND SUCH OTHER DOCUMENTS AS ARE NECESSARY FOR THE PRIVATE PLACEMENT OF THE NOTE OR NOTES; AUTHORIZING THE EXECUTIVE DIRECTOR, THE CHIEF FINANCIAL OFFICER, THE COMPTROLLER OR ANY MEMBER OF THE BOARD OF DIRECTORS OF FLORIDA HOUSING OR OTHER AUTHORIZED SIGNATORY TO TAKE ANY OTHER ACTIONS NECESSARY TO NEGOTIATE THE PRIVATE PLACEMENT OF THE NOTE OR NOTES AND MAKING OTHER PROVISIONS IN CONNECTION THEREWITH; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, the Florida Housing Finance Corporation (“Florida Housing”) is a public corporation, created within the Department of Economic Opportunity of the State of Florida and a public body corporate and politic, duly organized under the Florida Housing Finance Corporation Act, Sections 420.501 *et seq.*, Florida Statutes, as amended (the “Act”). Florida Housing is authorized by the Act to issue its bonds, debentures, notes or other evidence of financial indebtedness from time to time to fulfill its public purposes, which include the financing and refinancing of multifamily residential housing developments for rental to persons or families of low, moderate or middle income; and

WHEREAS, Florida Housing adopted a resolution authorizing the execution and delivery of its Multifamily Mortgage Revenue Note or Notes, 2023 Series N [one or more series to be designated] (Whispering Oaks), as tax-exempt or taxable notes (the “Notes”), for the purpose of making a loan or loans to SP East LLC, together with its predecessors, successors, assigns, affiliates and/or related entities (the “Borrower”), to finance the acquisition and new construction of an approximately 192-unit multifamily residential rental development named Whispering Oaks located in unincorporated Orange County, Florida; provided that the maximum aggregate principal amount of the Notes shall not exceed (a) \$30,000,000 or (b) such greater maximum aggregate principal amount of the Notes which, at the time of execution and delivery, does not exceed a maximum aggregate principal amount which would result in a debt service coverage ratio for the Notes of less than 1.00 (subject to receipt of private activity bond allocation being made available for the tax-exempt Notes and compliance with Section 147(f) of the Internal Revenue Code of 1986, as amended); and

WHEREAS, the Act authorizes Florida Housing to negotiate through an underwriter or placement agent designated by Florida Housing for a negotiated sale or a private placement of the Notes through such underwriter or placement agent if Florida Housing by official action at a public meeting determines that such negotiated sale or private placement of the Notes is in the best interest of Florida Housing; and

WHEREAS, Florida Housing has reviewed the market conditions and trends affecting the execution, delivery and negotiated sale or private placement of the Notes; and

WHEREAS, Florida Housing has received a recommendation and reviewed and looked at the relative advantage of a negotiated sale or a private placement of the Notes in light of the current and anticipated market conditions; and

WHEREAS, the Board of Directors of Florida Housing (the “Board”) has considered the best interests of Florida Housing and the public; and

WHEREAS, the nature and structure of the Notes and the current and anticipated market conditions render the Notes a candidate for a private placement of the Notes; and

WHEREAS, based on the foregoing, the Board has made the following findings of fact:

A private placement of the Notes is in the best interest of Florida Housing and the public based on the current market conditions and based upon the structure of the Notes. Existing and projected market conditions and any lack of flexibility in the negotiated sale of the Notes could be prejudicial to Florida Housing and to the public. Additionally, the structure of the Notes and the current demand for these types of obligations support a private placement.

NOW, THEREFORE, BE IT RESOLVED BY FLORIDA HOUSING:

1. A private placement of the Notes is in the best interest of Florida Housing and the public for the reasons herein described.

2. The private placement of the Notes is to be negotiated by Florida Housing with or through RBC Capital Markets, LLC (hereinafter referred to as the “Placement Agent”), and the purchaser or purchasers of the Notes (collectively, the “Purchaser”).

3. The Notes are to be generally described as follows:

Florida Housing Finance Corporation
Multifamily Mortgage Revenue Note or Notes,
2023 Series N [one or more series to be designated]
(Whispering Oaks).

4. Florida Housing shall negotiate with or through the Placement Agent with the Purchaser and shall execute such documents as are necessary to privately place the Notes with the Purchaser pursuant to this Resolution. Any member of the Board, the Executive Director, the Chief Financial Officer, the Comptroller or any other person designated by separate resolution of

the Board (or any person or persons acting in such capacities) (collectively, or each individually, an “Authorized Signatory”) is authorized to negotiate the terms of the private placement of the Notes and to execute a note purchase agreement, note placement agreement or funding loan agreement or funding loan agreements, as applicable, upon approval of the terms thereof, and the execution thereof by an Authorized Signatory shall be conclusive evidence of such approval.

5. The authority to execute the note purchase agreement, note placement agreement or funding loan agreement or funding loan agreements, as applicable, is predicated upon the note purchase agreement, note placement agreement or funding loan agreement or funding loan agreements, as applicable, providing for an interest rate on the Notes that will not exceed 10% per annum and will provide for a private placement of the Notes in conformance with the program documents.

6. An Authorized Signatory and the attorneys for Florida Housing and other consultants, agents or employees thereof, are hereby authorized to execute all necessary documents and to take whatever action is necessary to finalize the execution, delivery and private placement of the Notes pursuant to this Resolution and to provide for the use of the proceeds of the Notes contemplated by this Resolution.

7. The private placement of the Notes pursuant to the terms of this Resolution shall be final without any further action by Florida Housing.

8. All resolutions or parts of resolutions in conflict with this Resolution are hereby superseded and repealed to the extent of such conflict.

9. This Resolution shall take effect immediately upon adoption.

[Remainder of page intentionally left blank]

ADOPTED THIS 8th day of September, 2023.

(SEAL)

ATTEST:

FLORIDA HOUSING FINANCE
CORPORATION, a public
corporation and a public body
corporate and politic duly created and
existing under the laws
of the State of Florida

Melissa Levy, Assistant Secretary, Florida
Housing Finance Corporation's Board of
Directors

Mario Facella, Chair, Florida Housing
Finance Corporation's Board of Directors

STATE OF FLORIDA

COUNTY OF LEON

I hereby certify that the above and foregoing is a true and correct copy of a Resolution adopted at a duly noticed public meeting of the Florida Housing Finance Corporation, legally called and held on the 8th day of September, 2023, at which a quorum was present, all as will appear by reference to the original Resolution incorporated in the official records of the Florida Housing Finance Corporation.

By

Tim Kennedy
Multifamily Loans/Bonds Director,
Florida Housing Finance Corporation

STATE OF FLORIDA

COUNTY OF LEON

The foregoing instrument was acknowledged before me by means of physical presence or online notarization, this ___ day of September, 2023 by Tim Kennedy, as Multifamily Loans and Bonds Director of the Florida Housing Finance Corporation, a public corporation and a public body corporate and politic duly created and existing under the laws of the State of Florida, on behalf of the Corporation. He is personally known to me.

NOTARY SEAL

Notary Public

Name typed, printed or stamped

My Commission Expires: _____



August 14, 2023

Mr. Tim Kennedy
Multifamily Loans & Bonds Director
Florida Housing Finance Corporation
227 N. Bronough Street, Suite 5000
Tallahassee, Florida 32301-3291

Re: Brownsville Transit Village V (“Development”) - Tax-Exempt Multifamily Mortgage Revenue Bonds (“MMRB” or “Bonds”) 2023 Series A and Community Development Block Grant – Disaster Recovery (“CDBG-DR”) Program RFA 2019-102 (2020-023BD) and CDBG-DR Viability Loan / 4% Non-Competitive Housing Credits (“HC”) 2019-570C

Credit Underwriting Report Update Letter (“CUL”) – Changes to the Final Credit Underwriting Report, dated January 12, 2022 (“Final CUR”) and CUR Update Letter (“CUR Update Letter”), dated July 26, 2022

First Housing Development Corporation of Florida (“FHDC”, “First Housing”, or “Servicer”) reviewed a letter, dated February 7, 2023, from a representative of Brownsville Village V, Ltd. (“Applicant”) requesting that Florida Housing Finance Corporation (“FHFC” or “Florida Housing”) approve additional subordinate funds in the amount of \$1,000,000, which will be added under the existing Surtax mortgage, but will have its own promissory note. First Housing received a Notification of Award of Development Inflation Adjustment Funds (“DIAF”) for the Development, dated January 20, 2023. According to the letter, the Development has been awarded \$1,000,000 in DIAF to be used for the purposes of construction costs. In addition, the Borrower submitted a request, dated July 11, 2023, requesting to increase the issuance of the construction first mortgage MMRB in the amount of \$1,480,000 from \$17,370,000 to \$18,850,000.

On behalf of Florida Housing, First Housing has performed certain due diligence and formulated a recommendation and closing conditions which are contained at the end of the CUL. For the purposes of this analysis, First Housing has reviewed the following:

- Final CUR and CUR Update Letter.

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- Updated Sources and Uses and Draw Schedule, dated June 16, 2023.
- FHFC staff approval of the bond increase from \$17,370,000 to \$18,850,000, dated July 25, 2023.
- Appraisal, dated July 14, 2023, which incorporate the 2023 rents.
- Form HUD-2328, dated June 20, 2023.
- Plan and Cost Review (“PCR”), dated July 14, 2023.
- Summary of Financing Assumption from RBC Capital Markets Corporation (“RBC”), dated July 11, 2023.
- Term Sheet, date June 20, 2023, from Wells Fargo Bank, N.A. (“Wells Fargo”) and email, dated July 11, 2023.
- Equity Bridge Loan Term Sheet from Wells Fargo, dated July 13, 2023.
- Equity Letter from Wells Fargo Community Lending and Investment (“Wells Fargo CLI”), dated July 13, 2023 and email, dated July 17, 2023.

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PERMANENT FINANCING INFORMATION					
	1st Source	2nd Source	2nd Source	3rd Source	3rd Source
Lien Position	First	Second	Second	Third	Third
Lender/Grantor	Wells Fargo /FHA/HUD	FHFC - CDBG-DR	FHFC - Viability	Miami-Dade County - Surtax	Miami-Dade County - DIAF
Amount	\$7,380,000	\$3,900,000	\$2,250,000	\$4,800,000	1,000,000
Underwritten Interest Rate	6.05%	0.00%	0.00%	1.00%	0.00%
Loan Term	40	40	40	40	40
Amortization	40	0	0	0	0
Market Rate/Market Financing LTV	22%	33%	40%	54%	57%
Restricted Market Financing LTV	51%	78%	94%	127%	134%
Loan to Cost - Cumulative	19%	29%	35%	47%	50%
Debt Service Coverage	1.29	1.26	1.26	1.16	1.16
Operating Deficit Reserve	\$354,853				
# of Months covered by the Reserves	5.1				

Deferred Developer Fee	\$2,339,549
As-Is Land Value	\$3,850,000
Market Rent/Market Financing Stabilized Value	\$34,200,000
Rent Restricted Market Financing Stabilized Value	\$14,400,000
Projected Net Operating Income (NOI) - Year 1	\$657,496
Projected Net Operating Income (NOI) - 15 Year	\$724,477
Year 15 Pro Forma Income Escalation Rate	2.00%
Year 15 Pro Forma Expense Escalation Rate	3.00%
Bond Structure	Short Term FHA 221(d)(4), Cash Collateralized
Housing Credit (HC) Syndication Price	\$0.9825
HC Annual Allocation - Qualified in CUR	\$1,759,688
HC Annual Allocation - Equity Letter of Interest	\$1,759,827

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Construction Financing Sources:

Construction Sources	Lender	Application	Revised Applicant	Underwriter	Construction Interest Rate	Annual Construction Debt Service
FHFC - MMRB	FHFC	\$17,370,000	\$7,380,000	\$18,850,000	3.80%	\$716,300
Bridge Loan	Wells Fargo	\$1,740,000	\$12,900,000	\$1,206,155	8.82%	\$106,383
FHFC - CDBG-DR	FHFC	\$3,900,000	\$3,900,000	\$3,900,000	0.00%	\$0
FHFC - Viability	FHFC	\$2,250,000	\$2,250,000	\$2,250,000	0.00%	\$0
Local Government Subsidy	Miami-Dade County - Surtax	\$4,800,000	\$4,800,000	\$4,800,000	0.00%	\$0
Local Government Subsidy	Miami-Dade County - DIAF	\$0	\$1,000,000	\$1,000,000	0.00%	\$0
HC Equity	Wells Fargo CLI	\$3,548,133	\$3,618,862	\$3,544,166	N/A	N/A
Deferred Developer Fee	APC Brownsville Village V Development, LLC	\$2,950,802	\$3,102,128	\$3,407,799	N/A	N/A
Affiliate / Principal	APC Brownsville Village V Development, LLC	\$0	\$25,000	\$25,000	N/A	N/A
Total		\$36,558,935	\$38,975,990	\$38,983,120		\$822,683
Cash Collateral Source(s)						
Regulated Mortgage Lender	Wells Fargo / FHA / HUD			\$7,380,000	6.05%	\$446,490
Bridge Loan	Wells Fargo			\$11,470,000	8.82%	\$1,011,654
Grand Total				\$57,833,120		\$2,280,827

Please note, the Application column is based on First Housing's conclusions in the CUR Update Letter.

First Mortgage:

Based on a Summary of Financing Assumption, dated July 11, 2023, from RBC, it is anticipated that Florida Housing will issue \$18,850,000 in tax-exempt bonds. The bonds will be sold via a public offering and are expected to be rated "AA+" by Standard & Poors or "Aaa" by Moody's. The Bonds will be collateralized by a cash source at all times with funds on deposit in the Project Fund, the Collateral Fund and Capitalized Interest Account, each held and administered by the Trustee. The anticipated source of collateralization is a FHA loan in the amount of \$7,380,000 that will maintain a first lien position and a portion of the bridge loan proceeds in the amount of \$11,470,000. The Bonds will also be secured by a second mortgage. The Bonds will mature up to 42 months following the date of issuance. The Bonds will bear interest at a fixed rate that is payable semiannually. The current bond interest rate is estimated to be approximately 3.80% assuming a Mandatory Tender Date with a 30-month term.

The annual FHFC Issuer Fee of 24 basis points ("bps") and annual Trustee Fee of \$4,500 has been included in the uses section of this report.

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First Housing received a Term Sheet from Wells Fargo, dated June 20, 2023, for construction and permanent financing of a Federal Housing Administration's ("FHA") Section 221(d)(4) mortgage insurance program loan in the amount of \$6,800,000 with an interest rate of 6.05%. Based on an email from Wells Fargo, dated July 11, 2023, the current loan amount is \$7,380,000. During the construction term, the loan will require interest only payments, which is estimated at 30 months. Principal and interest payments will commence following completion for a self-amortizing loan term of 40 years. First Housing has utilized an interest rate of 6.05%.

Bridge Loan:

First Housing received a term sheet from Wells Fargo, dated July 13, 2023, for an equity bridge loan not to exceed \$12,900,000. The term of the loan is 24 months with one, six-month extension. The loan will require monthly interest only payments at a variable rate based on the Secured Overnight Financing Rate ("SOFR") in Advance, subject to a floor of 25 bps, plus a spread of 275 bps. The bridge loan interest is calculated based on SOFR in Advance rate of 5.07% (as of July 13, 2023), plus a spread of 2.75%, and a 1.00% underwriting cushion for an overall interest rate of 8.82%. First Housing is estimating \$12,676,155 of the equity bridge loan will be funded.

FHFC CDBG-DR and CDBG-DR Viability Loans:

The CDBG-DR and CDBG-DR Viability Loans will be combined into one loan totaling \$6,150,000 at closing and will have one set of loan documents but have been separated for presentation purposes. First Housing reviewed an invitation to enter credit underwriting, dated April 27, 2020, from FHFC with a preliminary CDBG-DR Loan in the amount of \$3,900,000 to finance the construction and permanent financing of the Development.

The CDBG-DR Loan is non-amortizing with an interest rate of 0% plus permanent loan servicing and compliance monitoring fees for a total term of 42.5 years, of which 2.5 years is for the construction/stabilization period and 40 years is for the permanent period. As required by the permanent first mortgage lender and permitted by the RFA, the CDBG-DR Loan term will be coterminous with the first mortgage. Annual payments of all applicable fees will be required. The Applicant shall not be obligated to pay more than 75% of development surplus cash on an annual basis as required and defined by HUD's Regulatory Agreement. The Loan will not require payment for as long as the proposed Development remains in Compliance. The Loan will be forgiven after 42.5 years.

First Housing reviewed an email, dated October 28, 2021, from FHFC staff offering CDBG-DR Viability Loan funds in the maximum amount of \$2,250,000. Based on the Applicant's updated Sources and Uses, First Housing has utilized the maximum amount of \$2,250,000. The CDBG-

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DR Viability Loan terms will be made under the same terms of the original CDBG-DR Loan. The Applicant will be required to defer at least 40% of their Developer Fee.

Miami-Dade Surtax:

First Housing reviewed a Conditional Loan Commitment from Miami-Dade County, dated August 10, 2021, for \$4,800,000 in Surtax Funds for the Development. The Surtax Loan will bear interest at 0% during years 1 and 2. The loan will require 1% interest only payments from Development cash flow in years 3 - 42.5, with an additional 1% accrual in years 3 - 42.5. The total term of the loan will be 42.5 years and coterminous with the HUD 221(d)(4) loan, of which 2 years is for the construction period and years 3 - 42.5 is for the permanent period. Based on an email, dated October 19, 2021, Miami-Dade County has no issues with the Surtax Loan being coterminous with the HUD 221(d)(4) loan. Full principal and accrued interest are due at maturity. First Housing received an Extension No. 2, dated August 4, 2022, from Miami-Dade County. The extension extends the commitment to February 10, 2023. First Housing further received an email, dated December 13, 2022, indicating that if closing goes beyond February 10, 2023, a formal extension is not required.

Miami-Dade DIAF:

First Housing received a Notification of Award of Development Inflation Adjustment Funds for Brownsville Transit Village V, dated January 20, 2023. According to the Award, the Development has been awarded \$1,000,000 in DIAF for the purposes of construction costs. According to First Housing's understanding, the term of the DIAF will be 42.5 years with a 0% interest rate. At the end of the term the loan may be forgiven. Verification of the loan terms is a condition to close.

Housing Credit Equity:

First Housing has reviewed a letter, dated July 13, 2023, indicating Wells Fargo CLI, its affiliate or designee, will acquire 99.99% ownership interest in the Partnership. Based on the letter, the annual HC allocation is estimated to be in the amount of \$1,759,827 and the syndication rate is anticipated to be \$0.9825 per dollar. Wells Fargo CLI anticipates a net capital contribution of \$17,288,571 and has committed to make available 20.50% or \$3,544,166 of the total net equity during the construction period. An additional \$13,744,405 will be available at completion, stabilization, and Form 8609. The first installment, in the amount of \$3,544,166 or 20.50%, meets the RFA requirement that at least 15% of the total equity must be contributed at or prior to the closing. Please note, page 2 of the letter indicates a 2nd Capital Contribution of \$12,622,952 and page 4 indicates a 2nd Capital Contribution of \$11,376,155. First Housing received an email, dated July 17, 2023, from Wells Fargo CLI confirming the 2nd Capital Contribution should be \$12,622,952.

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Deferred Developer Fee:

In order to balance the sources and uses of funds during the construction period, the Developer must defer \$3,407,799 or 58.90% of the total Developer Fee of \$5,785,714 during the construction period.

Affiliate/Principal:

First Housing received a letter, dated February 7, 2023, indicating APC Brownsville Village V, LLC will be making a \$25,000 equity contribution.

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Permanent Financing Sources:

Lender	Application	Revised Applicant	Underwriter	Term Yrs.	Amort. Yrs.	Interest Rate	Annual Debt Service
Wells Fargo / FHA / HUD	\$6,710,000	\$7,380,000	\$7,380,000	40	40	6.05%	\$490,359
FHFC - CDBG-DR	\$3,900,000	\$3,900,000	\$3,900,000	40	0	0.00%	\$0
FHFC - Viability	\$2,250,000	\$2,250,000	\$2,250,000	40	0	0.00%	\$0
Miami-Dade County - Surtax	\$4,800,000	\$4,800,000	\$4,800,000	40	0	1.00%	\$48,000
Miami-Dade County - DIAF	\$0	\$1,000,000	\$1,000,000	40	0	0.00%	\$0
Wells Fargo CLI	\$16,224,288	\$16,178,221	\$17,288,571	N/A	N/A	N/A	N/A
APC Brownsville Village V Development, LLC	\$2,674,647	\$4,442,769	\$2,339,549	N/A	N/A	N/A	N/A
APC Brownsville Village V Development, LLC	\$0	\$25,000	\$25,000	N/A	N/A	N/A	N/A
	\$36,558,935	\$39,975,990	\$38,983,120				\$538,359

Please note, the Application column is based on First Housing's conclusions in the CUR Update Letter.

First Mortgage:

First Housing received a Term Sheet from Wells Fargo, dated June 20, 2023, for construction and permanent financing of a FHA Section 221(d)(4) mortgage insurance program loan in the amount of \$6,800,000 with an interest rate of 6.05%. Based on an email from Wells Fargo, dated July 11, 2023, the current loan amount is \$7,380,000. During the construction term, the loan will require interest only payments, which is estimated at 30 months. Principal and interest payments will commence following completion for a self-amortizing loan term of 40 years. First Housing has utilized an interest rate of 6.05%.

Additional fees included in the Debt Service calculation consist of MIP of 25 bps.

FHFC CDBG-DR and CDBG-DR Viability Loans:

The CDBG-DR and CDBG-DR Viability Loans will be combined into one loan totaling \$6,150,000 at closing and will have one set of loan documents but have been separated for presentation purposes. First Housing reviewed an invitation to enter credit underwriting, dated April 27, 2020, from FHFC with a preliminary CDBG-DR Loan in the amount of \$3,900,000 to finance the construction and permanent financing of the Development.

The CDBG-DR Loan is non-amortizing with an interest rate of 0% plus permanent loan servicing and compliance monitoring fees for a total term of 42.5 years, of which 2.5 years is for the construction/stabilization period and 40 years is for the permanent period. As required by the permanent first mortgage lender and permitted by the RFA, the CDBG-DR Loan term will be coterminous with the first mortgage. Annual payments of all applicable fees will be required.

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The Applicant shall not be obligated to pay more than 75% of development surplus cash on an annual basis as required and defined by HUD's Regulatory Agreement. The Loan will not require payment for as long as the proposed Development remains in Compliance. The Loan will be forgiven after 42.5 years.

First Housing reviewed an email, dated October 28, 2021, from FHFC staff offering CDBG-DR Viability Loan funds in the maximum amount of \$2,250,000. Based on the Applicant's updated Sources and Uses, First Housing has utilized the maximum amount of \$2,250,000. The CDBG-DR Viability Loan terms will be made under the same terms of the original CDBG-DR Loan. The Applicant will be required to defer at least 40% of their Developer Fee.

The annual multiple program Compliance Monitoring Fee is \$1,023. The annual Permanent Loan Servicing Fee is based upon the outstanding loan amount, with a fee of 25 bps of the outstanding loan amount, with a minimum monthly fee of \$236 and a maximum monthly fee of \$936.

Miami-Dade Surtax:

First Housing reviewed a Conditional Loan Commitment from Miami-Dade County, dated August 10, 2021, for \$4,800,000 in Surtax Funds for the Development. The Surtax Loan will bear interest at 0% during years 1 and 2. The loan will require 1% interest only payments from Development cash flow in years 3 - 42.5, with an additional 1% accrual in years 3 - 42.5. The total term of the loan will be 42.5 years and coterminous with the HUD 221(d)(4) loan, of which 2 years is for the construction period and years 3 - 42.5 is for the permanent period. Based on an email, dated October 19, 2021, Miami-Dade County has no issues with the Surtax Loan being coterminous with the HUD 221(d)(4) loan. Full principal and accrued interest are due at maturity. First Housing received an Extension No. 2, dated August 4, 2022, from Miami-Dade County. The extension extends the commitment to February 10, 2023. First Housing further received an email, dated December 13, 2022, indicating that if closing goes beyond February 10, 2023, a formal extension is not required.

Miami-Dade DIAF:

First Housing received a Notification of Award of Development Inflation Adjustment Funds for Brownsville Transit Village V, dated January 20, 2023. According to the Award, the Development has been awarded \$1,000,000 in DIAF for the purposes of construction costs. According to First Housing's understanding, the term of the DIAF will be 42.5 years with a 0% interest rate. At the end of the term the loan may be forgiven. Verification of the loan terms is a condition to close.

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Housing Credit Equity:

The Applicant has applied to FHFC to receive 4% Housing Credits directly from the U.S. Treasury in conjunction with tax exempt financing. The letter, dated July 13, 2023, indicates Wells Fargo CLI, its affiliate or designee, will provide HC equity as follows:

Capital Contributions	Amount	Percentage of Total	When Due
1st Installment	\$3,544,166	20.50%	To be contributed upon Investor's admission into the Owner. The capital contribution will be advanced at closing based upon the approved closing draw schedule, and any remaining amount of capital contribution #1 will be advanced based on approved invoices.
2nd Installment	\$12,622,952	73.01%	To be contributed upon the last to occur of the following: (i) temporary certificate of occupancy for 100% of the Project units, (ii) lien free construction completion, substantially in accordance with the plans as certified by the Project architect and GP/MM and approved by the Investor, (iii) estimate of Eligible Basis and lease-up schedule, (iv) satisfaction of the 50% test, (v) [radon testing and environmental remediation if applicable].
3rd Installment	\$871,453	5.04%	To be contributed upon the last to occur of the following: (i) final certificate of occupancy for 100% of the Project units, (ii) draft cost certification for the Project from the Accountant, (iii) receipt of as built survey, (iv) permanent loan closing/ conversion, (v) receipt of the tenant file audit from the accountants (vi) the attainment of an annualized debt service coverage ratio of 1.15 to 1.00 for 90 consecutive days for all "scheduled" must-pay debt payments and a projected DSCR of at least 1.15 to 1.00 in each year of the Compliance Period for the Project based on the underwriting parameters (vii) executed Extended Use Agreement
4th Installment	\$250,000	1.45%	To be contributed upon the last to occur of the following: (i) receipt of IRS Form(s) 8609, (ii) receipt of first year Owner's Tax Return and K1, and (iii) final cost certification from the Accountant, including a reconciliation to the closing budget from the GP/MM or Accountant.
Total	\$17,288,571	100.00%	

Annual Credit Per Syndication Agreement	\$1,759,827
Calculated HC Exchange Rate	\$0.9825
Limited Partner Ownership Percentage	99.99%
Proceeds Available During Construction	\$3,544,166

Deferred Developer Fee:

To balance the sources and uses of funds during the permanent funding period, the Developer is required to defer \$2,339,549 or 40.44% of the total Developer Fee of \$5,785,714. As required by the Viability Loan funding, the Applicant will be required to defer at least 40% of the Developer Fee.

Affiliate/Principal:

First Housing received a letter, dated February 7, 2023, indicating APC Brownsville Village V, LLC will be making a \$25,000 equity contribution.

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Uses of Funds

CONSTRUCTION COSTS:	Applicant Costs	Revised Applicant Costs	Underwriters Total Costs - CUR	Cost Per Unit	HC Ineligible Costs - CUR	HOME Ineligible Costs - CUR
New Rental Units	\$18,181,007	\$22,821,167	\$19,223,032	\$160,192	\$373,114	\$0
Site Work	\$651,030	\$0	\$833,086	\$6,942	\$83,309	\$0
Constr. Contr. Costs subject to GC Fee	\$18,832,037	\$22,821,167	\$20,056,118	\$167,134	\$456,423	\$0
General Conditions	\$1,112,695	\$0	\$1,185,020	\$9,875	\$0	\$0
Overhead	\$370,899	\$0	\$395,007	\$3,292	\$0	\$0
Profit	\$1,112,695	\$0	\$1,185,020	\$9,875	\$0	\$0
Total Construction Contract/Costs	\$21,428,326	\$22,821,167	\$22,821,165	\$190,176	\$456,423	\$0
Hard Cost Contingency	\$937,216	\$993,458	\$993,458	\$8,279	\$0	\$993,458
PnP Bond paid outside Constr. Contr.	\$182,141	\$193,980	\$193,980	\$1,617	\$0	\$0
FF&E paid outside Constr. Contr.	\$536,000	\$536,000	\$536,000	\$4,467	\$107,200	\$0
Other: Site Improvement Funds	\$527,239	\$750,000	\$750,000	\$6,250	\$0	\$0
Other: Parking License Fee	\$1,111,171	\$1,397,656	\$1,397,656	\$11,647	\$1,397,656	\$1,397,656
Total Construction Costs:	\$24,722,093	\$26,692,261	\$26,692,259	\$222,435	\$1,961,279	\$2,391,114

Please note, the Applicant Costs column is based on First Housing's conclusions in the CUR Update Letter.

*The HOME Ineligible Costs-CUR columns throughout the CUR are for the CDBG-DR Ineligible Costs.

Notes to the Total Construction Costs:

1. The Applicant has provided a draft construction contract (HUD-92442M) for the Development which is a Cost Plus Contract. According to Article 4, the contract is a cost plus with a Guaranteed Maximum Price (“GMP”). The contract is between Brownsville Village V, Ltd. and Atlantic Pacific Community Builders, LLC. The contract will not be executed until closer to closing. First Housing was also provided with Contractor’s and/or Mortgagor’s Cost Breakdown (HUD-2328), which is the schedule of values, and indicates a GMP of \$22,821,165. According to the construction schedule, substantial completion is to be achieved within 480 days, from the date of commencement of the work. According to the unexecuted Supplemental Agreement, retainage of 10% shall be withheld on all payments until 50% completion of the Project, at which time, retainage of 5% shall be withheld on all payments from Additional Funding Sources, through Substantial Completion of the Work. The draft contract provides for compliance with the Federal Labor Standards and Wage Determination requirements pursuant to the Davis-Bacon Act as well as the Section 3 Clause requirements of the Housing and Urban Development Act of 1968. Satisfactory receipt of an executed contract and supporting documents is a condition to close.

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2. First Housing received an updated PCR that ties to the new GMP of \$22,821,165 which yields a cost of \$190,176.37 per unit. Based on GLE's opinion, the cost is within an acceptable range compared to similar type projects.
3. First Housing utilized the HUD-2328 to breakout the construction costs.
4. First Housing has assumed roughly \$68,000 of the ineligible cost of \$373,114 is for the purchase of washer/dryers. Since the Applicant will rent the washer/dryers to the residents, the cost to purchase the appliances is ineligible.
5. First Housing received a Community Service Facility ("CSF") Market Study for the retail space, dated December 8, 2021. According to the report, the approximate 1,200 square foot space is considered a CSF and therefore is an eligible cost.
6. The Development must meet the Section 3 requirements of the Housing and Urban Development Act of 1968 as amended.
7. Hard Cost Contingency is 5% of the total construction contract, less ½ of the Working Capital Reserve, which is within the allowable 5% of total hard costs for new construction developments per the RFA and Rule Chapter 67-21.
8. The General Contractor ("GC") fee is within the maximum 14% of hard costs allowed by Rule 67-21 and the RFA. The GC fee stated herein is for credit underwriting purposes only, and the final GC fee will be determined pursuant to the final cost certification process as per Rule 67-21.
9. The contract does not include any allowances.
10. The Applicant has budgeted for a Payment and Performance Bond ("P&P Bond") to secure the construction contract.
11. First Housing received a draft Second Amendment to Parking Agreement and Easement, between Brownsville Village I, Ltd. ("Phase One"), Brownsville Village II, Ltd. ("Phase Two"), Brownsville Village III, Ltd. ("Phase Three"), Brownsville Village IV, Ltd. ("Phase Four"), Brownsville Village V, Ltd. ("Phase Five"), and CDG Brownsville Holdings, LLC. The parking spaces within the Garage (other than the 100 exclusive County Spaces) were constructed for the shared non-exclusive use of all the five developments. According to the Agreement, Phase Five shall pay a one-time license fee in the amount of \$1,397,656 for the use of 93 parking spaces within the garage. The fee is paid to the other four phase owners based on their respective portion. Receipt of an

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executed Agreement is a condition to close. Please note, the original draft Agreement indicated the Development would have the rights to 78 parking spaces. However, under the new draft Agreement, the Development will be getting 15 additional parking spaces.

GENERAL DEVELOPMENT COSTS:	Applicant Costs	Revised Applicant Costs	Underwriters Total Costs - CUR	Cost Per Unit	HC Ineligible Costs - CUR	HOME Ineligible Costs - CUR
Accounting Fees	\$33,000	\$33,000	\$33,000	\$275	\$8,250	\$0
Appraisal	\$14,000	\$32,250	\$21,000	\$175	\$0	\$0
Architect's Fee - Site/Building Design	\$662,500	\$641,000	\$641,000	\$5,342	\$0	\$0
Architect's Fee - Supervision	\$107,500	\$129,000	\$129,000	\$1,075	\$0	\$0
Building Permits	\$70,400	\$70,400	\$70,400	\$587	\$0	\$0
Builder's Risk Insurance	\$63,121	\$88,685	\$88,685	\$739	\$0	\$0
Environmental Report	\$6,700	\$19,467	\$19,467	\$162	\$0	\$0
FHFC Administrative Fees	\$150,052	\$140,812	\$158,372	\$1,320	\$158,372	\$158,372
FHFC Application Fee	\$3,000	\$22,000	\$3,000	\$25	\$3,000	\$3,000
FHFC Credit Underwriting Fee	\$32,410	\$46,160	\$38,410	\$320	\$38,410	\$38,410
FHFC Compliance Fee	\$230,338	\$230,044	\$237,083	\$1,976	\$237,083	\$237,083
Impact Fee	\$161,786	\$162,883	\$162,883	\$1,357	\$0	\$0
Lender Inspection Fees / Const Admin	\$330,915	\$337,985	\$337,985	\$2,817	\$0	\$337,985
Green Building Cert. (LEED, FGBC, NAHB)	\$25,300	\$0	\$25,300	\$211	\$0	\$0
Insurance	\$289,283	\$89,003	\$89,003	\$742	\$0	\$0
Legal Fees - Organizational Costs	\$720,000	\$883,500	\$883,500	\$7,363	\$714,750	\$0
Market Study	\$5,000	\$5,000	\$5,000	\$42	\$5,000	\$0
Plan and Cost Review Analysis	\$3,800	\$0	\$5,700	\$48	\$0	\$0
Soil Test	\$5,650	\$5,650	\$5,650	\$47	\$0	\$0
Survey	\$45,150	\$63,350	\$63,350	\$528	\$0	\$0
Title Insurance and Recording Fees	\$243,055	\$157,215	\$157,215	\$1,310	\$610	\$0
Utility Connection Fees	\$118,238	\$118,238	\$118,238	\$985	\$0	\$0
Soft Cost Contingency	\$166,059	\$173,482	\$164,662	\$1,372	\$0	\$164,662
Total General Development Costs:	\$3,487,257	\$3,449,124	\$3,457,903	\$28,816	\$1,165,475	\$939,512

Please note, the Applicant Costs column is based on First Housing's conclusions in the CUR Update Letter.

Notes to the General Development Costs:

1. General Development Costs are the Applicant's updated estimates, which appear reasonable.
2. First Housing has utilized actual costs for: Appraisal, FHFC Credit Underwriting, Market Study, and Plan and Cost Analysis ("PCA").
3. The FHFC Administrative Fee is based on 9% of the recommended annual 4% Housing Credit allocation.
4. The FHFC Credit Underwriting Fee \$38,410 includes a credit underwriting fee of \$24,943, a subsidy layering review fee of \$2,471, a credit underwriting update letter fee

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\$4,996, an additional credit underwriting update letter fee of \$3,000, and an additional credit update letter fee of \$3,000.

5. The FHFC Compliance Fee of \$237,083 is the future compliance fees to be paid at bond redemption. It is based on the 2023 compliance fee calculator spread sheet provided by FHFC for 120 units for 50 years.
6. First Housing received a Professional Services Proposal, dated September 23, 2020, from Abney + Abney Green Solutions for NGBS Administration and Verification services for the Development. First Housing has included an estimated cost of \$25,300 for these services.
7. First Housing adjusted the Soft Cost Contingency to be 5% of the General Development Costs less the soft cost contingency, as allowed by the RFA and Rule 67-21 for new construction developments.

FINANCIAL COSTS:	Applicant Costs	Revised Applicant Costs	Underwriters Total Costs - CUR	Cost Per Unit	HC Ineligible Costs - CUR	HOME Ineligible Costs - CUR
Construction Loan Application Fee	\$13,723	\$0	\$14,580	\$122	\$0	\$0
Construction Loan Origination Fee	\$33,550	\$64,186	\$36,900	\$308	\$0	\$0
Construction Loan Closing Costs	\$0	\$102,015	\$0	\$0	\$0	\$0
Construction Loan Interest	\$344,447	\$681,719	\$681,719	\$5,681	\$224,967	\$0
Bridge Loan Origination Fee	\$80,600	\$64,500	\$83,850	\$699	\$0	\$0
Bridge Loan Closing Costs	\$12,400	\$12,900	\$12,900	\$108	\$0	\$0
Bridge Loan Interest	\$725,648	\$426,058	\$426,058	\$3,550	\$0	\$0
FHFC Bond Short-Term Redemption Fee	\$29,529	\$0	\$32,045	\$267	\$32,045	\$0
FHFC Bond Trustee Fee	\$11,250	\$0	\$11,250	\$94	\$11,250	\$0
FHFC Bond Cost of Issuance	\$253,077	\$366,594	\$262,668	\$2,189	\$262,668	\$0
Misc Loan Underwriting Fee	\$8,500	\$0	\$8,500	\$71	\$8,500	\$0
Misc Loan Origination Fee	\$22,500	\$0	\$48,000	\$400	\$48,000	\$0
Negative Arbitrage	\$42,000	\$42,000	\$0	\$0	\$0	\$0
Placement Agent/Underwriter Fee	\$108,638	\$0	\$94,188	\$785	\$94,188	\$0
Initial TEFRA Fee	\$1,000	\$0	\$1,000	\$8	\$1,000	\$0
FHA MIP (Prepayment)	\$33,550	\$36,900	\$36,900	\$308	\$36,900	\$0
FHA Exam Fee	\$20,130	\$7,380	\$22,140	\$185	\$22,140	\$0
Other: FHFC Bond Issuer Fee	\$104,220	\$0	\$113,100	\$943	\$113,100	\$0
Other:	\$103,550	\$192,250	\$106,900	\$891	\$106,900	\$0
Total Financial Costs:	\$1,948,312	\$1,996,502	\$1,992,697	\$16,606	\$961,657	\$0
Dev. Costs before Acq., Dev. Fee & Reserves	\$30,157,662	\$32,137,887	\$32,142,859	\$267,857	\$4,088,411	\$3,330,626

Please note, the Applicant Costs column is based on First Housing's conclusions in the CUR Update Letter.

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Notes to the Financial Costs:

1. The Construction Loan Application Fee of \$14,580 includes a Wells Fargo Non-refundable Application Fee of \$5,000, a nonrefundable FHA Application Fee of 0.10% and a Ginnie Mae Application Fee of \$2,200.
2. The Construction Loan Origination Fee of \$36,900 is a financing fee equal to 0.50% of the HUD insured loan amount.
3. The Construction Loan Interest of \$681,719 is based on the Developer's draw schedule, which First Housing found to be acceptable.
4. The Bridge Loan Origination Fee is based on 0.65% of the loan amount of \$12,900,000.
5. The Bridge Loan Interest of \$426,058 is based on the Developer's draw schedule, which First Housing found to be acceptable.
6. The Bond Short-Term Redemption Fee is based on a short-term redemption fee of 0.17% of the total bond amount.
7. The FHFC Bond Trustee Fee represents 2.5 years of the annual Trustee Fee of \$4,500 during the construction period.
8. FHFC Bond Cost of Issuance ("COI") includes MMRB and CDBG-DR Loan Closing Costs, and expenses of the Trustee, Real Estate Counsel, MMRB Counsel, Disclosure Counsel, and other fees.
9. The Misc. Loan Underwriting Fee is associated with the Surtax Loan.
10. The Misc. Loan Origination Fee is equal to 1% of the Surtax Loan.
11. First Housing included a Placement Agent/Underwriting Fee of \$94,187.50, based on an email from RBC, dated July 11, 2023.
12. First Housing included a TEFRA Fee of \$1,000.
13. The Applicant has projected negative arbitrage at \$42,000. However, based the Summary of Financing Assumptions, the bond collateral will be invested at an estimated rate of 4.66% which is higher than the expected rate on the Bonds.
14. The FHA Exam Fee is equal to 0.30% of the HUD insured loan amount.

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15. The FHFC Bond Issuer Fee is based on 2.5 years of the FHFC Issuer Fee of 24 bps on the MMRB during construction.

16. Other includes Wells Fargo Third Party Costs, HUD Inspection Fee, and Placement Agent/Underwriter Counsel Fees.

NON-LAND ACQUISITION COSTS	Applicant Costs	Revised Applicant Costs	Underwriters Total Costs - CUR	Cost Per Unit	HC Ineligible Costs - CUR	HOME Ineligible Costs - CUR
Total Non-Land Acquisition Costs:	\$0	\$0	\$0	\$0	\$0	\$0

Please note, the Applicant Costs column is based on First Housing's conclusions in the CUR Update Letter.

Notes to the Non-Land Acquisition Costs:

- As this is new construction, there are no non-land acquisition costs.

DEVELOPER FEE ON NON-ACQUISITION COSTS	Applicant Costs	Revised Applicant Costs	Underwriters Total Costs - CUR	Cost Per Unit	HC Ineligible Costs - CUR	HOME Ineligible Costs - CUR
Developer Fee - Unapportioned	\$5,428,379	\$5,783,556	\$5,785,714	\$48,214	\$0	\$0
Total Other Development Costs:	\$5,428,379	\$5,783,556	\$5,785,714	\$48,214	\$0	\$0

Please note, the Applicant Costs column is based on First Housing's conclusions in the CUR Update Letter.

Notes to the Developer Fee on Non-Acquisition Costs:

- The recommended Developer's Fee does not exceed 18% of Total Development Cost before Developer Fee, land acquisition costs, and ODR as allowed by the RFA and Rule Chapter 67-21.

LAND ACQUISITION COSTS	Applicant Costs	Revised Applicant Costs	Underwriters Total Costs - CUR	Cost Per Unit	HC Ineligible Costs - CUR	HOME Ineligible Costs - CUR
Land	\$404,494	\$404,494	\$404,494	\$3,371	\$404,494	\$0
Total Acquisition Costs:	\$404,494	\$404,494	\$404,494	\$3,371	\$404,494	\$0

Please note, the Applicant Costs column is based on First Housing's conclusions in the CUR Update Letter.

Notes to Acquisition Costs:

- First Housing received a draft Brownsville Metrorail Station Transit Oriented Development Lease Agreement (Phase V), between Miami-Dade County ("Landlord") and Brownsville Village V, Ltd. ("Tenant"). According to the agreement, the term on the lease shall be 99 years from Financial Closing. The minimum rent to be paid by Tenant to Landlord shall be \$3,370.78 for each affordable housing unit or \$404,493.60. The Applicant provided a draft Bifurcation of Lease Agreement, between Miami-Dade

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County (“Landlord”) and St. Agnes Housing Corporation (“Master Tenant”). Execution of these documents are a condition to close. These documents replace the existing Sub-Sub Lease, dated October 22, 2013, Sublease, dated May 4, 2009, Amended and Restated Lease Agreement, dated May 4, 2009, and Lease Agreement, dated July 24, 2006.

2. The appraisal, dated July 14, 2023, indicates a Fee Simple Land Value, as of June 9, 2023, of \$3,850,000, which supports the rent payment.

RESERVE ACCOUNTS	Applicant Costs	Revised Applicant Costs	Underwriters Total Costs - CUR	Cost Per Unit	HC Ineligible Costs - CUR	HOME Ineligible Costs - CUR
Operating Deficit Reserve (Syndicator)	\$300,000	\$354,853	\$354,853	\$2,957	\$354,853	\$354,853
Reserves - Working Capital	\$268,400	\$295,200	\$295,200	\$2,460	\$295,200	\$295,200
Total Reserve Accounts:	\$568,400	\$650,053	\$650,053	\$5,417	\$650,053	\$650,053

Please note, the Applicant Costs column is based on First Housing’s conclusions in the CUR Update Letter.

Notes to Reserve Accounts:

1. An Operating Deficit Reserve (“ODR”) in the estimated amount of \$354,853 will be required. At the end of the Compliance Period, any remaining balance of the ODR less amounts that may be permitted to be drawn (which includes Deferred Developer Fee and reimbursements for authorized member/partner and guarantor loan(s) pursuant to the operating/partnership agreement), will be used to pay FHFC loan debt; if there is no FHFC loan debt on the proposed Development at the end of the Compliance Period, any remaining balance shall be used to pay any outstanding FHFC fees. If any balance is remaining in the ODR after the payments above, the amount should be placed in a Replacement Reserve account for the Development. In no event shall the payments of amounts to the Applicant or the Developer from the Reserve Account cause the Developer Fee or General Contractor Fee to exceed the applicable percentage limitations provided for in Rule Chapter 67-21. Any and all terms and conditions of the ODR must be acceptable to Florida Housing, its Legal Counsel and Servicer.

2. A working capital escrow in the amount of 2% of the loan amount will be required, with any unused portion released at the later of final closing plus one year or 6 months of breakeven debt service coverage. Further, an additional 2% working capital escrow will be required to fund potential change orders and will be released at final endorsement if not needed for that purpose.

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TOTAL DEVELOPMENT COSTS	Applicant Costs	Revised Applicant Costs	Underwriters Total Costs - CUR	Cost Per Unit	HC Ineligible Costs - CUR	HOME Ineligible Costs - CUR
TOTAL DEVELOPMENT COSTS:	\$36,558,935	\$38,975,990	\$38,983,120	\$324,859	\$5,142,958	\$3,980,679

Please note, the Applicant Costs column is based on First Housing's conclusions in the CUR Update Letter.

Notes to Total Development Costs:

1. The Total Development Cost ("TDC") has increased by a total of \$2,424,185 from \$36,558,935 to \$38,983,120 or 6.63% since the CUR Update Letter. The change is mainly due to an increase in construction costs.
2. Based on the TDC per unit limitations in effect as of the April 1, 2022 FHFC Telephonic Board Meeting, Florida Housing has set the TDC for RFA 2019-102, exclusive of land costs and ODR, to \$529,629.84 per unit for a high-rise, new construction development located in Miami-Dade County. The Development's TDC, exclusive of land and ODR is \$37,928,573 or \$316,071 per unit, which is within the underwriting parameters.

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Operating Pro Forma: Brownsville Transit Village V

FINANCIAL COSTS:				Year 1	Year 1 Per Unit
OPERATING PRO FORMA					
INCOME:	Gross Potential Rental Income			\$1,518,516	\$12,654
	Other Income				
	Miscellaneous			\$28,500	\$238
	Washer/Dryer Rentals			\$32,400	\$270
	Gross Potential Income			\$1,579,416	\$13,162
	Less:				
	Physical Vac. Loss		Percentage: 5.00%	\$78,971	\$658
	Collection Loss		Percentage: 0.81%	\$12,793	\$107
	Total Effective Gross Income			\$1,487,652	\$12,397
	EXPENSES:	Fixed:			
Real Estate Taxes			\$97,697	\$814	
Insurance			\$156,000	\$1,300	
Variable:					
Management Fee		Percentage: 6.00%	\$89,259	\$744	
General and Administrative			\$66,000	\$550	
Payroll Expenses			\$168,000	\$1,400	
Utilities			\$60,000	\$500	
Marketing and Advertising			\$3,000	\$25	
Maintenance and Repairs/Pest Control			\$63,600	\$530	
Grounds Maintenance and Landscaping			\$16,200	\$135	
Security			\$74,400	\$620	
Reserve for Replacements			\$36,000	\$300	
Total Expenses			\$830,156	\$6,918	
Net Operating Income			\$657,496	\$5,479	
Debt Service Payments					
First Mortgage - Wells Fargo/FHA/HUD			\$490,359	\$4,086	
Second Mortgage - FHFC - CDBG-DR/Viability			\$0	\$0	
Third Mortgage - Miami-Dade County - Surtax & DIAF			\$48,000	\$400	
First Mortgage Fees - MIP			\$18,389	\$153	
Second Mortgage Fees - FHFC - CDBG-DR/Viability			\$12,255	\$102	
Third Mortgage Fees - Miami-Dade County - Surtax & DIAF			\$0	\$0	
Total Debt Service Payments			\$569,004	\$4,742	
Cash Flow after Debt Service			\$88,492	\$737	
Debt Service Coverage Ratios					
DSC - First Mortgage plus Fees			1.29x		
DSC - Second Mortgage plus Fees			1.26x		
DSC - Third Mortgage plus Fee			1.16x		
DSC - Fourth Mortgage plus Fees			1.16x		
Financial Ratios					
Operating Expense Ratio			55.80%		
Break-even Economic Occupancy Ratio (all debt)			88.94%		

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Notes to the Operating Pro Forma and Ratios:

The MMRB program does not impose any rent restrictions. However, in conjunction with the MMRB this Development will be utilizing Housing Credits and CDBG-DR financing which will impose rent restrictions. The Gross HC Rent in the chart below is based on the maximum 2023 LIHTC rents or maximum 2023 CDBG-DR rents published on FHFC’s website for Miami-Dade County less the applicable utility allowances.

Miami-Dade County, Miami-Miami Beach-Kendall HMFA

Bed Rooms	Bath Rooms	Units	Square Feet	AMI%	Low HOME Rents	High HOME Rents	Gross HC Rent	Utility Allow.	Net Restricted Rents	PBRA Contr Rents	Applicant Rents	Appraiser Rents	CU Rents	Annual Rental Income
0	1.0	2	397	30%			\$542	\$64	\$ 478		\$ 478	\$ 478	\$ 478	\$ 11,472
0	1.0	3	481	30%			\$542	\$64	\$ 478		\$ 478	\$ 478	\$ 478	\$ 17,208
0	1.0	8	403	60%			\$1,084	\$64	\$ 1,020		\$ 1,020	\$ 1,020	\$ 1,020	\$ 97,920
0	1.0	8	435	60%			\$1,084	\$64	\$ 1,020		\$ 1,020	\$ 1,020	\$ 1,020	\$ 97,920
0	1.0	7	402	80%			\$1,445	\$64	\$ 1,381		\$ 1,383	\$ 1,381	\$ 1,381	\$ 116,004
1	1.0	7	562	30%			\$580	\$96	\$ 484		\$ 484	\$ 484	\$ 484	\$ 40,656
1	1.0	2	568	30%			\$580	\$96	\$ 484		\$ 484	\$ 484	\$ 484	\$ 11,616
1	1.0	6	672	30%			\$580	\$96	\$ 484		\$ 484	\$ 484	\$ 484	\$ 34,848
1	1.0	3	688	60%			\$1,161	\$96	\$ 1,065		\$ 1,065	\$ 1,065	\$ 1,065	\$ 38,340
1	1.0	50	560	60%			\$1,161	\$96	\$ 1,065		\$ 1,065	\$ 1,065	\$ 1,065	\$ 639,000
1	1.0	1	560	60%			\$1,161	\$96	\$ 1,065		\$ -	\$ 1,065	\$ 1,065	\$ 12,780
1	1.0	23	560	80%			\$1,548	\$96	\$ 1,452		\$ 1,453	\$ 1,452	\$ 1,452	\$ 400,752
		120	64,361											\$ 1,518,516

1. The utility allowances are based on Miami-Dade County Allowances for Tenant-Furnished Utilities and Other Services, dated 1/1/2023.
2. First Housing has utilized a 5.81% vacancy and collection loss which includes a 5.00% vacancy loss and a 0.81% revenue loss from the anticipated manager unit. One of the one-bedroom units is anticipated to be used as a manager unit but for underwriting purposes has been included as a 60% AMI unit.
3. Miscellaneous Income is comprised of revenue from forfeited deposits, damage income, pet fees, and late charges. Total Miscellaneous Income of \$28,500 or \$238 per unit is supported by the appraisal.
4. The Development will offer full-size washer/dryers to rent to the residents at \$45 per month and the appraiser has estimated a 50% capture rate. First Housing concluded to annual income of \$32,400 or \$270 per unit. The Appraiser’s income of \$30,780 is net of vacancy and collection loss.

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5. Based upon operating data from comparable properties, third-party reports (appraisal and market study) and First Housing's independent due diligence, First Housing represents that, in its professional opinion, estimates for Rental Income, Vacancy, Other Income, and Operating Expenses fall within a band of reasonableness.
6. The Applicant has submitted a draft Property Management Agreement between Brownsville Village V, Ltd. and Atlantic Pacific Community Management, LLC (“Agent”). The Agreement states the Agent shall receive a monthly fee, beginning when the leasing operation commences, in the amount of the greater of: (a) 6% of actual Effective Gross Income (as defined in the Partnership Agreement) for the preceding month, or (b) 6% of projected monthly Effective Gross Income assuming 95% occupancy; provided, however, that from and after the date when the Development first achieves 95% occupancy, the Management Fee will be equal to 6% of actual monthly Effective Gross Income. Receipt of an executed Management Agreement is a condition to close.
7. Tenants are responsible for electric and water/sewer. The landlord is responsible for common area electric and water/sewer and trash collection.
8. Replacement Reserves of \$300 per unit per year are required, per the RFA and Rule Chapter 67-21. According to the letter from Wells Fargo CLI, dated July 13, 2023, replacement reserves will be required at \$300 per unit and increasing at 3% per year.
9. Refer to Exhibit 1 for a 15-Year Pro Forma, which reflects rental income increasing at an annual rate of 2%, and expenses increasing at an annual rate of 3%.

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Recommendation

First Housing recommends that FHFC approve the DIAF additional subordinate financing in the amount of \$1,000,000. The inclusion of the DIAF and increase in the construction first mortgage MMRB have no substantial material impact to the Final CUR and CUR Update Letter. First Housing recommends Tax-Exempt Multifamily Mortgage Revenue Bonds in the amount of \$18,850,000, a CDBG-DR Loan in the amount of \$3,900,000, a CDBG-DR Viability Loan in the amount of \$2,250,000, and an annual 4% HC Allocation of \$1,759,688 for the construction and permanent financing of the Development.

Closing of the transaction is subject to the following conditions:

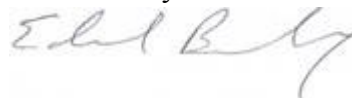
1. All closing conditions in the Final CUR and CUR Update Letter must be met.
2. Verification of the \$25,000 equity contribution.
3. All other due diligence required by FHFC, its Legal Counsel and Servicer.

Prepared by:



Stephanie Petty
Senior Credit Underwriter

Reviewed by:



Ed Busansky
Senior Vice President

HC Allocation Calculation

Qualified Basis Calculation

Total Development Costs(including land and ineligible Costs)	\$38,983,120
Less Land Costs	\$404,494
Less Federal Grants and Loans	\$0
Less Other Ineligible Costs	\$4,738,464
Total Eligible Basis	\$33,840,162
Applicable Fraction	100%
DDA/QCT Basis Credit	130%
Qualified Basis	\$43,992,211
Housing Credit Percentage	4.00%
Annual Housing Credit Allocation	\$1,759,688

Notes to the Qualified Basis Calculation:

1. Other ineligible costs include; washer/dryers, site work, FF&E, Parking License Fee, accounting fees, FHFC Fees, legal fees, market study, title work, financial costs, closing costs, and reserves.
2. The Development has a 100% set-aside: therefore, the Applicable Fraction is 100%.
3. For purposes of this analysis, the Development is located in a Qualified Census Tract ("QCT"); therefore the 130% basis credit was applied.
4. For purposes of this recommendation a HC percentage of 4.00% was applied based on the 4% floor rate, which was established through the Consolidated Appropriations Act of 2021. The Development qualifies for the 4% floor rate since the bonds will be closing in 2022.

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GAP Calculation

Total Development Costs(including land and ineligible Costs)	\$38,983,120
Less Mortgages	\$19,355,000
Less Grants	\$0
Equity Gap	\$19,628,120
HC Syndication Percentage to Investment Partnership	99.99%
HC Syndication Pricing	\$0.9825
HC Required to meet Equity Gap	\$19,979,728
Annual HC Required	\$1,997,973

Notes to the Gap Calculation:

1. The pricing and syndication percentage was taken from the letter, dated July 13, 2023, from Wells Fargo CLI.
2. Please note, Mortgages also includes the \$25,000 equity.

Summary

HC Per Syndication Agreement	\$1,759,827
HC Per Qualified Basis	\$1,759,688
HC Per GAP Calculation	\$1,997,973
Annual HC Recommended	\$1,759,688
Syndication Proceeds based upon Syndication Agreement	\$17,288,571

1. The estimated annual 4% Housing Credit allocation is limited to the lesser of the qualified basis calculation or the gap calculation. The recommendation is based on the qualified basis.

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50% Test

Tax-Exempt Bond Amount	\$18,850,000
Less: Debt Service Reserve Funded with Tax-Exempt Bond Proceeds	\$0
Other:	\$0
Other:	\$0
Equals Net Tax-Exempt Bond Amount	\$18,850,000
Total Depreciable Cost	\$33,840,162
Plus Land Cost	\$404,494
Aggregate Basis	\$34,244,656
Net Tax-Exempt Bond to Aggregate Basis Ratio	55.05%

1. Based on the budget, the Development appears to meet the 50% test for 4% Housing Credits.

FHDC

15 Year Proforma

FINANCIAL COSTS:		Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11	Year 12	Year 13	Year 14	Year 15	
OPERATING PRO FORMA																	
INCOME:	Gross Potential Rental Income	\$1,518,516	\$1,548,886	\$1,579,864	\$1,611,461	\$1,643,691	\$1,676,564	\$1,710,096	\$1,744,298	\$1,779,184	\$1,814,767	\$1,851,063	\$1,888,084	\$1,925,845	\$1,964,362	\$2,003,650	
	Other Income																
	Miscellaneous	\$28,500	\$29,070	\$29,651	\$30,244	\$30,849	\$31,466	\$32,096	\$32,738	\$33,392	\$34,060	\$34,741	\$35,436	\$36,145	\$36,868	\$37,605	
	Washer/Dryer Rentals	\$32,400	\$33,048	\$33,709	\$34,383	\$35,071	\$35,772	\$36,488	\$37,217	\$37,962	\$38,721	\$39,495	\$40,285	\$41,091	\$41,913	\$42,751	
	Gross Potential Income	\$1,579,416	\$1,611,004	\$1,643,224	\$1,676,089	\$1,709,611	\$1,743,803	\$1,778,679	\$1,814,253	\$1,850,538	\$1,887,548	\$1,925,299	\$1,963,805	\$2,003,081	\$2,043,143	\$2,084,006	
	Less:																
	Physical Vac. Loss Percentage: 5.00%	\$78,971	\$80,550	\$82,161	\$83,804	\$85,481	\$87,190	\$88,934	\$90,713	\$92,527	\$94,377	\$96,265	\$98,190	\$100,154	\$102,157	\$104,200	
	Collection Loss Percentage: 0.81%	\$12,793	\$13,049	\$13,310	\$13,576	\$13,848	\$14,125	\$14,407	\$14,695	\$14,989	\$15,289	\$15,595	\$15,907	\$16,225	\$16,549	\$16,880	
	Total Effective Gross Income	\$1,487,652	\$1,517,405	\$1,547,753	\$1,578,708	\$1,610,282	\$1,642,488	\$1,675,338	\$1,708,845	\$1,743,022	\$1,777,882	\$1,813,440	\$1,849,708	\$1,886,703	\$1,924,437	\$1,962,925	
	EXPENSES:	Fixed:															
Real Estate Taxes		\$97,697	\$100,628	\$103,647	\$106,756	\$109,959	\$113,258	\$116,655	\$120,155	\$123,760	\$127,472	\$131,297	\$135,235	\$139,293	\$143,471	\$147,775	
Insurance		\$156,000	\$160,680	\$165,500	\$170,465	\$175,579	\$180,847	\$186,272	\$191,860	\$197,616	\$203,545	\$209,651	\$215,940	\$222,419	\$229,091	\$235,964	
Variable:																	
Management Fee Percentage: 6.00%		\$89,259	\$91,044	\$92,865	\$94,722	\$96,617	\$98,549	\$100,520	\$102,531	\$104,581	\$106,673	\$108,806	\$110,983	\$113,202	\$115,466	\$117,776	
General and Administrative		\$66,000	\$67,980	\$70,019	\$72,120	\$74,284	\$76,512	\$78,807	\$81,172	\$83,607	\$86,115	\$88,698	\$91,359	\$94,100	\$96,923	\$99,831	
Payroll Expenses		\$168,000	\$173,040	\$178,231	\$183,578	\$189,085	\$194,758	\$200,601	\$206,619	\$212,817	\$219,202	\$225,778	\$232,551	\$239,528	\$246,714	\$254,115	
Utilities		\$60,000	\$61,800	\$63,654	\$65,564	\$67,531	\$69,556	\$71,643	\$73,792	\$76,006	\$78,286	\$80,635	\$83,054	\$85,546	\$88,112	\$90,755	
Marketing and Advertising		\$3,000	\$3,090	\$3,183	\$3,278	\$3,377	\$3,478	\$3,582	\$3,690	\$3,800	\$3,914	\$4,032	\$4,153	\$4,277	\$4,406	\$4,538	
Maintenance and Repairs/Pest Control		\$63,600	\$65,508	\$67,473	\$69,497	\$71,582	\$73,730	\$75,942	\$78,220	\$80,567	\$82,984	\$85,473	\$88,037	\$90,678	\$93,399	\$96,201	
Grounds Maintenance and Landscaping		\$16,200	\$16,686	\$17,187	\$17,702	\$18,233	\$18,780	\$19,344	\$19,924	\$20,522	\$21,137	\$21,771	\$22,425	\$23,097	\$23,790	\$24,504	
Security		\$74,400	\$76,632	\$78,931	\$81,299	\$83,738	\$86,250	\$88,837	\$91,503	\$94,248	\$97,075	\$99,987	\$102,987	\$106,077	\$109,259	\$112,537	
Reserve for Replacements		\$36,000	\$37,080	\$38,192	\$39,338	\$40,518	\$41,734	\$42,986	\$44,275	\$45,604	\$46,972	\$48,381	\$49,832	\$51,327	\$52,867	\$54,453	
Total Expenses		\$830,156	\$854,168	\$878,883	\$904,321	\$930,503	\$957,452	\$985,190	\$1,013,741	\$1,043,127	\$1,073,375	\$1,104,510	\$1,136,557	\$1,169,544	\$1,203,498	\$1,238,449	
Net Operating Income		\$657,496	\$663,237	\$668,870	\$674,388	\$679,779	\$685,036	\$690,148	\$695,104	\$699,894	\$704,506	\$708,930	\$713,151	\$717,158	\$720,938	\$724,477	
Debt Service Payments																	
First Mortgage - Wells Fargo/FHA/HUD		\$490,359	\$490,359	\$490,359	\$490,359	\$490,359	\$490,359	\$490,359	\$490,359	\$490,359	\$490,359	\$490,359	\$490,359	\$490,359	\$490,359	\$490,359	\$490,359
Second Mortgage - FHFC - CDBG-DR/Viability	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Third Mortgage - Miami-Dade County - Surtax & DIAF	\$48,000	\$48,000	\$48,000	\$48,000	\$48,000	\$48,000	\$48,000	\$48,000	\$48,000	\$48,000	\$48,000	\$48,000	\$48,000	\$48,000	\$48,000	\$48,000	
First Mortgage Fees - MIP	\$18,389	\$18,273	\$18,149	\$18,018	\$17,878	\$17,730	\$17,572	\$17,405	\$17,227	\$17,038	\$16,838	\$16,624	\$16,398	\$16,158	\$15,902	\$15,631	
Second Mortgage Fees - FHFC - CDBG-DR/Viability	\$12,255	\$12,255	\$12,255	\$12,255	\$12,255	\$12,255	\$12,255	\$12,255	\$12,255	\$12,255	\$12,255	\$12,255	\$12,255	\$12,255	\$12,255	\$12,255	
Third Mortgage Fees - Miami-Dade County - Surtax & DIAF	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Total Debt Service Payments	\$569,004	\$568,887	\$568,764	\$568,632	\$568,493	\$568,344	\$568,187	\$568,019	\$567,841	\$567,653	\$567,452	\$567,239	\$567,013	\$566,772	\$566,517		
Cash Flow after Debt Service	\$88,492	\$94,349	\$100,107	\$105,755	\$111,287	\$116,692	\$121,961	\$127,085	\$132,053	\$136,854	\$141,478	\$145,912	\$150,146	\$154,166	\$157,960		
Debt Service Coverage Ratios																	
DSC - First Mortgage plus Fees	1.29	1.30	1.32	1.33	1.34	1.35	1.36	1.37	1.38	1.39	1.40	1.41	1.42	1.42	1.43		
DSC - Second Mortgage plus Fees	1.26	1.27	1.28	1.30	1.31	1.32	1.33	1.34	1.35	1.36	1.36	1.37	1.38	1.39	1.40		
DSC - Third Mortgage plus Fees	1.16	1.17	1.18	1.19	1.20	1.21	1.21	1.22	1.23	1.24	1.25	1.26	1.26	1.27	1.28		
DSC - Fourth Mortgage plus Fee	1.16	1.17	1.18	1.19	1.20	1.21	1.21	1.22	1.23	1.24	1.25	1.26	1.26	1.27	1.28		
Financial Ratios																	
Operating Expense Ratio	55.80%	56.29%	56.78%	57.28%	57.79%	58.29%	58.81%	59.32%	59.85%	60.37%	60.91%	61.45%	61.99%	62.54%	63.09%		
Break-even Economic Occupancy Ratio (all debt)	88.94%	88.68%	88.45%	88.23%	88.03%	87.85%	87.68%	87.53%	87.40%	87.29%	87.19%	87.11%	87.04%	86.99%	86.96%		

According to the letter from Wells Fargo CLI, dated July 13, 2023, replacement reserves will be required at \$300 per unit and increasing at 3% per year.

**FLORIDA HOUSING FINANCE CORPORATION
SECOND AMENDED AND RESTATED AUTHORIZATION RESOLUTION
BROWNSVILLE TRANSIT VILLAGE V**

RESOLUTION NO. _____

A RESOLUTION AMENDING AND RESTATING THE AMENDED AND RESTATED AUTHORIZATION RESOLUTION NO. 2022-032; AUTHORIZING THE ISSUANCE OF MULTIFAMILY MORTGAGE REVENUE BONDS, 2023 SERIES A (BROWNSVILLE TRANSIT VILLAGE V) OF THE FLORIDA HOUSING FINANCE CORPORATION; PROVIDING FOR A MAXIMUM AGGREGATE PRINCIPAL AMOUNT OF MULTIFAMILY MORTGAGE REVENUE BONDS, 2023 SERIES A (BROWNSVILLE TRANSIT VILLAGE V); APPROVING THE PREPARATION, EXECUTION, AND DELIVERY OF A TRUST INDENTURE OR INDENTURE OF TRUST BETWEEN THE FLORIDA HOUSING FINANCE CORPORATION AND A CORPORATE TRUSTEE NAMED THEREIN, AND A LOAN AGREEMENT OR FINANCING AGREEMENT BETWEEN THE FLORIDA HOUSING FINANCE CORPORATION AND THE BORROWER NAMED THEREIN; AUTHORIZING THE LOAN MADE PURSUANT TO THE LOAN AGREEMENT OR FINANCING AGREEMENT TO THE BORROWER NAMED THEREIN; AUTHORIZING THE PREPARATION, EXECUTION, AND DELIVERY OF ALL DOCUMENTS NECESSARY FOR THE ISSUANCE AND SALE OF THE MULTIFAMILY MORTGAGE REVENUE BONDS, 2023 SERIES A (BROWNSVILLE TRANSIT VILLAGE V), INCLUDING, BUT NOT LIMITED TO, A BOND PURCHASE AGREEMENT AND A PRELIMINARY AND FINAL OFFICIAL STATEMENT; AUTHORIZING ALL ACTIONS NECESSARY FOR FINAL APPROVAL OF THE ISSUANCE AND SALE OF THE MULTIFAMILY MORTGAGE REVENUE BONDS, 2023 SERIES A (BROWNSVILLE TRANSIT VILLAGE V), THE FINANCING OF BROWNSVILLE TRANSIT VILLAGE V, AND MAKING OTHER PROVISIONS IN CONNECTION THEREWITH; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, the Florida Housing Finance Corporation ("Florida Housing") is a public corporation within the Department of Economic Opportunity of the State of Florida (the "State") and a public body corporate and politic, duly organized under the Florida Housing Finance Corporation Act, Sections 420.501 *et seq.*, Florida Statutes, as amended (the "Act"), and is authorized by the Act to issue its bonds, debentures, notes, or other evidence of financial

indebtedness from time to time to fulfill its public purposes, which include the financing and refinancing of multifamily residential housing developments for rental to persons and families of low, moderate, or middle income; and

WHEREAS, pursuant to the Act, Florida Housing has now determined to authorize the issuance of its Multifamily Mortgage Revenue Bonds, 2023 Series A (Brownsville Transit Village V) (the "Bonds"), as tax-exempt or taxable bonds, for the purpose of making a loan to Brownsville Village V, Ltd., together with its predecessors, successors, assigns, affiliates, and/or related entities (the "Borrower"), to finance the acquisition, construction, and equipping of an approximately 120-unit multifamily residential rental development for persons of low, moderate, and middle income named Brownsville Transit Village V located in the City of Miami, Miami-Dade County, Florida (the "Property"); provided that the maximum aggregate principal amount of the Bonds shall not exceed (a) \$18,850,000 or (b) such greater maximum aggregate principal amount of the Bonds which, at the time of issuance, does not exceed a maximum aggregate principal amount which would result in a debt service coverage ratio for the Bonds, as reflected in the Credit Underwriter Confirmation (as defined below) for the Property, of less than 1.00 (subject to receipt of private activity bond allocation being made available for the tax-exempt Bonds and compliance with Section 147(f) of the Internal Revenue Code of 1986, as amended); and

WHEREAS, as required by the Act, the Board of Directors of Florida Housing (the "Board") has made the following determinations with respect to the financing of the Property:

(1) that a significant number of low, moderate, or middle income persons in the State are subject to hardship finding or obtaining reasonably accessible decent, safe, and sanitary residential housing; and

(2) that private enterprise, unaided, is not meeting and cannot reasonably be expected to meet, the need for such residential housing; and

(3) that the need for such residential housing will be alleviated by the financing of the Property; and

WHEREAS, Florida Housing is desirous of taking all action necessary to give final approval for the financing of the Property as described in the Credit Underwriting Report (as defined below) and to issue the Bonds in compliance with the Act and other applicable provisions of State law;

NOW THEREFORE, it is hereby ascertained, determined, and resolved:

1. The Property is hereby given final approval for financing on the terms and conditions as described in the Credit Underwriting Report for the Property, presented to and approved by the Board on January 21, 2022, as amended and supplemented by that certain letter from the Credit Underwriter approved by the Board on August 5th, 2022, and as further amended and supplemented by that certain letter from the Credit Underwriter presented to and approved by the Board on this date (collectively, the "Credit Underwriting Report"), with such deviations as an Authorized Signatory (as defined below), in consultation with staff of Florida Housing, Bond Counsel, and/or Special Counsel may approve. Execution of the trust indenture or indenture of trust and the loan agreement or financing agreement, each as described below, by an Authorized Signatory (as defined below) shall be conclusive evidence of such approval.

2. Florida Housing hereby authorizes the issuance and sale of the Bonds as tax-exempt or taxable "Bonds" (as such term is defined in, and within the meaning of, the Act), in such series or subseries as Florida Housing shall designate, in a maximum aggregate principal amount of not to exceed (a) \$18,850,000 or (b) such greater maximum aggregate principal amount of the Bonds which, at the time of issuance, does not exceed a maximum aggregate principal amount which would result in a debt service coverage ratio for the Bonds, as reflected in the Credit Underwriter Confirmation for the Property, of less than 1.00, subject to receipt of private activity bond allocation being made available for the tax-exempt Bonds and compliance with Section 147(f) of the Internal Revenue Code of 1986, as amended. Subject to the immediately preceding sentence, the maximum aggregate principal amount of the Bonds shall be determined by an Authorized Signatory after receipt of the Credit Underwriter Confirmation for the Property. The "Credit Underwriter Confirmation" is the written confirmation, delivered prior to the issuance of the Bonds, from the Florida Housing Credit Underwriter with respect to the Property that, taking into account any increase in the maximum aggregate principal amount of the Bonds, the conditions set forth in and the requirements of the Credit Underwriting Report have been satisfied. Conclusive evidence of the determination and approval of any such increase in maximum aggregate principal amount of the Bonds shall be evidenced by a certificate of an Authorized Signatory.

3. A trust indenture or an indenture of trust between Florida Housing and a corporate trustee named therein (the "Trustee") setting out the terms and conditions of the Bonds is hereby authorized to be prepared and delivered, in such form as may be approved by any member of the Board, the Executive Director, the Chief Financial Officer, the Comptroller, or any

other person designated by separate resolution of the Board (or any person or persons acting in such capacities) (collectively, or each individually, an "Authorized Signatory") (which form shall set forth as to the Bonds such maturities, interest rates, and purchase price as shall be determined in accordance with the Act, including Section 420.509, Florida Statutes), and the execution of such trust indenture or indenture of trust by an Authorized Signatory, and the attestation thereof by the Secretary or any Assistant Secretary of Florida Housing, is hereby authorized, and the execution thereof by such persons shall be conclusive evidence of such approval.

4. A loan agreement or financing agreement between Florida Housing and the Borrower, setting out the terms of a loan of the proceeds of the Bonds by Florida Housing to the Borrower (the "Loan"), and the payment and other obligations of the Borrower in respect of the Loan, including a note made by the Borrower to Florida Housing evidencing the Loan (the "Note"), is hereby authorized to be prepared and delivered, in such form as may be approved by an Authorized Signatory, and the execution of such loan agreement or financing agreement by an Authorized Signatory, and the attestation thereof by the Secretary or any Assistant Secretary of Florida Housing, is hereby authorized, and the execution thereof by such persons shall be conclusive evidence of such approval.

5. A preliminary official statement (or preliminary limited offering memorandum) and a final official statement (or final limited offering memorandum) are each hereby authorized to be prepared and distributed in connection with the sale of the Bonds in such form as shall be approved by an Authorized Signatory, and the execution of such final official statement (or limited offering memorandum) by an Authorized Signatory shall be conclusive evidence of such approval.

6. The Bonds shall be sold in accordance with the requirements of the Act, including Section 420.509(12), Florida Statutes. In the event that, pursuant to the Act, the Bonds shall be sold by a negotiated sale, an Authorized Signatory is authorized to execute a bond purchase agreement upon approval of the terms thereof by the staff of Florida Housing, Bond Counsel, and/or Special Counsel, and the execution of such bond purchase agreement by an Authorized Signatory shall be conclusive proof of such approval.

7. An Authorized Signatory is authorized to cause to be prepared and to issue, execute, and deliver any additional documents necessary for the issuance of the Bonds, the making of the Loan, upon the approval of the terms of any credit enhancement, if applicable, and the security therefor, by the staff of Florida Housing, Bond Counsel, and/or Special Counsel. All other actions by Florida Housing necessary for the final approval of the Property for financing, the issuance of the Bonds, the making of the Loan, upon the approval of the terms of any credit enhancement, if applicable, and the security therefor (including, but not limited to, the changing of the title of the Bonds and the series designation of the Bonds, if desirable), are hereby authorized.

8. The principal of, premium, if any, and all interest on the Bonds shall be payable solely out of revenues and other amounts pledged therefor as described in the trust indenture or indenture of trust. The Bonds do not constitute obligations, either general or special, of the State or any of its units of local government and shall not be a debt of the State or of any unit of local government thereof, and neither the State nor any unit of local government thereof shall be liable thereon. Florida Housing does not have the power to pledge the credit, the revenues, or the taxing power of the State or of any unit of local government thereof; and neither the credit, the

revenues, nor the taxing power of the State or of any unit of local government thereof shall be, or shall be deemed to be, pledged to the payment of the Bonds.

9. The Bonds may be executed either manually or by facsimile signature by any Authorized Signatory or other officer of Florida Housing. In case any Authorized Signatory or officer whose signature or a facsimile of whose signature appears on the Bonds ceases to be an Authorized Signatory or officer before delivery of the Bonds, the signature or facsimile signature is nevertheless valid and sufficient for all purposes as fully and to the same extent as if he or she had remained in office until the delivery.

10. The maximum aggregate principal amount of the Bonds authorized to be issued hereunder may not exceed the amount permitted in accordance with the applicable Rules of Florida Housing, and reflected in the Credit Underwriter Confirmation, and for which fiscal sufficiency has been determined in accordance with the Act, including Section 420.509(2), Florida Statutes.

11. All resolutions or parts of resolutions in conflict with this Resolution shall be and the same are hereby superseded and repealed to the extent of such conflict.

[Remainder of page intentionally left blank]

12. This Resolution shall take effect immediately upon adoption.

ADOPTED THIS 8th DAY OF SEPTEMBER, 2023.

(SEAL)

FLORIDA HOUSING FINANCE CORPORATION, a public corporation and a public body corporate and politic duly created and existing under the laws of the State of Florida.

ATTEST:

Melissa Levy, Assistant Secretary, Florida Housing Finance Corporation's Board of Directors

Mario Facella, Chair, Florida Housing Finance Corporation's Board of Directors.

STATE OF FLORIDA

COUNTY OF LEON

I hereby certify that the above and foregoing is a true and correct copy of a Resolution adopted at a duly noticed public meeting of the Florida Housing Finance Corporation, legally called and held on the 8th day of September, 2023, at which a quorum was present, all as will appear by reference to the original Resolution incorporated in the official records of the Florida Housing Finance Corporation.

By: _____
Name: Tim Kennedy
Title: Multifamily Loans and Bonds Director,
Florida Housing Finance Corporation

STATE OF FLORIDA

COUNTY OF LEON

The foregoing instrument was acknowledged before me, by means of physical presence or online notarization, this 8th day of September, 2023, by Tim Kennedy, as Multifamily Loans and Bonds Director of the Florida Housing Finance Corporation, a public corporation and a public body corporate and politic duly created and existing under the laws of the State of Florida, on behalf of the Corporation. He is personally known to me.

NOTARY SEAL

Notary Public

Name typed, printed, or stamped

**FLORIDA HOUSING FINANCE CORPORATION
SECOND AMENDED AND RESTATED SALE RESOLUTION
BROWNSVILLE TRANSIT VILLAGE V**

RESOLUTION NO. _____

A RESOLUTION AMENDING AND RESTATING THE AMENDED AND RESTATED SALE RESOLUTION NO. 2022-033; AUTHORIZING AND APPROVING THE NEGOTIATED SALE OF THE MULTIFAMILY MORTGAGE REVENUE BONDS, 2023 SERIES A (BROWNSVILLE TRANSIT VILLAGE V) OF THE FLORIDA HOUSING FINANCE CORPORATION; AUTHORIZING THE ISSUANCE OF THE MULTIFAMILY MORTGAGE REVENUE BONDS, 2023 SERIES A (BROWNSVILLE TRANSIT VILLAGE V) BY THE FLORIDA HOUSING FINANCE CORPORATION; AUTHORIZING THE NEGOTIATION AND EXECUTION OF A BOND PURCHASE AGREEMENT AND SUCH OTHER DOCUMENTS AS ARE NECESSARY FOR THE NEGOTIATED SALE OF THE MULTIFAMILY MORTGAGE REVENUE BONDS, 2023 SERIES A (BROWNSVILLE TRANSIT VILLAGE V) OF THE FLORIDA HOUSING FINANCE CORPORATION; AUTHORIZING THE EXECUTIVE DIRECTOR, CHIEF FINANCIAL OFFICER, COMPTROLLER, OR ANY MEMBER OF THE BOARD OF DIRECTORS OF THE FLORIDA HOUSING FINANCE CORPORATION, OR OTHER AUTHORIZED SIGNATORY TO TAKE ANY OTHER ACTIONS NECESSARY TO NEGOTIATE THE SALE OF THE MULTIFAMILY MORTGAGE REVENUE BONDS, 2023 SERIES A (BROWNSVILLE TRANSIT VILLAGE V) OF THE FLORIDA HOUSING FINANCE CORPORATION AND MAKING OTHER PROVISIONS IN CONNECTION THEREWITH; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, the Florida Housing Finance Corporation ("Florida Housing") is a public corporation, created within the Department of Economic Opportunity of the State of Florida and a public body corporate and politic, duly organized under the Florida Housing Finance Corporation Act, Sections 420.501 *et seq.*, Florida Statutes, as amended (the "Act"), and is authorized by the Act to issue its bonds, debentures, notes, or other evidence of financial indebtedness from time to time to fulfill its public purposes, which include the financing and

refinancing of multifamily residential housing developments for rental to persons or families of low, moderate, or middle income; and

WHEREAS, Florida Housing adopted a resolution authorizing the issuance of its Multifamily Mortgage Revenue Bonds, 2023 Series A (Brownsville Transit Village V) (the "Bonds"), as tax-exempt or taxable bonds, for the purpose of making a loan to Brownsville Village V, Ltd., together with its predecessors, successors, assigns, affiliates, and/or related entities (the "Borrower"), to finance the acquisition, construction, and equipping of an approximately 120-unit multifamily residential rental development for persons of low, moderate, and middle income named Brownsville Transit Village V located in the City of Miami, Miami-Dade County, Florida (the "Property"); provided that the maximum aggregate principal amount of the Bonds shall not exceed (a) \$18,850,000 or (b) such greater maximum aggregate principal amount of the Bonds which, at the time of issuance, does not exceed a maximum aggregate principal amount which would result in a debt service coverage ratio for the Bonds, as reflected in the Credit Underwriter Confirmation (as defined below) for the Property, of less than 1.00 (subject to receipt of private activity bond allocation being made available for the tax-exempt Bonds and compliance with Section 147(f) of the Internal Revenue Code of 1986, as amended); and

WHEREAS, the Act authorizes Florida Housing to negotiate with the underwriter or underwriters designated by Florida Housing for a negotiated sale of the Bonds through such underwriter or underwriters, if Florida Housing by official action at a public meeting determines that such negotiated sale of the Bonds is in the best interest of Florida Housing; and

WHEREAS, Florida Housing has reviewed the market conditions and trends affecting the sale of the Bonds; and

WHEREAS, Florida Housing has received a recommendation and reviewed and looked at the relative advantage of a negotiated sale of the Bonds in light of the current and anticipated market conditions; and

WHEREAS, the Board of Directors of Florida Housing (the "Board") has considered the best interests of Florida Housing and the public; and

WHEREAS, the nature and structure of the Bonds and the current and anticipated market conditions render the Bonds a candidate for a negotiated sale; and

WHEREAS, based on the foregoing, the Board hereby finds that a negotiated sale of the Bonds is in the best interest of the public and Florida Housing based on the current market conditions and based upon the structure of the Bonds. Existing and projected market conditions and any lack of flexibility in the sale of the Bonds could be prejudicial to Florida Housing and to the public. Additionally, the structure of the Bonds and the current demand for these types of obligations support a negotiated sale.

NOW, THEREFORE, BE IT RESOLVED BY FLORIDA HOUSING:

1. A negotiated sale of the Bonds is in the best interest of Florida Housing and the public for the reasons herein described.
2. The negotiated sale of the Bonds is to be negotiated by Florida Housing with or through RBC Capital Markets, LLC (the "Underwriter").

3. The Bonds are to be generally described as follows:

Florida Housing Finance Corporation
Multifamily Mortgage Revenue Bonds,
2023 Series A (Brownsville Transit Village V).

4. Florida Housing shall negotiate with or through the Underwriter and execute such documents as are necessary to sell the Bonds to the purchasers pursuant to this Resolution. Any member of the Board, the Executive Director, the Chief Financial Officer, the Comptroller, or any other person designated by separate resolution of the Board (or any person or persons acting in such capacities) (collectively, or each individually, an "Authorized Signatory") is authorized to negotiate the terms of the negotiated sale of the Bonds and to execute a bond purchase agreement upon approval of the terms thereof, and the execution thereof by an Authorized Signatory shall be conclusive evidence of such approval.

5. The authority to execute the bond purchase agreement is predicated upon the bond purchase agreement providing for an interest rate on the Bonds that would not exceed the lesser of 10% or the maximum rate authorized under Florida law, and would provide for a sale of the Bonds in conformance with the program documents.

6. An Authorized Signatory and the attorneys for Florida Housing and other consultants, agents, or employees thereof, are hereby authorized to execute all necessary documents and to take whatever action is necessary to finalize the issuance and negotiated sale of the Bonds pursuant to this Resolution and to provide for the use of the proceeds of the Bonds contemplated by this Resolution.

7. The award of the Bonds pursuant to the terms of this Resolution shall be final without any further action by Florida Housing.

8. All resolutions or parts of resolutions in conflict with this Resolution are hereby superseded and repealed to the extent of such conflict.

9. This Resolution shall take effect immediately upon adoption.

ADOPTED THIS 8th DAY OF SEPTEMBER, 2023.

(SEAL)

FLORIDA HOUSING FINANCE CORPORATION, a public corporation and a public body corporate and politic duly created and existing under the laws of the State of Florida.

ATTEST:

Melissa Levy, Assistant Secretary, Florida Housing Finance Corporation's Board of Directors

Mario Facella, Chair, Florida Housing Finance Corporation's Board of Directors.

STATE OF FLORIDA

COUNTY OF LEON

I hereby certify that the above and foregoing is a true and correct copy of a Resolution adopted at a duly noticed public meeting of the Florida Housing Finance Corporation, legally called and held on the 8th day of September, 2023, at which a quorum was present, all as will appear by reference to the original Resolution incorporated in the official records of the Florida Housing Finance Corporation.

By: _____
Name: Tim Kennedy
Title: Multifamily Loans and Bonds Director,
Florida Housing Finance Corporation

STATE OF FLORIDA

COUNTY OF LEON

The foregoing instrument was acknowledged before me, by means of physical presence or online notarization, this 8th day of September, 2023, by Tim Kennedy, as Multifamily Loans and Bonds Director of the Florida Housing Finance Corporation, a public corporation and a public body corporate and politic duly created and existing under the laws of the State of Florida, on behalf of the Corporation. He is personally known to me.

NOTARY SEAL

Notary Public

Name typed, printed, or stamped

RESOLUTION
of the
Board of Directors of
Florida Housing Finance Corporation
pertaining to
the Acknowledgement Resolution for
Vista Palms Apartments

A RESOLUTION OF THE FLORIDA HOUSING FINANCE CORPORATION ESTABLISHING ITS INTENT TO REIMBURSE CERTAIN DEVELOPMENT COSTS INCURRED WITH THE PROCEEDS OF FUTURE TAX-EXEMPT FINANCING ON BEHALF OF VISTA PALMS APARTMENTS, LP, OR AN AFFILIATE THEREOF OR ANY ENTITY IN WHICH VISTA PALMS APARTMENTS LP, IS A GENERAL PARTNER OR MANAGING MEMBER, RELATING TO A MULTIFAMILY RESIDENTIAL RENTAL DEVELOPMENT, SUBJECT TO THE SATISFACTION OF CERTAIN CONDITIONS PRECEDENT TO PROVIDING ANY TAX-EXEMPT FINANCING, MAKING CERTAIN FINDINGS AND AUTHORIZING THE DEVELOPMENT OF A PLAN OF FINANCING FOR OBTAINING NOT TO EXCEED \$26,734,400 TAX-EXEMPT FINANCING FOR THE DEVELOPMENT, AND PROVIDING FOR AN EFFECTIVE DATE.

NOW, THEREFORE, BE IT RESOLVED BY THE FLORIDA HOUSING FINANCE CORPORATION AS FOLLOWS:

Section 1. It is hereby found, ascertained, determined and resolved that:

- (a) There is a shortage of available, affordable rental housing in the State of Florida;
- (b) A significant number of low, moderate or middle income persons in the local government in which the development referred to herein is to be located, or in an area reasonably accessible thereto, are subject to hardship in finding adequate, safe, and sanitary housing;
- (c) This shortage of housing cannot be relieved except through the encouragement of investment by private enterprise. Private enterprise, unaided, is not meeting, and cannot reasonably be expected to meet, the need for such housing;
- (d) The financing, acquisition and rehabilitation of rental housing for low, moderate and middle income persons and families in the State of Florida constitutes a public purpose; and
- (e) An apartment community to be developed by Vista Palms Apartments, LP, or an affiliate thereof or any entity in which Vista Palms Apartments LP, is a general partner or managing member (the "Developer"), on a site located in Lee County, Florida, and known as Vista Palms Apartments, is a multifamily residential rental development,

which will assist in alleviating the shortage of rental housing for low, moderate and middle income residents of the State of Florida.

Section 2. authorizes its staff to negotiate and prepare a plan for financing, and to commence the structuring of a debt instrument or instruments, to provide up to \$26,734,400 in tax- The Florida Housing Finance Corporation (“Florida Housing”) hereby exempt financing for a portion of the cost of acquiring, rehabilitating, and equipping approximately 229 residential rental units for the aforementioned development in order to provide apartment units to low, moderate or middle income persons and families in a qualifying multifamily residential rental development. Such plan for financing shall provide for the payment of such costs and expenditures from a mortgage loan account (or similarly named account).

Section 3. Florida Housing finds that the Developer has shown that this development is appropriate to the needs and circumstances of Lee County, Florida and will make a significant contribution to alleviate the housing shortage.

Section 4. This Resolution is intended to and shall constitute a declaration of official intent of Florida Housing for the purposes of the Internal Revenue Code of 1986 and Section 1.150-2 of the United States Treasury Regulations in order to provide for the reimbursement of allowable project costs.

Section 5. This Resolution is also intended to and shall constitute an “Acknowledgment Resolution” as defined in Rule Chapter 67-21 of the Florida Administrative Code (the “Rule”), which means the official action taken by Florida Housing to reflect its intent to finance the proposed development provided that the requirements of Florida Housing, the terms of the MMRB Loan Commitment and the terms of the Credit Underwriting Report (as such terms are defined in the Rule) are met.

Section 6. The Developer has agreed to comply with all land use restrictions relating to tax-exempt financing, including, but not limited to, those promulgated pursuant to Section 142(d) of the Internal Revenue Code of 1986 and those committed to by the Developer in its 2022 Application filed with Florida Housing.

Section 7. This Resolution is not intended to be a binding commitment to finance or an obligation to finance the proposed development by Florida Housing through tax-exempt financing or in any other way. The tax-exempt financing is subject, in all respects, to (a) the approval by Florida Housing and its counsel, if applicable, of (i) all program documents and elements, (ii) the development plans, (iii) all necessary approvals from all governmental units having jurisdiction over the development, and (iv) the tax-exempt financing with respect to the acquisition, rehabilitation and equipping of the development, (b) the issuance and sale by Florida Housing of the tax-exempt debt instrument or instruments for the financing, and (c) the availability of private activity bond allocation.

Section 8. This Resolution shall take effect immediately upon its adoption.

ADOPTED THIS ____ day of _____, 2023.

(SEAL)

ATTEST:

FLORIDA HOUSING FINANCE
CORPORATION, a public corporation
and a public body corporate and politic
duly created and existing under the laws
of the State of Florida

Melissa Levy, Assistant Secretary, Florida
Finance Corporation Board of
Directors

Mario Facella, Chair, Florida Housing
Finance Corporation Board of Directors

STATE OF FLORIDA
COUNTY OF LEON

I hereby certify that the above and foregoing is a true and correct copy of a resolution adopted at a duly noticed public meeting of the Florida Housing Finance Corporation, legally called and held on the ___ day of _____ 2023, at which a quorum was present, all as will appear by reference to the original Resolution incorporated in the official records of the Florida Housing Finance Corporation.

By: _____
Tim Kennedy, Multifamily Loans/Bonds
Director, Florida Housing Finance
Corporation

STATE OF FLORIDA
COUNTY OF LEON

The foregoing instrument was acknowledged before me by means of physical presence or online notarization, this ___ day of _____, 2023 by Tim Kennedy, as Multifamily Loans and Bonds Director of the Florida Housing Finance Corporation, a public corporation and a public body corporate and politic duly created and existing under the laws of the State of Florida, on behalf of the corporation. He is personally known to me.

NOTARY SEAL

Notary Public

Name typed, printed or stamped

My Commission Expires:_____



August 23, 2023

Mr. Tim Kennedy
Multifamily Loans & Bonds Director
Florida Housing Finance Corporation
City Centre Building
227 North Bronough Street, Suite 5000
Tallahassee, Florida 32301-1329

Re: Sorrento at Miramar
Multifamily Mortgage Revenue Bonds (“MMRB”) Series 2009J and MMRB Series 2011F
/ HOME Loan RFP 2009-06-07 / 4% Housing Credits (“HC”) 2009-523C

Transfer of Ownership / First Mortgage Refinance / Subordination and Assumption of the
MMRB Land Use Restriction Agreement (“LURA”), HOME Loan Documents, and
Extended Low-Income Housing Agreement (“ELIHA”) / Release and Replacement of
Guarantors

Dear Mr. Kennedy:

First Housing Development Corporation of Florida (“FHDC”, “First Housing”, or “Servicer”) has reviewed a letter, dated July 31, 2023 from a representative of ZOM Foxcroft, L.P. (“Borrower” or “Seller”) and a letter dated, August 1, 2023, from a representative of Sorrento FL Acquisition LLC (“SFA” or “Buyer”). The letters notify Florida Housing Finance Corporation (“Florida Housing” or “FHFC”) that SFA intends to acquire Sorrento at Miramar (“Development”) from the Borrower and requests FHFC approval of the transfer of the ownership, assumption of the existing MMRB LURA, HOME loan documents, and ELIHA, the refinance of the first mortgage and the subordination of the MMRB LURA, HOME loan documents, and ELIHA and the release and replacement of the Guarantors. The MMRB will be redeemed and SFA intends to purchase the Development with the proceeds of a new first mortgage loan.

First Housing has been requested to determine that SFA and its principals have the prerequisite financial strength and experience to successfully own and operate the Development and to determine the principal HOME paydown.

FHDC

On behalf of FHFC, First Housing has reviewed the request, performed certain due diligence, and formulated recommendations and conditions which are contained at the end of this report. For the purposes of this analysis, First Housing has reviewed the following:

- Credit Underwriting Report, dated March 3, 2011.
- Purchase and Sale Agreement with Escrow Instruction, dated August 8, 2023.
- Appraisal, dated July 18, 2023.
- Development's Audited Financial Statement for year ended December 31, 2022 and December 31, 2021.
- MMRB Land Use Restriction Agreement ("LURA"), dated May 1, 2011.
- HOME LURA, dated May 19, 2011.
- Extended Low-Income Housing Agreement ("ELIHA"), dated December 18, 2012.
- MMRB Promissory Note, dated May 19, 2011.
- HOME Promissory Note, dated May 19, 2011.
- Rent Roll, dated August 1, 2023.
- FHFC's Occupancy Reports.
- SFA's Sources and Uses of Funds Schedule.
- Unaudited Financials for RFM Affordable Housing Fund, L.P. and its Subsidiary, dated March 31, 2023, along with the 2021 and 2022 Tax Returns.
- Application from Berkadia, dated June 8, 2023.
- Buyer's proposed organizational chart.
- FHFC Past Due Report, dated July 28, 2023.
- FHFC Asset Management Noncompliance Report, dated May 24, 2023.

- Annual Management Review, dated July 18, 2023 and Closeout Letter, dated August 17, 2023.

Background

Sorrento at Miramar is an existing 320-unit multifamily development located at 8991 SW 41st, Miramar, FL 33025 and consists of thirteen (13) garden apartment buildings, plus one non-residential building. The Development contains one-hundred twenty (120) one-bedroom/one-bath units, one-hundred sixty-four (164) two-bedroom/two-bath units, and thirty-six (36) three-bedroom/two-bath units. The demographic commitment is Family.

The Development is financed with bonds issued by FHFC in two series (Multifamily Mortgage Revenue Bonds U.S. Treasury/Government Sponsored Enterprises New Issuance Bond Program, Series 2009J tax-exempt bonds at \$19,460,000, and Multifamily Mortgage Revenue Bonds, Series 2011F tax-exempt bonds at \$5,640,000) totaling \$25,100,000. As of July 31, 2023, the outstanding principal balance of the bonds is \$22,195,000.

The existing second mortgage is payable to FHFC under the HOME Program in the amount of \$3,900,000. The HOME Loan is non-amortizing and bears interest at a rate of 1% per annum which is payable out of available cash flow. Any unpaid interest and principal will be due at maturity on July 1, 2044. As of July 31, 2023, the outstanding principal balance was \$3,900,000 and the outstanding accrued interest is \$187,721.23.

The existing third mortgage is a SHIP Loan payable to Broward County Housing Finance and Community Development Division in the original amount of \$750,000. The mortgage does not bear interest and matures on May 19, 2061. According to the December 31, 2022 Audited Financial Statement, the outstanding principal balance was \$750,000. This mortgage is being repaid in full at closing of the refinance.

The existing fourth mortgage is an Affordable Housing Program (“AHP”) Loan payable to Affordable Housing Solutions for Florida, Inc. in the amount of \$1,000,000. This mortgage does not bear interest and matures on May 1, 2061. According to the December 31, 2022 Audited Financial Statement, the outstanding principal balance was \$1,000,000. This mortgage is being requested to be subordinated to the new first mortgage; however, if the subordination is not approved, it will be repaid from equity at closing of the refinance.

The Development also received an allocation of 4% HC’s.

The MMRB LURA requires the following set-asides for a total term of fifty (50) years:

- 85% of the units (272 units) set-aside at or below 60% Area Median Income (“AMI”)

The HOME LURA requires the following set-asides for a total term of fifty (50) years:

- 20% of the units (64 units) set aside as HOME Assisted Units at or below 50% AMI;
- 80% of the units (remaining units) set aside as HOME Assisted Units at or below 60% AMI.

The ELIHA requires the following set-asides for a term of fifty (50) years:

- 100% of the units set aside at or below 60% AMI;

Based on the August 1, 2023 rent roll, the Development was 99% occupied. Based on FHFC's Occupancy Reports, the property's occupancy averaged 98.8% for January through June of 2023 and 98.8% for January through December of 2022.

An Annual Management Review was conducted on July 18, 2023 and found the Development to be in compliance. A Closeout Letter was issued on August 17, 2023.

Status of the Development Team Noncompliance/Past Due

The proposed development team was reported on Florida Housing's July 28, 2023 Past Due Report for the following:

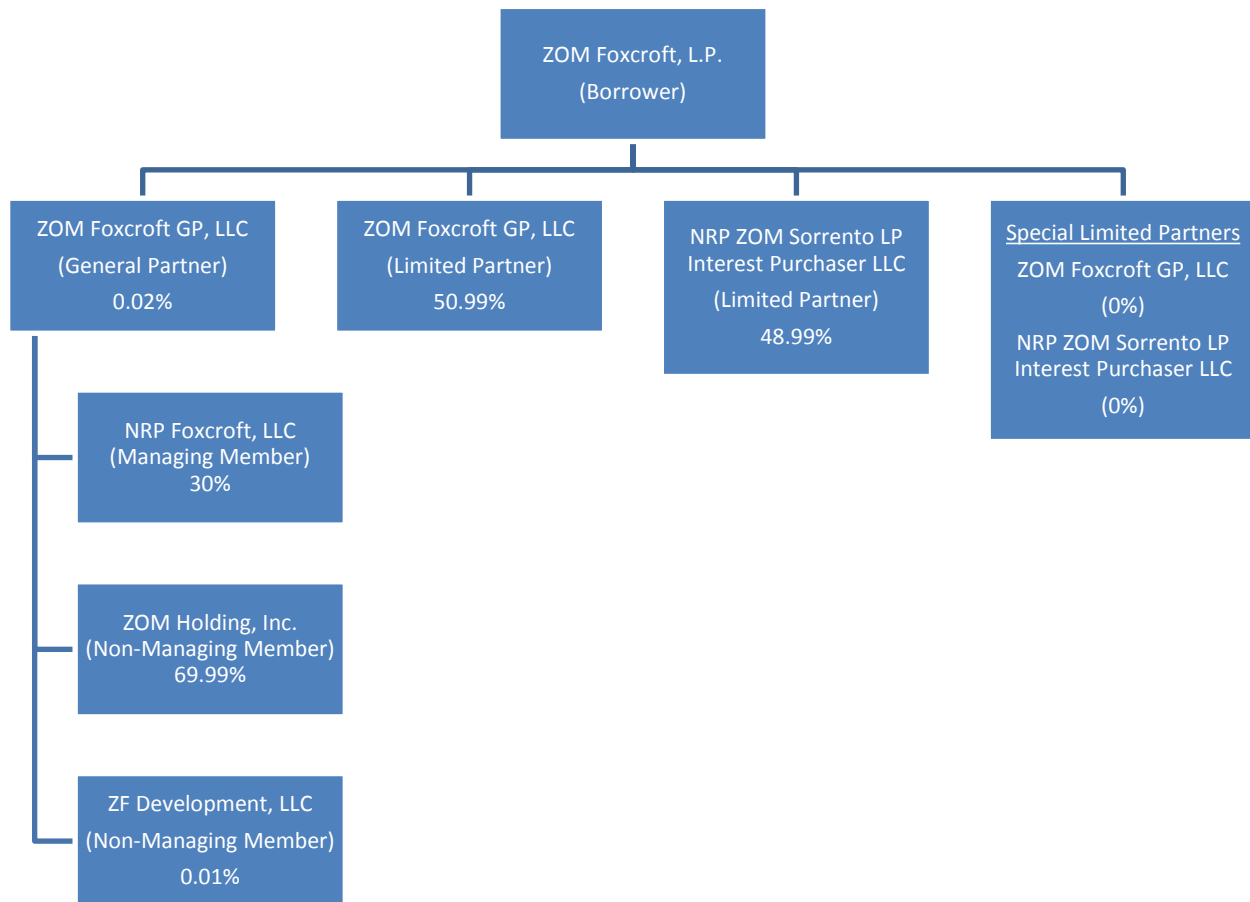
- Ballet Villages I - HOME - Failure to provide proof of adequate replacement reserves account. Owes \$250.00 late filing fee for 2021 and 2022 AFS/SR1.

The proposed development team was reported on Florida Housing's May 24, 2023 Asset Management Noncompliance Report for the following:

- Andrews Place II – Failure to meet uniform physical conditions for buildings
- Garden Vista – Failure to annually recertify eligibility

Transfer of Ownership

Current Ownership Structure:



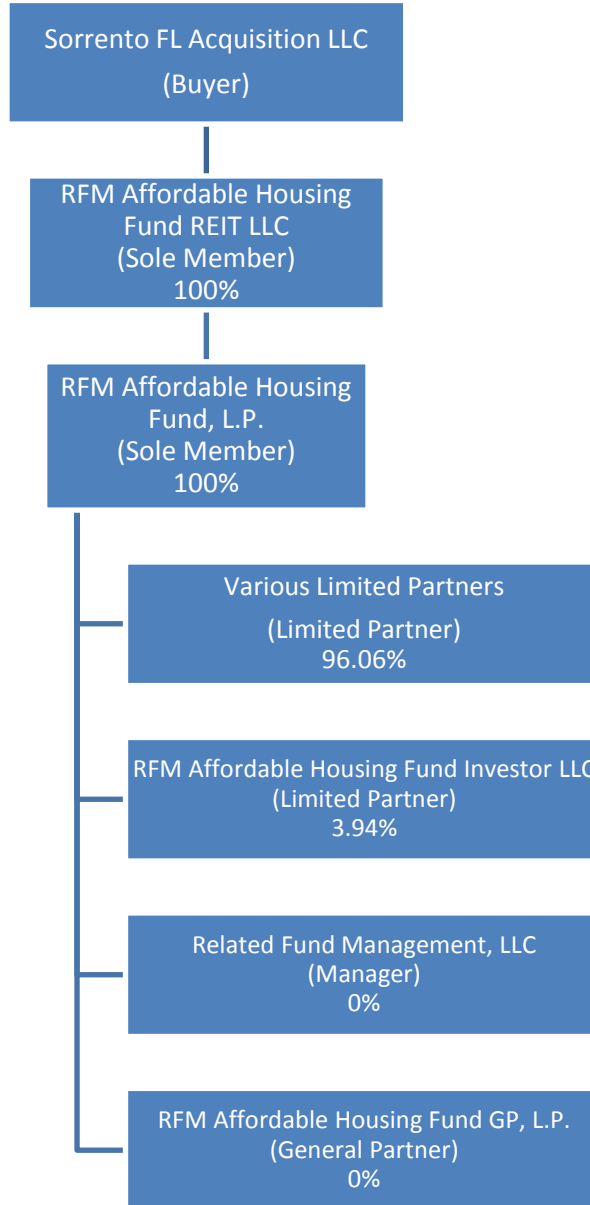
ZOM Foxcroft, L.P. was formed as a limited partnership on January 29, 2009, for the purpose of constructing and operating the Development.

First Housing received a Purchase and Sale Agreement, dated August 8, 2023, between Seller and Purchaser. The purchase price of the Development will be \$48,200,000 which includes the assumption of the HOME Loan, assumption of the AHP Loan, and repayment of the SHIP Loan. If the subordinate debt changes from the above assumptions, the purchase price will change. The purchase and sale of the Development shall be consummated on October 2, 2023, or November 1, 2023, if Buyer has exercised the First Contingency Consent Date Extension Option, or January 2, 2024, if Buyer has exercised the Second Contingency Consent Date Extension Option (“Closing Date”).

First Housing received an Appraisal, dated July 18, 2023, engaged by Berkadia Commercial Mortgage LLC (“Berkadia”). Based on the data and analyses within the appraisal, the appraiser

concluded to an “as is” leased fee interest value, with restrictions and tax exemption, of \$48,500,000. The appraiser also concluded to an “as is” leased fee interest value, with restrictions and without tax exemption, of \$42,400,000.

Proposed Ownership Structure:



Experience and Financial Capability of Proposed Ownership Entities

Sorrento FL Acquisition LLC is a newly formed entity with no financials or experience. First Housing is relying on the experience of The Related Companies, L.P. (“TRCLP”), a related entity, and the financial strength of RFM Affordable Housing Fund, L.P. RFM Affordable Housing Fund REIT LLC financials are included within RFM Affordable Housing Fund, L.P., since it is wholly owned by RFM Affordable Housing Fund, L.P.

TRCLP was founded in 1972 and is currently one of the largest owners of affordable multifamily apartment complexes in the country. TRCLP owns and operates a portfolio of assets valued at over \$30 billion. Related Affordable, LLC was created in 2013 as an expansion of Related Apartment Preservation, LLC which was formed in 2002 both are wholly owned subsidiaries of TRCLP. To date, Related Affordable, LLC has purchased over 110 affordable housing properties consisting of more than 16,000 units with a total development value in excess of \$2.4 billion. Related Affordable, LLC presently oversees a portfolio of approximately 280 properties, including over 43,000 units.

First Housing received an unaudited financial statement for RFM Affordable Housing Fund, L.P. and its Subsidiary, dated March 31, 2023. First Housing received 2021 and 2022 tax returns for RFM Affordable Housing Fund, L.P. and RFM Affordable Housing Fund REIT LLC. First Housing received bank statements for RFM Affordable Housing Fund, L.P. and RFM Affordable Housing Fund REIT LLC. Based on the statement of Financial Affairs forms, RFM Affordable Housing Fund, L.P. and RFM Affordable Housing Fund REIT LLC do not have contingent liabilities. A credit report was not available for Sorrento FL Acquisition LLC, RFM Affordable Housing Fund, L.P. or RFM Affordable Housing Fund REIT LLC. Based on the information provided, the entities do not have trade references. First Housing has reviewed the information and found it to be satisfactory.

First Mortgage Refinance

Refinancing of the existing first mortgage loan is permitted under the underlying HOME Loan Documents, if the criteria outlined in Rule Chapter 67-48 is met, the original combined loan to value ratio for the superior mortgage and the HOME mortgage is maintained or improved, and a proportionate amount of the increase in the superior mortgage is used to reduce the outstanding HOME Loan balance. Rule Chapter 67-48 states that “the Board shall approve requests for mortgage loan refinancing only if Development Cash Flow is improved, the Development’s economic viability is maintained, the security interest of the Corporation is not adversely affected, and the Credit Underwriter provides a positive recommendation.”

The combined loan to value on the first mortgage and HOME Loan was originally 80.11%, which is based on a market value of \$36,200,000 and the permanent first mortgage principal of \$25,100,000 and the HOME Loan of \$3,900,000. Based on the appraisal, dated July 18, 2023, the Development’s hypothetical leased fee interest value without restrictions is \$91,900,000. The

combined loan to value on the new first mortgage (\$27,000,000) and the HOME Loan (\$3,900,000) is 33.62%. This satisfies the requirement that the original combined loan to value ratio for the superior mortgage and HOME mortgage is maintained or improved. Based on the HOME Loan pay down calculation, it is estimated the HOME Loan will be paid down by \$560,524.

First Housing received an executed Application from Berkadia, dated June 8, 2023, for a fixed rate Fannie Mae DUS Loan in an amount up to \$27,400,000. The term of the loan is 84 months/7 years, with interest only payments for 60 months/5years followed by a 420-month/35-year amortization period. The interest rate will be based on a spread of 1.48% over the current 7-year treasury note. First Housing has estimated the interest rate based on the 7-year treasury rate of 4.13%, as of August 7, 2023, plus a spread of 1.48% for an all-in rate of 5.61%. Review and confirmation of final first mortgage loan terms are a condition to close. According to the Sources and Uses provided by SFA, the estimated first mortgage loan for the Development is \$27,000,000 .

Sources and Uses of Funds

Sources	
Berkadia - First Mortgage	\$27,000,000
FHFC HOME Assumption	\$3,339,476
AHP Loan	\$1,000,000
Borrower Equity	\$18,224,524
Total Sources	\$49,564,000
Uses	
Purchase Price	\$48,200,000
Title, Legal, Taxes, and Fees	\$231,600
Berkadia Origination Fee and third party reports	\$396,000
Upfront Operating Reserves and Escrows	\$327,000
Upfront Reserves Capital Reserves	\$400,000
Transfer and Assumption Fee (MMRB)	\$2,500
Transfer and Assumption Fee (HOME)	\$3,900
FHFC Subordination Fees, if applicable	\$3,000
Total Uses	\$49,564,000

Management Company

The new management company will be PK Management, LLC (“PK”). FHFC’s Asset Management Department will need to approve the selection of the new management company.

PK is a nationwide property management company based in Cleveland, Ohio with satellite offices in South Carolina and Colorado. PK was founded in 2008 and specializes in affordable housing

options while providing residents with quality amenities and resources. PK's portfolio consists of conventional, low-income housing tax credits, and Section 8, family and senior living units.

Recommendation

First Housing's review indicates that the proposed ownership entities through their related party entities have the prerequisite financial strength and experience to successfully own and operate the Development. First Housing recommends approval of the transfer of ownership to SFA, assumption of the existing MMRB LURA, HOME Loan Documents and ELIHA, the refinancing of the first mortgage, HOME Loan paydown, subordination of the MMRB LURA, HOME Loan Documents, and ELIHA (as applicable) to the new first mortgage loan, release and replacement of the Guarantors, and the modification of any other loan documents required to effectuate the transaction, subject to the following conditions:

1. Sorrento FL Acquisition LLC and its entities and principals (if applicable) shall agree that through the regulatory period, Florida Housing and their compliance monitoring agent shall have access to the Development to perform their annual management review and physical inspection during the remaining affordability period.
2. Sorrento FL Acquisition LLC and its entities and principals and any other parties, as well as withdrawing entities, to execute any assignment and assumption documents FHFC deems necessary to effectuate the ownership change including, but not limited to, new and other existing guarantees as determined by FHFC.
3. RFM Affordable Housing Fund, L.P. to execute any guarantees that Florida Housing deems necessary.
4. Payment of any outstanding arrearages to the Corporation, its legal counsel, Servicer or any agent or assignee of the Corporation for past due issues applicable to the development team (Applicant or Developer or Principal, Affiliate or Financial Beneficiary, as described in 67-48.0075 F.A.C., of an Applicant or a Developer).
5. Receipt of all accrued interest outstanding on the HOME Loan.
6. Receipt of a principal paydown on the HOME Loan.
7. Confirmation of refinancing fees and closing costs prior to closing.
8. Confirmation on whether the third and fourth mortgages have been paid off or will be assumed.
9. Satisfactory resolution of any outstanding FHFC noncompliance and/or past due items.

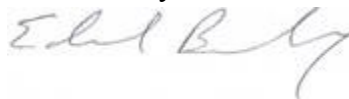
10. Verification that all Insurance Certificates are current and acceptable to Servicer and FHFC.
11. Receipt of a non-refundable transfer and assumption fee equal to one-tenth of one percent of the outstanding principal balance of the HOME Loan on the date of closing.
12. Receipt of a non-refundable MMRB LURA, HOME Loan Documents, and ELIHA subordination fees of \$1,000 each, as applicable.
13. Repayment of MMRB first mortgage and redemption of the underlying MMRB.
14. Receipt of a non-refundable MMRB transfer and assumption fee equal to \$2,500.
15. Confirmation of approval of the transfer of ownership by all other lenders, if applicable.
16. Receipt of an executed Management Agreement, if applicable.
17. Confirmation of FHFC Asset Management's approval of the selection of the management company, if applicable.
18. Review and approval of all loan documents consistent with the terms outlined above by FHFC, its legal counsel and Servicer.
19. Consent of the HC Equity Provider, if applicable.
20. Transfer of existing tax, insurance, replacement reserve, and debt service escrow accounts or establishment of new accounts in like or greater amounts satisfactory to FHFC prior to closing.
21. Review and confirmation of the final first mortgage loan terms and the amount shall not exceed \$27,000,000.
22. Prepayment of any required compliance monitoring fees and servicing fees.
23. All other due diligence required by FHFC, its legal counsel and Servicer.

Prepared by:



Stephanie Petty
Senior Credit Underwriter

Reviewed by:



Ed Busansky
Senior Vice President

FHDC

Operating Proforma

FINANCIAL COSTS:		2021 AFS	Per Unit/Per Year	2022 AFS	Per Unit/Per Year	Developer projected proforma	Per Unit/Per Year	Appraisal projections	Per Unit/Per Year	First Housing projected proforma (Interest Only Payments)	Per Unit/Per Year	First Housing projected proforma (2028)	Per Unit/Per Year
OPERATING PRO FORMA													
INCOME:	Gross Potential Rental Income	\$3,967,156	\$12,397	\$4,006,285	\$12,520	\$4,264,354	\$13,326	\$4,267,680	\$13,337	\$4,267,680	\$13,337	\$4,619,474	\$14,436
	Miscellaneous	\$339,329	\$1,060	\$364,289	\$1,138	\$357,827	\$1,118	\$353,942	\$1,106	\$353,942	\$1,106	\$383,118	\$1,197
	Gross Potential Income	\$4,306,485	\$13,458	\$4,370,574	\$13,658	\$4,622,181	\$14,444	\$4,621,622	\$14,443	\$4,621,622	\$14,443	\$5,002,592	\$15,633
	Less:												
	Physical Vac. Loss 3.00%	\$89,886	\$281	\$50,843	\$159	\$92,444	\$289	\$85,354	\$267	\$138,649	\$433	\$200,104	\$625
Collection Loss 1.00%	\$2,327	\$7	\$6,728	\$21	\$17,891	\$56	\$42,677	\$133	\$46,216	\$144	\$50,026	\$156	
Total Effective Gross Income	\$4,214,272	\$13,170	\$4,313,003	\$13,478	\$4,511,846	\$14,100	\$4,493,591	\$14,042	\$4,436,757	\$13,865	\$4,752,463	\$14,851	
EXPENSES:	Fixed:												
	Real Estate Taxes	\$742,606	\$2,321	\$812,574	\$2,539	\$576,268	\$1,801	\$651,343	\$2,035	\$651,343	\$2,035	\$190,553	\$595
	Insurance	Included	Incl.	\$0	Incl.	\$416,621	\$1,302	\$296,000	\$925	\$416,000	\$1,300	\$468,212	\$1,463
	Variable:												
	Management Fee Percentage: 3.00%	\$126,741	\$396	\$129,245	\$404	\$175,163	\$547	\$134,808	\$421	\$133,103	\$416	\$142,574	\$446
	General and Administrative	\$116,433	\$364	\$117,960	\$369	\$111,504	\$348	\$128,000	\$400	\$128,000	\$400	\$144,065	\$450
	Payroll Expenses	\$433,533	\$1,355	\$535,360	\$1,673	\$434,421	\$1,358	\$480,000	\$1,500	\$480,000	\$1,500	\$540,244	\$1,688
	Utilities	\$441,774	\$1,381	\$432,643	\$1,352	\$466,460	\$1,458	\$427,200	\$1,335	\$466,560	\$1,458	\$525,117	\$1,641
	Marketing and Advertising	\$14,750	\$46	\$17,625	\$55	\$0	\$0	\$16,000	\$50	\$16,000	\$50	\$18,008	\$56
	Maintenance and Repairs/Grounds	\$557,297	\$1,742	\$737,747	\$2,305	\$295,913	\$925	\$224,000	\$700	\$320,000	\$1,000	\$360,163	\$1,126
	Other	\$9,990	\$31	\$12,869	\$40	\$0	\$0	\$16,000	\$50	\$16,000	\$50	\$18,008	\$56
	Reserve for Replacements	\$120,134	\$375	\$116,992	\$366	\$64,000	\$200	\$96,000	\$300	\$96,000	\$300	\$96,000	\$300
Total Expenses	\$2,563,258	\$8,010	\$2,913,015	\$9,103	\$2,540,350	\$7,939	\$2,469,351	\$7,717	\$2,723,006	\$8,509	\$2,502,944	\$7,822	
Net Operating Income	\$1,651,014	\$5,159	\$1,399,988	\$4,375	\$1,971,496	\$6,161	\$2,024,240	\$6,326	\$1,713,751	\$5,355	\$2,249,518	\$7,030	
Debt Service Payments													
First Mortgage - Berkadia	\$1,223,722	\$3,824	\$1,228,522	\$3,839	\$1,514,700	\$4,733	\$1,514,700	\$4,733	\$1,514,700	\$4,733	\$2,011,525	\$9,429	
Second Mortgage - FHFC HOME	\$39,000	\$122	\$39,000	\$122	\$35,272	\$110	\$35,272	\$110	\$35,272	\$110	\$35,272	\$110	
Fees	\$351,247	\$1,098	\$342,770	\$1,071	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Total Debt Service Payments	\$1,613,969	\$5,044	\$1,610,292	\$5,032	\$1,549,972	\$4,844	\$1,549,972	\$4,844	\$1,549,972	\$4,844	\$2,046,797	\$9,594	
Cash Flow after Debt Service	\$37,045	\$116	-\$210,304	-\$657	\$421,524	\$1,317	\$474,268	\$1,482	\$163,779	\$512	\$202,721	\$950	
Debt Service Coverage Ratios													
DSC - First Mortgage	1.05		0.89		1.30		1.34		1.13		1.12		
DSC - First & Second Mortgages	1.02		0.87		1.27		1.31		1.11		1.10		
Financial Ratios													
Operating Expense Ratio	61%		68%		56%		55%		61%		53%		
Break-even Economic Occupancy Ratio (all d	97%		103%		88%		87%		92%		91%		

First Housing included interest only payments on the Berkadia Loan and included real estate tax expense as shown in First Housing's first scenario above. First Housing also projected income increasing at 2% and expenses increasing at 3% until 2028 when the 100% real estate tax exemption is expected, and principal payments are expected to begin on the Berkadia Loan. As shown above, the debt service coverage is improved in both scenarios.

HOME Loan Pay Down Calculation

Original First Mortgage	\$25,100,000	
Original HOME	<u>\$3,900,000</u>	
Total	\$29,000,000	
Original HOME divided by original total First Mortgage & HOME =		0.1345
New First Mortgage Loan Amount	\$27,000,000	
Current First Mortgage Balance	<u>\$22,195,000</u>	
Increased Loan Amount	\$4,805,000	
Less All Closing Costs	<u>(\$637,000)</u>	
Net Increase (Decrease)	\$4,168,000	
Net Increase multiplied by 0.1345	\$560,524	
*Total Estimated HOME Paydown	\$560,524	

Florida Housing Finance Corporation

Credit Underwriting Report

Courtside Apartments, Phase II

SAIL and Housing Credit Financing for the Construction of Workforce Housing

SAIL and 4% Housing Credits

RFA 2021-208 / 2021-323S / 2020-528C

Construction Inflation Response Viability Funding

RFA 2023-211 / 2023-257V

Section A Report Summary

Section B Loan Conditions and HC Allocation Recommendation and Contingencies

Section C Supporting Information and Schedules

Prepared by

Seltzer Management Group, Inc.

Final Report

August 24, 2023

COURTSIDE APARTMENTS, PHASE II

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SMG

Section A
Report Summary

AUGUST 24, 2023

VIABILITY, SAIL AND HC CREDIT UNDERWRITING REPORT

SMG

Recommendation

Seltzer Management Group, Inc. ("SMG" or "Seltzer" or "Servicer") recommends the issuance of Florida Housing Finance Corporation ("FHFC" or "Florida Housing" or "Corporation") a Construction Inflation Response Viability Loan ("Viability") Second Mortgage of \$4,300,000 and a State Apartment Incentive Loan ("SAIL") of \$2,750,000. SMG also recommends an annual Housing Credit ("HC") allocation of \$2,666,369 to Courtside Apartments, Phase II for construction and permanent financing.

DEVELOPMENT & SET-ASIDES

Development Name: Courtside Apartments, Phase II RFA 2023-211 (2023-

RFA/Program Numbers: RFA 2021-208 / 2021-323S 2020-528C 257V

Address: NW 17th St and NW 3rd Ave; NW 4th Ave and NW 17th St

City: Miami Zip Code: 33136 County: Miami-Dade County Size: Large

Development Category: New Construction Development Type: Mid-Rise (5-6 Stories)

Construction Type: Masonry

Unit Composition:

of ELI Units: 20 ELI Units Are Restricted to 30% AMI, or less. Total # of units with PBRA? 0

of Link Units: 10 Are the Link Units Demographically Restricted? Yes # of NHTF Units: 0

Bed Rooms	Bath Rooms	Units	Square Feet	AMI%	Low HOME Rents	High HOME Rents	Gross HC Rent	Utility Allow.	Net Restricted Rents	PBRA Contr Rents	Applicant Rents	Appraiser Rents	CU Rents	Annual Rental Income
1	1.0	10	625	30%			\$580	\$74	\$506		\$506	\$506	\$506	\$60,720
1	1.0	3	625	50%			\$968	\$74	\$894		\$894	\$894	\$894	\$32,184
1	1.0	13	625	60%			\$1,161	\$74	\$1,087		\$1,087	\$1,087	\$1,087	\$169,572
1	1.0	32	625	70%			\$1,355	\$74	\$1,281		\$1,281	\$1,281	\$1,281	\$491,904
2	2.0	7	900	30%			\$696	\$85	\$611		\$611	\$611	\$611	\$51,324
2	2.0	2	900	50%			\$1,161	\$85	\$1,076		\$1,076	\$1,076	\$1,076	\$25,824
2	2.0	10	900	60%			\$1,393	\$85	\$1,308		\$1,308	\$1,308	\$1,308	\$156,960
2	2.0	21	900	70%			\$1,625	\$85	\$1,540		\$1,540	\$1,540	\$1,540	\$388,080
3	2.0	3	1,050	30%			\$805	\$112	\$693		\$693	\$693	\$693	\$24,948
3	2.0	1	1,050	50%			\$1,341	\$112	\$1,229		\$1,229	\$1,229	\$1,229	\$14,748
3	2.0	5	1,050	60%			\$1,610	\$112	\$1,498		\$1,498	\$1,498	\$1,498	\$89,880
3	2.0	13	1,050	70%			\$1,878	\$112	\$1,766		\$1,766	\$1,766	\$1,766	\$275,496
		120	95,350											\$1,781,640

The Demographic Commitment is Workforce Housing.

The Applicant selected the Average Income Test; therefore, as required by RFA 2021-208, the Applicant must set-aside at least 15% of the total units (18 units) as Extremely Low Income ("ELI") Set-Aside units at 30% Area Median Income ("AMI"). The proposed Development must set aside 50% of the ELI Set-Aside units (10 units) as Link Units for Persons with Special Needs. In order to meet the commitment to set aside ELI units as Link Units for Persons with Special Needs, the Applicant must develop and execute a Memorandum of Understanding ("MOU") with at least one designated Special Needs Household Referral Agency that provides supportive services for Persons with Special Needs for the county where the

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proposed Development will be located (Miami-Dade County). The approval of an executed MOU by Florida Housing Finance Corporation ("FHFC" or "Florida Housing") is a condition of closing. The Tenant Selection Plan was approved by FHFC on April 25, 2022.

Buildings: Residential - 2 Non-Residential - 0
 Parking: Parking Spaces - 231 Accessible Spaces - 15

Set Asides:

Program	% of Units	# of Units	% AMI	Term (Years)
SAIL / ELI / HC	16.667%	20	30%	50
SAIL / ELI / HC	5.000%	6	50%	50
SAIL / ELI / HC	23.333%	28	60%	50
SAIL / HC / Workforce	55.000%	66	70%	50

Absorption Rate 30 units per month for 4.0 months.

Occupancy Rate at Stabilization: Physical Occupancy 96.00% Economic Occupancy 95.00%
 Occupancy Comments _____

DDA: No QCT: Yes Multi-Phase Boost: No QAP Boost: No
 Site Acreage: 2.30 Density: 52.1739 Flood Zone Designation: X
 Zoning: T6-8-O (T6-8-Open), Urban Core Transect Zone (T6) Flood Insurance Required?: No

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DEVELOPMENT TEAM		
Applicant/Borrower:	AMC HTG 2, Ltd.	% Ownership
General Partner	AM Housing 2 GP, LLC	
Limited Partner	Truist Community Capital, LLC	
Special LP	AMC HTG 2 GP, LLC	
Construction Completion Guarantor(s):		
CC Guarantor 1:	AMC HTG 2, Ltd.	
CC Guarantor 2:	AM Housing 2 GP, LLC	
CC Guarantor 3:	AMC HTG 2 GP, LLC	
CC Guarantor 4:	HTG Affordable Holdings, LLC	
CC Guarantor 5:	AMC HTG 2 Developer, LLC	
CC Guarantor 6:	Matthew A. Rieger	
Operating Deficit Guarantor(s):		
OD Guarantor 1:	AMC HTG 2, Ltd.	
OD Guarantor 2:	AM Housing 2 GP, LLC	
OD Guarantor 3:	AMC HTG 2 GP, LLC	
OD Guarantor 4:	HTG Affordable Holdings, LLC	
OD Guarantor 5:	AMC HTG 2 Developer, LLC	
OD Guarantor 6:	Matthew A. Rieger	
Note Purchaser	Private Placement	
Developer:	AMC HTG 2 Developer, LLC	
Principal 1	AM Affordable Housing, Inc.	
Principal 2	HTG Affordable Holdings, LLC	
DEVELOPMENT TEAM (cont)		
General Contractor 1:	BDI Construction Co.	
Management Company:	HTG Management, LLC	
Syndicator:	Truist Community Capital, LLC	
Note Issuer:	Miami-Dade Housing Finance Authority	
Architect:	Corwil Architects, Inc.	
Market Study Provider:	Walter Duke + Partners	
Appraiser:	Walter Duke + Partners	

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PERMANENT FINANCING INFORMATION						
	1st Source	2nd Source	3rd Source	4th Source	5th Source	Other
Lender/Grantor	HFAMD Bonds / Grandbridge / Freddie	FHFC - Viability	FHFC - SAIL	Miami-Dade Surtax		
Amount	\$12,625,000	\$4,300,000	\$2,750,000	\$2,500,000		
Underwritten Interest Rate	6.31%	1.00%	1.00%	1.00%		
Loan Term	15.0	15.5	15.5	30.0		
Amortization	40.0	N/A	N/A	N/A		
Market Rate/Market Financing LTV	30.8%	41.3%	48.0%	54.1%		
Restricted Market Financing LTV	62.7%	84.1%	97.7%	110%		
Loan to Cost - Cumulative	22.7%	30.5%	35.5%	40.0%		
Loan to Cost - SAIL Only			5.0%			
Debt Service Coverage	1.123	1.059	1.021	0.996		
Operating Deficit & Debt Service Reserves	\$352,245.00					
# of Months covered by the Reserves	5.4					

Deferred Developer Fee	\$7,962,540
As-Is Land Value	\$3,360,000
Market Rent/Market Financing Stabilized Value	\$41,000,000
Rent Restricted Market Financing Stabilized Value	\$20,130,000
Projected Net Operating Income (NOI) - Year 1	\$1,017,354
Projected Net Operating Income (NOI) - 15 Year	\$1,224,473
Year 15 Pro Forma Income Escalation Rate	2.00%
Year 15 Pro Forma Expense Escalation Rate	3.00%
Note Structure	Freddie TEL
Housing Credit (HC) Syndication Price	\$0.95
HC Annual Allocation - Qualified in CUR	\$2,666,369
HC Annual Allocation - Equity Letter of Interest	\$2,669,473

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CONSTRUCTION/PERMANENT SOURCES:				
Source	Lender	Construction	Permanent	Perm Loan/Unit
Local HFA Bonds	HFAMD Bonds / Truist	\$30,000,000	\$0	\$0
Local HFA Bonds	HFAMD Bonds / Grandbridge /	\$0	\$12,625,000	\$105,208
FHFC - Viability	FHFC	\$4,300,000	\$4,300,000	\$35,833
FHFC - SAIL	FHFC	\$2,750,000	\$2,750,000	\$22,917
Local Government	Miami-Dade Surtax	\$2,500,000	\$2,500,000	\$20,833
HC Equity	Truist	\$10,142,882	\$25,357,204	\$211,310
Deferred Developer	Developer	\$5,801,862	\$7,962,540	\$66,354
TOTAL		\$55,494,744	\$55,494,744	\$462,456

Financing Structure:

The Applicant submitted a Multifamily Mortgage Revenue Bond Program Application to the Miami-Dade Housing Finance Authority (“MDHFA”). Truist Community Capital (“Truist”) will loan up to \$35,000,000 to MDHFA through a Tax-Exempt Loan (“TEL”) in connection with the construction financing of the Development. At conversion to permanent financing, Grandbridge Real Estate Capital LLC (“Grandbridge”), and/or its affiliates/assigns, will provide a TEL in an amount up to \$12,625,000 and the Truist loan will be satisfied.

Changes from the Application:

COMPARISON CRITERIA	YES	NO
Does the level of experience of the current team equal or exceed that of the team described in the application?	X	
Are all funding sources the same as shown in the Application?		1
Are all local government recommendations/contributions still in place at the level described in the Application?	X	
Is the Development feasible with all amenities/features listed in the Application?	X	
Do the site plans/architectural drawings account for all amenities/features listed in the Application?	X	
Does the Applicant have site control at or above the level indicated in the Application?	X	
Does the Applicant have adequate zoning as indicated in the Application?	X	
Has the Development been evaluated for feasibility using the total length of set-aside committed to in the Application?	X	
Have the Development costs remained equal to or less than those listed in the Application?		2
Is the Development feasible using the set-asides committed to in the Application?	X	3

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If the Development has committed to serve a special target group (e.g. elderly, large family, etc.), do the development and operating plans contain specific provisions for implementation?	X	
HOME ONLY: If points were given for match funds, is the match percentage the same as or greater than that indicated in the Application?	N/A	
HC ONLY: Is the rate of syndication the same as or greater than that shown in the Application?	X	
Is the Development in all other material respects the same as presented in the Application?	X	

The following are explanations of each item checked “No” in the table above:

1. See the below changes in the source of funds:

- The Application did not include a Letter of Intent (“LOI”) for first mortgage financing for construction or permanent financing. Subsequently, the Applicant provided a LOI from Truist Community Capital (“Truist”) for first mortgage construction financing in the amount up to \$35,000,000, currently estimated to be \$30,000,000. The Applicant also provided a LOI from Grandbridge Real Estate Capital LLC (“Grandbridge”) for permanent period financing in an amount of \$12,625,000, currently estimated to be \$12,625,000.
- The Application included a LOI for Housing Credit equity from Raymond James Tax Credit Funds in the amount of \$0.94 per tax credit and total equity of \$16,736,100. Subsequently, the Applicant provided a LOI from Truist reflecting an amount of \$0.95 per tax credit and total equity of \$25,357,204.
- A Surtax loan from the Miami-Dade PHCD of \$2,500,000 has been added to the financial structure as a Second Mortgage.
- A Viability Loan in the amount of \$4,300,000 from Florida Housing has been added to the financial structure as a Fourth Mortgage.

2. Total Development Costs (“TDC”) as stated in the application were \$34,923,221. TDC have increased to \$55,494,744, an increase of \$20,571,523. This increase is primarily due to increases in construction, general development costs, financial costs and Developer Fee.

3. On August 16, 2023, Applicant sent a request to FHFC to change the set-aside commitments, FHFC staff approved the change on August 18, 2023.

Current (120 Total Units)	Proposed (120 units)
18 units (15.000%) @ or below 30%	20 units (16.667%) @ or below 30%
12 units (10.000%) @ or below 50%	6 units (5.000%) @ or below 50%
24 units (20.000%) @ or below 60%	28 units (23.333%) @ or below 60%
66 units (55.000%) @ or below 70%	66 units (55.000%) @ or below 70%
Total SEt-Aside: 100%	Total SEt-Aside: 100%

Number of Bedrooms/Bathrooms per Unit	Current (120 total units)	Proposed (120 total units)
1 Bed/1 Bathroom	9 ELI Set-Aside (of 58)	10 ELI Set-Aside (of 58)
2 Bed/2 Bathrooms	6 ELI Set-Aside (of 40)	7 ELI Set-Aside (of 40)
3 Bed/2 Bathrooms	3 ELI Set-Aside (of 22)	3 ELI Set-Aside (of 22)
Total	18 units (15%)	20 units (16.67%)

The proposed unit mix is what we underwrote and what the appraisal and market study are based on. These changes have no substantial material impact to the Viability, SAIL and HC recommendations for this Development.

Does the Development Team have any FHFC Financed Developments on the Past Due/Noncompliance Report?

Florida Housing’s Past Due Report dated July 28, 2023, reflects the following past due item(s): None

Florida Housing’s Asset Management Noncompliance Report dated May 25, 2023, reflects the following noncompliance items: None

This recommendation is subject to satisfactory resolution of any outstanding past due and/or noncompliance items prior to loan closing and the issuance of the annual HC Allocation Recommendation herein.

Strengths:

1. Per the Market Study, Walter Duke + Partners states the capture rates are low and indicate that there is sufficient demand for the subject units. The average occupancy for the comparables within the Subject’s Primary Market Area (“PMA”) is 99.8%.
2. Although the Borrower and General Partner are newly formed, the Developer, General Contractor, and the Management Company all have sufficient experience and financial resources to develop, construct and operate the proposed Development.

Other Considerations: None

Waiver Requests/Special Conditions:

1. According to the RFA, the Corporation will review the limited partnership agreement or limited liability company operating agreement language on reserves for compliance with the RFA requirement. If the limited partnership agreement or limited liability company operating agreement does not specifically state that the parties will comply with the Corporation’s RFA requirements, the Corporation will require an amendment of the agreement and will not issue IRS form(s) 8609 until the amendment is executed and provided to the Corporation. The RFA includes language restricting the disposition of any funds remaining in any operating deficit reserve(s) after the term of the reserve’s original purpose has terminated or is near termination.

The RFA also requires the Corporation to review the limited partnership agreement or limited liability company operating agreement language on reserves for compliance with the RFA requirement. While Florida Housing will continue to require the Applicant to adhere to all requirements in the RFA including the restrictions on the disposition of any funds in an operating deficit reserve account, Florida Housing will not monitor the limited partnership agreement or limited liability company operating agreement language for compliance with these requirements, as this would require analysis of a legal contract. This deviation in process will be included as an Information Item in the April 29, 2022 FHFC Board Meeting.

Additional Information:

1. According to Rule 67-48, the minimum Debt Service Coverage (“DSC”) shall be 1.10 to 1.00 for the SAIL, including superior mortgages. However, per Rule 67-48, if the Applicant defers at least 35 percent of its Developer Fee flowing the last disbursement of all permanent sources of funding identified in the final credit underwriting report and, in the case of a Housing Credit Development, the final cost certification documentation, and when the primary expected source of repayment has been identified as projected cash flow, the minimum DSC shall be 1.00 for the SAIL, including all superior mortgages. The Applicant will be required to show permanent Deferred Developer Fee of at least 35% as the SAIL Loan DSC is 1.01x.
2. The AIA A102-2017 states that “Unless not allowed by a lender, no Retainage will be withheld on the Contractor’s Insurance Costs and Bond Costs, Contractor’s General Conditions Costs and Contractor’s Overhead and any other reimbursable expense under the Cost of the Work subtotal in the Schedule of Values that is not used to determine the Contractor’s Fee.” Applicant has stated they will only take retainage per FHFC guidelines.

Issues and Concerns: None

Mitigating Factors: None

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Recommendation:

SMG recommends FHFC approve a Viability Second Mortgage in the amount of \$4,300,000 and a SAIL Third Mortgage in the amount of \$2,750,000. SMG also recommends an Annual HC allocation of \$2,666,369 be awarded to Courthouse Apartments, Phase II for construction and permanent financing.

This recommendation is based upon the assumptions detailed in the Report Summary (Section A) and Supporting Information and Schedules (Section C). In addition, this recommendation is subject to the Viability and SAIL Loan Conditions and HC Allocation Recommendation and Contingencies (Section B). The reader is cautioned to refer to these sections for complete information.

This recommendation is only valid for six months from the date of the report.

Prepared by:



Justin Coles
Credit Underwriter

Reviewed by:



Joshua Scribner
Credit Underwriting Manager

Overview

Construction Financing Sources

Source	Lender	Applicant	Revised Applicant	Underwriter	Interest Rate	Construction Debt Service
First Mortgage	HFAMD Bonds / Truist	\$25,000,000	\$32,740,083	\$30,000,000	8.82%	\$3,836,700
Second Mortgage	FHFC - Viability	\$0	\$4,300,000	\$4,300,000	1.00%	\$62,350
Third Mortgage	FHFC - SAIL	\$2,750,000	\$2,750,000	\$2,750,000	1.00%	\$39,875
Fourth Mortgage	Miami-Dade Surtax	\$0	\$2,500,000	\$2,500,000	0.00%	\$0
HC Equity	Truist	\$8,368,050	\$3,803,490	\$10,142,882		
Deferred Developer Fee	Developer	\$5,249,000	\$8,224,439	\$5,801,862		
Total		\$41,367,050	\$54,318,012	\$55,494,744		\$3,938,925

First Mortgage Financing:

Applicant submitted a term sheet from Truist dated July 18, 2023, for a first mortgage construction loan in an amount up to \$35,000,000, currently estimated at \$30,000,000. The initial construction term shall be thirty (30) months from the closing date and will require monthly interest only payments with all principal and interest due at maturity. The interest rate will be based upon the Term Secured Overnight Financing Rate (“SOFR”) plus 250 basis points (“bps”). As of August 24, 2023, the Term SOFR was 5.32%, Seltzer has included an underwriting cushion of 100 basis points (1.00%), for an “all-in” rate of 8.82%. There is a closing fee of 75 bps of the loan amount.

Other Construction Sources of Funds:

Additional sources of funds for this Development during construction consist of a Viability loan in the amount of \$4,300,000, a SAIL loan in the amount of \$2,750,000, a Miami-Dade Surtax loan in the amount of \$2,500,000, Housing Credit equity of \$10,142,882 and deferred Developer Fee in the amount of \$5,801,862. See the Permanent Financing section below for details.

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Permanent Financing Sources

Source	Lender	Applicant	Revised Applicant	Underwriter	Interest Rate	Amort. Yrs.	Term Yrs.	Annual Debt
First Mortgage	HFAMD Bonds / Grandbridge / Freddie	\$12,540,000	\$12,625,000	\$12,625,000	6.31%	40	15	\$866,970
Second Mortgage	FHFC - Viability	\$0	\$4,300,000	\$4,300,000	1.00%	N/A	15.5	\$43,000
Third Mortgage	FHFC - SAIL	\$2,750,000	\$2,750,000	\$2,750,000	1.00%	N/A	15.5	\$27,500
Fourth Mortgage	Miami-Dade Surtax	\$0	\$2,500,000	\$2,500,000	1.00%	N/A	30	\$25,000
HC Equity	Truist	\$16,736,100	\$25,356,602	\$25,357,204				
Def. Developer Fee	Developer	\$5,249,000	\$6,786,410	\$7,962,540				
Total		\$37,275,100	\$54,318,012	\$55,494,744				\$962,470

First Mortgage Financing:

Applicant provided a term sheet from Grandbridge dated July 5, 2023, where Grandbridge agrees to arrange a tax exempt permanent loan in an amount up to \$12,625,000, reduced by Seltzer to \$12,625,000 to HFAMD. The loan will have a term of 15 years from conversion with a 40-year amortization. The interest rate will be fixed at closing based upon the 10 year US Treasury (currently 4.19%) as of August 24, 2023 and a spread of 212 basis points (2.12%) for an all-in rate of 6.31%. MDHFA has an on-going Issuer fee of 25 basis points based on the outstanding Bond balance, and an on-going annual Fiscal Agent fee of \$4,000. In addition, there is an HFAMD annual Compliance Fee of \$30/unit (\$3,600). The on-going fees have been incorporated into the First Mortgage Fees listed in the Operating Pro forma.

Viability

Borrower applied to FHFC under RFA 2023-211 for Viability funds in the amount of \$4,300,000. The Viability loan shall be non-amortizing and shall have a simple interest rate of 1% per annum. The Viability loan will have a total term of 18 years, of which 2.5 years is for the construction/stabilization period and 15.5 years is for the permanent period. As required by Freddie Mac and permitted by RFA 2023-211, the Viability Loan will be coterminous with the first mortgage plus six months (total term of 18 years). Closing of the Viability loan funding will be simultaneous with the closing of other Corporation funding. Annual payments of all applicable fees will be required. The Applicant shall not be obligated to pay more than 75% of surplus cash flow on an annual basis as required by Freddie Mac. Any unpaid interest will be deferred until cash flow is available. However, at maturity of the Viability Loan, all principal and unpaid interest will be due. The Annual Permanent Loan Servicing Fee is based on 25 bps of the outstanding loan amount with a maximum of \$936 per month, subject to a minimum of \$236 per month.

SAIL

Borrower applied to FHFC under RFA 2021-208 for SAIL funds in the amount of \$2,750,000. SAIL will have a total term of 18 years, of which 2.5 years is for the construction/stabilization period with an 15 year permanent period. As required by Freddie Mac and permitted by Rule 67.48, the SAIL Loan will be coterminous with the first mortgage plus six months (total term of 18 years). The SAIL will be non-amortizing and will bear 1.00% simple interest per annum. Any unpaid interest will be deferred until cash flow is available. At the maturity of the SAIL, however, all principal and unpaid interest is due. Annual payments of all applicable fees will be required. The Annual Permanent Loan Servicing Fee is based on 25

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bps of the outstanding loan amount with a maximum of \$936 per month, subject to a minimum of \$236 per month. The Compliance Monitoring Fee is based on an annual multiple program fee of \$1,023.

Miami-Dade Surtax/SHIP Loan

Per the letter dated February 21, 2023, from the Miami-Dade County, Office of the Mayor, the Board of County Commissioners approved the Conditional Loan Commitment for a Miami-Dade County FY 2021 Documentary Stamp Surtax and Resolution No. R-582-22 conditionally funding an award in an amount up to \$2,500,000. The loan term is 30 years. The financing option selected is zero (0%) interest rate during the construction period of 2 years. Thereafter, in years 3-17, a 1.00% interest rate, with interest only payments from available Development Cash Flow and in years 18-30, a 0.5% interest rate with principal and interest payments from development cash flows with full principal due at maturity.

Housing Credits Equity Investment:

The Applicant has applied to Florida Housing to receive non-competitive 4% Housing Credits.

Based upon a July 19, 2023, Letter of Intent, Truist or an affiliate will purchase a 99.989% membership interest in the Applicant and provide HC equity as follows:

Capital Contributions	Amount	Percent of Total	When Due
1st Installment	\$3,803,581	15.00%	Paid at closing
2nd Installment	\$6,339,301	25.00%	95% Completion
3rd Installment	\$15,214,322	60.00%	8609s
Total	\$25,357,204	100.00%	

Annual Tax Credits per Syndication Agreement: \$2,669,473

Total HC Available to Syndicator (10 years): \$26,691,794

Syndication Percentage (investor member interest): 99.989%

Calculated HC Exchange Rate (per dollar): \$0.950

Proceeds Available During Construction: \$10,142,882

At least 15% of the total equity will be provided prior to or simultaneously with the closing of the construction / permanent financing which meets the RFA requirement.

Other Permanent Sources of Funds:

In order to balance the sources and uses of funds after all loan proceeds and capital contributions payable under the Truist LOI have been received, the Developer will have to defer \$7,962,540 or 96.82% of the total Developer Fee of \$8,224,439. Therefore, the Applicant is meeting the Viability requirement of deferring at least 30% of the Developer Fee.

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Uses of Funds

CONSTRUCTION COSTS:	Applicant Costs	Revised Applicant Costs	Underwriters Total Costs - CUR	Cost Per Unit	HC Ineligible Costs - CUR
Accessory Buildings				\$0	
Demolition				\$0	\$0
Installation of Pre Fab Units				\$0	
New Rental Units	\$20,379,600	\$31,785,715	\$29,769,110.75	\$248,076	
Off-Site Work				\$0	\$0
Recreational Amenities	\$613,267			\$0	
Rehab of Existing Common Areas				\$0	
Rehab of Existing Rental Units				\$0	
Site Work			\$1,897,633.00	\$15,814	\$284,645
Swimming Pool				\$0	
Furniture, Fixture, & Equipment				\$0	
Hard Cost Contingency - in Constr. Cont.				\$0	
Constr. Contr. Costs subject to GC Fee	\$20,992,867	\$31,785,715	\$31,666,743.75	\$263,890	\$284,645
General Conditions	\$2,900,000	\$1,907,143	\$1,900,004.63	\$15,833	
Overhead		\$635,714	\$633,334.88	\$5,278	
Profit		\$953,571	\$950,002.31	\$7,917	
Builder's Risk Insurance				\$0	
General Liability Insurance		\$131,363	\$201,273.00	\$1,677	
Payment and Performance Bonds		\$252,830	\$287,504.51	\$2,396	
Contract Costs not subject to GC Fee				\$0	
Total Construction Contract/Costs	\$23,892,867	\$35,666,336	\$35,638,863.08	\$296,991	\$284,645
Hard Cost Contingency	\$1,161,480	\$1,783,317	\$1,781,943.00	\$14,850	
PnP Bond paid outside Constr. Contr.				\$0	
Fees for LOC used as Constr. Surety				\$0	
Demolition paid outside Constr. Contr.				\$0	
FF&E paid outside Constr. Contr.		\$788,920	\$788,920.00	\$6,574	\$788,920
Other:				\$0	
Total Construction Costs:	\$25,054,347	\$38,238,573	\$38,209,726.08	\$318,414	\$1,073,565

Notes to the Construction Costs:

- The Applicant has provided an executed AIA Document A102-2017 Standard Form of Agreement between Owner and Contractor where the basis of payment is the Cost of the Work plus a Fee with a Guaranteed Maximum Price dated June 22, 2023, in the amount of \$35,638,863.08. The contract states the Date of Commencement shall be the later of (1) Date contract is executed, (2) all permits issued, (3) Date that satisfactory evidence of financing is provided to the Contractor and (4) Recorded Notice of Commencement. Substantial Completion is expected to occur not later than 583 days (approximately 19.5 months) from the Date of Commencement. Ten (10%) percent retainage will be withheld on all work performed up to 50% completion and no retainage thereafter. See the Additional Information section above for more information.

Allowances in the GMP Agreement

- \$6,000 for ALTA survey for each building
- \$140,000 for Landscaping and irrigation for both buildings
- \$50,000 for Balcony privacy partition dividers
- \$212,502.36 for all cabinets and countertops for North building

- \$102,502.36 for all cabinets and countertops for South building
- \$280,000.00 for all flooring and wall tile For the North building
- \$180,000.00 for all flooring and wall tile for the South building
- \$2,000 for each building for code building signage required for TCO
- \$335,000.00 for appliances
- \$30,000.00 to furnish and install window treatment for all units in North building
- \$15,000.00 to furnish and install window treatment for all units in South building
- \$25,000.00 for the LU/LA elevator for the North building
- \$71,800.00 for all fixtures for the North building
- \$43,200.00 for all fixtures for the South building
- \$5,500.00 to connect the RPZBPA backflow to the domestic water pump in the pump room for
- the North building
- \$5,500.00 to connect the RPZBPA backflow to the domestic water pump in the pump room for
- the South building
- \$18,750.00 to run the 6" fire line from the DDCV backflow up to the pump room for the North
- building
- \$2,750.00 to run the 6" fire line from the DDCV backflow to the pump room for the South
- building
- \$10,000.00 for each Bldg. for access control purposes
- \$20,000.00 for each Bldg. for CCTV
- \$286,337.35 for all Lighting fixtures provided by GMR
- \$35,524 for the North building complete BDA system.

Total - \$1,879,365

On Solid Ground, LLC. ("OSG") is of the opinion that the allowances are reasonable for this development.

Final payment will be made when (1) the General Contractor has fully performed the contract and (2) a final certificate for payment has been issued by the Architect. The Owner's final payment to the General Contractor shall be made no later than 30 days after the Architect's final Certificate for Payment.

2. SMG received the General Contractor's Certification of Requirements, whereby the General Contractor acknowledges and commits to adhere to all requirements related to a General Contractor as published within Rule67-48 , Florida Administrative Code.
3. General Contractor fees as stated are within the 14% maximum per RFA 2021-208 and Rules 67-21 and 67-48. General liability insurance will be covered by the General Contractor under General

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Conditions. Payment and Performance Bond costs reflected in the schedule of values are excluded from construction hard costs in the General Contractor fee calculation.

4. The hard cost contingency is within the 5.00% allowed by the RFA 2021-208 and Rules 67-21 and 67-48 and is not included within the GC Contract or schedule of values.
5. SMG engaged and received a Plan and Cost Analysis (“PCA”) from OSG. Complete results are set forth in Section C of this credit underwriting report.

GENERAL DEVELOPMENT COSTS:	Applicant Costs	Revised Applicant Costs	Underwriters Total Costs - CUR	Cost Per Unit	HC Ineligible Costs - CUR
Accounting Fees	\$30,000	\$25,000	\$25,000	\$208	\$12,500
Appraisal	\$10,000	\$10,000	\$8,500	\$71	
Architect's and Planning Fees				\$0	
Architect's Fee - Green Initiative				\$0	
Architect's Fee - Landscape		\$25,000	\$25,000	\$208	
Architect's Fee - Site/Building Design	\$480,000	\$850,000	\$850,000	\$7,083	
Architect's Fee - Supervision	\$65,000	\$50,000	\$50,000	\$417	
Building Permits	\$144,000	\$144,000	\$144,000	\$1,200	
Builder's Risk Insurance	\$203,796	\$445,000	\$445,000	\$3,708	
Capital Needs Assessment/Rehab				\$0	
Engineering Fees	\$50,000	\$100,000	\$100,000	\$833	
Environmental Report	\$10,000	\$10,000	\$10,000	\$83	
Federal Labor Standards Monitoring				\$0	
FHFC Administrative Fees	\$160,256	\$240,244	\$239,974	\$2,000	\$239,974
FHFC Application Fee	\$4,000	\$4,000	\$3,500	\$29	\$3,500
FHFC Credit Underwriting Fee	\$17,845	\$17,845	\$24,745	\$206	\$24,745
FHFC Compliance Fee	\$212,332		\$230,173	\$1,918	\$230,173
FHFC Other Processing Fee(s)				\$0	
Impact Fee	\$150,460	\$175,000	\$175,000	\$1,458	
Lender Inspection Fees / Const Admin	\$60,000	\$120,000	\$120,000	\$1,000	
Green Building Cert. (LEED, FGBC, NGBS)	\$25,000	\$30,000	\$30,000	\$250	
Home Energy Rating System (HERS)				\$0	
Insurance	\$117,184	\$210,000	\$210,000	\$1,750	
Legal Fees - Organizational Costs	\$250,000	\$408,250	\$408,250	\$3,402	\$204,125
Local Subsidy Underwriting Fee				\$0	
Market Study	\$10,000		\$5,500	\$46	\$5,500
Marketing and Advertising	\$85,000	\$75,000	\$75,000	\$625	\$75,000
Plan and Cost Review Analysis		\$10,000	\$2,900	\$24	
Property Taxes	\$50,000	\$1,807	\$1,807	\$15	
Soil Test	\$10,000	\$10,000	\$10,000	\$83	
Survey	\$50,000	\$70,500	\$70,500	\$588	\$17,625
Tenant Relocation Costs				\$0	
Title Insurance and Recording Fees	\$84,000	\$190,113	\$190,113	\$1,584	\$47,528
Traffic Study				\$0	
Utility Connection Fees	\$252,000	\$252,000	\$252,000	\$2,100	
Soft Cost Contingency	\$122,260	\$173,688	\$173,688	\$1,447	
Other:				\$0	
Total General Development Costs:	\$2,653,133	\$3,647,447	\$3,880,650	\$32,339	\$860,670

Notes to the General Development Costs:

1. Architect's Fees for Site/Building Design and Supervision are based on the Agreement between Owner and Architect, Corwil Architects, Inc., dated July 18, 2021.
2. Engineering Fees are based on the Proposal between the Owner and Kimley-Horn and Associates, Inc.. dated August 6, 2021.
3. The FHFC Administrative Fee is based on 9% of the recommended annual allocation of HC. The FHFC Application Fee is reflective of the application fees stated in RFA 2021-208 and RFA 2023-211. The total FHFC Credit Underwriting Fees consists of \$19,329 for credit underwriting and \$5,146 for the Viability underwriting. The FHFC Compliance Fee is estimated based upon the 2023 Compliance Fee Calculator Spreadsheet for 120 units set aside for 50 years.
4. Impact Fees and Utility Connection Fees were estimated by the Applicant.
5. Green Building Certification Fees are based on the Proposal by and between the Owner and Abney and Abney Green Solutions dated October 4, 2021, for NGBS Green Building Certification.
6. Soft cost contingency is within the 5% limit as allowed per RFA 2021-208 and Rules 67-21 and 67-48.
7. Other General Development Costs are based on the Applicant's estimates, which appear reasonable.

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FINANCIAL COSTS:	Applicant Costs	Revised Applicant Costs	Underwriters Total Costs - CUR	Cost Per Unit	HC Ineligible Costs - CUR
Construction Loan Application Fee				\$0	
Construction Loan Underwriting Fee				\$0	
Construction Loan Origination Fee		\$245,551	\$245,551	\$2,046	
Construction Loan Commitment Fee	\$150,000			\$0	
Construction Loan Closing Costs	\$123,966	\$32,740	\$32,740	\$273	
Construction Loan Interest	\$1,150,000	\$2,702,468	\$3,836,700	\$31,973	\$1,358,250
Construction Loan Servicing Fees				\$0	
Permanent Loan Application Fee			\$37,625	\$314	\$37,625
Permanent Loan Underwriting Fee				\$0	\$0
Permanent Loan Subsidy Layering Rev.				\$0	\$0
Permanent Loan Commitment Fee				\$0	\$0
Permanent Loan Origination Fee	\$92,700	\$126,250	\$94,688	\$789	\$94,688
Permanent Loan Closing Costs	\$25,000	\$25,000	\$10,000	\$83	\$10,000
Permanent Loan Interest				\$0	\$0
Permanent Loan Servicing Fee				\$0	\$0
Local HFA Note Application Fee				\$0	\$0
Local HFA Note Underwriting Fee				\$0	\$0
Local HFA Note Origination Fee				\$0	\$0
Local HFA Note Commitment Fee				\$0	\$0
Local HFA Note Cost of Issuance	\$375,000	\$393,299	\$278,880	\$2,324	\$278,880
Local HFA Note Closing Costs				\$0	\$0
Local HFA Note Interest				\$0	\$0
Local HFA Note Servicing Fee				\$0	\$0
SAIL Commitment Fee		\$105,000	\$55,000	\$458	\$55,000
SAIL Closing Costs			\$12,500	\$104	\$12,500
SAIL Interest				\$0	\$0
SAIL Servicing Fee				\$0	\$0
Misc Loan Application Fee				\$0	
Misc Loan Underwriting Fee			\$8,500	\$71	
Misc Loan Subsidy Layering Review				\$0	
Misc Loan Origination Fee			\$43,000	\$358	
Misc Loan Closing Costs		\$100,000	\$12,500	\$104	
Misc Loan Interest				\$0	
Misc Loan Servicing Fee				\$0	
Legal Fees - Financing Costs		\$75,000	\$75,000	\$625	
Placement Agent/Underwriter Fee			\$35,000	\$292	\$35,000
Initial TEFRA Fee				\$0	\$0
Other:				\$0	
Total Financial Costs:	\$1,916,666	\$3,805,308	\$4,777,684	\$39,814	\$1,881,943
Dev. Costs before Acq., Dev. Fee & Reserves	\$29,624,146	\$45,691,328	\$46,868,060	\$390,567	\$3,816,178

Notes to the Financial Costs:

1. Construction Origination Fee is based on the applicants estimate.
2. Construction Loan Interest is based on SMG's estimate. Interest is based on the construction completion and absorption estimates included in the construction schedule and Market Study. The estimate assumes an "all-in" interest rate of 8.82% a construction / stabilization period of 24 months.
3. Permanent Loan Origination Fee is based on 0.75% of the permanent loan amount per Grandbridge.

VIABILITY, SAIL AND HC CREDIT UNDERWRITING REPORT

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4. Permanent Loan Application fees and Permanent Closing Costs are per the Grandbridge LOI.
5. Local HFA Note Cost of Issuance includes fees and expenses of the Issuer, Counsel, Placement Agent Fee, Servicer Fee, Legal, SMG's Underwriting Fees, Conversion Fee and other fees.
6. SAIL Commitment Fee of \$27,500 consists of a 1% SAIL commitment fee based on the SAIL amount as well as a 1% firm loan commitment issuance deadline extension fee.
7. Misc Loan Origination Fee consists of a 1% Viability commitment fee based on the Viability loan amount.
8. The Viability and SAIL closing costs are \$12,500 each, for FHFC legal counsel fees. Viability closing costs are listed in Misc Loan Closing Costs

NON-LAND ACQUISITION COSTS	Applicant Costs	Revised Applicant Costs	Underwriters Total Costs - CUR	Cost Per Unit	HC Ineligible Costs - CUR
Building Acquisition Cost			\$0	\$0	
Other:				\$0	
Total Non-Land Acquisition Costs:	\$0	\$0	\$0	\$0	\$0

Notes to the Non-Land Acquisition Costs:

1. Since this is a new construction development, there are no non-land acquisition costs.

DEVELOPER FEE ON NON-ACQUISITION COSTS	Applicant Costs	Revised Applicant Costs	Underwriters Total Costs - CUR	Cost Per Unit	HC Ineligible Costs - CUR
Developer Fee - Unapportioned	\$5,249,000	\$8,224,439	\$8,224,439	\$68,537	
Other:				\$0	
Total Other Development Costs:	\$5,249,000	\$8,224,439	\$8,224,439	\$68,537	\$0

Notes to the Other Development Costs:

1. Developer Fee is within 18% of the Development's construction cost, exclusive of land acquisition costs and reserves, as required per RFA 2021-208 and Rules 67-21 and 67-48.

LAND ACQUISITION COSTS	Applicant Costs	Revised Applicant Costs	Underwriters Total Costs - CUR	Cost Per Unit	HC Ineligible Costs - CUR
Land Lease Payment	\$50,075	\$50,000	\$50,000	\$417	\$50,000
Other:				\$0	\$0
Total Acquisition Costs:	\$50,075	\$50,000	\$50,000	\$417	\$50,000

Notes to the Land Acquisition Costs:

1. Applicant provided a Ground Lease dated December 19, 2008, between Miami-Dade County ("Lessor") and Alonzo Mourning Charities, Inc. ("AMC") as well as a sublease between AMC and the Applicant with a lease price of \$50,000 due at closing and \$1 annually thereafter. Per amendment six to the lease and sublease, the leases will have a term of 75 years.

The appraised value of the vacant land is \$3,360,000, which supports the purchase price.

VIABILITY, SAIL AND HC CREDIT UNDERWRITING REPORT

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RESERVE ACCOUNTS	Applicant Costs	Revised Applicant Costs	Underwriters Total Costs - CUR	Cost Per Unit	HC Ineligible Costs - CUR
Operating Deficit Reserve (FHFC)				\$0	\$0
Operating Deficit Reserve (Lender)		\$352,245	\$352,245	\$2,935	\$352,245
Operating Deficit Reserve (Syndicator)				\$0	\$0
Other:				\$0	\$0
Total Reserve Accounts:	\$0	\$352,245	\$352,245	\$2,935	\$352,245

Notes to Reserve Accounts:

- Reserves – Operating Deficit is the Operating Deficit Reserve (“ODR”) required by the Syndicator (Truist).

At the end of the Compliance Period, any remaining balance of the ODR less amounts that may be permitted to be drawn (which includes Deferred Developer Fee and reimbursements for authorized member/partner and guarantor loan(s) pursuant to the operating/partnership agreement), will be used to pay FHFC loan debt; if there is no FHFC loan debt on the proposed Development at the end of the Compliance Period, any remaining balance shall be used to pay outstanding FHFC fees. If any balance is remaining in the ODR after the payments above, the amount should be placed in a Replacement Reserve account for the Development. In no event shall the payments of amounts to the Applicant or the Developer from the Reserve Account cause the Developer Fee or General Contractor Fee to exceed the applicable percentage limitations provided for in the Rule. Any and all terms and conditions of the ODR must be acceptable to Florida Housing, its Servicer and its Legal Counsel.

TOTAL DEVELOPMENT COSTS	Applicant Costs	Revised Applicant Costs	Underwriters Total Costs - CUR	Cost Per Unit	HC Ineligible Costs - CUR
TOTAL DEVELOPMENT COSTS:	\$34,923,221	\$54,318,012	\$55,494,744	\$462,456	\$4,218,423

Notes to the Total Development Costs:

- Per RFA 2021-208, TDC is limited on a per unit basis based on the construction type of the units as indicated by the Applicant. The Applicant has indicated a construction type of Mid-Rise – ESSC Construction, 5-6-stories, which had a maximum allowable per unit cost of \$423,977.40. Based on changes to TDC limits as approved at the June 2018 Board meeting, March 2020 Board meeting and July 2021 Board meeting, the maximum allowable per unit cost is \$339,185.00. Courtside Apartments, Phase IIs’ final TDC per unit is \$457,895.59, which exceeds the maximum allowable TDC per the RFA \$459,104.15, however it is within the 5% Escalation Factor per the RFA therefor Developer Fee will not be impacted.

VIABILITY, SAIL AND HC CREDIT UNDERWRITING REPORT

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Operating Pro forma

OPERATING PRO FORMA		ANNUAL	PER UNIT
INCOME	Gross Potential Rental Income	\$1,781,640	\$14,847
	Other Income:		
	Miscellaneous	\$33,000	\$275
	Washer/Dryer Rentals	\$82,080	\$684
	Gross Potential Income	\$1,896,720	\$15,806
	Less:		
	Physical Vacancy Loss - Percentage: 4.0%	(\$75,869)	(\$632)
Collection Loss - Percentage: 1.0%	(\$18,967)	(\$158)	
Total Effective Gross Revenue		\$1,801,884	\$15,016
EXPENSES	Fixed:		
	Sub-Ground Lease	\$75	\$1
	Real Estate Taxes	\$148,667	\$1,239
	Insurance	\$180,000	\$1,500
	Variable:		
	Management Fee - Percentage: 6.0%	\$108,113	\$901
	General and Administrative	\$45,000	\$375
	Payroll Expenses	\$132,000	\$1,100
	Utilities	\$90,000	\$750
	Marketing and Advertising	\$3,000	\$25
	Maintenance and Repairs	\$41,675	\$347
	Reserve for Replacements	\$36,000	\$300
	Total Expenses		\$784,530
Net Operating Income		\$1,017,354	\$8,478
Debt Service Payments			
DEBT SERVICE	First Mortgage - HFAMD Bonds / Grandbridge / Fr	\$866,970	\$7,225
	Second Mortgage - FHFC - Viability	\$43,000	\$358
	Third Mortgage - FHFC - SAIL	\$27,500	\$229
	Fourth Mortgage - Miami-Dade Surtax	\$25,000	\$208
	All Other Mortgages -	\$0	\$0
	First Mortgage Fees - HFAMD Bonds / Grandbridg	\$39,163	\$326
	Second Mortgage Fees - FHFC - Viability	\$11,773	\$98
	Third Mortgage Fees - FHFC - SAIL	\$7,898	\$66
	Fourth Mortgage Fees - Miami-Dade Surtax	\$0	\$0
	All Other Mortgages Fees -	\$0	\$0
Total Debt Service Payments		\$1,021,303	\$8,511
Cash Flow After Debt Service		(\$3,949)	(\$33)

Debt Service Coverage Ratios		
	DSC - First Mortgage plus Fees	1.123
	DSC - Second Mortgage plus Fees	1.059
	DSC - Third Mortgage plus Fees	1.021
	DSC - Fourth Mortgage plus Fees	0.996
	DSC - All Mortgages and Fees	0.996
Financial Ratios		
	Operating Expense Ratio	43.5%
	Break-Even Ratio	95.5%

VIABILITY, SAIL AND HC CREDIT UNDERWRITING REPORT

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Notes to the Operating Pro forma and Ratios:

1. The Viability and SAIL will be repaid from available cash flow. The Break-Even Ratio would be 93.3% if the Viability interest payments were excluded. If the SAIL interest payments were excluded as well, the Break-Even Ratio would be 91.8%. The 15-year income and expense projection reflect an increasing debt service coverage (“DSC”) through year 15
2. The Development will be utilizing SAIL and Housing Credits which will impose rent restrictions. Courtside Apartments, Phase II is projected to achieve 2023 Maximum Allowable HC Rents published by Florida Housing on all units based upon the appraiser’s estimate of achievable rents per comparable properties surveyed. The Applicant engaged Matern Professional Engineering, Inc. to prepare a UA Energy Consumption Model Estimate which was approved by Florida Housing on September 29, 2022. The model reflects the residents paying for electricity, water and sewer and the Applicant paying for pest control, and trash pick-up. No manager/employee units are anticipated at this time.

A rent roll for the Development is illustrated in the following table:

Miami – Miami Beach – Kendall HMFA / Miami-Dade County

Bed Rooms	Bath Rooms	Units	Square Feet	AMI%	Low HOME Rents	High HOME Rents	Gross HC Rent	Utility Allow.	Net Restricted Rents	PBRA Contr Rents	Applicant Rents	Appraiser Rents	CU Rents	Annual Rental Income
1	1.0	10	625	30%			\$580	\$74	\$506		\$506	\$506	\$506	\$60,720
1	1.0	3	625	50%			\$968	\$74	\$894		\$894	\$894	\$894	\$32,184
1	1.0	13	625	60%			\$1,161	\$74	\$1,087		\$1,087	\$1,087	\$1,087	\$169,572
1	1.0	32	625	70%			\$1,355	\$74	\$1,281		\$1,281	\$1,281	\$1,281	\$491,904
2	2.0	7	900	30%			\$696	\$85	\$611		\$611	\$611	\$611	\$51,324
2	2.0	2	900	50%			\$1,161	\$85	\$1,076		\$1,076	\$1,076	\$1,076	\$25,824
2	2.0	10	900	60%			\$1,393	\$85	\$1,308		\$1,308	\$1,308	\$1,308	\$156,960
2	2.0	21	900	70%			\$1,625	\$85	\$1,540		\$1,540	\$1,540	\$1,540	\$388,080
3	2.0	3	1,050	30%			\$805	\$112	\$693		\$693	\$693	\$693	\$24,948
3	2.0	1	1,050	50%			\$1,341	\$112	\$1,229		\$1,229	\$1,229	\$1,229	\$14,748
3	2.0	5	1,050	60%			\$1,610	\$112	\$1,498		\$1,498	\$1,498	\$1,498	\$89,880
3	2.0	13	1,050	70%			\$1,878	\$112	\$1,766		\$1,766	\$1,766	\$1,766	\$275,496
		120	95,350											\$1,781,640

3. The appraiser estimates a stabilized physical vacancy rate of 4% and a collection loss of 1%, resulting in a physical occupancy of 96% and an economic occupancy of 95%.
4. Real estate tax expense is based on the Appraiser’s estimate.
5. Management Fees are based upon the Management Agreement provided by the Applicant that reflects a management fee in the amount of \$3,000 per month or 4.0% of the gross collections, whichever is greater. The Agreement also includes an Incentive Fee of up to 2.00% of available cash flow. In no case shall the Base Management Fee and Incentive Fee be more than 6% of the year’s gross collections.
6. Other operating expense estimates are based on comparable properties and are supported by the appraisal.

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7. Replacement Reserves in the amount of \$300 per unit per year meet RFA 2021-208 and Rules 67-21 and 67-48 requirements. FHFC requires the replacement reserve to be increased annually by 3.00%, starting no later than year 11.
 8. The 15-year income and expense projection reflect an increasing DSC through year 15. At year 15, the DSC on all mortgages and fees is estimated at 1.204. This projection is attached to this report as Exhibit 1.

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Section B

Loan Conditions

HC Allocation Recommendation and Contingencies

AUGUST 24, 2023

Special Conditions

These recommendations are contingent upon the review and approval of the following items by SMG and Florida Housing at least two weeks prior to loan closing. Failure to receive approval of these items within this time frame may result in postponement of the loan closing.

None

General Conditions

This recommendation is contingent upon the review and approval of the following items by SMG and Florida Housing at least two weeks prior to loan closing. Failure to receive approval of these items within this time frame may result in postponement of the loan closing.

1. Borrower to comply with any and all recommendations noted in the Plan and Cost Review.
2. Signed and sealed survey, dated within 90 days of closing, unless otherwise approved by Florida Housing, and its Legal Counsel, based upon the particular circumstances of the transaction. The Survey shall be certified to Florida Housing and its Legal Counsel, as well as the title insurance company, and shall indicate the legal description, exact boundaries of the Development, easements, utilities, roads, and means of access to public streets, total acreage and flood hazard area, and any other requirements of Florida Housing.
3. Final "as permitted" (signed and sealed) site plans, building plans and specifications. The geotechnical report, if any, must be bound within the final plans and specifications.
4. Building permits and any other necessary approvals and permits (e.g., final site plan approval, water management district, Department of Environmental Protection, Army Corps of Engineers, Department of Transportation, etc.). Acceptable alternatives to this requirement are receipt and satisfactory review of a letter from the local permitting and approval authority that the above referenced permits and approvals will be issued upon receipt of applicable fees (with no other conditions), or evidence of 100% lien-free completion, if applicable. If a letter is provided, copies of all permits will be required as a condition of the first post-closing draw.
5. Final sources and uses of funds itemized by source and line item, in a format and in amounts approved by the Servicer. A detailed calculation of the construction interest based on the final draw schedule (see below), documentation of the closing costs, and draft loan closing statement must also be provided. The sources and uses of funds schedule will be attached to the Loan Agreement as the approved Development budget.
6. A final construction draw schedule showing itemized sources and uses of funds for each monthly draw. Viability and SAIL Loan Proceeds shall be disbursed pro rata with other funding sources during the construction or rehabilitation phase, unless otherwise approved by the Credit Underwriter. The closing draw shall include appropriate backup and ACH wiring instructions.
7. Construction Period Developer Fee shall be the lessor of i) 50% of the Total Developer Fee or ii) the Total Developer Fee less the Deferred Developer Fee listed in the Sources and Uses for the construction period, as calculated by the Servicer. At closing, a maximum of 35% of the Construction Period Developer Fee may be funded. Remaining Construction Period Developer Fee will be disbursed

during construction/rehabilitation on a pro rata basis, based on the percentage of completion of the development, as approved and reviewed by FHFC and Servicer.

Once the Development has achieved 100% lien free completion and retainage has been released, the Post-Construction Period Developer Fee may be funded. Post-Construction Period Developer Fee is the remaining portion of Developer Fee less Deferred Developer Fee listed in the Sources and Uses for the permanent period, as calculated by the Servicer.

8. Evidence of insurance coverage pursuant to the Request for Application governing this proposed transaction and, if applicable, the FHFC Insurance Guide.
9. The General Contractor shall secure a payment and performance bond equal to 100% of the total construction cost listing FHFC as co-obligee, whose terms do not adversely affect the Corporation's interest, issued in the name of the General Contractor, from a company rated at least "A-" by A.M. Best & Co., or a Corporation-approved alternate security for the General Contractor's performance such as a letter of credit ("LOC") issued by a financial institution with a senior long term (or equivalent) credit rating of at least "Baa3" by Moody's, or at least "BBB-" by Standard & Poor's or Fitch, or a financial rating of at least 175 by IDC Financial Publishing. The LOC must include "evergreen" language and be in a form satisfactory to Florida Housing, its Servicer and its Legal Counsel.
10. Architect, Construction Consultant, and Borrower certifications on forms provided by Florida Housing will be required for both design and as-built with respect to Section 504 of the Rehabilitation Act, the Americans with Disabilities Act ("ADA"), and Federal Fair Housing Act requirements, as applicable.
11. A copy of an Amended and Restated Operating Agreement reflecting purchase of the HC under terms consistent with the assumptions contained within this Credit Underwriting Report. The Amended and Restated Operating Agreement shall be in a form and of financial substance satisfactory to Servicer and to FHFC and its Legal Counsel.
12. Satisfactory resolution of any outstanding past due and/or noncompliance items.
13. Payment of any outstanding arrearages to the Corporation, its Legal Counsel, Servicer or any agent or assignee of the Corporation for past due issues applicable to the Development team (Applicant or Developer or Principal, Affiliate or Financial Beneficiary, as described in 67-21.0025 (5) F.A.C. and 67-48.0075 (5) F.A.C., of an Applicant or a Developer).
14. At all times there will be undisbursed loan funds (collectively held by Florida Housing, the first lender and any other source) sufficient to complete the Development. If at any time there are not sufficient funds to complete the Development, the Borrower will be required to expend additional equity on Development costs or to deposit additional equity with Florida Housing which is sufficient (in Florida Housing's judgment) to complete the Development before additional loan funds are disbursed. This condition specifically includes escrowing at closing all equity necessary to complete construction or another alternative acceptable to Florida Housing in its sole discretion.
15. At the end of the Compliance Period, any remaining balance of the ODR less amounts that may be permitted to be drawn (which includes Deferred Developer Fee and reimbursements for authorized member/partner and guarantor loan(s) pursuant to the operating/partnership agreement), will be used to pay FHFC debt; if there is no FHFC loan debt on the proposed Development at the end of the Compliance Period, any remaining balance shall be used to pay any outstanding FHFC fees. If any

VIABILITY, SAIL AND HC CREDIT UNDERWRITING REPORT

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balance is remaining in the ODR after the payments above, the amount should be placed in a Replacement Reserve account for the Development. In no event shall the payments of amounts to Applicant or the Developer from the Reserve Account cause the Developer fee or General Contractor Fee to exceed the applicable percentage limitations provided for in the Rule. Any and all terms and conditions of the ODR must be acceptable to FHFC, its Servicer and its Legal Counsel.

This recommendation is contingent upon the review and approval of the following items by Florida Housing and its Legal Counsel at least two weeks prior to loan closing. Failure to receive approval of these items within this time frame may result in postponement of the loan closing.

1. Documentation of the legal formation and current authority to transact business in Florida for the Borrower, the general partner/member(s)/principal(s)/manager(s) of the Borrower, the guarantors, and any limited partners/members of the Borrower.
2. Signed and sealed survey, dated within 90 days of closing, unless otherwise approved by Florida Housing, and its Legal Counsel, based upon the particular circumstances of the transaction. The Survey shall be certified to Florida Housing and its Legal Counsel, as well as the title insurance company, and shall indicate the legal description, exact boundaries of the Development, easements, utilities, roads, and means of access to public streets, total acreage and flood hazard area, and any other requirements of Florida Housing.
3. An acceptable updated Environmental Audit Report, together with a reliance letter to Florida Housing, prepared within 90 days of Viability and SAIL loan closing, unless otherwise approved by Florida Housing, and Legal Counsel, based upon the particular circumstances of the transaction. Borrower to comply with any and all recommendations noted in the Environmental Assessment(s) and Update and the Environmental Review, if applicable.
4. Title insurance pro-forma or commitment for title insurance with copies of all Schedule B exceptions, in the amount of the Viability and SAIL loans naming FHFC as the insured. All endorsements required by Florida Housing shall be provided.
5. Florida Housing and its Legal Counsel shall review and approve all other lenders closing documents and the Partnership Agreement or other applicable agreement. Florida Housing shall be satisfied in its sole discretion that all legal and program requirements for the Loans have been satisfied.
6. Evidence of insurance coverage pursuant to the Request for Application governing this proposed transaction and, if applicable, the FHFC Insurance Guide.
7. Receipt of a legal opinion from the Borrower's Legal Counsel acceptable to Florida Housing addressing the following matters:
 - a. The legal existence and good standing of the Borrower and of any partnership or limited liability company that is the general partner of the Borrower (the "GP") and of any corporation or partnership that is the managing general partner of the GP, of any corporate guarantor and any manager;
 - b. Authorization, execution, and delivery by the Borrower and the guarantors, of all Loan documents;

VIABILITY, SAIL AND HC CREDIT UNDERWRITING REPORT

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- c. The Loan documents being in full force and effect and enforceable in accordance with their terms, subject to bankruptcy and equitable principles only;
 - d. The Borrower's and the guarantor's execution, delivery and performance of the loan documents shall not result in a violation of, or conflict with, any judgments, orders, contracts, mortgages, security agreements or leases to which the Borrower is a party or to which the Development is subject to the Borrower's Partnership/Operating Agreement and;
 - e. Such other matters as Florida Housing or its Legal Counsel may require.
8. Evidence of compliance with local concurrency laws, as applicable.
 9. UCC Searches for the Borrower, its partnerships, as requested by Legal Counsel.
 10. Such other assignments, affidavits, certificates, financial statements, closing statements, and other documents as may be reasonably requested by Florida Housing or its Legal Counsel in form and substance acceptable to Florida Housing and its Legal Counsel, in connection with the loan(s).
 11. Any other reasonable conditions established by Florida Housing and its Legal Counsel.

Additional Conditions

This recommendation is also contingent upon the following additional conditions:

1. Compliance with all provisions of Sections 420.507 and 420.5087, Florida Statutes, Rule Chapters 67-48, 67-21, 67-53 and 67-60, F.A.C., RFA 2021-208, RFA 2023-211, Section 42 I.R.C., and any other State and Federal requirements.
2. Acceptance by the Borrower and execution of all documents evidencing and securing the Viability and SAIL Loan in form and substance satisfactory to Florida Housing and its Legal Counsel, including, but not limited to, the Promissory Note(s), the Loan Agreement(s), the Mortgage and Security Agreement(s), the Land Use Restriction Agreement(s), and/or Extended Low Income Housing Agreement(s) and Final Cost Certificate.
3. If applicable, receipt and satisfactory review of Financial Statements from all Guarantors dated within 90 days of Real Estate Closing.
4. Guarantors are to provide the standard FHFC Construction Completion Guaranty, to be released upon lien free completion as approved by the Servicer.
5. Guarantors for the Viability Loan are to provide the standard FHFC Operating Deficit Guaranty. If requested in writing by the Applicant, Servicer will consider a recommendation to release the Operating Deficit Guaranty if all conditions are met, including achievement of a 1.15 DSC on the combined permanent first mortgage and Viability Loan as determined by FHFC or the Servicer, 90% Occupancy and 90% of Gross Potential Rental Income net of utility allowances, if applicable, for a period equal to twelve (12) consecutive months, all certified by an independent Certified Public Accountant ("CPA") and verified by the Servicer. The calculation of the debt service coverage ratio shall be made by Florida Housing or the Servicer. Notwithstanding the above, the Operating Deficit Guaranty shall not terminate earlier than three (3) years following the final certificate of occupancy.
6. For the SAIL, Guarantors are to provide the standard FHFC Operating Deficit Guaranty. If requested in writing by Applicant, the Servicer will consider a recommendation to release the Operating Deficit

Guaranty if all conditions are met, including achievement of a 1.15x Debt Service Coverage (“DSC”) Ratio on the combined permanent first mortgage, the Viability Loan and SAIL, as determined by FHFC or the Servicer and 90% occupancy and 90% of the Gross Potential Rental Income, net of Utility Allowances, if applicable, for a period of 12 consecutive months, all certified by an independent Certified Public Accountant (“CPA”), and verified by the Servicer. The calculation of the DSC Ratio shall be made by FHFC or the Servicer. Notwithstanding the above, the Operating Deficit Guaranty shall not terminate earlier than three (3) years following the final Certificate of Occupancy (“C/O”).

7. Guarantors are to provide the standard FHFC Environmental Indemnity Guaranty.
8. Guarantors are to provide the standard FHFC Guaranty of Recourse Obligations.
9. A mortgagee title insurance lender’s policy naming Florida Housing as the insured second, third and fourth mortgage holder in the amount of the Loans is to be issued at closing. Any exceptions to the title insurance policy must be acceptable to Florida Housing or its Legal Counsel. All endorsements that are required by Florida Housing are to be issued and the form of the title policy must be approved prior to closing.
10. Property tax and hazard insurance escrows are to be established and maintained by the First Lender or the Servicer. In the event the reserve account is held by Florida Housing’s loan servicing agent, the release of funds shall be at Florida Housing’s sole discretion.
11. Replacement Reserves in the minimum amount of \$300 per unit per year are required to be deposited on a monthly basis into a designated escrow account, to be maintained by the First Mortgagee/Credit Enhancer, the Trustee, or Florida Housing’s loan servicing agent. However, Applicant has the option to prepay Replacement Reserves, as allowed per RFA, in the amount of \$36,000 (one-half the required Replacement Reserves for Years 1 and 2), in order to meet the applicable DSC loan requirements. Applicant can waive this election, if at closing of the loan(s) the required DSC is met without the need to exercise the option. It is currently estimated that Replacement Reserves will be funded from Operations in the amount of \$300 per unit per year for year 1, then escalating at 3.00% per year thereafter. The initial Replacement Reserve will have limitations on the ability to be drawn. New construction or Redevelopment Developments (with or without acquisition) shall not be allowed to draw during the first five years or until the establishment of a minimum balance equal to the accumulation of five years of replacement reserves per unit.

The amount established as a Replacement Reserve shall be adjusted based on a Capital Needs Assessment (“CNA”) to be received by the Corporation or its servicers, prepared by an independent third party and acceptable to the Corporation and its servicers at the time the CNA is required, beginning no later than the 10th year after the first residential building in the Development receives a certificate of occupancy, a temporary certificate of occupancy, or is placed in service, whichever is earlier (“Initial Replacement Reserve Date”). A subsequent CNA is required no later than the 15th year after the Initial Replacement Reserve Date and subsequently every five (5) years thereafter.

12. On Solid Ground, LLC (“OSG”) or other construction inspector acceptable for Florida Housing is to act as Florida Housing’s inspector during the construction period.
13. Under the Courtside Apartments, Phase II construction contract, a minimum of 10% retainage holdback on all construction draws will be withheld until construction is 50% complete and thereafter no additional retainage is withheld. Retainage will not be released until successful lien free completion

VIABILITY, SAIL AND HC CREDIT UNDERWRITING REPORT

SMG

of construction and issuance of all certificates of occupancy, which satisfies RFA 2021-208 and Rules 67-21 and 67-48 minimum requirement.

14. Satisfactory completion of a pre-loan closing compliance audit conducted by Florida Housing or its Servicer, if applicable.
15. Closing of all funding sources prior to or simultaneous with the closing of the Viability and SAIL loans.
16. Any other reasonable requirements of the Servicer, Florida Housing or its Legal Counsel.

Housing Credit Allocation Recommendation

Seltzer Management Group, Inc. recommends a preliminary annual Housing Credit allocation of \$2,666,369. Please see the HC Allocation Calculation section of this report for further details.

Contingencies

The HC allocation recommendation is contingent upon the receipt and satisfactory review of the following items by SMG and the Florida Housing Finance Corporation by the deadline established in the Preliminary HC Allocation. Failure to submit these items within this time frame may result in forfeiture of the HC Allocation.

1. All items listed under the Special Conditions section of the Loan Conditions to Close.
2. Satisfactory resolution of any outstanding past due items and/or noncompliance items.
3. Any reasonable requirements of Florida Housing, SMG or its Legal Counsel.

EXHIBIT 1
COURTSIDE APARTMENTS, PHASE II
15 YEAR INCOME AND EXPENSE PROJECTION

FINANCIAL COSTS:		Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11	Year 12	Year 13	Year 14	Year 15	
OPERATING PRO FORMA																	
INCOME	Gross Potential Rental Income	\$1,781,640	\$1,817,273	\$1,853,618	\$1,890,691	\$1,928,504	\$1,967,075	\$2,006,416	\$2,046,544	\$2,087,475	\$2,129,225	\$2,171,809	\$2,215,245	\$2,259,550	\$2,304,741	\$2,350,836	
	Rent Subsidy (ODR)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
	Other Income:																
	Ancillary Income-Parking	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
	Miscellaneous	\$33,000	\$33,660	\$34,333	\$35,020	\$35,720	\$36,435	\$37,163	\$37,907	\$38,665	\$39,438	\$40,227	\$41,031	\$41,852	\$42,689	\$43,543	
	Washer/Dryer Rentals	\$82,080	\$83,722	\$85,396	\$87,104	\$88,846	\$90,623	\$92,435	\$94,284	\$96,170	\$98,093	\$100,055	\$102,056	\$104,097	\$106,179	\$108,303	
	Cable/Satellite Income	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
	Rent Concessions	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
	Alarm Income	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
	Gross Potential Income	\$1,896,720	\$1,934,654	\$1,973,347	\$2,012,814	\$2,053,071	\$2,094,132	\$2,136,015	\$2,178,735	\$2,222,310	\$2,266,756	\$2,312,091	\$2,358,333	\$2,405,500	\$2,453,610	\$2,502,682	
	Less:																
Economic Loss - Percentage:																	
Physical Vacancy Loss - Percentage:	4.0%	(\$75,869)	(\$77,386)	(\$78,934)	(\$80,513)	(\$82,123)	(\$83,765)	(\$85,441)	(\$87,149)	(\$88,892)	(\$90,670)	(\$92,484)	(\$94,333)	(\$96,220)	(\$98,144)	(\$100,107)	
Collection Loss - Percentage:	1.0%	(\$18,967)	(\$19,347)	(\$19,733)	(\$20,128)	(\$20,531)	(\$20,941)	(\$21,360)	(\$21,787)	(\$22,223)	(\$22,668)	(\$23,121)	(\$23,583)	(\$24,055)	(\$24,536)	(\$25,027)	
Total Effective Gross Revenue		\$1,801,884	\$1,837,922	\$1,874,680	\$1,912,174	\$1,950,417	\$1,989,426	\$2,029,214	\$2,069,798	\$2,111,194	\$2,153,418	\$2,196,487	\$2,240,416	\$2,285,225	\$2,330,929	\$2,377,548	
EXPENSES	Fixed:																
	Ground Lease	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
	Sub-Ground Lease	\$75	\$77	\$80	\$82	\$84	\$87	\$90	\$92	\$95	\$98	\$101	\$104	\$107	\$110	\$113	
	Real Estate Taxes	\$148,667	\$153,127	\$157,721	\$162,452	\$167,326	\$172,346	\$177,516	\$182,842	\$188,327	\$193,977	\$199,796	\$205,790	\$211,964	\$218,323	\$224,872	
	Insurance	\$180,000	\$185,400	\$190,962	\$196,691	\$202,592	\$208,669	\$214,929	\$221,377	\$228,019	\$234,859	\$241,905	\$249,162	\$256,637	\$264,336	\$272,266	
	Other	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
	Variable:																
	Management Fee - Percentage:	6.0%	\$108,113	\$110,275	\$112,481	\$114,730	\$117,025	\$119,366	\$121,753	\$124,188	\$126,672	\$129,205	\$131,789	\$134,425	\$137,113	\$139,856	\$142,653
	General and Administrative		\$45,000	\$46,350	\$47,741	\$49,173	\$50,648	\$52,167	\$53,732	\$55,344	\$57,005	\$58,715	\$60,476	\$62,291	\$64,159	\$66,084	\$68,067
	Payroll Expenses		\$132,000	\$135,960	\$140,039	\$144,240	\$148,567	\$153,024	\$157,615	\$162,343	\$167,214	\$172,230	\$177,397	\$182,719	\$188,200	\$193,846	\$199,662
	Utilities		\$90,000	\$92,700	\$95,481	\$98,345	\$101,296	\$104,335	\$107,465	\$110,689	\$114,009	\$117,430	\$120,952	\$124,581	\$128,318	\$132,168	\$136,133
	Marketing and Advertising		\$3,000	\$3,090	\$3,183	\$3,278	\$3,377	\$3,478	\$3,582	\$3,690	\$3,800	\$3,914	\$4,032	\$4,153	\$4,277	\$4,406	\$4,538
	Maintenance and Repairs		\$41,675	\$42,925	\$44,213	\$45,539	\$46,906	\$48,313	\$49,762	\$51,255	\$52,793	\$54,376	\$56,008	\$57,688	\$59,419	\$61,201	\$63,037
	Grounds Maintenance and Landscaping		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	Resident Programs		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	Contract Services		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Security		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Other-Pest Control		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Reserve for Replacements		\$36,000	\$36,000	\$36,000	\$36,000	\$36,000	\$36,000	\$36,000	\$36,000	\$36,000	\$36,000	\$37,080	\$38,192	\$39,338	\$40,518	\$41,734	
Total Expenses		\$784,530	\$805,905	\$827,899	\$850,531	\$873,820	\$897,784	\$922,444	\$947,820	\$973,933	\$1,000,804	\$1,029,536	\$1,059,104	\$1,089,533	\$1,120,848	\$1,153,075	
Net Operating Income		\$1,017,354	\$1,032,017	\$1,046,781	\$1,061,642	\$1,076,597	\$1,091,641	\$1,106,770	\$1,121,978	\$1,137,262	\$1,152,614	\$1,168,000	\$1,183,512	\$1,199,142	\$1,214,981	\$1,231,023	
Debt Service Payments																	
DEBT SERVICE	First Mortgage - HFAMD Bonds / Grandbridge / Freq	\$866,970	\$866,970	\$866,970	\$866,970	\$866,970	\$866,970	\$866,970	\$866,970	\$866,970	\$866,970	\$866,970	\$866,970	\$866,970	\$866,970	\$866,970	
	Second Mortgage - FHFC - Viability	\$43,000	\$43,000	\$43,000	\$43,000	\$43,000	\$43,000	\$43,000	\$43,000	\$43,000	\$43,000	\$43,000	\$43,000	\$43,000	\$43,000	\$43,000	
	Third Mortgage - FHFC - SAIL	\$27,500	\$27,500	\$27,500	\$27,500	\$27,500	\$27,500	\$27,500	\$27,500	\$27,500	\$27,500	\$27,500	\$27,500	\$27,500	\$27,500	\$27,500	
	Fourth Mortgage - Miami-Dade Surtax	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	
	Fifth Mortgage -	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
	All Other Mortgages -	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
	First Mortgage Fees - HFAMD Bonds / Grandbridge	\$39,163	\$38,983	\$38,791	\$38,588	\$38,370	\$38,139	\$37,893	\$37,631	\$37,352	\$37,054	\$36,737	\$36,400	\$36,041	\$35,658	\$35,251	
	Second Mortgage Fees - FHFC - Viability	\$11,773	\$11,773	\$11,773	\$11,773	\$11,773	\$11,773	\$11,773	\$11,773	\$11,773	\$11,773	\$11,773	\$11,773	\$11,773	\$11,773	\$11,773	
	Third Mortgage Fees - FHFC - SAIL	\$7,898	\$7,898	\$7,898	\$7,898	\$7,898	\$7,898	\$7,898	\$7,898	\$7,898	\$7,898	\$7,898	\$7,898	\$7,898	\$7,898	\$7,898	
	Fourth Mortgage Fees - Miami-Dade Surtax	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
	Fifth Mortgage Fees -	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
All Other Mortgages Fees -	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0		
Total Debt Service Payments		\$1,021,303	\$1,021,124	\$1,020,932	\$1,020,728	\$1,020,511	\$1,020,280	\$1,020,034	\$1,019,772	\$1,019,492	\$1,019,195	\$1,018,878	\$1,018,541	\$1,018,182	\$1,017,799	\$1,017,392	
Cash Flow After Debt Service		(\$3,949)	\$10,893	\$25,849	\$40,914	\$56,086	\$71,361	\$86,736	\$102,207	\$117,769	\$133,419	\$148,072	\$162,771	\$177,510	\$192,282	\$207,081	
Debt Service Coverage Ratios																	
DSC - First Mortgage plus Fees		1.123	1.139	1.156	1.172	1.189	1.206	1.223	1.240	1.258	1.275	1.291	1.308	1.324	1.341	1.357	
DSC - Second Mortgage plus Fees		1.059	1.074	1.090	1.105	1.121	1.137	1.153	1.169	1.186	1.202	1.218	1.233	1.248	1.264	1.279	
DSC - Third Mortgage plus Fees		1.021	1.036	1.051	1.066	1.081	1.097	1.112	1.128	1.144	1.159	1.174	1.189	1.204	1.219	1.234	
DSC - Fourth Mortgage plus Fees		0.996	1.011	1.025	1.040	1.055	1.070	1.085	1.100	1.116	1.131	1.145	1.160	1.174	1.189	1.204	
DSC - Fifth Mortgage plus Fees		0.996	1.011	1.025	1.040	1.055	1.070	1.085	1.100	1.116	1.131	1.145	1.160	1.174	1.189	1.204	
DSC - All Mortgages and Fees		0.996	1.011	1.025	1.040	1.055	1.070	1.085	1.100	1.116	1.131	1.145	1.160	1.174	1.189	1.204	
Financial Ratios																	
Operating Expense Ratio		43.5%	43.8%	44.2%	44.5%	44.8%	45.1%	45.5%	45.8%	46.1%	46.5%	46.9%	47.3%	47.7%	48.1%	48.5%	
Break-Even Ratio		95.5%	94.7%	94.0%	93.3%	92.6%	91.9%	91.2%	90.6%	90.0%	89.4%	88.9%	88.4%	87.9%	87.5%	87.0%	

Courtside Apartments, Phase II
RFA 2021-208 / 2021-323S / 2020-528C
DESCRIPTION OF FEATURES AND AMENITIES

A. The Development will consist of:

120 units located in 2 Mid-Rise residential buildings

Unit Mix:

Fifty-eight (58) one bedroom/one bath units;

Forty (40) two bedrooms/two bath units;

Twenty-two (22) three bedrooms/two bath units;

120 Total Units

B. All units are expected to meet all requirements as outlined below. The quality of the construction features committed to by the Applicant is subject to approval of the Board of Directors.

The Development must meet all federal requirements and state building code requirements, including the following, incorporating the most recent amendments, regulations, and rules: The Federal Fair Housing Act as implemented by 24 CFR 100, Florida Accessibility Code for Building Construction as adopted pursuant to Section 553.503, F.S., Section 504 of the Rehabilitation Act of 1973, and Titles II and III of the Americans with Disabilities Act (“ADA”) of 1990 as implemented by 28 CFR 35.

All Developments must meet accessibility standards of Section 504. Section 504 accessibility standards require a minimum of 5 percent of the total dwelling units, but not fewer than one unit, to be accessible for individuals with mobility impairments. An additional 2 percent of the total units, but not fewer than one unit, must be accessible for persons with hearing or vision impairments.

C. The Development must provide the following General Features:

1. Termite prevention;
2. Pest control;
3. Window covering for each window and glass door inside each unit;
4. Cable or satellite TV hook-up in each unit and, if the Development offers cable or satellite TV service to the residents, the price cannot exceed the market rate for service of similar quality available to the Development’s residents from a primary provider of cable or satellite TV;

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5. Washer and dryer hook ups in each of the Development's units or an on-site laundry facility for resident use. If the proposed Development will have an on-site laundry facility, the following requirements must be met:
 - There must be a minimum of one (1) Energy Star certified washer and one (1) Energy Star certified or commercial grade dryer per every 15 units. To determine the required number of washers and dryers for the on-site laundry facility; divide the total number of the Developments' units by 15, and then round the equation's total up to the nearest whole number;
 - At least one washing machine and one dryer shall be front loading that meets the accessibility standards of Section 504;
 - If the proposed Development consists of Scattered Sites, the laundry facility shall be located on each of the Scattered Sites, or no more than 1/16 mile from the Scattered Site with the most units, or a combination of both.
6. At least two full bathrooms in all 3 bedroom or larger new construction units; and
7. Bathtub with shower in at least one bathroom in at least 90% of the new construction units;
8. All Developments must provide a full-size range and oven in all units.

D. Required Accessibility Features, regardless of the age of the Development:

Federal and state law and building code regulations requires that programs, activities, and facilities be readily accessible to and usable by persons with disabilities. Florida Housing requires that the design, construction, or alteration of its financed Developments be in compliance with federal and state accessibility requirements. When more than one law and accessibility standard applies, the Applicant shall comply with the standard (2010 ADA Standards, Section 504, Fair Housing Act, or Florida Building Code, Accessibility) which affords the greater level of accessibility for the residents and visitors. Areas required to be made accessible to mobility-impaired residents and their visitors, including those in wheelchairs, shall include, but not be limited to, accessible routes and entrances, paths of travel, primary function areas, parking, trash bins, mail and package receiving areas for residents, pool and other amenities, including paths of travel to amenities and laundry rooms, including washers and dryers.

E. The Development must provide the following Accessibility Features in all units:

1. Primary entrance door on an accessible route shall have a threshold with no more than a ½-inch rise;
2. All door handles on primary entrance door and interior doors must have lever handles;
3. Lever handles on all bathroom faucets and kitchen sink faucets;

Courtside Apartments, Phase II
RFA 2021-208 / 2021-323S / 2020-528C
DESCRIPTION OF FEATURES AND AMENITIES

4. Mid-point on light switches and thermostats shall not be more than 48 inches above finished floor level; and
 5. Cabinet drawer handles and cabinet door handles in bathroom and kitchen shall be lever or D-pull type that operate easily using a single closed fist.
- F.** All Developments must provide reinforced walls for future installation of horizontal grab bars in place around each tub/shower and toilet, or a Corporation-approved alternative approach for grab bar installation. The installation of the grab bars must meet or exceed the 2010 ADA Standards for Accessible Design.

At the request of and at no charge to a resident household, the Development shall purchase and install grab bars around each tub/shower unit and toilet in the dwelling unit. The product specifications and installation must meet or exceed 2010 ADA Standards for Accessible Design. The Development shall inform a prospective resident that the Development, upon a resident household's request and at no charge to the household, will install grab bars around a dwelling unit's tub/shower unit and toilet, pursuant to the 2010 ADA Standards. At a minimum, the Development shall inform each prospective lessee by including language in the Development's written materials listing and describing the unit's features, as well as including the language in each household's lease.

G. Green Building Features required in all Developments:

All new construction units must have the features listed below:

- a. Low or No-VOC paint for all interior walls (Low-VOC means 50 grams per liter or less for flat; 150 grams per liter or less for non-flat paint);
- b. Low-flow water fixtures in bathrooms – WaterSense labeled products or the following specifications:
 - i. Toilets: 1.28 gallons/flush or less
 - ii. Urinals: 0.5 gallons/flush,
 - iii. Lavatory Faucets: 1.5 gallons/minute or less at 60 psi flow rate,
 - iv. Showerheads: 2.0 gallons/minute or less at 80 psi flow rate;
- c. Energy Star certified refrigerator;
- d. Energy Star certified dishwasher;
- e. Energy Star certified ventilation fan in all bathrooms;
- f. Water heater minimum efficiency specifications:
 - Residential Electric:
 - i. Up to 55 gallons = .95 EF or .92 UEF; or
 - ii. More than 55 gallons = Energy Star certified; or

Courtside Apartments, Phase II
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DESCRIPTION OF FEATURES AND AMENITIES

- iii. Tankless = Energy Star certified;
 - Residential Gas (storage or tankless/instantaneous): Energy Star certified
 - Commercial Gas Water Heater: Energy Star certified;

 - g. Energy Star certified ceiling fans with lighting fixtures in bedrooms;

 - h. Air Conditioning (in-unit or commercial):
 - i. Air-Source Heat Pumps – Energy Star certified:
 - a. ≥8.5 HSPF/ ≥15 SEER/ ≥12.5 EER for split systems
 - b. ≥8.2 HSPF/ ≥15 SEER/ ≥12 EER for single package equipment including gas/electric package units
 - ii. Central Air Conditioners – Energy Star certified:
 - a. ≥15 SEER/ ≥12.5 EER* for split systems
 - b. ≥15 SEER/ ≥12 EER* for single package equipment including gas/electric package units.
- NOTE: Window air conditioners and portable air conditioners are not allowed. Package Terminal Air Conditioners (PTACs) / Package Terminal Heat Pumps (PTHPs) are allowed in studio and 1 bedroom units;

In addition to the required Green Building Features outlined above, proposed Developments with a Development Category of New Construction or Redevelopment, with or without acquisition, must commit to achieve one of the following Green Building Certification programs:

_____ Leadership in Energy and Environmental Design (LEED); or

_____ Florida Green Building Coalition (FGBC); or

 X ICC 700 National Green Building Standard (NGBS); or

_____ Enterprise Green Communities.

H. The Applicant must provide the following Resident Programs:

The quality of the Resident Programs committed to by the Applicant is subject to approval of the Board of Directors. The availability of the Resident Programs must be publicized on an ongoing basis such as through community newsletters, bulletin board posts, or flyers.

1. Employment Assistance Program

The Applicant or its Management Company must provide, at no cost to the resident, a minimum of quarterly scheduled Employment Assistance Program workshops/meetings offering employment counseling by a knowledgeable employment counselor. Such a program includes employability skills workshops providing instruction in the basic skills necessary for getting, keeping, and doing well in a job. The instruction must be held

Courtside Apartments, Phase II
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DESCRIPTION OF FEATURES AND AMENITIES

between the hours of 8:00 a.m. and 7:00 p.m. and include, but not be limited to, the following:

- Evaluation of current job skills;
- Assistance in setting job goals;
- Assistance in development of and regular review/update of an individualized plan for each participating resident;
- Resume assistance;
- Interview preparation; and
- Placement and follow-up services.

If the training is not provided on-site, transportation at no cost to the resident must be provided. Electronic media, if used, must be used in conjunction with live instruction.

2. Financial Management Program

The Applicant or its Management Company shall provide a series of classes to provide residents training in various aspects of personal financial management. Classes must be held at least quarterly, consisting of at least two hours of training per quarter, and must be conducted by parties that are qualified to provide training regarding the respective topic area. If the Development consists of Scattered Sites, the Resident Program must be held on the Scattered Site with the most units. Residents residing at the other sites of a Scattered Site Development must be offered transportation, at no cost to them, to the classes. The topic areas must include, but not be limited to:

- Financial budgeting and bill-paying including training in the use of technologies and web-based applications;
- Tax preparation including do's and don'ts, common tips, and how and where to file, including electronically;
- Fraud prevention including how to prevent credit card and banking fraud, identity theft, computer hacking and avoiding common consumer scams;
- Retirement planning & savings options including preparing a will and estate planning; and
- Homebuyer education including how to prepare to buy a home, and how to access to first-time homebuyer programs in the county in which the development is located.

Different topic areas must be selected for each session, and no topic area may be repeated consecutively.

3. Adult Literacy

The Applicant or its Management Company must make available, at no cost to the resident, literacy tutor(s) who will provide weekly literacy lessons to residents in private space on-site. Various literacy programming can be offered that strengthens participants' reading,

Courtside Apartments, Phase II
RFA 2021-208 / 2021-323S / 2020-528C
DESCRIPTION OF FEATURES AND AMENITIES

writing skills, and comprehension, but at a minimum, these must include English proficiency and basic reading education.

Training must be held between the hours of 8:00 a.m. and 7:00 p.m. and electronic media, if used, must be used in conjunction with live instruction. If the Development consists of Scattered Sites, this resident program must be provided on the Scattered Site with the most units.

COMPLETENESS AND ISSUES CHECKLIST

DEVELOPMENT NAME: Courtside Apartments, Phase II

DATE: AUGUST 24, 2023

In accordance with applicable Program Rule(s), the Borrower is required to submit the information required to evaluate, complete, and determine its sufficiency in satisfying the requirements for Credit Underwriting to the Credit Underwriter in accordance with the schedule established by the Florida Housing Finance Corporation (“Florida Housing” or “FHFC”). The following items must be satisfactorily addressed. “Satisfactorily” means that the Credit Underwriter has received assurances from third parties unrelated to the Borrower that the transaction can close within the allotted time frame. Unsatisfactory items, if any, are noted below and in the “Issues and Concerns” section of the Executive Summary.

CREDIT UNDERWRITING REQUIRED ITEMS:	STATUS	NOTE
	Satis. /Unsatis.	
1. The Development’s final “as submitted for permitting” plans and specifications. Note: Final “signed, sealed, and approved for construction” plans and specifications will be required thirty days before closing.	Satis.	
2. Final site plan and/or status of site plan approval.	Satis.	
3. Permit Status.	Satis.	
4. Pre-construction analysis (“PCA”).	Satis.	
5. Survey.	Satis.	
6. Complete, thorough soil test reports.	Satis.	
7. Full or self-contained appraisal as defined by the Uniform Standards of Professional Appraisal Practice.	Satis.	
8. Market Study separate from the Appraisal.	Satis.	
9. Environmental Site Assessment – Phase I and/or Phase II if applicable (If Phase I and/or II disclosed environmental problems requiring remediation, a plan, including time frame and cost, for the remediation is required). If the report is not dated within one year of the application date, an update from the assessor must be provided indicating the current environmental status.	Satis.	
10. Audited financial statements for the most recent fiscal year ended or acceptable alternative as stated in the Rule for credit enhancers, Borrower, general partner, principals, guarantors and general contractor.	Satis.	

VIABILITY, SAIL AND HC CREDIT UNDERWRITING REPORT

SMG

11. Resumes and experience of Borrower, general contractor and management agent.	Satis.	
12. Credit authorizations; verifications of deposits and mortgage loans.	Satis.	
13. Management Agreement and Management Plan.	Satis.	
14. Firm commitment from the credit enhancer or private placement purchaser, if any.	Satis.	
15. Firm commitment letter from the syndicator, if any.	Satis.	
16. Firm commitment letter(s) for any other financing sources.	Satis.	
17. Updated sources and uses of funds.	Satis.	
18. Draft construction draw schedule showing sources of funds during each month of the construction and lease-up period.	Satis.	
19. Fifteen-year income, expense, and occupancy projection.	Satis.	
20. Executed general construction contract with “not to exceed” costs.	Satis.	
21. HC ONLY: 15% of the total equity to be provided prior to or simultaneously with the closing of the construction financing.	Satis.	
22. Any additional items required by the credit underwriter.	Satis.	

NOTES AND APPLICANT’S RESPONSES:

HC Allocation Calculation

Section I: Qualified Basis Calculation	
Development Cost	\$55,494,744
Less Land Cost	(\$50,000)
Less Federal Funds	\$0
Less Other Ineligible Cost	(\$4,168,423)
Less Disproportionate Standard	\$0
Total Eligible Basis	\$51,276,321
Applicable Fraction	100.00%
DDA/QCT Basis Credit	130.00%
Qualified Basis	\$66,659,217
Housing Credit Percentage	4.00%
Annual Housing Credit Allocation	\$2,666,369

Notes to the Qualified Basis Calculation:

1. Other Ineligible Costs primarily include a portion of site work, FF&E outside the contract, accounting fees, legal fees, a portion of construction loan interest, permanent loan origination, FHFC Loan commitment fees, FHFC administrative, application, and underwriting fees, market study, and reserves.
2. The Borrower committed to a set aside of 100%. Therefore, SMG has utilized an Applicable Fraction of 100.00%.
3. The Development is located within a Qualified Census Tract, 31.00. Therefore, the 130% basis credit has been applied to the Eligible Basis
4. Per the FY 2016 Omnibus Spending and Tax Bill passed by Congress as of December 18, 2015, a permanent 4% minimum HC rate was established. For purposes of this report, a total HC percentage of 4.00% has therefore been applied.

VIABILITY, SAIL AND HC CREDIT UNDERWRITING REPORT

SMG

Section II: Gap Calculation	
Total Development Cost (Including Land and Ineligible Costs)	\$55,494,744
Less Mortgages	(\$22,175,000)
Less Grants	\$0
Equity Gap	\$33,319,744
Percentage to Investment Partnership	99.99%
HC Syndication Pricing	\$0.9500
HC Required to Meet Gap	\$35,076,922
Annual HC Required	\$3,507,692

Notes to the Gap Calculation:

1. Mortgages include the Truist first mortgage, FHFC Viability second mortgage, FHFC SAIL third mortgage and Miami-Dade County PHCD Surtax fourth mortgage.
2. HC Syndication Pricing and Percentage to Investment Partnership are based upon the July 19, 2023, LOI from Truist, but the minimum 99.99% from the rule has been utilized.

Section IV: Summary	
HC per Qualified Basis	\$2,666,369
HC per Gap Calculation	\$3,507,692
Annual HC Recommended	\$2,666,369

Notes to the Summary:

1. The Annual HC Recommended is based on the Qualified Basis calculation.

VIABILITY, SAIL AND HC CREDIT UNDERWRITING REPORT

SMG

Viability Loan Sizing Parameters and Metrics				Cash Flow Assumptions			
Select the Development	Courtside Apartments, Phase II			Net Operating Income:			
RFA of Active Award	RFA 2021-208			Total Effective Gross Income in CUR Yr 1	\$ 1,801,884.00		
Demographic Commitment	Workforce			Total Operating Expenses in CUR Yr 1	\$ 784,530.04		
Total Number of Units	120			Net Operating Income in CUR Yr 1	\$ 1,017,353.96		
Existing Competitive Active Awards:				Actual Traditional 1st Mortgage:			
Set-Aside Units				Proposed Amount of Traditional 1st Mortgage			
9% HC Allocation	NA	NA	NA	Traditional 1st Mtg Amortization (Years)	40.00		
SAIL	\$ 2,750,000	120		Traditional 1st Mtg Interest Rate	6.314%		
ELI	NA	NA		Traditional 1st Mtg Mortgage Constant	6.86709%		
NHTF	NA	NA		Local HFA Bond Fees, if applicable			
HOME	NA	NA		Traditional 1st Mtg DSCR (w/ fees)	1.12x		
Tax Exempt Bond Financing:				Net Cash Flow (NCF) after 1st Mtg Debt Service	\$ 109,464.39		
If MMRB, how much is the Perm Amount?	\$ 12,625,000	NA		Debt Service (DS) on FHFC Subsidy Loans (w/ fees)	\$ 35,398.00		
Viability Funding Limits:				NCF after FHFC Subsidy Loans DS & Fees	\$ 74,066.39		
Gross Per Development Limit	\$ 4,300,000			RFA 2023-211 Minimum 1st Mortgage:			
Maximum Per Unit Limit	\$ 125,000			Maximum 1st Mtg DSCR from Viability RFA	1.30x		
Net Per Development Limit (same as gross)	\$ 4,300,000			Sized Debt Service from maximum DSCR	\$ 782,579.97		
Maximum Limit from PU Limit (120 units x \$125,000 PU)	\$ 15,000,000			MMRB Fees to be included in Sized Debt Service	\$ 40,919.75		
Lesser of Net Per Development or PU Limit	\$ 4,300,000			Sized Debt Service to be incorporated, net of fees	\$ 741,660.22		
Viability Loan Sizing Parameters				Mortgage Constant to be incorporated	6.86709%		
a. Eligible Request Amount:	No			Resulting minimum 1st Mtg	\$ 10,800,214.74		
Applicant's Request Amount	\$ 4,300,000		If so, how much should	NCF after resulting minimum 1st Mtg	\$ 234,773.99		
Per Development/PU Limit	\$ 4,300,000		be deducted?	NCF after FHFC Subsidy Loans DS & Fees	\$ 199,375.99		
Eligible Request Amount:	\$ 4,300,000			Rule Chapter 67-48.0072(28)(g)2. Variables and Process:			
b. Gap Analysis for Viability Sizing Purposes Only:				Total Vacancy & Collection Rate in CUR	5.000%		
Permanent Funding Sources:				Revenue Growth Rate in CUR	2.000%		
		DS w/ Fees	DSCR	Operating Expense Growth Rate in CUR	3.000%		
Traditional First Mortgage	\$ 12,625,000.00	\$ 907,890	1.1206x	Amortization to be incorporated (Years)	40.00		
Viability	\$ 4,300,000.00	\$ 53,750	1.0579x	Interest Rate to be incorporated	7.000%		
SAIL	\$ 2,750,000.00	\$ 35,398	1.0204x	Resulting Mortgage Constant for qualifying debt	7.45718%		
FHFC Source 2 - NA	\$ -	\$ -	1.0204x	Revenue Growth Rate to be incorporated	2.000%		
FHFC Source 3 - NA	\$ -	\$ -	1.0204x	Operating Expense Growth Rate to be incorporated	3.000%		
Miami-Dade Surtax	\$ 2,500,000.00	\$ -	1.0204x	Vacancy Rate to be incorporated	7.000%		
<additional source>	\$ -	\$ -	1.0204x	Maximum DSCR for Year 1 NOI	1.50x		
<additional source>	\$ -	\$ -	1.0204x	Maximum DSCR for Year 15 NOI	1.25x		
<additional source>	\$ -	\$ -	1.0204x	Minimum NCF PU Year 1 (after 1st Mtg DS Only)	\$1,000		
<additional source>	\$ -	\$ -	1.0204x	Net Operating Income Year 1	NA		
HC Equity	\$ 25,357,204.00			Net Operating Income Year 15	NA		
Deferred Developer Fee (96.82%)	\$ 7,962,539.58			(a) Resulting Debt for Year 15 DSCR Limitations	NA		
Total Sources	\$ 55,494,743.58	\$ 997,038	1.0204x	(b)(i) Resulting Debt for Year 1 DSCR Limitation	NA		
Additional First Mortgage (Min 1st Sizing)	\$ -	\$ -		(b)(ii) Resulting Debt for Year 1 NCS Limitation	NA		
Additional First Mortgage (DCR Sizing)	\$ -	\$ -		(b) Greater of (b)(i) or (b)(ii)	NA		
				Lesser of (a) or (b)	NA		
				Sized Minimum 1st Mortgage per Rule	NA		
Total Development Costs	\$ 55,494,743.58			Resulting DSCR from Sized Minimum 1st Mortgage per Rule (using actual 1st mortgage debt structure)	NA		
Maximum Developer Fee Percentage	18%						
Total Developer Fee	\$ 8,224,439.00						
Minimum 30% Deferred Developer Fee	\$ 2,467,331.70						
*Set-Asides for MMRB are expressed as the greater of MMRB Set-Asides or 4%HC Set-Asides for purposes of calculating Compliance Monitoring Fees on the MMRB loan.							
Total FHFC Servicing Fees				Verification Debt Coverage Ratio is Not Enhanced			
Permanent Loan Servicing				Prior Overall Debt Coverage Ratio			
MMRB Annual Fee	0.023%	\$ 2,903.75		Did the Proposed Development have a DSCR prior to the RFA 2023-211 Application Deadline?	No		
MMRB Annual Minimum	\$2,832	\$ 2,832.00		If yes, what was the Net Operating Income used in calculating the DSCR?	\$ -		
MMRB Permanent Loan Servicing Fee		\$ 2,903.75		If yes, what was the total of all debt service and servicing fees of all applicable Permanent Sources of Funding used in calculating the DSCR?	\$ -		
Non-MMRB Annual Fee(s)	0.25%	\$ 17,625.00		If yes, what was the overall Debt Coverage Ratio, inclusive of all applicable Permanent Sources of Funding?			
Non-MMRB Annual Minimum(s)	\$2,832	\$ 5,664.00		The actual overall Debt Coverage Ratio, inclusive of all actual applicable Permanent Sources of Funding (excludes any additional sized 1st Mtg) is:	1.0204x		
Non-MMRB Annual Maximum(s)	\$11,232	\$ 22,464.00		The actual overall Debt Coverage Ratio, inclusive of all applicable Permanent Sources of Funding (inclusive of actual debts and applicable additional gap sized 1st Mtg) is:	1.0204x		
Non-MMRB Permanent Loan Servicing Fee(s)		\$ 17,625.00					
Compliance Monitoring							
MMRB Annual Base Fee	\$2,196	\$ 2,196.00					
Additional MMRB PSAU Fee	\$11.24	\$ -					
MMRB Minimum Annual Fee	\$3,216	\$ 3,216.00					
MMRB Compliance Monitoring Fee		\$ 3,216.00					
Non-MMRB Annual Base(s)	\$2,196	\$ -					
Additional Non-MMRB PSAU Fee(s)	\$11.24	\$ -					
Non-MMRB Annual Minimum(s)	\$3,432	\$ -					
Multiple Program Fee(s)	\$1,023	\$ 1,023.00					
Non-MMRB Compliance Monitoring Fee(s)		\$ 1,023.00					
FHFC MMRB Ongoing Issuer Fees							
MMRB Annual Fee	0.24%	\$ 30,300.00	\$				
MMRB Annual Minimum	\$10,000	\$ 10,000.00					
FHFC MMRB Trustee Fees							
Flat Rate	\$4,500	\$ 4,500.00					
Since there was no prior existing debt coverage ratio established or drafted prior to the Application Deadline of RFA 2023-211, there is no methodology available to verify whether the debt coverage ratio was or was not enhanced.							



Aug 4, 2023

Mr. Tim Kennedy
Florida Housing Finance Corporation 227 North Bronough Street, #5000
Tallahassee, FL 32301

RE: The Village of Casa Familia - Closing Extension Request

Dear Mr. Kennedy,


I am writing to request an extension for the closing deadlines pertaining to the Village of Casa Familia ("Casa Familia"), a proposed affordable housing community in Miami-Dade County catering to adults with Intellectual and Developmental Disabilities. Specifically, we seek an extension from the original firm commitment letter date of 1/30/23, moving the deadlines for the Viability Loan and the Grant funds from 9/08/23 to 10/27/23.

Casa Familia has encountered substantial delays stemming from concerns raised by HUD's Fair Housing and Equal Opportunity ("FHEO") office since early 2021. Our dedicated efforts over the past two years have involved close collaboration with HUD, Florida Housing, and PHCD to effectively address FHEO's apprehensions about the project's development. Unfortunately, these challenges have impeded progress in critical areas, including the Miami-Dade County Surtax loan and General Obligation Bond underwriting, as well as the project-based voucher subsidy layering review process with HUD and PHCD.

Since our previous extension request, we have been actively engaging with various funding parties to complete the underwriting process and finalize loan documentation. Approval of our General Obligation Bond document from the Board of County Commission is anticipated on 9/05/2023. Moreover, we have successfully secured an additional \$3,050,000 in State funding and are currently in the process of finalizing the agreement with the Department of Commerce. Additionally, we have submitted our project-based voucher subsidy layering review to HUD through collaboration with the Miami-Dade County Public Housing and Community Development department (PHCD). While the exact timeline for Subsidy Layering Review and Housing Assistance Contract approval remains uncertain, we are working diligently with all parties to expedite the process and secure these approvals as soon as possible.

To ensure the acquisition of all necessary approvals before the closing deadline, we kindly request an extension until 10/27/23. Please do not hesitate to reach out if you or your team have any questions or comments. We are grateful for your assistance and consideration of our request.

Respectfully,



Deborah Lawrence
Senior Housing Director



July 26, 2023

Tim Kennedy
Multifamily Loans Director
Florida Housing Finance Corporation
227 N. Bronough Street, Suite 5000
Tallahassee, Florida 32301

RE: Alto Tower, 2021-294CSN
CHIRP Closing Deadline, September 8, 2023

Dear Tim,


At the July 21, 2023 FHFC board meeting, our CHIRP loan closing deadline was extended to September 8, 2023. We have diligently been working to obtain our building permit since the submission of our plans in July 2022. In an abundance of caution, we respectfully request an extension to October 27, 2023 board meeting if we do not close by September 8, 2023.

If you have any questions or need further documentation, please call Shawn Wilson at (813) 384-4825 or contact Angela Hatcher at (727) 269-3853.

Sincerely,


BLUE CASL DADE, LLC

By: Blue DADE M, LLC, its manager

By: 
Shawn Wilson, Manager

CASL DADE, LLC

By: CASL DADE M, LLC, its manager

By: 
[Julian S Eller \(Jul 24, 2023 15:38 EDT\)](#)
Julian S. Eller, Manager

Cc: Amanda Perry, FHFC
Keith Whitaker, Seltzer Management Group



**THE HOUSING AUTHORITY
OF THE
CITY OF MIAMI BEACH**



BOARD OF COMMISSIONERS

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CHAIRPERSON
MATTI BOWER
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FAX: 305-674-8001
TDD: 1-800-545-1833 EXT. 773
WWW.HACMB.ORG

LEONOR FERNANDEZ
COMMISSIONER
DAVID C. GREEFF
COMMISSIONER
MIGUELL DEL CAMPILLO
EXECUTIVE DIRECTOR

August 17, 2023

Tim Kennedy, Multifamily Loans & Bonds Director
Florida Housing Finance Corporation
227 N. Bronough Street, Suite 5000
Tallahassee, FL 32301

Re: The Heron (RFA 2020-102/2020-483SA/ITP-2022 CHIRP)

Dear Mr. Kennedy:

The Miami Beach Housing Initiatives, Inc., an instrumentality of the Housing Authority of the City of Miami Beach (HACMB), respectfully requests a waiver of the CHIRP ITP to extend the current September 8, 2023 closing deadline for The Heron, to December 15, 2023, the date of the December Florida Housing Finance Corporation Board meeting.

The Heron is a proposed development of twenty (20) permanent supporting housing units for elderly persons with special needs. The development was originally proposed to consist of sixteen (16) units at 60% of Area Median Income (AMI), and four (4) Extremely Low Income units at 28% AMI. In order to receive additional funding through the CHIRP program, The Heron was required to convert eight of the 60% AMI units to 30% AMI units. The twenty permanent supportive housing units at The Heron are now deeply subsidized with four units at 28% AMI, eight at 30%, and eight at 60%.

The resulting substantial loss in rental revenue required the addition of eight (8) project-based vouchers (PBV) in order to have sufficient income to support the increased debt. However, this triggered a required Subsidy Layering Review (SLR) process to be completed by U.S. HUD. The extension request will allow time for HUD to complete its review and approval process for the SLR.

The extension request will also allow the HACMB additional time for the approval of the building permit, and for the review and preparation of closing documents from the City of Miami Beach and Miami-Dade County.

Thank you in advance for your consideration of this request.

Sincerely,



Miguell Del Campillo
Executive Director



June 22, 2023

Tim Kennedy
Florida Housing Finance Corporation
227 North Bronough Street, #5000
Tallahassee, FL 32301

RE: Vista Breeze, (2022-159SN/2021-523C)
Request to Change the Applicant Entity

Dear Mr. Kennedy:

Regarding the above referenced affordable housing development, we respectfully request the Corporation's pre-approval of a change in the ownership of the Applicant entity, Vista Breeze, Ltd., prior to loan closing. Given the macro-economic challenges which have significantly increased development costs, we are pursuing an Ad Valorem Tax Exemption pursuant to Section 196.1975 of the Florida Statute, which requires a 501(c)(3) non-profit entity to be the sole general partner. To qualify for the referenced tax exemption, the new organizational structure must be in place by January 1st of the year after the Certificate of Occupancy is received. So while we are requesting approval for this change now, this change to the organizational structure will not occur until the first Certificate of Occupancy is received.

Please find the current and proposed Principal Disclosure Forms and organizational charts for reference.

Should you and/or staff have any questions or comments, please do not hesitate to contact us. We appreciate your assistance with this matter.

Sincerely,
Vista Breeze, Ltd.
By: APC Vista Breeze, LLC

A handwritten signature in blue ink, appearing to read "KENNAYLOR".

Kenneth Naylor, Vice President

cc: George Repity, AmeriNational Community Services
Mike O'Hara, Housing Authority of the City of Miami Beach
Greg Griffith, Atlantic Pacific Companies
Michelle Feigenbaum, Atlantic Pacific Companies
Ben Nayberg, Atlantic Pacific Companies

Principal Disclosures for the Applicant

APPROVED for HOUSING CREDITS
FHFC Advance Review
Received 8.3.21; Approved 8.6.21

Select the organizational structure for the Applicant entity:

The Applicant is a: Limited Partnership

Original

Provide the name of the Applicant Limited Partnership:

Vista Breeze, Ltd.

% Ownership input features will not be made available until invitation to credit underwriting

First Principal Disclosure Level:

[Click here for Assistance with Completing the Entries for the First Level Principal Disclosure for the Applicant](#)

First Level Entity #	Select Type of Principal of Applicant	Enter Name of First Level Principal	Select organizational structure of First Level Principal identified	% Ownership of Applicant
1.	<u>General Partner</u>	<u>APC Vista Breeze, LLC</u>	<u>Limited Liability Company</u>	<u>0.0049%</u>
2.	<u>General Partner</u>	<u>HACMB - Vista Breeze, LLC</u>	<u>Limited Liability Company</u>	<u>0.0051%</u>
3.	<u>Investor LP</u>	<u>Howard D. Cohen Revocable Trust</u>	<u>Trust</u>	<u>99.9900%</u>

Second Principal Disclosure Level:

Vista Breeze, Ltd.

[Click here for Assistance with Completing the Entries for the Second Level Principal Disclosure for the Applicant](#)

Select the corresponding First Level Principal Entity # from above for which the Second Level Principal is being identified

Second Level Entity #	Select the type of Principal being associated with the corresponding First Level Principal Entity	Enter Name of Second Level Principal	Select organizational structure of Second Level Principal identified	Second Level Principal % Ownership of First Level Principal
<u>1. (APC Vista Breeze, LLC)</u>	<u>Managing Member</u>	<u>APCHD MM II Inc.</u>	<u>For-Profit Corporation</u>	<u>1.0000%</u>
<u>1. (APC Vista Breeze, LLC)</u>	<u>Member</u>	<u>Howard D. Cohen Revocable Trust</u>	<u>Trust</u>	<u>99.0000%</u>
<u>2. (HACMB-Vista Breeze, LLC)</u>	<u>Manager</u>	<u>Miami Beach Housing Initiatives, Inc.</u>	<u>Non-Profit Corporation</u>	<u>0.0000%</u>
<u>2. (HACMB-Vista Breeze, LLC)</u>	<u>Sole Member</u>	<u>Miami Beach Housing Initiatives, Inc.</u>	<u>Non-Profit Corporation</u>	<u>100.0000%</u>

Third Principal Disclosure Level:

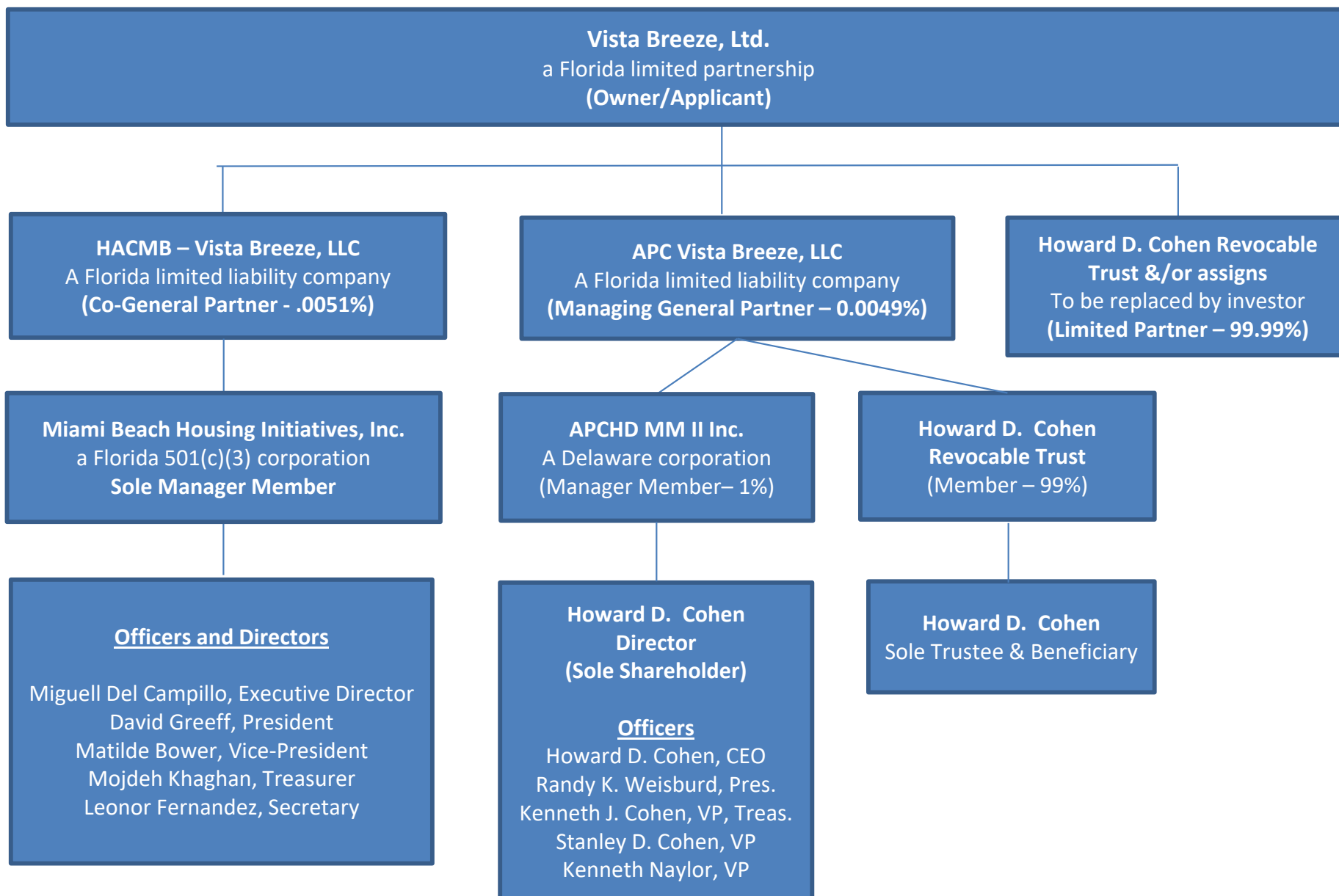
Vista Breeze, Ltd.

[Click here for Assistance with Completing the Entries for the Third Level Principal Disclosure for the Applicant](#)

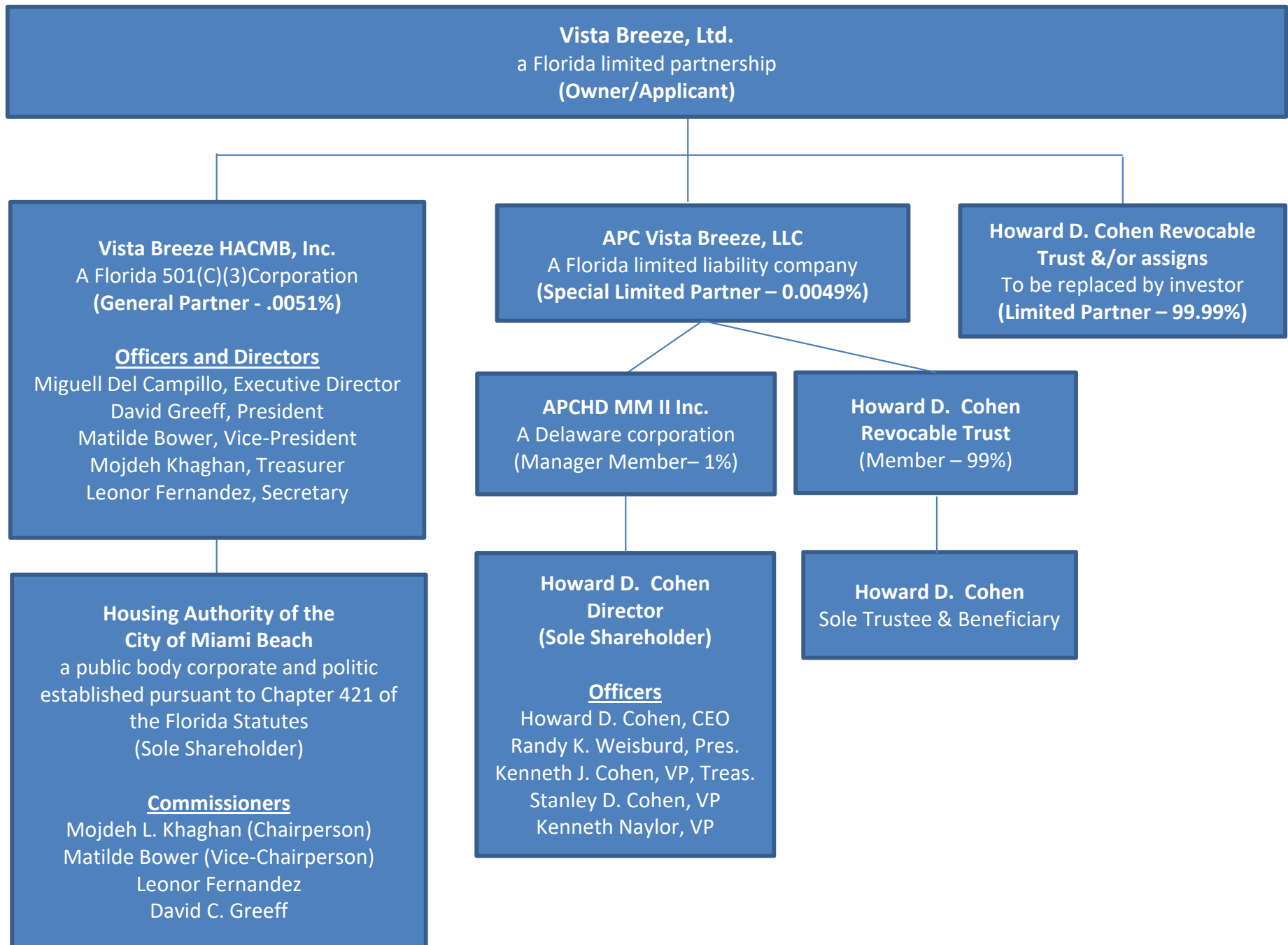
Select the corresponding Second Level Principal Entity # from above for which the Third Level Principal is being identified

Third Level Entity #	Select the type of Principal being associated with the corresponding Second Level Principal Entity	Enter Name of Third Level Principal who must be either a Natural Person or a Trust	The organizational structure of Third Level Principal identified Must be either a Natural Person or a Trust	3rd Level Principal % Ownership of 2nd Level Principal
<u>1.A. (APCHD MM II Inc.)</u>	<u>Shareholder</u>	<u>Cohen, Howard D.</u>	<u>Natural Person</u>	<u>100.0000%</u>
<u>1.A. (APCHD MM II Inc.)</u>	<u>Executive Director</u>	<u>Cohen, Howard D. (CEO)</u>	<u>Natural Person</u>	<u>0.0000%</u>
<u>1.A. (APCHD MM II Inc.)</u>	<u>Executive Director</u>	<u>Weisburd, Randy K. (President)</u>	<u>Natural Person</u>	<u>0.0000%</u>
<u>1.A. (APCHD MM II Inc.)</u>	<u>Officer/Director</u>	<u>Cohen, Kenneth J. (Officer)</u>	<u>Natural Person</u>	<u>0.0000%</u>
<u>1.A. (APCHD MM II Inc.)</u>	<u>Officer/Director</u>	<u>Cohen, Stanley D. (Officer)</u>	<u>Natural Person</u>	<u>0.0000%</u>
<u>1.A. (APCHD MM II Inc.)</u>	<u>Officer/Director</u>	<u>Naylor, Kenneth (Officer)</u>	<u>Natural Person</u>	<u>0.0000%</u>
<u>1.A. (APCHD MM II Inc.)</u>	<u>Officer/Director</u>	<u>Cohen, Howard D. (Director)</u>	<u>Natural Person</u>	<u>0.0000%</u>
<u>1.B. (Howard D. Cohen Revocable Tru:</u>	<u>Trustee</u>	<u>Cohen, Howard D.</u>	<u>Natural Person</u>	<u>0.0000%</u>
<u>1.B. (Howard D. Cohen Revocable Tru:</u>	<u>Beneficiary</u>	<u>Cohen, Howard D.</u>	<u>Natural Person</u>	<u>100.0000%</u>
<u>2.A. (Miami Beach Housing Initiatives,</u>	<u>Executive Director</u>	<u>Del Campillo, Miguell J.</u>	<u>Natural Person</u>	<u>0.0000%</u>
<u>2.A. (Miami Beach Housing Initiatives,</u>	<u>Executive Director</u>	<u>Cabreja, Eugenio (President)</u>	<u>Natural Person</u>	<u>0.0000%</u>
<u>2.A. (Miami Beach Housing Initiatives,</u>	<u>Officer/Director</u>	<u>Fernandez, Leonor (Vice President, Director)</u>	<u>Natural Person</u>	<u>0.0000%</u>
<u>2.A. (Miami Beach Housing Initiatives,</u>	<u>Officer/Director</u>	<u>Bower, Matilde (Vice President, Director)</u>	<u>Natural Person</u>	<u>0.0000%</u>
<u>2.A. (Miami Beach Housing Initiatives,</u>	<u>Officer/Director</u>	<u>Greeff, David C. (Treasurer, Director)</u>	<u>Natural Person</u>	<u>0.0000%</u>
<u>2.A. (Miami Beach Housing Initiatives,</u>	<u>Officer/Director</u>	<u>Khaghan, Mojdeh L. (Secretary, Director)</u>	<u>Natural Person</u>	<u>0.0000%</u>
<u>2.B. (Miami Beach Housing Initiatives,</u>	<u>Executive Director</u>	<u>Del Campillo, Miguell J.</u>	<u>Natural Person</u>	<u>0.0000%</u>
<u>2.B. (Miami Beach Housing Initiatives,</u>	<u>Executive Director</u>	<u>Cabreja, Eugenio (President)</u>	<u>Natural Person</u>	<u>0.0000%</u>
<u>2.B. (Miami Beach Housing Initiatives,</u>	<u>Officer/Director</u>	<u>Fernandez, Leonor (Vice President, Director)</u>	<u>Natural Person</u>	<u>0.0000%</u>
<u>2.B. (Miami Beach Housing Initiatives,</u>	<u>Officer/Director</u>	<u>Bower, Matilde (Vice President, Director)</u>	<u>Natural Person</u>	<u>0.0000%</u>
<u>2.B. (Miami Beach Housing Initiatives,</u>	<u>Officer/Director</u>	<u>Greeff, David C. (Treasurer, Director)</u>	<u>Natural Person</u>	<u>0.0000%</u>
<u>2.B. (Miami Beach Housing Initiatives,</u>	<u>Officer/Director</u>	<u>Khaghan, Mojdeh L. (Secretary, Director)</u>	<u>Natural Person</u>	<u>0.0000%</u>
<u>2.A. (Miami Beach Housing Initiatives,</u>	<u>Officer/Director</u>	<u>Cabreja, Eugenio (Director)</u>	<u>Natural Person</u>	<u>0.0000%</u>
<u>2.B. (Miami Beach Housing Initiatives,</u>	<u>Officer/Director</u>	<u>Cabreja, Eugenio (Director)</u>	<u>Natural Person</u>	<u>0.0000%</u>

CURRENT Organizational Chart – Vista Breeze



PROPOSED Organizational Chart – Vista Breeze



FLORIDA HOUSING FINANCE CORPORATION

Credit Underwriting Report

VISTA BREEZE

RFA 2021-205 (2022-159SN / 2021-523C)

RFA 2023-211 (2023-260V)

State Apartment Incentive Loan (“SAIL”), Extremely Low Income (“ELI”) Loan, National Housing Trust Fund (“NHTF”) Loan, 4% Non-Competitive Housing Credits (“HC”) and Construction Inflation Response Viability Funding (“Viability”) Loan

SAIL Financing of Affordable Multifamily Housing Developments To Be Used In Conjunction With Tax-Exempt Bond Financing And Non-Competitive Housing Credits / Construction Inflation Response Viability Funding

Section A: Report Summary

Section B: Viability, SAIL, ELI & NHTF Special and General Conditions and Housing Credit Allocation Recommendation and Contingencies

Section C: Supporting Information and Schedules

Prepared by

AmeriNat®

Final Report

August 24, 2023

VISTA BREEZE

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Section A

Report Summary

Recommendation

AmeriNat® (“AmeriNat”) recommends a Viability Loan in the amount of \$4,300,000, a State Apartment Incentive Loan (“SAIL”) in the amount of \$3,000,000, an Extremely Low Income (“ELI”) Loan in the amount of \$600,000, a National Housing Trust Fund (“NHTF”) Loan in the amount of \$1,301,500 and an annual allocation of 4% non-competitive Housing Credits (“HC”) in the amount of \$2,585,299 to Vista Breeze, Ltd. (“Applicant”) for the construction and permanent phase financing of Vista Breeze (the proposed “Development”).

DEVELOPMENT & SET-ASIDES																						
Development Name:		<u>Vista Breeze</u>																				
RFA/Program Numbers:		<u>RFA 2021-205</u>			<u>/</u>			<u>2022-159SN</u>			<u>2021-523C</u>			<u>RFA 2023-211 (2023-260V)</u>								
Address:		<u>South of S Shore Drive, approximately 250 ft east the intersection of S Shore Drive and Ray Street; North of S Shore Drive, approximately 400 ft northeast of the intersection of S Shore Drive and Ray Street (scattered site)</u>																				
City:		<u>Miami Beach</u>			Zip Code:			<u>33141</u>			County:			<u>Miami-Dade</u>			County Size:			<u>Large</u>		
Development Category:		<u>New Construction</u>						Development Type:									<u>Mid-Rise (4 Stories)</u>					
Construction Type:		<u>Masonry</u>																				
Demographic Commitment:		Primary: <u>Elderly: 55+ or 62+</u> for <u>100%</u> of the Units																				
Unit Composition:		# of ELI Units: <u>20</u> ELI Units Are Restricted to <u>30%</u> AMI, or less. Total # of units with PBRA? <u>119</u>																				
		# of Link Units: <u>10</u> Are the Link Units Demographically Restricted? <u>Yes</u> # of NHTF Units: <u>5</u>																				

Bed Rooms	Bath Rooms	Units	Square Feet	AMI%	Low HOME Rents	High HOME Rents	Gross HC Rent	Utility Allow.	Net Restricted Rents	PBRA Contr Rents	Applicant Rents	Appraiser Rents	CU Rents	Annual Rental Income
0	1.0	5	410	22%			\$375	\$133	\$242	\$1,498	\$1,498	\$1,365	\$1,365	\$81,900
0	1.0	20	410	30%			\$512	\$133	\$379	\$1,498	\$1,498	\$1,365	\$1,365	\$327,600
0	1.0	64	410	60%			\$1,024	\$133	\$891	\$1,498	\$1,498	\$1,365	\$1,365	\$1,048,320
0	1.0	30	410	80%			\$1,366	\$133	\$1,233	\$1,498	\$1,498	\$1,365	\$1,365	\$491,400
		119	48,790											\$1,949,220

Please note that the average square footage size is shown for the rental units at the Development. The total square footage, per the Plan and Cost Review, is 48,767.

As required by the Federal Fair Housing Act, at least 80% of the total units will be rented to residents that qualify as Elderly.

Veteran Preference in Elderly Developments Commitment: The proposed Development committed to offer a preference to Veterans on occupancy applications and waitlists throughout the 50-year Compliance Period with a goal of at least five percent (5%) of the units (6 units) in the Development being occupied by one or more Veterans. Veteran Households meet the LINK Units or other AMI Set-Aside requirements will also count towards the goal of at least five percent (5%) of the units (6 units) in the Development being occupied by one or more Veterans.

Persons with Special Needs Set-Aside Commitment: The proposed Development must set aside fifty percent (50%) of the ELI Set-Aside units (10 units) as Link units for Persons with Special Needs. In order to meet the commitment to set aside ELI units as Link units for Persons with Special Needs, the Applicant must develop and execute a Link Memorandum of Understanding (“MOU”) with at least one designated Special Needs Household Referral Agency (“Referral Agency”) serving the county and intended population where the Development will be located (Miami-Dade County) and rent units to households referred by the Referral Agency with which the MOU is executed. The MOU was approved by FHFC staff on December 7, 2022.

NHTF Units Set-Aside Commitment: The proposed Development must set-aside five (5) units as NHTF Link units targeted for Persons with Special Needs. These units are required to be set aside for residents earning at or below 22% of AMI and are in addition to the fifty percent (50%) requirement for ELI set-aside units. Therefore, the Development will have a total of fifteen (15) units targeted for Persons with Special Needs (ELI-10 units, NHTF-5 units). The Persons with Special Needs set-aside commitment must be maintained throughout the entire 50-year Compliance Period. After 30 years, all of the NHTF Link units (5 units) may convert to serve residents at or below 60% AMI. However, the Persons with Special Needs set-aside commitment must be maintained throughout the entire 50-year Compliance Period.

A Tenant Selection Plan (“TSP”), as required by RFA 2021-205, was approved by FHFC on December 16, 2022.

Buildings: Residential - 2 Non-Residential - 0
 Parking: Parking Spaces - 55 Accessible Spaces - 4

Set Asides:	Program	% of Units	# of Units	% AMI	Term (Years)
	SAIL / ELI / HC	16.807%	20	30%	50
	SAIL / HC	57.983%	69	60%	50
	SAIL / HC	25.210%	30	80%	50
	NHTF	4.202%	5	22%	50

Absorption Rate: 38 units per month for 3.0 months.

Occupancy Rate at Stabilization: Physical Occupancy 97.00% Economic Occupancy 96.00%
 Occupancy Comments The CMA has a 100% weighted occupancy per the 3/2023 Market Study

DDA: Yes QCT: No Multi-Phase Boost: No QAP Boost: No
 Site Acreage: 1.21 Density: 98.347 Flood Zone Designation: AE
 Zoning: Current: Residential Multi-family Low Density District; Future: Low Density Residential Flood Insurance Required?: Yes

DEVELOPMENT TEAM		
Applicant/Borrower:	Vista Breeze, Ltd.	% Ownership
General Partner	APC Vista Breeze, LLC	0.0049%
General Partner	Vista Breeze HACMB, Inc.	0.0051%
Limited Partner	Bank of America Community Development Banking or an affiliate thereof	99.99%
Construction Completion Guarantor(s):		
CC Guarantor 1:	Vista Breeze, Ltd.	
CC Guarantor 2:	APC Vista Breeze, LLC	
CC Guarantor 3:	Vista Breeze HACMB, Inc.	
CC Guarantor 4:	Howard D. Cohen and Howard D. Cohen Revocable Trust	
CC Guarantor 5:	Atlantic Pacific Communities, LLC	
CC Guarantor 6:	APC Vista Breeze Development, LLC	
CC Guarantor 7:	HACMB Development, LLC	
Operating Deficit Guarantor(s):		
OD Guarantor 1:	Vista Breeze, Ltd.	
OD Guarantor 2:	APC Vista Breeze, LLC	
OD Guarantor 3:	Vista Breeze HACMB, Inc.	
OD Guarantor 4:	Howard D. Cohen and Howard D. Cohen Revocable Trust	
OD Guarantor 5:	Atlantic Pacific Communities, LLC	
OD Guarantor 6:	APC Vista Breeze Development, LLC	
OD Guarantor 7:	HACMB Development, LLC	
Bond Purchaser		
Developer:	APC Vista Breeze Development, LLC	
Principal 1	Howard D. Cohen	
Principal 2	Atlantic Pacific Communities, LLC	
Principal 3	Appreciation Holdings Manager, LLC	
Co-Developer:	HACMB Development, LLC	
Principal 1	Miami Beach Housing Initiatives, Inc.	
General Contractor 1:	Atlantic Pacific Community Builders, LLC	
Management Company:	Atlantic Pacific Community Management, LLC	
Syndicator:	Bank of America Community Development Banking	
Bond Issuer:	Miami-Dade County Housing Finance Authority	
Architect:	Brooks + Scarpa Architects, Inc.	
Market Study Provider:	Meridian Appraisal Group, Inc.	
Appraiser:	Meridian Appraisal Group, Inc.	

VIABILITY, SAIL, ELI, NHTF AND HC CREDIT UNDERWRITING REPORT

AMERINAT

PERMANENT FINANCING INFORMATION						
	1st Source	2nd Source	3rd Source	4th Source	5th Source	Other
Lien Position	1	2	3	4	5	6, 7, 8
Lender/Grantor	BoA Merrill Lynch	FHFC - Viability	FHFC - SAIL	FHFC - SAIL ELI	FHFC - NHTF	PHCD / City of Miami Beach / HACMB
Amount	\$10,800,000	\$4,300,000	\$3,000,000	\$600,000	\$1,301,500	\$5,950,000 / \$1,003,969 / \$4,085,000
Underwritten Interest Rate	6.94%	1.00%	1.00%	0.00%	0.00%	1.00% / 0.00% / 3.98%
All In Interest Rate	6.94%	1.00%	1.00%	0.00%	0.00%	1.00% / 0.00% / 3.98%
Loan Term	18	18	18	18	30	30 / 30 / 30
Amortization	40	n/a	n/a	n/a	n/a	n/a / n/a / n/a
Market Rate/Market Financing LTV	36.3%	50.7%	60.8%	62.8%	67.2%	87.2% / 90.6% / 104.3%
Restricted Market Financing LTV	53.0%	74.1%	88.8%	91.8%	98.1%	127.3% / 132.3% / 152.3%
Loan to Cost - Cumulative	17.9%	25.0%	30.0%	31.0%	33.1%	43.0% / 44.6% / 51.4%
Loan to Cost - SAIL Only			5.0%			
Debt Service Coverage	1.19	1.12	1.07	1.07	1.06	1.00 / 1.00 / 1.00
Operating Deficit & Debt Service Reserves	\$523,825					
# of Months covered by the Reserves	3.2					

Deferred Developer Fee	\$3,211,110
As-Is Land Value	\$11,900,000
Market Rent/Market Financing Stabilized Value	\$29,760,000
Rent Restricted Market Financing Stabilized Value	\$20,380,000
Projected Net Operating Income (NOI) - Year 1	\$994,708
Projected Net Operating Income (NOI) - 15 Year	\$1,090,240
Year 15 Pro Forma Income Escalation Rate	2.00%
Year 15 Pro Forma Expense Escalation Rate	3.00%
Bond Structure	Private Placement
Housing Credit (HC) Syndication Price	\$0.985
HC Annual Allocation - Qualified in CUR	\$2,585,299
HC Annual Allocation - Equity Letter of Interest	\$2,655,034

VIABILITY, SAIL, ELI, NHTF AND HC CREDIT UNDERWRITING REPORT

AMERINAT

CONSTRUCTION/PERMANENT SOURCES:				
Source	Lender	Construction	Permanent	Perm Loan/Unit
Local HFA Bonds	HFAMDC / BoA Merrill Lynch	\$30,350,000	\$10,800,000	\$90,756
FHFC - Viability	FHFC	\$4,300,000	\$4,300,000	\$36,134
FHFC - SAIL	FHFC	\$3,000,000	\$3,000,000	\$25,210
FHFC - SAIL ELI	FHFC	\$600,000	\$600,000	\$5,042
FHFC - NHTF	FHFC	\$1,301,500	\$1,301,500	\$10,937
Local Government Subsidy	Miami Dade County FY 2022 Surtax / SHIP / HOME	\$5,950,000	\$5,950,000	\$50,000
Local Government Subsidy	City of Miami Beach HOME	\$1,003,969	\$1,003,969	\$8,437
Other	Housing Authority of the City of Miami Beach	\$4,085,000	\$4,085,000	\$34,328
HC Equity	BOA CDB	\$5,229,894	\$26,149,470	\$219,743
Deferred Developer Fee	Developer	\$4,580,686	\$3,211,110	\$26,984
TOTAL		\$60,401,049	\$60,401,049	\$507,572

Credit Underwriter: AmeriNat Loan Services

Date of Final CUR: _____

TDC PU Limitation at Application: \$371,000 TDC PU Limitation at Credit Underwriting: \$484,056

Minimum 1st Mortgage per Rule: \$0 Amount Dev. Fee Reduced for TDC Limit: \$0

Changes from the Application:

COMPARISON CRITERIA	YES	NO
Does the level of experience of the current team equal or exceed that of the team described in the Application?	x	
Are all funding sources the same as shown in the Application?		1
Are all local government recommendations/contributions still in place at the level described in the Application?		1
Is the Development feasible with all amenities/features listed in the Application?	x	
Do the site plans/architectural drawings account for all amenities/features listed in the Application?	x	
Does the Applicant have site control at or above the level indicated in the Application?	x	
Does the Applicant have adequate zoning as indicated in the Application?	x	
Has the Development been evaluated for feasibility using the total length of set-aside committed to in the Application?	x	
Have the Development costs remained equal to or less than those listed in the Application?	x	
Is the Development feasible using the set-asides committed to in the Application?	x	
If the Development has committed to serve a special target group (e.g. elderly, large family, etc.), do the development and operating plans contain specific provisions for implementation?	x	
HOME ONLY: If points were given for match funds, is the match percentage the same as or greater than that indicated in the Application?	N/A	
HC ONLY: Is the rate of syndication the same as or greater than that shown in the Application?		1
Is the Development in all other material respects the same as presented in the Application?		2, 3, 4, 5

The following are explanations of each item checked "No" in the table above:

1. The Applicant indicated Local HFA Bonds as a construction source in the amount of \$20,000,000 per a letter received from the Housing Finance Authority of Miami-Dade County ("HFAMDC"). Per Resolution No. 2023-04 approved by HFAMDC, an issuance of Multifamily Housing Revenue Bonds ("MHRB") in an amount up to \$33,800,000 has been approved for the Development.

Bank of America Merrill Lynch Community Development Bank ("BoA CDB") replaced Wells Fargo Community Lending and Investment ("WFCLI") as the HC Syndicator and Investor Member of the Applicant. The per credit pricing remained unchanged at \$0.985/dollar. The HC contribution increased from \$10,547,635 to \$26,149,470.

BoA CDB replaced Wells Fargo Bank, N.A. ("Wells Fargo") as the first mortgage construction lender. BoA CDB replaced Chase as the first mortgage permanent lender.

The Applicant applied for 2023 Viability funding from FHFC under RFA 2023-211 and the application was accepted by FHFC on May 23, 2022. Preliminary Viability funding in the amount of \$4,300,000 will be in the form of a SAIL loan and has been sized based on the requirements of the RFA. Please see Exhibit 5 for additional details.

2. Total Development Costs have increased by \$975,901 from \$59,425,148 to \$60,401,049 since the Viability application due to increases in construction costs, financial costs, Developer Fee and reserve accounts.
3. The Applicant submitted an extension request dated December 19, 2022 to extend the firm commitment issuance deadline from March 8, 2023 to September 8, 2023. The request was approved at the March 10, 2023 Florida Housing Board meeting.
4. The Applicant requested a change to the ownership structure of Atlantic Pacific Communities, LLC, a member of co-developer APC Vista Breeze Development, LLC, in the transaction. Mr. Randy Weisburd, a natural person, was replaced by the Randy K. Weisburd Revocable Trust, with Mr. Weisburd as the sole trustee and beneficiary. The request was approved at the October 22, 2022 FHFC Board meeting.
5. In a letter dated June 22, 2023, the Applicant submitted a request to alter the ownership structure of the Applicant as follows, with proposed changes in red:

Application

Applicant – Vista Breeze, Ltd.

Co-General Partner: HACMB – Vista Breeze, LLC (.0051%)

Sole Manager/Member: - Miami Beach Housing Initiatives, Inc. (5-member Board)

Managing General Partner: APC Vista Breeze, LLC (.0049%)

Managing Member – APCHD MM II, Inc. (1.00%)

Director and Sole Shareholder – Howard D. Cohen

Officers: Howard D. Cohen, Randy K. Weisburd, Kenneth J. Cohen, Stanley D. Cohen, Kenneth Naylor

Member – Howard D. Cohen Revocable Trust (99.00%)

Sole Trustee & Beneficiary – Howard D. Cohen

Proposed

Applicant – Vista Breeze, Ltd.

General Partner – Vista Breeze HACMB, Inc., a Florida 501(c)(3) not-for-profit (.0051%)

Sole Member – Housing Authority of the City of Miami Beach (5-member Board)

Special Limited Partner – APC Vista Breeze, LLC (.0049%)

Managing Member – APCHD MM II, Inc. (1.00%)

Director and Sole Shareholder – Howard D. Cohen

Officers: Howard D. Cohen, Randy K. Weisburd, Kenneth J. Cohen, Stanley D. Cohen, Kenneth Naylor

Member – Howard D. Cohen Revocable Trust (99.00%)

Sole Trustee & Beneficiary – Howard D. Cohen

FHFC staff approved the change for documentation purposes as of July 27, 2023; however, FHFC Board approval of an RFA waiver for the revised Applicant ownership structure is a condition precedent to loan closing.

The above changes have no material impact to the Viability / SAIL / ELI / NHTF / HC recommendation for the Development.

Does the Development Team have any FHFC Financed Developments on the Past Due/Non-Compliance Report?

According to the FHFC Asset Management Noncompliance Report dated May 24, 2023, no noncompliance issues exist for the Development Team.

According to the FHFC Past Due Report dated July 28, 2023, no past due issues exist for the Development Team.

This recommendation is subject to satisfactory resolution of any outstanding past due and/or noncompliance issues prior to loan closing and the issuance of the annual HC allocation recommended herein.

Strengths:

1. The Development Team has demonstrated the ability to successfully develop and operate affordable multifamily rental communities using a variety of different subsidies.
2. A market study was performed by Meridian Appraisal Group, Inc. ("Meridian") dated March 17, 2023 that identifies six existing comparable affordable properties located within the Competitive Market Area ("CMA") with a total of 646 units. The report concludes an average weighted occupancy rate for the CMA of 100% which satisfies the minimum 92% occupancy rate requirement of Rule Chapters 67-21 and 67-48 F.A.C. The performance of comparable properties indicates significant demand for affordable housing.

Other Considerations:

1. In accordance with RFA 2021-205, FHFC limits the Total Development Cost ("TDC") per unit to a figure based on the average cost to deliver new construction units. The Applicant indicates the proposed Development is to be scattered site new construction, mid-rise (4 stories), Enhanced Structural System ("ESS") apartments which allows for a per unit cost of \$371,000, inclusive of a \$5,000/unit TDC add-on for Tax-Exempt Bond boost and a \$5,000/unit for a PHA as a principal/affiliate. The TDC was increased to \$484,056.00 per unit at the April 1, 2022 FHFC Telephonic Board meeting, inclusive of a \$7,500/unit TDC add-ons for Tax-Exempt Bond boost and PHA as a principal/affiliate, respectively, and an 8.00% escalation rate. With 119 units, the maximum TDC (less the Operating Deficit Reserve and Land) for the Development is therefore \$57,602,664.00 (119 units @ \$484,056.00 per unit). TDC, exclusive of land acquisition cost and Operating Deficit Reserve, is \$468,842.22 per unit, which is within the per unit limitation. As such, no adjustment to the Total Developer Fee is necessary as the TDC is within the limit as allowed for in the RFA.
2. To the underwriter's knowledge, no construction cost exceeding 20% is subcontracted to any one entity.
3. To the underwriter's knowledge, no construction cost shall be subcontracted to any entity that has common ownership or is an Affiliate of the General Contractor or Developer.
4. The Construction Contract contains language wherein actual documented increases in the cost of concrete and rebar only up to a maximum of 15% of their respective original amounts will be allowed.
5. Based upon the estimates of the Operating Pro Forma, the amount of Deferred Developer Fee may not be paid back in 15 years. To the extent the Deferred Developer Fee is not paid by the end of year 12, the Guarantors shall be obligated to contribute to the Applicant an amount equal to the unpaid

Deferred Developer Fee. As such, any risk associated with any tax credit recapture resulting from the nonpayment of any Developer Fee is assumed by the Guarantors. The Guarantors have sufficient financial capacity to make a loan to the partnership, if needed. Language documenting this payment should be present in the Limited Partnership Agreement, once drafted.

Issues and Concerns:

1. None

Waiver Requests:

1. According to the RFA, the Corporation will review the limited partnership agreement or limited liability company operating agreement language on reserves for compliance with the RFA requirement. If the limited partnership agreement or limited liability company operating agreement does not specifically state that the parties will comply with the Corporation's RFA requirements, the Corporation will require an amendment of the agreement and will not issue IRS form(s) 8609 until the amendment is executed and provided to the Corporation. The RFA includes language restricting the disposition of any funds remaining in any operating deficit reserve(s) after the term of the reserve's original purpose has terminated or is near termination. The RFA also requires the Corporation to review the limited partnership agreement or limited liability company operating agreement language on reserves for compliance with the RFA requirement. While Florida Housing will continue to require the Applicant to adhere to all requirements in the RFA including the restrictions on the disposition of any funds in an operating deficit reserve account, Florida Housing will not monitor the limited partnership agreement or limited liability company operating agreement language for compliance with these requirements, as this would require analysis of a legal contract. This deviation in process was included as an Information Item in the April 29, 2022 FHFC Board Meeting.

Special Conditions:

1. FHFC Board approval of an RFA waiver for the proposed Applicant ownership structure is a condition precedent to loan closing.
2. Receipt of an executed Management Agreement is a condition precedent to loan closing.
3. Receipt of the tax ID# for Vista Breeze HACMB, Inc., the General Partner in the transaction, and a satisfactory credit report for the entity is a condition precedent to loan closing.
4. Receipt of an executed P&P bond in the full amount of the Construction Contract is a condition precedent to loan closing.
5. Receipt of an executed Construction Contract is a condition precedent to loan closing.
6. Any changes to the Construction Contract as underwritten herein will require review and opinion by the construction consultant retained by AmeriNat. This is a condition precedent to loan closing.
7. Receipt of an executed HUD HAP contract consistent with the number of units, rents, and contract length as has been underwritten herein is a condition precedent to loan closing.
8. Completion of the HUD Section 3 pre-construction conference is a condition precedent to loan closing.

9. The Development shall meet the Section 3 requirements of the Housing and Urban Development Act of 1968 as amended (12 U.S.C. 1701u and 24 CFR Part 135) is a condition precedent to loan closing.
10. Satisfactory receipt of the Affirmative Fair Housing Marketing Plan is a condition precedent to loan closing.
11. Per Rule 67-48, the minimum DSC ratio shall be 1.10x for the SAIL Loan, including all superior mortgages. However, per Rule 67-48, if the Applicant defers at least 35% of its Developer Fee following the last disbursement of all permanent sources of funding identified in the final credit underwriting report and, in the case of a Housing Credit Development, the final cost certification documentation, and when the primary expected source of repayment has been identified as projected cash flow, the minimum DSC shall be 1.00x for the SAIL Loan, including all superior mortgages. The Applicant will be required to show permanent Deferred Developer Fee of at least 35% as the SAIL Loan DSC is 1.07x is a condition precedent to loan closing.

Additional Information:

1. Florida Housing's SAIL Program, per Rule, 67-48 has a loan maximum that is 25% of Total Development Costs ("TDC") unless it qualifies as an exception. Vista Breeze qualifies as an exception to the Rule because the Applicant has requested SAIL with Non-Competitive HC and it has committed to set aside at least 5% of the total units for ELI households.
2. Per Rule Chapter 67-48 F.A.C. (the "Rule"), the minimum debt service coverage ("DSC") shall be 1.10x to 1.00 for the SAIL loan and all superior mortgages. However, per Rule 67-48, if the Applicant defers at least 35% of its Developer Fee following the last disbursement of all permanent sources of funding identified in the final credit underwriting report and, in the case of a Housing Credit Development, the final cost certification documentation, and when the primary expected source of repayment has been identified as projected cash flow, the minimum DSC shall be 1.00x for the SAIL Loan, including all superior mortgages. The Applicant will be required to show permanent Deferred Developer Fee of at least 35% as the SAIL Loan DSC is 1.07x. AmeriNat has utilized a total of \$149,865 of the budgeted Operating Deficit Reserve ("ODR") during the first five years of operations; this includes \$58,870 to achieve a 1.07x DSC for the SAIL loan and all superior mortgages in Year 1 of stabilized operations and a 1.00x for all debt and fees, as shown in the One-Year Operating Pro Forma and 15-Year Pro Forma.

Recommendation:

AmeriNat recommends FHFC fund a Viability Loan in the amount of \$4,300,000, a SAIL Loan in the amount of \$3,000,000, an ELI Loan in the amount of \$600,000, a NHTF Loan in the amount of \$1,301,500 and an annual allocation of 4% HC in the amount of \$2,585,299 to the Applicant for the construction and permanent phase financing of Vista Breeze.

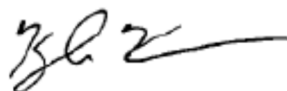
These recommendations are based upon the assumptions detailed in the Report Summary (Section A) and Supporting Information and Schedules (Section C). In addition, these recommendations are subject to the Viability, SAIL, ELI & NHTF Loan Special and General Conditions Recommendation (Section B). This recommendation is only valid for six months from the date of the report. The reader is cautioned to refer to these sections for complete information.

Prepared by:



George J. Repity
Sr. Credit Underwriter

Reviewed by:



Kyle Kuenn
Multifamily Chief Credit Underwriter

Overview

Construction Financing Sources:

Source	Lender	Applicant's Total	Applicant's Revised Total	Underwriter's Total	Interest Rate	Debt Service During Construction
Local HFA Bonds	HFAMDC / BoA Merrill Lynch	\$30,800,000	\$30,350,000	\$30,350,000	9.75%	\$2,959,125
FHFC - Viability	FHFC	\$4,300,000	\$4,300,000	\$4,300,000	0.00%	\$0
FHFC - SAIL	FHFC	\$3,000,000	\$3,000,000	\$3,000,000	0.00%	\$0
FHFC - SAIL ELI	FHFC	\$600,000	\$600,000	\$600,000	0.00%	\$0
FHFC - NHTF	FHFC	\$1,301,500	\$1,301,500	\$1,301,500	0.00%	\$0
Local Government Subsidy	Miami Dade County FY 2022 Surtax / SHIP / HOME	\$5,950,000	\$5,950,000	\$5,950,000	0.00%	\$0
Local Government Subsidy	City of Miami Beach HOME	\$503,969	\$503,969	\$1,003,969	0.00%	\$0
Local Government Subsidy	City of Miami Beach HOME	\$500,000	\$500,000	\$0		
Other	Housing Authority of the City of Miami Beach	\$4,085,000	\$4,085,000	\$4,085,000	0.00%	\$0
HC Equity	BOA CDB	\$5,260,639	\$4,967,777	\$5,229,894		
Deferred Developer Fee	Developer	\$3,124,040	\$4,492,639	\$4,580,686		
Total :		\$59,425,148	\$60,050,885	\$60,401,049		\$2,959,125

Proposed First Mortgage Loan:

The Applicant provided a letter of interest (“LOI”) from BoA CDB dated as of May 15, 2023, with an update email dated July 12, 2023. The LOI illustrates that Boa CDB will provide a construction loan in an amount not to exceed \$30,350,000. The proceeds will be used to pay project costs on a drawdown basis either directly to the Borrower or through a Fiscal Agent, at the discretion of HFA MDC. The maximum term of the loan shall be 24 months from the date of loan closing, plus one six-month extension. No extension requirements were included in the LOI or update email.

The interest-only construction loan will bear interest at a variable rate of 8.75%. AmeriNat added an additional 1.00% underwriting cushion to the rate stack for an all-in interest rate of 9.75%. The annual HFAMDC Issuer Fee of 25 bps and Fiscal Agent Fee of \$4,500 are included in the Pro Forma section of this report.

Proposed Second Mortgage Loan:

AmeriNat reviewed a Notice of Preliminary Award from Florida Housing, dated June 14, 2023, with a preliminary Viability Loan in the amount of \$4,300,000. Based on the parameters listed in RFA 2023-211, a Viability Loan in the amount of \$4,300,000 has been sized. The Viability Loan is non-amortizing with an interest rate of 1.00% over the life of the loan with annual payments based upon available cash flow as determined by Florida Housing. The Viability loan total term will be 20.5 years, including a 30-month construction/stabilization period and an 18-year permanent period. As required by the first mortgage lender and permitted by RFA 2023-211, the Viability Loan will be coterminous with the first mortgage. Annual payments of all applicable fees will be required. Any unpaid interest will be deferred until cash flow is available. However, at the maturity of the Viability Loan, all principal and unpaid interest will be due. Viability loan proceeds shall be disbursed during the construction phase in an amount per construction draw which does not exceed the ratio of the Viability loan to Total Development Costs, unless approved by the credit underwriter.

Proposed Third Mortgage Loan:

The Applicant applied to Florida Housing for a \$3,000,000 SAIL loan under RFA 2021-205 for the construction/permanent financing of the Development. The SAIL loan total term will be 20.5 years, including a 30-month construction/stabilization period and an 18-year permanent period, As required by the first mortgage lender and permitted by Rule 67-48, the SAIL loan term will be co-terminus with the first mortgage as requested by the first mortgage lender.

The SAIL loan shall be non-amortizing with a 1.00% interest rate over the life of the loan with annual payments based upon available cash flow as determined by Florida Housing. Any unpaid interest will be deferred until cash flow is available. However, at maturity of the SAIL loan, all principal and unpaid interest will be due. Annual payments of all applicable fees will be required. SAIL loan proceeds shall be disbursed during the construction phase in an amount per construction draw which does not exceed the ratio of the SAIL loan to Total Development Costs, unless approved by the credit underwriter.

Proposed Fourth Mortgage Loan:

The Applicant applied to Florida Housing for an ELI loan of \$600,000 for construction/permanent financing of the Development. The ELI loan shall be non-amortizing with a 0% interest rate over the life of the loan with principal forgivable at maturity provided the units are targeted to ELI Households for the first 15 years of the 50-year Compliance Period. The Persons with Special Needs set aside requirement must be maintained throughout the entire 50-year Compliance Period. The ELI loan total term will be 20.5 years, including a 30-month construction/stabilization period and an 18-year permanent period. As required by the first mortgage lender and by the RFA, the ELI loan term will be co-terminus with the first mortgage. ELI loan proceeds shall be disbursed during the construction phase in an amount per construction draw which does not exceed the ratio of the ELI loan to Total Development Costs, unless approved by the credit underwriter.

Proposed Fifth Mortgage: FHFC – NHTF

Per an Invitation to Enter Credit Underwriting dated March 1, 2022, the Applicant is eligible for a NHTF loan of up to \$1,301,500 for the construction/permanent financing of the Development. The NHTF loan shall be a non-amortizing loan with an interest rate of 0.00% per annum for a total term of 30 years, including a 30-month construction/stabilization period. The principal of the loan will be forgiven at maturity provided the units for which the NHTF loan amount is awarded are targeted as NHTF Link units for the first 30 years of the 50-year Compliance Period. The NHTF loan funding will subsidize additional deep targeted units for Persons with Special Needs (NHTF Link units) at 22% of AMI. The NHTF Link units will be in addition to the requirement to set aside 50% of the total units as ELI set-aside units and the required number of Link Units for Persons with Special Needs. As such, the Development will be required to set aside five (5) units as NHTF Link units, in addition to the ELI Set-Aside units. After 30 years, all of the NHTF Link units may convert to serve residents at or below 60% of AMI; however, the Persons with Special Needs set-aside commitments must be maintained throughout the entire 50-year Compliance Period. NHTF loan proceeds shall be disbursed during the construction phase in an amount per construction draw which does not exceed the ratio of the NHTF loan to Total Development Costs, unless approved by the credit underwriter.

Proposed Sixth Mortgage Loan – Miami-Dade County FY 2022 Surtax / SHIP / HOME

The Applicant provided Resolution No. R-285-13 (the “Resolution”) dated April 4, 2023 from the Miami-Dade County Public Housing and Community Development (“PHCD”) for FY 2022 Surtax/SHIP/HOME funds in an amount not to exceed \$5,950,000, and an email dated May 22, 2023 further clarified loan terms for

the funding. The terms of the loan include 0.00% interest during construction (years 1 and 2) and 1.00% interest-only payments for years 3–30 from Development cash flow, with another 1.00% interest accruing and due at maturity. The full principal is due at maturity and as modified prior to closing by the Mayor or Mayor’s designee in accordance with the results of underwriting.

Proposed Seventh Mortgage Loan – City of Miami Beach HOME

The Applicant provided a commitment letter dated July 6, 2023 from the City of Miami Beach (the “City”) for a loan totaling \$1,003,969. The funds are comprised of two loans and will have one mortgage with two notes, as follows:

- 1) \$500,000 - Federal HOME Investment Partnerships Program ("HOME") funds were awarded to the Development by the City Commission's adoption of Resolution No. 2022-32188, approving the one-year action plan for Federal Funds for FY 2022. The loan is earmarked for the construction of a seawall at the Development ("Seawall Loan").
- 2) \$503,969 – HOME loan funds approved as of June 28, 2023, in a separate City Commission agenda item, the Mayor and City Commission adopted Resolution No. 2023-32637, approving additional HOME funding to Borrower in the amount of \$503,969 to be used toward the construction costs for the Development ("Construction Loan").

The terms of the non-amortizing loan include (a) from the execution date of the Loan Documents through end of Affordability Period, a minimum of thirty (30) years from Development securing Certificate of Occupancy; (b) Default: failure to comply with provisions of Loan Documents including, without limitation, the failure to comply with the rules and regulations promulgated by the United States Department of Housing and Urban Development ("HUD"), at CFR Part 92, as same may be amended from time to time ("HOME Rules"), such as the failure to continuously operate the Development as an affordable rental project during the Affordability Period; (c) Interest Rate: 0.00%; Default Interest, upon default of Loan Documents, effective retroactively to date Loan is granted until paid, calculated based upon the rate prescribed by Section 55.03, Florida Statutes; (d) Origination Fee: none; and (e) Amortization: a balloon payment is due at maturity or upon default, plus any applicable default interest.

Proposed Eighth Mortgage Loan – HACMB

The Applicant provided an LOI dated August 19, 2022 outlining a \$4,085,000 loan for the benefit of the Development. The loan, to be made by the Housing Authority of the City of Miami Beach (“HACMB”), includes a 30-month construction period and a 0.00% interest rate. The loan has a 30-year permanent term.

Additional Construction Sources of Funds:

The Applicant provided an LOI from BoA CDB dated June 8, 2023 and an update email dated July 12, 2023 which outlines the conditions of the purchase of the HC. A limited partnership or limited liability company formed by BoA CDB will provide a net equity investment of \$26,149,470 in exchange for a 99.99% Investment Member ownership interest and a proportionate share of the total HC allocation estimated by BoA CDB to be \$26,550,340. The HC allocation will be syndicated at a rate of approximately \$0.985 per \$1.00 of delivered tax credits. An initial HC equity installment of \$5,229,894 will be available upon admission of the Investor to the partnership at construction loan closing, which satisfies the 15% RFA requirement. No other installments are available during the construction period. Please note that the LOI did not include actual amounts for each pay-in; rather, it provided percentages of the total equity available for each installment.

Deferred Developer Fee:

The Applicant will be required to defer \$4,580,686 or 53.8% of the Developer Fee during the construction phase.

Permanent Financing Sources:

Source	Lender	Applicant's Total	Applicant's Revised Total	Underwriter's Total	Interest Rate	Amortization Years	Term Years	Annual Debt Service
Local HFA Bonds	BoA Merrill Lynch	\$10,725,000	\$10,800,000	\$10,800,000	6.94%	40	18	\$799,733
FHFC - Viability	FHFC	\$4,300,000	\$4,300,000	\$4,300,000	1.00%	n/a	18	\$43,000
FHFC - SAIL	FHFC	\$3,000,000	\$3,000,000	\$3,000,000	1.00%	n/a	18	\$30,000
FHFC - SAIL ELI	FHFC	\$600,000	\$600,000	\$600,000	0.00%	n/a	30	\$0
FHFC - NHTF	FHFC	\$1,301,500	\$1,301,500	\$1,301,500	0.00%	n/a	30	\$0
Local Government Subsidy	Miami Dade County FY 2022 Surtax / SHIP / HOME	\$5,950,000	\$5,950,000	\$5,950,000	1.00%	n/a	30	\$59,500
Local Government Subsidy	City of Miami Beach HOME	\$503,969	\$503,969	\$1,003,969	0.00%	n/a	30	\$0
Local Government Subsidy	City of Miami Beach HOME	\$500,000	\$500,000	\$0				
Other	Housing Authority of the City of Miami Beach	\$4,085,000	\$4,085,000	\$4,085,000	3.98%	n/a	30	\$0
HC Equity	BOA CDB	\$26,303,193	\$26,149,470	\$26,149,470				
Deferred Developer Fee	Developer	\$2,511,448	\$2,860,946	\$3,211,110				
Total :		\$59,780,110	\$60,050,885	\$60,401,049				\$932,233

Proposed First Mortgage Loan:

Per the executed Term Sheet issued by BoA CDB dated May 15, 2023 and an update email dated July 12, 2023, BoA CDB will facilitate a loan in an amount not to exceed \$10,800,000. The Term Sheet indicated the loan will have an estimated rate of 6.94%, which has been assumed for underwriting purposes. Principal and interest payments will begin following the interest only period during construction, based on an 18-year term and 40-year amortization period. The Term Sheet was silent regarding conversion requirements.

Annual payments of all applicable fees will be required. Fees include Permanent Loan Servicing Fees to be paid annually based on 25 basis points of the outstanding principal balance of the Bonds. In addition, the Developer will be required to pay the cost of an annual audit of the accounts held under the indenture a funding loan agreement. The minimum ongoing fee shall be \$10,000 annually. The annual MHRB Compliance Monitoring Fee is an amount equal to \$30.00 per rental unit in the Development. The Trustee Fee is included in First Mortgage Fees and is estimated at \$4,500 annually.

Proposed Second Mortgage Loan:

AmeriNat reviewed a Notice of Preliminary Award from Florida Housing, dated June 14, 2023, with a preliminary Viability Loan in the amount of \$4,300,000. Based on the sizing parameters in RFA 2023-211, AmeriNat has sized the Viability Loan in the amount of \$4,300,000. The Viability Loan is non-amortizing with an interest rate of 1.00% over the life of the loan with annual payments based upon available cash flow as determined by Florida Housing. The Viability loan total term will be 20.5 years, including a 30-month construction/stabilization period and an 18-year permanent period. As required by the first mortgage lender and permitted by RFA 2023-211, the Viability Loan will be coterminous with the first mortgage. Annual payments of all applicable fees will be required. Any unpaid interest will be deferred until cash flow is available. However, at the maturity of the Viability Loan, all principal and unpaid interest will be due. Fees include an annual Permanent Loan Servicing Fee of 25 bps of the outstanding loan amount up to a maximum of \$936 per month, subject to a minimum of \$236 per month.

Proposed Third Mortgage Loan:

The Applicant applied to Florida Housing for a SAIL loan of \$3,000,000 under RFA 2021-205 for the construction/permanent financing of the Development. The SAIL loan will have a total term of 20.5 years, including a 30-month construction/stabilization period and an 18-year permanent period. As required by the first mortgage lender and permitted by Rule 67-48, the SAIL loan term will be co-terminus with the first mortgage. The Loan shall be non-amortizing with a 1.00% interest rate over the life of the loan with annual payments based upon available cash flow as determined by Florida Housing. Any unpaid interest will be deferred until cash flow is available. However, at maturity of the SAIL loan, all principal and unpaid interest will be due. Annual payments of all applicable fees will be required. Fees include an annual Permanent Loan Servicing Fee of 25 bps of the outstanding loan amount up to a maximum of \$936 per month, subject to a minimum of \$236 per month and an annual Compliance Monitoring Multiple Program Fee of \$1,023.

Proposed Fourth Mortgage Loan:

The Applicant applied to Florida Housing for an ELI loan of \$600,000 for the construction/permanent financing of the Development. The ELI loan shall be non-amortizing with a 0.00% interest rate over the life of the loan with principal forgivable at maturity provided the units are targeted to ELI Households for the first 15 years of the 50-year Compliance Period. The Persons with Special Needs set-aside requirement must be maintained throughout the entire 50-year Compliance Period. The ELI loan total term will be 20.5 years, including a 30-month construction/stabilization period and an 18-year permanent period. As requested by the first mortgage lender and permitted by the RFA, the ELI loan term will be co-terminus with the first mortgage.. Annual payments of all applicable fees will be required. Fees include an annual Permanent Loan Servicing Fee of 25 bps of the outstanding loan amount up to a maximum of \$936 per month, subject to a minimum of \$236 per month and an annual Compliance Monitoring Multiple Program Fee of \$1,023.

Proposed Fifth Mortgage: FHFC – NHTF

Per an Invitation to Enter Credit Underwriting dated March 1, 2022, the Applicant is eligible for a NHTF loan of up to \$1,301,500 for the construction/permanent financing of the Development. The NHTF loan shall be a non-amortizing loan with an interest rate of 0.00% for a total term of 30 years, including a 30-month construction/stabilization period. The principal of the loan will be forgiven at maturity provided the units for which the NHTF loan amount is awarded are targeted as NHTF Link units for the first 30 years of the 50-year Compliance Period. The NHTF loan funding will subsidize additional deep targeted units for Persons with Special Needs (NHTF Link units) at 22% of AMI. The NHTF Link units will be in addition to the requirement to set aside 50% of the total units as ELI set-aside units and the required number of Link Units for Persons with Special Needs. As such, the Development will be required to set aside five (5) units as NHTF Link units, in addition to the ELI Set-Aside units. After 30 years, the Applicant commits that all of the NHTF Link units may convert to serve residents at or below 60% of AMI; however, the Persons with Special Needs set-aside commitment must be maintained throughout the entire 50-year Compliance Period. Annual payments of all applicable fees will be required. Fees include an annual Permanent Loan Servicing Fee of 25 bps of the outstanding loan amount up to a maximum of \$936 per month, subject to a minimum of \$236 per month and an annual Compliance Monitoring Multiple Program Fee of \$1,023.

Proposed Sixth Mortgage Loan – Miami-Dade County FY 2022 Surtax/SHIP/HOME

The Applicant provided a Resolution dated April 4, 2023 from PHCD for FY 2022 Surtax/SHIP/HOME funds in an amount not to exceed \$5,950,000 and an email dated May 22, 2023 further clarified loan terms for the funding. The terms of the loan include 0.00% interest during construction (years 1 and 2) and 1.00%

interest-only payments for years 3–30 from Development cash flow, with another 1.00% interest accruing and due at maturity. The full principal is due at maturity and as modified prior to closing by the Mayor or Mayor’s designee in accordance with the results of underwriting.

Proposed Seventh Mortgage Loan – City of Miami Beach HOME

The Applicant provided a commitment letter dated July 6, 2023 from the City of Miami Beach for a loan in the amount of \$1,003,969. The funding is comprised of two pieces: a \$500,000 Seawall Loan and a \$503,969 Construction Loan. The non-amortizing loan will include a 0.00% interest rate and a 30-year term. A balloon payment is due at maturity or upon default during the term, plus any applicable default interest.

Proposed Eighth Mortgage Loan – HACMB

The Applicant provided a draft loan commitment dated August 19, 2022 outlining a \$4,085,000 loan for the benefit of the Development. The loan, to be made by HACMB, includes a 30-month construction period and a 0.00% interest rate. The loan has a 30-year permanent term with compounded annual interest set at the long term applicable federal rate in effect for the month in which the construction financing closing occurs; the current rate is 3.98%. The loan is non-amortizing and annual interest payments will be only based on available cash flow. All principal and accrued interest will be due the earlier of 1) the sale or refinancing of the Development, or 2) at maturity.

Additional Permanent Sources of Funds:

An LOI dated June 8, 2023 and subsequent email dated July 12, 2023 from BoA CDB outlines the conditions of the purchase of the HC. A limited partnership or limited liability company formed by BoA CDB will provide a net equity investment of \$26,149,470 in exchange for a 99.99% Investment Member ownership interest and a proportionate share of the total HC allocation estimated by BoA CDB to be \$26,550,340. The HC allocation will be syndicated at a rate of approximately \$0.985 per \$1.00 of delivered tax credits. The HC equity contribution to be paid as follows:

Capital Contributions	Amount	Percent of Total	Due upon
1st Installment	\$5,229,894	20.00%	Closing
2nd Installment	\$10,459,788	40.00%	Completion
3rd Installment	\$9,806,051	37.50%	Conversion
4th Installment	\$653,737	2.50%	Receipt of Form(s) 8609
Total:	\$26,149,470	100%	

Annual Credits Per Syndication Agreement	\$2,655,034
Total Credits Per Syndication Agreement	\$26,550,340
Calculated HC Rate:	\$0.985
Limited Partner Ownership Percentage	99.99%
Proceeds During Construction	\$5,229,894

Deferred Developer Fee:

The Developer will be required to permanently defer \$3,211,110 or 37.7% in Developer Fee after stabilization, which meets the minimum 30% requirement per the Viability RFA and the 35% requirement per Rule 67-48 for all superior mortgages and SAIL loan with a minimum combined DSC of 1.00x.

Based upon the estimates of the Operating Pro Forma, the amount of Deferred Developer Fee may not be paid back in 15 years. To the extent the Deferred Developer Fee is not paid by the end of year 12, the Guarantors shall be obligated to contribute to the Applicant an amount equal to the unpaid Deferred Developer Fee. As such, any risk associated with any tax credit recapture resulting from the nonpayment of any Developer Fee is assumed by the Guarantors. The Guarantors have sufficient financial capacity to make a loan to the partnership, if needed. Language documenting this payment should be present in the Limited Partnership Agreement, once drafted.

Uses of Funds

CONSTRUCTION COSTS:	Applicant Costs	Revised Applicant Costs	Underwriters Total Costs - CUR	Cost Per Unit	HC Ineligible Costs - CUR
New Rental Units	\$29,221,609	\$33,312,634	\$25,587,476	\$215,021	\$874,569
Recreational Amenities	\$1,041,578	\$1,041,630	\$0	\$0	
Site Work	\$0	\$0	\$3,634,134	\$30,539	\$1,817,000
Constr. Contr. Costs subject to GC Fee	\$30,263,187	\$34,354,264	\$29,221,610	\$245,560	\$2,691,569
General Conditions	\$4,091,026	\$0	\$1,753,296	\$14,734	
Overhead	\$0	\$0	\$584,432	\$4,911	
Profit	\$0	\$0	\$1,753,296	\$14,734	
General Liability Insurance	\$0	\$449,721	\$0	\$0	
Total Construction Contract/Costs	\$34,354,213	\$34,803,985	\$33,312,634	\$279,938	\$2,691,569
Hard Cost Contingency	\$1,665,632	\$1,665,632	\$1,665,631	\$13,997	
PnP Bond paid outside Constr. Contr.	\$0	\$266,502	\$266,502	\$2,240	
FF&E paid outside Constr. Contr.	\$0	\$0	\$1,041,630	\$8,753	
Other: Scheduling consultant / construction scheduler	\$0	\$80,400	\$0	\$0	
Other: General Liability Insurance	\$0	\$0	\$449,721	\$3,779	
Other: Seawall Inspection	\$0	\$0	\$2,556	\$21	
Other: Tree Mitigation Fee	\$0	\$0	\$115,000	\$966	
Total Construction Costs:	\$36,019,845	\$36,816,519	\$36,853,674	\$309,695	\$2,691,569

Notes to Actual Construction Costs:

- The Applicant provided a draft Standard Form of Agreement Between Owner and Contractor where the basis of payment is the Cost of the Work Plus a Fee with a Guaranteed Maximum Price in the amount of \$33,312,634 (the "Construction Contract"). The Construction Contract is dated as of July 2023 and is between the Applicant and Atlantic Pacific Community Builders, LLC ("APCB" or the "General Contractor"), a related entity of the Applicant. The Construction Contract states the General Contractor will achieve substantial completion no later than 429 calendar days following commencement. The Owner will withhold 10% retainage from payment for all completed work until the Development reaches 50% completion, at which time no retainage will be withheld thereafter. Retainage shall not be released until final completion of the Development. Please note that the Construction Contract does contain language that actual documented increases in the cost of concrete and rebar only up to a maximum of 15% of their respective original amounts.

In addition, the Development will provide washers/dryers to residents. As such, an estimate of \$276,145 has been included for the appliances based on the schedule of values and is shown as a portion of "HC Ineligible Costs" for the New Rental Units line item. The remaining \$598,424 of ineligible costs are based on the Applicant's development budget.

- The General Contractor will secure a P&P Bond to secure the Construction Contract and its cost is shown outside of the Construction Contract. Receipt of a P&P bond in the full amount of the Construction Contract is a condition precedent to loan closing.
- The General Contractor's Fee (consisting of general conditions, overhead, and profit) does not exceed 14.00% of allowable hard costs as allowed by RFA 2021-205 and Rules 67-21 and 67-48. The General Contractor's fee stated herein is for credit underwriting purposes only, and the final General Contractor's fee will be determined pursuant to the final cost certification process as per Rule 67-21 F.A.C.
- A Plan and Cost Review ("PCR") was engaged by AmeriNat and performed by GLE Associates, Inc. ("GLE"). GLE summarized their review of the construction contract and schedule of values in a report

dated July 12, 2023. The review concludes that overall costs to construct are sufficient for satisfactory completion of the proposed development. The costs for similar type developments identified in the PCR range from \$201,651 per unit to \$294,295 per unit. The Development has a projected unit cost of \$279,938.10 per unit, which GLE opines is appropriate for the scope proposed and is within the range of comparables.

GLE did not identify any allowances listed in the Construction Contract. However, the Construction Contract contains language wherein actual documented increases in the cost of concrete and rebar only up to a maximum of 15% of their respective original amounts will be allowed.

5. A 5.00% hard cost contingency as allowed by the RFA 2021-205 and Rules 67-21 and 67-48 has been underwritten. The PCR supports an amount between 5.00% and 8.00%.
6. FF&E paid outside of the Construction Contract is comprised of residential furnishings (\$150,000), books (\$1,000), computers/printers (\$10,000), signage (\$25,000), Security CCTV (\$120,000), exterior benches and trash cans (\$5,000), picnic benches and BBQ (\$5,000), construction site security (\$128,000), cleaning (\$67,629.49), license plate recognition camera (\$5,200), and seawall (\$524,800).

GENERAL DEVELOPMENT COSTS:	Applicant Costs	Revised Applicant Costs	Underwriters Total Costs - CUR	Cost Per Unit	HC Ineligible Costs - CUR
Accounting Fees	\$40,000	\$40,000	\$40,000	\$336	\$40,000
Appraisal	\$12,770	\$12,770	\$5,500	\$46	
Architect's Fee - Site/Building Design	\$1,522,480	\$870,000	\$825,000	\$6,933	
Architect's Fee - Supervision	\$190,000	\$190,000	\$205,000	\$1,723	
Building Permits	\$1,547,490	\$1,396,885	\$1,396,885	\$11,739	
Builder's Risk Insurance	\$171,837	\$171,837	\$171,837	\$1,444	
Engineering Fees	\$295,062	\$139,056	\$0	\$0	
Environmental Report	\$6,700	\$6,700	\$6,700	\$56	\$6,700
FHFC Administrative Fees	\$239,230	\$238,954	\$232,677	\$1,955	\$232,677
FHFC Application Fee	\$9,000	\$9,000	\$3,000	\$25	\$3,000
FHFC Credit Underwriting Fee	\$24,905	\$24,905	\$30,351	\$255	\$30,351
FHFC Compliance Fee	\$229,316	\$229,316	\$236,331	\$1,986	\$236,331
Impact Fee	\$66,027	\$66,027	\$66,027	\$555	
Lender Inspection Fees / Const Admin	\$380,525	\$380,525	\$340,569	\$2,862	
Green Building Cert. (LEED, FGBC, NAHB)	\$50,000	\$0	\$81,800	\$687	
Insurance	\$521,682	\$178,500	\$178,500	\$1,500	\$178,500
Legal Fees - Organizational Costs	\$555,000	\$320,000	\$320,000	\$2,689	\$320,000
Market Study	\$8,000	\$8,000	\$5,500	\$46	\$5,500
Marketing and Advertising	\$20,000	\$20,000	\$20,000	\$168	\$20,000
Plan and Cost Review Analysis	\$0	\$0	\$4,700	\$39	
Soil Test	\$13,650	\$13,650	\$13,650	\$115	
Survey	\$67,998	\$67,998	\$67,998	\$571	
Title Insurance and Recording Fees	\$415,244	\$411,832	\$411,832	\$3,461	\$411,832
Traffic Study	\$0	\$0	\$8,500	\$71	
Utility Connection Fees	\$228,690	\$128,690	\$128,690	\$1,081	
Soft Cost Contingency	\$314,731	\$304,257	\$240,052	\$2,017	
Total General Development Costs:	\$6,930,337	\$5,228,902	\$5,041,099	\$42,362	\$1,484,891

Notes to the General Development Costs:

1. AmeriNat reflects actual costs for the appraisal, market study, and plan and cost review analysis.
2. FHFC Administrative Fee is based upon a fee of 9% of the annual HC recommended herein.
3. FHFC Credit Underwriting Fee includes a Viability / SAIL / ELI / NHTF / HC credit underwriting fee of \$30,051 and credit reporting fees of \$300.

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4. Impact Fees are based upon the schedule and calculation provided by the Applicant and confirmed by the City of Miami Beach.
5. Lender Inspection Fees / Construction Admin costs are based on proposals for building envelope, threshold, and materials testing and inspections provided by the Applicant, site inspections by GLE, and construction loan administration for draw processing.
6. The Applicant provided an executed engagement with Energy Cost Solutions Group, LLC to provide Green Building Services (LEED) for the Development.
7. A soft cost contingency of 5.00% has been underwritten, which is consistent with the RFA 2021-205 and Rule Chapters 67-21 and 67-48 and may be utilized by the Applicant in the event soft costs exceed estimates.
8. The remaining general development costs appear reasonable.

FINANCIAL COSTS:	Applicant Costs	Revised Applicant Costs	Underwriters Total Costs - CUR	Cost Per Unit	HC Ineligible Costs - CUR
	Construction Loan Origination Fee	\$423,000	\$303,500	\$303,500	\$2,550
Construction Loan Closing Costs	\$92,400	\$91,050	\$91,050	\$765	
Construction Loan Interest	\$2,749,595	\$3,512,589	\$3,782,476	\$31,786	\$878,420
Permanent Loan Origination Fee	\$107,250	\$108,000	\$108,000	\$908	\$108,000
Permanent Loan Closing Costs	\$32,175	\$32,400	\$32,400	\$272	\$32,400
Local HFA Application Bond Fee	\$0	\$6,285	\$6,285	\$53	\$6,285
Local HFA Bond Underwriting Fee	\$0	\$0	\$16,489	\$139	\$16,489
Local HFA Bond Trustee Fee	\$0	\$0	\$11,250	\$95	\$11,250
Local HFA Bond Cost of Issuance	\$614,053	\$415,758	\$415,758	\$3,494	\$415,758
SAIL Commitment Fee	\$0	\$0	\$30,000	\$252	\$30,000
SAIL Closing Costs	\$0	\$0	\$12,500	\$105	\$12,500
SAIL-ELI Commitment Fee	\$0	\$0	\$6,000	\$50	\$6,000
SAIL-ELI Closing Costs	\$0	\$0	\$6,500	\$55	\$6,500
Misc Loan Underwriting Fee	\$0	\$109,000	\$0	\$0	
Misc Loan Closing Costs	\$0	\$195,482	\$80,362	\$675	\$80,362
NHTF Closing Costs	\$0	\$0	\$12,500	\$105	\$12,500
Legal Fees - Financing Costs	\$0	\$135,000	\$135,000	\$1,134	\$135,000
Placement Agent/Underwriter Fee	\$0	\$0	\$27,500	\$231	\$27,500
Initial TEFRA Fee	\$0	\$0	\$3,000	\$25	\$3,000
Other: FHFC Firm Commitment Extension Fee	\$0	\$0	\$49,015	\$412	\$49,015
Other: FEMA CLOMR / LOMR	\$0	\$0	\$12,000	\$101	\$12,000
Other: FHFC Viability Commitment Fee	\$0	\$0	\$43,000	\$361	\$43,000
Other: FHFC Viability Closing Costs	\$0	\$0	\$12,500	\$105	\$12,500
Other: HFAMDC Conversion Fee	\$0	\$0	\$189,688	\$1,594	
Total Financial Costs:	\$4,018,473	\$4,909,064	\$5,386,773	\$45,267	\$1,898,479
Dev. Costs before Acq., Dev. Fee & Reserves	\$46,968,655	\$46,954,485	\$47,281,546	\$397,324	\$6,074,939

Notes to the Financial Costs

1. Financial costs were derived from the representations illustrated in the LOIs for the construction financing, permanent financing, and HC equity and appear reasonable to AmeriNat.
2. The interest reserve for the Construction Loan was calculated based on terms illustrated in the LOI from BoA CDB, the duration of construction referenced in the Construction Contract and the resultant calculation completed by AmeriNat through the use of a construction draw schedule provided by the Applicant.

VIABILITY, SAIL, ELI, NHTF AND HC CREDIT UNDERWRITING REPORT

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3. The SAIL, ELI and Viability commitment fees are based on 1.00% of each loan. The FHFC Firm Loan Commitment Extension Fee is 1.00% of the SAIL, ELI and NHTF loan amounts, respectively.
4. FHFC closing costs of \$6,500 for the ELI loan and \$12,500 for each of the Viability, SAIL, and NHTF loans for FHFC legal counsel fees.
5. Local HFA Bond Cost of Issuance is based on the fees provided by the Applicant for Miami-Dade County.
6. The Local HFA Bond Trustee Fee represents 30 months of the annual Bond Trustee Fee of \$4,500.
7. FEMA CLOMR / LOMR represent costs associated with the flood plain map for the Development.
8. HFAMDC Conversion Fee – HFAMDC will charge a fee on conversion of construction to permanent financing on transactions with related parties (substantial users). The conversion fee will be required to be reserved in an account owned by the Applicant to be held by the fiscal agent or trustee under the primary transaction document. The conversion fee will be equal to 25 basis points of the original principal amount of the Obligation (or maximum allowable funding amount for draw down obligations) multiplied by the maximum construction period including extensions, in this case 30 months. If the transaction does not convert, the reserved conversion fee will be returned to the Applicant.
9. The remaining financial costs appear reasonable.

DEVELOPER FEE ON NON-ACQUISITION COSTS	Applicant Costs	Revised Applicant Costs	Underwriters Total Costs - CUR	Cost Per Unit	HC Ineligible Costs - CUR
Developer Fee - Unapportioned	\$8,371,493	\$8,487,575	\$8,430,278	\$70,843	
DF to Consultant Fees	\$0	\$0	\$80,400	\$676	
Total Other Development Costs:	\$8,371,493	\$8,487,575	\$8,510,678	\$71,518	\$0

Notes to the Other Development Costs:

1. Developer Fee does not exceed 18% of Development Costs before Land and exclusive of reserves as permitted by RFA 2021-205 and Rule Chapters 67-21 and 67-48. Consultant agreements received comprised \$80,400 which is shown as a subset of Developer Fee.
2. During construction, the Developer shall only be allowed to draw a maximum of fifty percent (50%) of the total developer fee, but in no case more than the payable developer fee during construction (the "Developer's Overhead"). No more than thirty-five percent (35%) of Developer's Overhead will be funded at Loan closing. The remainder of the Developer's Overhead will be disbursed during construction on a pro rata basis, based upon the percentage of completion of the Development, as approved and reviewed by Florida Housing and the Servicer. The remaining unpaid developer fee shall be considered attributable to "Developer's Profit" and will not be funded until the Development has achieved one hundred percent (100%) lien free completion, and only after Retainage has been released.

AmeriNat estimates payable Developer Fee at closing to be \$1,375,497, the Developer's Overhead is estimated to be \$2,554,495, and the Developer's Profit is estimated to be \$1,369,576, which will be funded following 100% lien free completion. The remaining \$3,211,110 will be permanently deferred and will be paid from the Development's cash flow from operations.

VIABILITY, SAIL, ELI, NHTF AND HC CREDIT UNDERWRITING REPORT

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LAND ACQUISITION COSTS	Applicant Costs	Revised Applicant Costs	Underwriters Total Costs - CUR	Cost Per Unit	HC Ineligible Costs - CUR
Land	\$4,085,000	\$4,085,000	\$4,085,000	\$34,328	\$4,085,000
Total Acquisition Costs:	\$4,085,000	\$4,085,000	\$4,085,000	\$34,328	\$4,085,000

Notes to Land Acquisition Costs:

- The Applicant provided a Ground Lease (the “Ground Lease”) dated November 1, 2020 between the Applicant and the Housing Authority of the City of Miami Beach for three scattered sites being developed. The Ground Lease illustrates a term of 65 years from the date of construction loan closing and a capitalized lease payment of \$3,850,000 due upon construction loan closing, but in no event later than December 31, 2022.

AmeriNat received an Amended and Restated Ground Lease Agreement dated August 6, 2021, which increased the lease payment to \$4,085,000, confirmed the 65-year term, and extended the deadline to March 31, 2024 for lease term to begin.

AmeriNat received a First Amendment to the Amended and Restated Ground lease Agreement dated June 1, 2023 which removed one parcel, leaving the two sites being used for the Development.

- An Appraisal performed by Meridian August 16, 2023 identified an “As Is” value for the vacant land of \$11,900,000, which supports the capitalized ground lease payment of \$4,085,000. The lesser of the two values has been used for underwriting purposes.

RESERVE ACCOUNTS	Applicant Costs	Revised Applicant Costs	Underwriters Total Costs - CUR	Cost Per Unit	HC Ineligible Costs - CUR
Operating Deficit Reserve (FHFC)	\$0	\$410,246	\$410,246	\$3,447	\$410,246
Reserves - Start-Up/Lease-up Expenses	\$0	\$113,579	\$113,579	\$954	\$113,579
Total Reserve Accounts:	\$0	\$523,825	\$523,825	\$4,402	\$523,825

Notes to the Reserve Accounts:

- The LOIs for debt and equity were silent regarding reserves; however, an operating reserve equal to approximately three months of operating expenses, debt service, and replacement reserves has been underwritten. Additionally, the Applicant has indicated they will be funding a start-up/lease up reserve in the amount of \$113,579.

In exchange for receiving funding from the Corporation, the Corporation reserves the authority to restrict the disposition of any funds remaining in any operating deficit reserve(s) after the term of the reserve’s original purpose has terminated or is near termination. Authorized disposition uses are limited to payments towards any outstanding loan balances of the Development funded from the Corporation, any outstanding Corporation fees, any unpaid costs incurred in the completion of the Development (i.e., deferred Developer Fee), the Development’s capital replacement reserve account (provided, however, that any operating deficit reserve funds deposited to the replacement reserve account will not replace, negate, or otherwise be considered an advance payment or pre-funding of the Applicant’s obligation to periodically fund the replacement reserve account), the reimbursement of any loan(s) provided by a partner, member or guarantor as set forth in the Applicant’s organizational agreement (i.e., operating or limited partnership agreement). The actual direction of the disposition is at the Applicant’s discretion so long as it is an option permitted by the Corporation. In no event, shall the payment of amounts to the Applicant or the Developer from any operating deficit reserve established for the Development cause the Developer Fee or General Contractor fee to exceed the applicable percentage limitations provided for in this RFA.

- At the end of the Compliance Period, any remaining balance of the ODR less amounts that may be permitted to be drawn (which includes Deferred Developer Fee and reimbursements for authorized member/partner and guarantor loan(s) pursuant to the operating/partnership agreement), will be used to pay FHFC debt; if there is no FHFC loan debt on the proposed Development at the end of the Compliance Period, any remaining balance shall be used to pay any outstanding FHFC fees. If any balance remains in the ODR after the payments above, the amount should be placed in a Replacement Reserve account for the Development. In no event shall the payments of amounts to Applicant or the Developer from the Reserve Account cause the Developer fee or General Contractor Fee to exceed the applicable percentage limitations provided for in the Rule. Any and all terms and conditions of the ODR must be acceptable to FHFC, its Servicer and its Legal Counsel. Start-Up/Lease-up Expenses, insurance and Property Tax escrows are per the Applicant’s development budget.

TOTAL DEVELOPMENT COSTS	Applicant Costs	Revised Applicant Costs	Underwriters Total Costs - CUR	Cost Per Unit	HC Ineligible Costs - CUR
TOTAL DEVELOPMENT COSTS:	\$59,425,148	\$60,050,885	\$60,401,049	\$507,572	\$10,683,764

Notes to Total Development Costs:

- Total Development Costs have increased by \$975,901 from \$59,425,148 to \$60,401,049 since the Viability application due to increases in construction costs, financial costs, Developer Fee and reserve accounts.

OPERATING PRO FORMA

FINANCIAL COSTS:		Year 1	Year 1 Per Unit	
OPERATING PRO FORMA				
INCOME:	Gross Potential Rental Income	\$1,949,220	\$16,380	
	Rent Subsidy (ODR)	\$58,870	\$495	
	Other Income		\$0	
	Ancillary Income	\$7,140	\$60	
	Gross Potential Income	\$2,015,230	\$16,935	
	Less:			
	Physical Vac. Loss	Percentage: 2.91%	\$58,691	\$493
	Collection Loss	Percentage: 0.97%	\$19,564	\$164
	Total Effective Gross Income	\$1,936,975	\$16,277	
EXPENSES:	Fixed:			
	Real Estate Taxes	\$159,947	\$1,344	
	Insurance	\$178,500	\$1,500	
	Variable:			
	Management Fee	Percentage: 4.85%	\$93,905	\$789
	General and Administrative	\$60,690	\$510	
	Payroll Expenses	\$178,500	\$1,500	
	Utilities	\$95,200	\$800	
	Maintenance and Repairs/Pest Control	\$47,600	\$400	
	Grounds Maintenance and Landscaping	\$17,850	\$150	
	Contract Services	\$29,750	\$250	
	Security	\$44,625	\$375	
	Reserve for Replacements	\$35,700	\$300	
Total Expenses	\$942,267	\$7,918		
Net Operating Income	\$994,708	\$8,359		
Debt Service Payments				
First Mortgage - HFAMDC / BoA CDB	\$799,733	\$6,720		
Second Mortgage - Viability	\$43,000	\$361		
Third Mortgage - SAIL	\$30,000	\$252		
Fourth Mortgage - SAIL ELI	\$0	\$0		
Fifth Mortgage - NHTF	\$0	\$0		
6th / 7th / 8th Mortgages - PCHCD / CMB / HACMB	\$59,500	\$500		
First Mortgage Fees - HFAMDC Admin & Trustee Fees	\$35,070	\$295		
Second Mortgage Fees - Viability PLS & CM	\$10,750	\$90		
Third Mortgage Fees - SAIL PLS & CM	\$8,523	\$72		
Fourth Mortgage Fees - SAIL ELI PLS & CM	\$3,855	\$32		
Fifth Mortgage Fees - NHTF PLS & CM	\$4,277	\$36		
6th / 7th / 8th Mortgage Fees - PHCD / CMB / HACMB	\$0	\$0		
Total Debt Service Payments	\$994,708	\$8,359		
Cash Flow after Debt Service	\$0	\$0		
Debt Service Coverage Ratios				
DSC - First Mortgage plus Fees		1.19x		
DSC - Second Mortgage plus Fees		1.12x		
DSC - Third Mortgage plus Fees		1.07x		
DSC - Fourth Mortgage plus Fee		1.07x		
DSC - Fifth Mortgage plus Fees		1.06x		
DSC - 6th / 7th / 8th Mortgages and Fees		1.00x		
Financial Ratios				
Operating Expense Ratio		48.65%		
Break-even Economic Occupancy Ratio (all debt)		96.31%		

Notes to the Operating Pro Forma and Ratios:

- The Development will be utilizing Housing Credits in conjunction with SAIL, ELI, & NHTF which will impose rent restrictions. Under the HC, SAIL and ELI programs, the Development will set aside 16.807% of its total units (20 units) at or below 30% of Area Median Income (“AMI”). Additional restrictions imposed by the HC and SAIL programs consists of 57.983% of the total units (69 units) at or below 60% of AMI and 25.210% of the total units (30 units) at or below 80% of AMI. For the NHTF program, the Development will set aside 4.202% of the total units (5 units) at or below 22% of AMI. Overall, the maximum Housing Credit rents for 2022 published on FHFC’s website for the Development are achievable as confirmed by the appraiser as these were the rents in place at the time of the report. Please note that the utility allowances are based on a Section 8 Utility Allowance Study dated August 21, 2021 (the “UA Report”) completed by KN Consultants, LLC for HACMB. A rent roll for the Development property is illustrated in the following table:

Miami Beach-Kendall HMFA(Miami-Dade County)

Bed Rooms	Bath Rooms	Units	Square Feet	AMI%	Low HOME Rents	High HOME Rents	Gross HC Rent	Utility Allow.	Net Restricted Rents	PBRA Contr Rents	Applicant Rents	Appraiser Rents	CU Rents	Annual Rental Income
0	1.0	5	410	22%			\$375	\$133	\$242	\$1,498	\$1,498	\$1,365	\$1,365	\$81,900
0	1.0	20	410	30%			\$512	\$133	\$379	\$1,498	\$1,498	\$1,365	\$1,365	\$327,600
0	1.0	64	410	60%			\$1,024	\$133	\$891	\$1,498	\$1,498	\$1,365	\$1,365	\$1,048,320
0	1.0	30	410	80%			\$1,366	\$133	\$1,233	\$1,498	\$1,498	\$1,365	\$1,365	\$491,400
		119	48,790											\$1,949,220

When calculating an average market rental rate based on the unit mix and annualized rent concessions, the rent advantage for all of the units at the Development is in excess of 110% of the applicable maximum Housing Credit rental rate.

- Ancillary income includes items such as application fees, pet deposits, and other miscellaneous fees.
- A 3.00% physical vacancy rate and a 1.00% collection loss rate was applied for underwriting purposes based on the Development and comparable developments as concluded in the appraisal. The inclusion of a portion of the ODR, as noted in item #13 on page A-29, reduces those amounts to 2.91% and 0.97%, respectively.
- AmeriNat utilized a real estate tax expense of \$1,344 per unit based upon the Applicant’s pro forma and comparable properties surveyed by the appraiser. The estimate also took into account the income restrictions of the Development and a 4% early payment discount.
- AmeriNat utilized an estimate of \$1,500 per unit for insurance, which is consistent with the appraisal. The Development will be located in a flood zone designated “AE”. Zone “AE” is an area within the 100-year flood plain and, as such, flood insurance will be required.
- The Applicant submitted a draft Property Management Agreement (the “Agreement”) dated May 16, 2023 wherein Atlantic Pacific Community Management, LLC (“APCM”), a related entity of the Applicant, will manage the Development. The Agreement states the initial term shall be for one year but will be automatically renewed on a yearly basis unless terminated by the Owner or Applicant in accordance with the Agreement. Upon stabilization, ACPM shall receive a monthly fee (“the Management Fee”) equal to 5.00% of monthly Effective Gross Income. An executed property management agreement is a condition precedent to loan closing. The inclusion of a portion of the ODR, as noted in item #13 on page A-29, reduces that percentage to 4.85%.

7. Replacement Reserves of \$35,700 or a minimum of \$300 per unit per annum, per the RFA and Rule Chapters 67-21 and 67-48.
8. First Mortgage Fees are as follows: the MHRB has an Annual Authority Fee of 25 basis points of the original principal amount of the Bonds. In addition, the Developer will be required to pay the cost of an annual audit of the accounts held under the indenture a funding loan agreement. The minimum ongoing fee shall be \$10,000 annually. The annual MHRB Compliance Monitoring Fee is an amount equal to \$30.00 per rental unit in the Development. The Trustee Fee is included in First Mortgage Fees and is estimated at \$4,500 annually. There is a 0.14% early redemption fee on the bonds with a minimum fee of \$20,000.
9. The Viability Loan has an annual Permanent Loan Servicing Fee based on 25 basis points of the outstanding loan amount, with a minimum monthly fee of \$236 and a maximum monthly fee of \$936, and an hourly fee of \$198 for extraordinary services.
10. The SAIL Loan has an annual Permanent Loan Servicing Fee based on 25 basis points of the outstanding loan amount, with a minimum monthly fee of \$236 and a maximum monthly fee of \$936, and an hourly fee of \$198 for extraordinary services. The annual Compliance Monitoring Multiple Program Fee is \$1,023.
11. The ELI Loan has an annual Permanent Loan Servicing Fee based on 25 basis points of the outstanding loan amount, with a minimum monthly fee of \$236 and a maximum monthly fee of \$936, and an hourly fee of \$198 for extraordinary services. The annual Compliance Monitoring Multiple Program Fee is \$1,023.
12. The NHTF Loan has an annual Permanent Loan Servicing Fee based on 25 basis points of the outstanding loan amount, with a minimum monthly fee of \$236 and a maximum monthly fee of \$936, and an hourly fee of \$198 for extraordinary services. The annual Compliance Monitoring Multiple Program Fee is \$1,023.
13. Based upon an estimated Net Operating Income (“NOI”) of \$994,708 for the proposed Development’s initial year of stabilized operations; the First Mortgage loan can be supported by operations at a 1.19x to 1.00 Debt Service Coverage (“DSC”). The combined amount of the superior mortgages and SAIL loan can be supported by operations at a 1.07x to 1.00 DSC. All mortgage loans and fees can be supported by operations at a 1.00x to 1.00 DSC. Per Rule Chapter 67-48 F.A.C. (the “Rule”), the minimum debt service coverage (“DSC”) shall be 1.10x to 1.00 for the SAIL loan and all superior mortgages. However, per Rule 67-48, if the Applicant defers at least 35% of its Developer Fee following the last disbursement of all permanent sources of funding identified in the final credit underwriting report and, in the case of a Housing Credit Development, the final cost certification documentation, and when the primary expected source of repayment has been identified as projected cash flow, the minimum DSC shall be 1.00x for the SAIL Loan, including all superior mortgages. Please note that in order to meet the minimum DSC per Rule, the Development will need to utilize \$58,870 of the ODR during year 1 of stabilized operations and a total of \$149,865 over the first five years of stabilized operations.
14. A 15-year Operating Pro forma attached hereto as Exhibit 1 reflects rental income increasing at an annual rate of 2% and expenses increasing at an annual rate of 3%.
15. The Break-even Economic Occupancy Ratio includes all debt; however, payments of interest on the FHFC and PHCD debt are based on available cash flow. This ratio would improve to 89.7% if these interest payments were not included.

Section B

Viability, SAIL, and ELI Loan Special and General Conditions

Special Conditions

This recommendation is contingent upon receipt of the following item by Florida Housing at least two weeks prior to real estate loan closing. Failure to submit this item within this time frame may result in postponement of the loan closing date.

1. FHFC Board approval of a RFA waiver for the proposed Applicant ownership structure.
2. Receipt of an executed Management Agreement.
3. Receipt of the tax ID# for Vista Breeze HACMB, Inc., the General Partner in the transaction, and a satisfactory credit report for the entity is a condition precedent to loan closing.
4. Receipt of a P&P bond in the full amount of the Construction Contract.
5. Receipt of an executed Construction Contract.
6. Any changes to the Construction Contract as underwritten herein will require review and opinion by the construction consultant retained by AmeriNat.
7. Receipt of an executed HUD HAP contract consistent with the number of units, rents, and contract length as has been underwritten herein.
8. Completion of the HUD Section 3 pre-construction conference.
9. The Development shall meet the Section 3 requirements of the Housing and Urban Development Act of 1968 as amended (12 U.S.C. 1701u and 24 CFR Part 135).
10. Satisfactory receipt of the Affirmative Fair Housing Marketing Plan.
11. Per Rule 67-48 the minimum DSC ratio shall be 1.10x for the SAIL Loan, including all superior mortgages. However, per Rule 67-48, if the Applicant defers at least 35% of its Developer Fee following the last disbursement of all permanent sources of funding identified in the final credit underwriting report and, in the case of a Housing Credit Development, the final cost certification documentation, and when the primary expected source of repayment has been identified as projected cash flow, the minimum DSC shall be 1.00x for the SAIL Loan, including all superior mortgages. The Applicant will be required to show permanent Deferred Developer Fee of at least 35% as the SAIL Loan DSC is 1.07x.

General Conditions

This recommendation is contingent upon the review and approval of the following items by AmeriNat and Florida Housing at least two weeks prior to Real Estate loan closing. Failure to receive approval of these items within this time frame may result in postponement of the loan closing.

1. Applicant to comply with any and all recommendations noted in the Plan and Cost Review prepared by GLE Associates, Inc.

2. Signed and sealed survey, dated within 90 days of closing, unless otherwise approved by Florida Housing, and its Legal Counsel, based upon the particular circumstances of the transaction. The Survey shall be certified to Florida Housing and its Legal Counsel, as well as the title insurance company, and shall indicate the legal description, exact boundaries of the Development, easements, utilities, roads, and means of access to public streets, total acreage and flood hazard area, and any other requirements of Florida Housing.
3. Final "as permitted" (signed and sealed) site plans, building plans and specifications. The geotechnical report, if any, must be bound within the final plans and specifications.
4. Building permits and any other necessary approvals and permits (e.g., final site plan approval, water management district, Department of Environmental Protection, Army Corps of Engineers, Department of Transportation, etc.). Acceptable alternatives to this requirement are receipt and satisfactory review of a letter from the local permitting and approval authority that the above referenced permits and approvals will be issued upon receipt of applicable fees (with no other conditions), or evidence of 100% lien-free completion, if applicable. If a letter is provided, copies of all permits will be required as a condition of the first post-closing draw.
5. Final sources and uses of funds itemized by source and line item, in a format and in amounts approved by the Servicer. A detailed calculation of the construction interest based on the final draw schedule (see below), documentation of the closing costs, and draft loan closing statement must also be provided. The sources and uses of funds schedule will be attached to the Loan Agreement as the approved Development budget.
6. A final construction draw schedule showing itemized sources and uses of funds for each monthly draw. Viability, SAIL, ELI & NHTF Loan Proceeds shall be disbursed in an amount per Draw that does not exceed the ratio of the Viability, SAIL, ELI & NHTF loans, respectively, to the Total Development Cost during the construction or rehabilitation phase, unless otherwise approved by the Credit Underwriter. The closing draw shall include appropriate backup and ACH wiring instructions.
7. Construction Period Developer Fee shall be the lesser of i) 50% of the Total Developer Fee or ii) the Total Developer Fee less the Deferred Developer Fee listed in the Sources and Uses for the construction period, as calculated by the Servicer. At closing, a maximum of 35% of the Construction Period Developer Fee may be funded. Remaining Construction Period Developer Fee will be disbursed during construction/rehabilitation on a pro rata basis, based on the percentage of completion of the development, as approved and reviewed by FHFC and Servicer.

Once the Development has achieved 100% lien free completion and retainage has been released, the Post-Construction Period Developer Fee may be funded. Post-Construction Period Developer Fee is the remaining portion of Developer Fee less Deferred Developer Fee listed in the Sources and Uses for the permanent period, as calculated by the Servicer.

8. Evidence of insurance coverage pursuant to the Request for Application governing this proposed transaction and, if applicable, the FHFC Insurance Guide.
9. The General Contractor shall secure a payment and performance bond equal to 100 percent of the total construction cost listing FHFC as a co-obligee, whose terms do not adversely affect the Corporation's interest, issued in the name of the General Contractor, from a company rated at least "A-" by AMBest & Co., or a Corporation-approved alternate security for the General Contractor's performance such as a letter of credit issued by a financial institution with a senior long term (or equivalent) credit rating of at least "Baa3" by Moody's, or at least "BBB-" by Standard & Poor's or

Fitch, or a financial rating of at least 175 by IDC Financial Publishing. The LOC must include “evergreen” language and be in a form satisfactory to Florida Housing, its Servicer and its Legal Counsel.

10. Architect, Construction Consultant, and Applicant certifications on forms provided by Florida Housing will be required for both design and as-built with respect to Section 504 of the Rehabilitation Act, the Americans with Disabilities Act (“ADA”), and Federal Fair Housing Act requirements, as applicable.
11. A copy of an Amended and Restated Limited Partnership Agreement reflecting purchase of the HC under terms consistent with the assumptions contained within this Credit Underwriting Report. The Amended and Restated Limited Partnership Agreement shall be in a form and of financial substance satisfactory to Servicer and to FHFC and its Legal Counsel.
12. Satisfactory resolution of any outstanding past due and/or noncompliance issues.
13. Payment of any outstanding arrearages to the Corporation, its Legal Counsel, Servicer or any agent or assignee of the Corporation for past due issues applicable to the Development team (Applicant or Developer or Principal, Affiliate or Financial Beneficiary, as described in Rule Chapters 67-21.0025(5) and 67-48.0075 (5) F.A.C., of an Applicant or a Developer).
14. At all times there will be undisbursed loan funds (collectively held by Florida Housing, the first lender and any other source) sufficient to complete the Development. If at any time there are not sufficient funds to complete the Development, the Applicant will be required to expend additional equity on Development costs or to deposit additional equity with Florida Housing which is sufficient (in Florida Housing’s judgment) to complete the Development before additional loan funds are disbursed. This condition specifically includes escrowing at closing all equity necessary to complete construction or another alternative acceptable to Florida Housing in its sole discretion.
15. At the end of the Compliance Period, any remaining balance of the ODR less amounts that may be permitted to be drawn (which includes Deferred Developer Fee and reimbursements for authorized member/partner and guarantor loan(s) pursuant to the operating/partnership agreement), will be used to pay FHFC debt; if there is no FHFC loan debt on the proposed Development at the end of the Compliance Period, any remaining balance shall be used to pay any outstanding FHFC fees. If any balance is remaining in the ODR after the payments above, the amount should be placed in a Replacement Reserve account for the Development. In no event shall the payments of amounts to Applicant or the Developer from the Reserve Account cause the Developer fee or General Contractor Fee to exceed the applicable percentage limitations provided for in the Rule. Any and all terms and conditions of the ODR must be acceptable to FHFC, its Servicer and its Legal Counsel.

This recommendation is contingent upon the review and approval of the following items by Florida Housing and its Legal Counsel at least two weeks prior to Real Estate loan closing. Failure to receive approval of these items within this time frame may result in postponement of the loan closing.

1. Documentation of the legal formation and current authority to transact business in Florida for the Applicant, the general partner/member(s)/principal(s)/manager(s) of the Applicant, the guarantors, and any limited partners/members of the Applicant.
2. Signed and sealed survey, dated within 90 days of closing, unless otherwise approved by Florida Housing, and its Legal Counsel, based upon the particular circumstances of the transaction. The Survey shall be certified to Florida Housing and its Legal Counsel, as well as the title insurance company, and shall indicate the legal description, exact boundaries of the Development, easements, utilities, roads, and means of access to public streets, total acreage and flood hazard area, and any other requirements of Florida Housing.

3. An acceptable updated Environmental Audit Report, together with a reliance letter to Florida Housing, prepared within 90 days of Viability, SAIL, ELI & NHTF loan closing, unless otherwise approved by Florida Housing, and Legal Counsel, based upon the particular circumstances of the transaction. Applicant to comply with any and all recommendations noted in the Environmental Assessment(s) and Update and the Environmental Review, if applicable.
4. Title insurance pro-forma or commitment for title insurance with copies of all Schedule B exceptions, in the amount of the Viability, SAIL, ELI and NHTF loans naming FHFC as the insured. All endorsements required by Florida Housing shall be provided.
5. Florida Housing and its Legal Counsel shall review and approve all other lenders closing documents and the Amended and Restated Limited Partnership Agreement or other applicable agreement. Florida Housing shall be satisfied in its sole discretion that all legal and program requirements for the Loans have been satisfied.
6. Evidence of insurance coverage pursuant to the Request for Application governing this proposed transaction and, if applicable, the FHFC Insurance Guide.
7. Receipt of a legal opinion from the Applicant's Legal Counsel acceptable to Florida Housing addressing the following matters:
 - a. The legal existence and good standing of the Applicant and of any partnership or limited liability company that is the general partner of the Applicant (the "GP") and of any corporation or partnership that is the managing general partner of the GP, of any corporate guarantor and any manager;
 - b. Authorization, execution, and delivery by the Applicant and the guarantors, of all Loan documents;
 - c. The Loan documents being in full force and effect and enforceable in accordance with their terms, subject to bankruptcy and equitable principles only;
 - d. The Applicant's and the guarantor's execution, delivery and performance of the loan documents shall not result in a violation of, or conflict with, any judgments, orders, contracts, mortgages, security agreements or leases to which the Applicant is a party or to which the Development is subject to the Applicant's Partnership/Operating Agreement and;
 - e. Such other matters as Florida Housing or its Legal Counsel may require.
8. Evidence of compliance with local concurrency laws, as applicable.
9. UCC Searches for the Applicant, its partnerships, as requested by Legal Counsel.
10. Such other assignments, affidavits, certificates, financial statements, closing statements, and other documents as may be reasonably requested by Florida Housing or its Legal Counsel in form and substance acceptable to Florida Housing and its Legal Counsel, in connection with the loan(s).
11. Any other reasonable conditions established by Florida Housing and its Legal Counsel.

Additional Conditions

This recommendation is also contingent upon the following additional conditions:

1. Compliance with all provisions of Sections 420.507, 420.5087, and 420.509, Florida Statutes, Rule Chapters 67-21, 67-48, 67-53, and 67-60, F.A.C., RFA 2021-205, RFA 2023-211, Section 42 I.R.C., and any other State and Federal requirements.

2. Acceptance by the Applicant and execution of all documents evidencing and securing the Viability, SAIL, ELI & NHTF Loans in form and substance satisfactory to Florida Housing and its Legal Counsel, including, but not limited to, the Promissory Note(s), the Loan Agreement(s), the Mortgage and Security Agreement(s), the Land Use Restriction Agreement(s), and Extended Low Income Housing Agreement(s).
3. If applicable, receipt and satisfactory review of Financial Statements from all Guarantors dated within 90 days of Real Estate Closing.
4. Guarantors are to provide the standard FHFC Construction Completion Guaranty, to be released upon lien free completion as approved by the Servicer.
5. Guarantors for the Viability Loan are to provide the standard FHFC Operating Deficit Guaranty. If requested in writing by the Applicant, the Servicer will consider a recommendation to release the Operating Deficit Guaranty if all conditions are met, including achievement of a 1.15x debt service coverage on the combined permanent first mortgage and Viability Loan as determined by FHFC, or the Servicer, and 90% occupancy, and 90% of the gross potential rental income, net of utility allowances, if applicable, for a period equal to 12 consecutive months, all as certified by an independent Certified Public Accountant, and verified by the Servicer. The calculation of the debt service coverage ratio shall be made by FHFC or the Servicer. Notwithstanding the above, the Operating Deficit Guaranty shall not terminate earlier than three (3) years following the final certificate of occupancy.
6. Guarantors for the SAIL are to provide the standard FHFC Operating Deficit Guaranty. If requested in writing by the Applicant, Servicer will consider a recommendation to release the Operating Deficit Guaranty if all conditions are met, including achievement of a 1.15 DSC on the combined permanent first mortgage and SAIL loan, as determined by FHFC or the Servicer, and 90% Occupancy and 90% of Gross Potential Rental Income net of utility allowances, if applicable, for a period equal to twelve (12) consecutive months, all certified by an independent Certified Public Accountant ("CPA") and verified by the Servicer. The calculation of the debt service coverage ratio shall be made by FHFC or the Servicer. Notwithstanding the above, the Operating Deficit Guaranty shall not terminate earlier than three (3) years following the final certificate of occupancy.
7. Guarantors are to provide the standard FHFC Environmental Indemnity Guaranty.
8. Guarantors are to provide the standard FHFC Guaranty of Recourse Obligations.
9. A mortgagee title insurance lender's policy naming Florida Housing as the insured mortgage holder in the amount of the Viability, SAIL, ELI and NHTF Loans is to be issued at closing. Any exceptions to the title insurance policy must be acceptable to Florida Housing or its Legal Counsel. All endorsements that are required by Florida Housing are to be issued and the form of the title policy must be approved prior to closing.
10. Property tax and hazard insurance escrows are to be established and maintained by the First Lender or the Servicer. In the event the reserve account is held by Florida Housing's loan servicing agent, the release of funds shall be at Florida Housing's sole discretion.
11. Replacement Reserves in the minimum amount of \$300 per unit per year are required to be deposited on a monthly basis into a designated escrow account, to be maintained by the First Mortgagee/Credit Enhancer, the Fiscal Agent, or Florida Housing's loan servicing agent. However, Applicant has the option to prepay Replacement Reserves, as allowed per RFA and Rule Chapters 67-21 and 67-48, in the amount of \$35,700 (one-half the required Replacement Reserves for Years 1 and 2), in order to meet the applicable DSC loan requirements. Applicant can waive this election, if at closing of the

loan(s) the required DSC is met without the need to exercise the option. It is currently estimated that Replacement Reserves will be funded from Operations in the amount of \$300 per unit per year for years 1 and 2, followed by \$300 per unit per year thereafter. The initial Replacement Reserve will have limitations on the ability to be drawn. New construction or Redevelopment Developments (with or without acquisition) shall not be allowed to draw during the first five years or until the establishment of a minimum balance equal to the accumulation of five years of replacement reserves per unit.

The amount established as a Replacement Reserve shall be adjusted based on a Capital Needs Assessment ("CNA") to be received by the Corporation or its servicers, prepared by an independent third party and acceptable to the Corporation and its servicers at the time the CNA is required, beginning no later than the 10th year after the first residential building in the Development receives a certificate of occupancy, a temporary certificate of occupancy, or is placed in service, whichever is earlier ("Initial Replacement Reserve Date"). A subsequent CNA is required no later than the 15th year after the Initial Replacement Reserve Date and subsequently every five (5) years thereafter.

12. GLE Associates, Inc. or other construction inspector acceptable for Florida Housing is to act as Florida Housing's inspector during the construction period.
13. Under the terms of the construction contract, a minimum of 10% retainage holdback on all construction draws will be withheld until construction is 50% complete and thereafter no additional retainage is withheld. Retainage will not be released until successful lien free completion of construction and issuance of all certificates of occupancy, which satisfies RFA 2021-205 and Rule Chapters 67-21 and 67-48 minimum requirement.
14. Satisfactory completion of a pre-loan closing compliance audit conducted by Florida Housing or its Servicer, if applicable.
15. Closing of all funding sources prior to or simultaneous with the closing of the Viability, SAIL, ELI and NHTF loans.
16. Any other reasonable requirements of the Servicer, Florida Housing or its Legal Counsel.

Housing Credit Allocation Recommendation

AmeriNat recommends an annual \$2,585,299 HC Allocation. Please refer to Exhibit 3 - HC Allocation Calculation for further detail.

Contingencies

1. Purchase of the HC by the Syndicator or its assigns under the terms consistent with assumptions of this report.
2. Closing of all funding sources prior to or simultaneous with closing of the Viability, SAIL, ELI & NHTF loans.
3. Receipt of executed FHFC Fair Housing, Section 504 and ADA as-built certification forms 122, 127, and 129.
4. GLE Associates, Inc. is to act as construction phase inspector for Florida Housing.
5. Satisfactory resolution of any outstanding past due and/or noncompliance issues.
6. Any other reasonable requirements of Florida Housing, its Legal Counsel, or its Servicer.

Exhibit 1
Vista Breeze
15 Year Operating Pro Forma

FINANCIAL COSTS:		Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11	Year 12	Year 13	Year 14	Year 15
OPERATING PRO FORMA																
INCOME:	Gross Potential Rental Income	\$1,949,220	\$1,988,204	\$2,027,968	\$2,068,528	\$2,109,898	\$2,152,096	\$2,195,138	\$2,239,041	\$2,283,822	\$2,329,498	\$2,376,088	\$2,423,610	\$2,472,082	\$2,521,524	\$2,571,954
	Rent Subsidy (ODR)	\$58,870	\$41,455	\$28,971	\$16,505	\$4,065										
	Other Income															
	Ancillary Income	\$7,140	\$7,283	\$7,428	\$7,577	\$7,729	\$7,883	\$8,041	\$8,202	\$8,366	\$8,533	\$8,704	\$8,878	\$9,055	\$9,236	\$9,421
	Gross Potential Income	\$2,015,230	\$2,036,942	\$2,064,368	\$2,092,610	\$2,121,692	\$2,159,980	\$2,203,179	\$2,247,243	\$2,292,188	\$2,338,031	\$2,384,792	\$2,432,488	\$2,481,138	\$2,530,760	\$2,581,375
	Less:															
	Physical Vac. Loss Percentage: 2.91%	\$58,691	\$59,323	\$60,122	\$60,945	\$61,792	\$62,907	\$64,165	\$65,448	\$66,757	\$68,092	\$69,454	\$70,843	\$72,260	\$73,705	\$75,179
Collection Loss Percentage: 0.97%	\$19,564	\$19,775	\$20,041	\$20,315	\$20,598	\$20,969	\$21,389	\$21,816	\$22,253	\$22,698	\$23,152	\$23,615	\$24,087	\$24,569	\$25,060	
Total Effective Gross Income	\$1,936,975	\$1,957,844	\$1,984,205	\$2,011,350	\$2,039,303	\$2,076,104	\$2,117,626	\$2,163,816	\$2,214,928	\$2,271,178	\$2,332,628	\$2,399,416	\$2,471,823	\$2,550,291	\$2,634,936	
EXPENSES:	Fixed:															
	Real Estate Taxes	\$159,947	\$164,745	\$169,688	\$174,778	\$180,022	\$185,422	\$190,985	\$196,715	\$202,616	\$208,695	\$214,955	\$221,404	\$228,046	\$234,888	\$241,934
	Insurance	\$178,500	\$183,855	\$189,371	\$195,052	\$200,903	\$206,930	\$213,138	\$219,532	\$226,118	\$232,902	\$239,889	\$247,086	\$254,498	\$262,133	\$269,997
	Variable:															
	Management Fee Percentage: 4.85%	\$93,905	\$94,917	\$96,195	\$97,511	\$98,866	\$100,650	\$102,663	\$104,716	\$106,811	\$108,947	\$111,126	\$113,348	\$115,615	\$117,928	\$120,286
	General and Administrative	\$60,690	\$62,511	\$64,386	\$66,318	\$68,307	\$70,356	\$72,467	\$74,641	\$76,880	\$79,187	\$81,562	\$84,009	\$86,529	\$89,125	\$91,799
	Payroll Expenses	\$178,500	\$183,855	\$189,371	\$195,052	\$200,903	\$206,930	\$213,138	\$219,532	\$226,118	\$232,902	\$239,889	\$247,086	\$254,498	\$262,133	\$269,997
	Utilities	\$95,200	\$98,056	\$100,998	\$104,028	\$107,148	\$110,363	\$113,674	\$117,084	\$120,597	\$124,214	\$127,941	\$131,779	\$135,732	\$139,804	\$143,999
	Maintenance and Repairs/Pest Control	\$47,600	\$49,028	\$50,499	\$52,014	\$53,574	\$55,181	\$56,837	\$58,542	\$60,298	\$62,107	\$63,970	\$65,890	\$67,866	\$69,902	\$71,999
	Grounds Maintenance and Landscaping	\$17,850	\$18,386	\$18,937	\$19,505	\$20,090	\$20,693	\$21,314	\$21,953	\$22,612	\$23,290	\$23,989	\$24,709	\$25,450	\$26,213	\$27,000
	Contract Services	\$29,750	\$30,643	\$31,562	\$32,509	\$33,484	\$34,488	\$35,523	\$36,589	\$37,686	\$38,817	\$39,982	\$41,181	\$42,416	\$43,689	\$45,000
	Security	\$44,625	\$45,964	\$47,343	\$48,763	\$50,226	\$51,733	\$53,285	\$54,883	\$56,530	\$58,226	\$59,972	\$61,771	\$63,625	\$65,533	\$67,499
	Reserve for Replacements	\$35,700	\$35,700	\$35,700	\$35,700	\$35,700	\$35,700	\$35,700	\$35,700	\$35,700	\$35,700	\$35,700	\$36,771	\$37,874	\$39,010	\$40,181
	Total Expenses	\$942,267	\$967,659	\$994,048	\$1,021,228	\$1,049,224	\$1,078,448	\$1,108,724	\$1,139,888	\$1,171,966	\$1,204,986	\$1,240,047	\$1,276,137	\$1,313,287	\$1,351,530	\$1,390,896
	Net Operating Income	\$994,708	\$990,185	\$990,157	\$990,121	\$990,079	\$997,656	\$1,008,902	\$1,020,090	\$1,031,211	\$1,042,255	\$1,052,140	\$1,061,893	\$1,071,503	\$1,080,957	\$1,090,240
Debt Service Payments																
First Mortgage - HFAMDC / BoA CDB	\$799,733	\$799,733	\$799,733	\$799,733	\$799,733	\$799,733	\$799,733	\$799,733	\$799,733	\$799,733	\$799,733	\$799,733	\$799,733	\$799,733	\$799,733	\$799,733
Second Mortgage - Viability	\$43,000	\$43,000	\$43,000	\$43,000	\$43,000	\$43,000	\$43,000	\$43,000	\$43,000	\$43,000	\$43,000	\$43,000	\$43,000	\$43,000	\$43,000	\$43,000
Third Mortgage - SAIL	\$30,000	\$30,000	\$30,000	\$30,000	\$30,000	\$30,000	\$30,000	\$30,000	\$30,000	\$30,000	\$30,000	\$30,000	\$30,000	\$30,000	\$30,000	\$30,000
Fourth Mortgage - SAIL ELI	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Fifth Mortgage - NHTF	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
6th / 7th / 8th Mortgages - PHCD / CMB / HACMB	\$59,500	\$59,500	\$59,500	\$59,500	\$59,500	\$59,500	\$59,500	\$59,500	\$59,500	\$59,500	\$59,500	\$59,500	\$59,500	\$59,500	\$59,500	\$59,500
First Mortgage Fees - HFAMDC Admin & Trustee Fees	\$35,070	\$30,547	\$30,519	\$30,484	\$30,441	\$30,391	\$30,332	\$30,263	\$30,185	\$30,095	\$29,993	\$29,878	\$29,749	\$29,604	\$29,443	
Second Mortgage Fees - Viability PLS & CM	\$10,750	\$10,750	\$10,750	\$10,750	\$10,750	\$10,750	\$10,750	\$10,750	\$10,750	\$10,750	\$10,750	\$10,750	\$10,750	\$10,750	\$10,750	
Third Mortgage Fees - SAIL PLS & CM	\$8,523	\$8,523	\$8,523	\$8,523	\$8,523	\$8,523	\$8,523	\$8,523	\$8,523	\$8,523	\$8,523	\$8,523	\$8,523	\$8,523	\$8,523	
Fourth Mortgage Fees - SAIL ELI PLS & CM	\$3,855	\$3,855	\$3,855	\$3,855	\$3,855	\$3,855	\$3,855	\$3,855	\$3,855	\$3,855	\$3,855	\$3,855	\$3,855	\$3,855	\$3,855	
Fifth Mortgage Fees - NHTF PLS & CM	\$4,277	\$4,277	\$4,277	\$4,277	\$4,277	\$4,277	\$4,277	\$4,277	\$4,277	\$4,277	\$4,277	\$4,277	\$4,277	\$4,277	\$4,277	
6th / 7th / 8th Mortgage Fees - PHCD / CMB / HACMB	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Total Debt Service Payments	\$994,708	\$990,185	\$990,157	\$990,121	\$990,079	\$990,029	\$989,970	\$989,901	\$989,823	\$989,733	\$989,631	\$989,516	\$989,387	\$989,242	\$989,081	
Cash Flow after Debt Service	\$0	\$0	(\$0)	\$0	(\$0)	\$7,627	\$18,932	\$30,189	\$41,389	\$52,522	\$62,509	\$72,377	\$82,117	\$91,715	\$101,159	
Debt Service Coverage Ratios																
DSC - First Mortgage plus Fees	1.19x	1.19x	1.19x	1.19x	1.19x	1.20x	1.22x	1.23x	1.24x	1.26x	1.27x	1.28x	1.29x	1.30x	1.31x	
DSC - Second Mortgage plus Fees	1.12x	1.12x	1.12x	1.12x	1.12x	1.13x	1.14x	1.15x	1.17x	1.18x	1.19x	1.20x	1.21x	1.22x	1.23x	
DSC - Third Mortgage plus Fees	1.07x	1.07x	1.07x	1.07x	1.07x	1.08x	1.09x	1.11x	1.12x	1.13x	1.14x	1.15x	1.16x	1.17x	1.18x	
DSC - Fourth Mortgage plus Fee	1.07x	1.07x	1.07x	1.07x	1.07x	1.08x	1.09x	1.10x	1.11x	1.13x	1.14x	1.15x	1.16x	1.17x	1.18x	
DSC - Fifth Mortgage plus Fees	1.06x	1.06x	1.06x	1.06x	1.06x	1.07x	1.08x	1.10x	1.11x	1.12x	1.13x	1.14x	1.15x	1.16x	1.17x	
DSC - 6th / 7th / 8th Mortgages and Fees	1.00x	1.00x	1.00x	1.00x	1.00x	1.01x	1.02x	1.03x	1.04x	1.05x	1.06x	1.07x	1.08x	1.09x	1.10x	
Financial Ratios																
Operating Expense Ratio	48.65%	49.42%	50.10%	50.77%	51.45%	51.95%	52.36%	52.77%	53.19%	53.62%	54.10%	54.58%	55.07%	55.56%	56.06%	
Break-even Economic Occupancy Ratio (all debt)	96.31%	96.31%	96.31%	96.31%	96.31%	95.95%	95.45%	94.96%	94.50%	94.06%	93.68%	93.33%	93.00%	92.68%	92.39%	

Please note that the DSC is below the minimum of 1.10x for the combined superior mortgages and SAIL loan as required by Rule 67-48; therefore, \$149,865 of the budgeted ODR will need to be drawn during the first five years of stabilized operations.

Vista Breeze
RFA 2021-205 (2022-159SN / 2021-523C)
RFA 2023-211 (2023-260V)

Description of Features and Amenities

A. The Development will consist of:

119 Units located in 2 Mid-Rise residential buildings

Unit Mix:

One hundred nineteen (119) zero bedroom/one bath units:

119 Total Units

B. All units are expected to meet all requirements as outlined below. If the proposed Development consists of rehabilitation, the proposed Development's ability to provide all construction features will be confirmed as outlined in Exhibit F of the RFA. The quality of the construction features committed to by the Applicant is subject to approval of the Board of Directors.

The Development must meet all federal requirements and state building code requirements, including the following, incorporating the most recent amendments, regulations, and rules: The Federal Fair Housing Act as implemented by 24 CFR 100, Florida Accessibility Code for Building Construction as adopted pursuant to Section 553.503, F.S., Section 504 of the Rehabilitation Act of 1973, and Titles II and III of the Americans with Disabilities Act ("ADA") of 1990 as implemented by 28 CFR 35.

All Developments must meet accessibility standards of Section 504. Section 504 accessibility standards require a minimum of 5 percent of the total dwelling units, but not fewer than one unit, to be accessible for individuals with mobility impairments. An additional 2 percent of the total units, but not fewer than one unit, must be accessible for persons with hearing or vision impairments. All of the accessible units must be equally distributed among different unit sizes and Development types and must be dispersed on all accessible routes throughout the Development.

C. The Development must provide the following General Features:

1. Broadband infrastructure which includes cables, fiber optics, wiring, or other infrastructure, as long as the installation results in accessibility in each unit;
2. Termite prevention;
3. Pest control;
4. Window covering for each window and glass door inside each unit;

5. Cable or satellite TV hook-up in each unit and, if the Development offers cable or satellite TV service to the residents, the price cannot exceed the market rate for service of similar quality available to the Development's residents from a primary provider of cable or satellite TV;
6. Washer and dryer hook ups in each of the Development's units or an on-site laundry facility for resident use. If the proposed Development will have an on-site laundry facility, the following requirements must be met:
 - There must be a minimum of one (1) Energy Star certified washer and one (1) Energy Star certified or commercial grade dryer per every 15 units. To determine the required number of washers and dryers for the on-site laundry facility; divide the total number of the Developments' units by 15, and then round the equation's total up to the nearest whole number;
 - At least one washing machine and one dryer shall be front loading that meets the accessibility standards of Section 504;
 - If the proposed Development consists of Scattered Sites, the laundry facility shall be located on each of the Scattered Sites, or no more than 1/16 mile from the Scattered Site with the most units, or a combination of both.
7. At least two full bathrooms in all 3 bedroom or larger new construction units;
8. Bathtub with shower in at least one bathroom in at least 90% of the new construction non-Elderly units;
9. Elderly Developments must have a minimum of one elevator per residential building provided for all Elderly Set-Aside Units that are located on a floor higher than the first floor.
10. Elderly Demographic Developments that are new construction units must have a full-size range and oven.

D. Required Accessibility Features, regardless of the age of the Development:

Federal and state law and building code regulations requires that programs, activities, and facilities be readily accessible to and usable by persons with disabilities. Florida Housing requires that the design, construction, or alteration of its financed Developments be in compliance with federal and state accessibility requirements. When more than one law and accessibility standard applies, the Applicant shall comply with the standard (2010 ADA Standards, Section 504, Fair Housing Act, or Florida Building Code, Accessibility) which affords the greater level of accessibility for the residents and visitors. Areas required to be made accessible to mobility-impaired residents and their visitors, including those in wheelchairs, shall include, but not be limited to, accessible routes and entrances, paths of travel, primary function areas, parking, trash bins, mail and package receiving areas for residents, pool and other amenities, including paths of travel to amenities and laundry rooms, including washers and dryers.

E. The Development must provide the following Accessibility Features in all units:

1. Primary entrance doors on an accessible route shall have a threshold with no more than a ½-inch rise;

2. All door handles on primary entrance door and interior doors must have lever handles;
 3. Lever handles on all bathroom faucets and kitchen sink faucets;
 4. Mid-point on light switches and thermostats shall not be more than 48 inches above finished floor level; and
 5. Cabinet drawer handles and cabinet door handles in bathroom and kitchen shall be lever or D-pull type that operate easily using a single closed fist.
- F.** All Elderly (ALF or Non-ALF) Demographic Developments must provide the following Accessibility Features:
- 20 percent of the new construction units must have roll-in showers.
 - Horizontal grab bars in place around each tub and/or shower, or a Corporation-approved alternative approach for grab bar installation. The installation of the grab bars must meet or exceed 2010 ADA Standards for Accessible Design, Section 609. In addition, the following standards for grab bars are required:
 - If a bathtub/shower combination with a permanent seat is provided, grab bars shall be installed to meet or exceed 2010 ADA Standards for Accessible Design, Section 607.4.1.
 - If a bathtub/shower combination without a permanent seat is provided, grab bars shall be installed to meet or exceed 2010 ADA Standards for Accessible Design, Section 607.4.2.
 - If a roll-in shower is provided, grab bars shall be installed to meet or exceed 2010 ADA Standards for Accessible Design, Section 608.3.2;
 - Reinforced walls for future installation of horizontal grab bars in place around each toilet, or a Corporation-approved alternative approach for grab bar installation. The installation of the grab bars must meet or exceed the 2010 ADA Standards for Accessible Design;
 - All bathrooms in all new construction units must have vanity cabinets with at least one roll-out shelf or drawer in bottom of cabinet;
 - Adjustable shelving in master bedroom closets (must be adjustable by resident); and
 - In one of the kitchen's base cabinets, there shall be a large bottom drawer that opens beyond full extension, also referred to as an "over-travel feature." Drawers with the over-travel feature allow drawers to extend completely past the cabinet front so all the contents can be accessed. The drawer shall be deep and wide enough to store pots and pans and the drawer slides shall have a weight load rating of a minimum of 100 pounds. The drawers shall be mounted on a pair of metal side rails that are ball-bearing.

G. Green Building Features required in all Developments:

All new construction units and, as applicable, all common areas must have the features listed below and all rehabilitation units are expected to have all of the following required Green Building features unless found to be not appropriate or feasible within the scope of the rehabilitation work utilizing a capital needs assessment as further explained in Exhibit F of the RFA:

- a. Low or No-VOC paint for all interior walls (Low-VOC means 50 grams per liter or less for flat; 150 grams per liter or less for non-flat paint);
- b. Low-flow water fixtures in bathrooms – WaterSense labeled products or the following specifications:
 - i. Toilets: 1.28 gallons/flush or less,
 - ii. Urinals: 0.5 gallons/flush,
 - iii. Lavatory Faucets: 1.5 gallons/minute or less at 60 psi flow rate,
 - iv. Showerheads: 2.0 gallons/minute or less at 80 psi flow rate;
- c. Energy Star certified refrigerator;
- d. Energy Star certified dishwasher;
- e. Energy Star certified ventilation fan in all bathrooms;
- f. Water heater minimum efficiency specifications:
 - Residential Electric:
 - i. Up to 55 gallons = 0.95 EF or 0.92 UEF; or
 - ii. More than 55 gallons = Energy Star certified; or
 - iii. Tankless = 0.97 EF and Max GPM of ≥ 2.5 over a 77° rise or 0.87 UEF and GPM of ≥ 2.9 over a 67° rise;
 - Residential Gas (storage or tankless/instantaneous): Energy Star certified
 - Commercial Gas Water Heater: Energy Star certified;
- g. Energy Star certified ceiling fans with lighting fixtures in bedrooms;
- h. Air Conditioning (in-unit or commercial):
 - i. Air-Source Heat Pumps – Energy Star certified:
 - a. ≥ 8.5 HSPF/ ≥ 15 SEER/ ≥ 12.5 EER for split systems
 - b. ≥ 8.2 HSPF/ ≥ 15 SEER/ ≥ 12 EER for single package equipment including gas/electric package units
 - ii. Central Air Conditioners – Energy Star certified:
 - a. ≥ 15 SEER/ ≥ 12.5 EER* for split systems
 - b. ≥ 15 SEER/ ≥ 12 EER* for single package equipment including gas/electric package units.

NOTE: Window air conditioners and portable air conditioners are not allowed. Package Terminal Air Conditioners (PTACs) / Package Terminal Heat Pumps (PTHPs) are allowed in studio and 1 bedroom units;

In addition to the required Green Building Features outlined above, proposed Developments with a Development Category of New Construction or Redevelopment, with or without acquisition, must commit to achieve one of the following Green Building Certification programs:

Leadership in Energy and Environmental Design (LEED); or

Florida Green Building Coalition (FGBC); or

ICC 700 National Green Building Standard (NGBS); or

Enterprise Green Communities.

H. Applicants who select the Elderly (ALF or Non-ALF) Demographic must provide the required following Resident Program:

24 Hour Support to Assist Residents In Handling Urgent Issues

An important aging in place best practice is providing the residents access to property management support 24 hours per day, 7 days a week to assist them to appropriately and efficiently handle urgent issues or incidents that may arise. These issues may include, but are not limited to, an apartment maintenance emergency, security or safety concern, or a health risk incident in their apartment or on the property. The management's assistance will include a 24/7 approach to receiving residents' requests for assistance that will include a formal written process for relevant property management staff to effectively assess and provide assistance for each request.

This assistance may include staff:

- visiting or coordinating a visit to a resident's apartment to address an urgent maintenance issue;
- responding to a resident being locked out of their apartment;
- contacting on-site security or the police to address a concern;
- providing contact information to the resident and directing or making calls on a resident's behalf to appropriate community-based emergency services or related resources to address an urgent health risk incident;
- calling the resident's informal emergency contact; or
- addressing a resident's urgent concern about another resident.

Property management staff shall be on site at least 8 hours daily, but the 24- hour support approach may include contracted services or technology to assist the management in meeting this commitment if these methods adequately address the intent of this service. The Development's owner and/or designated property management entity shall develop and implement policies and procedures for staff to immediately receive and handle a resident's call and assess the call based on a resident's request and/or need.

At a minimum, residents shall be informed by the property management, at move-in and via a written notice(s)/instructions provided to each resident and displayed in the Development's

common or public areas, that staff are available to receive resident calls at all times. These notices shall also provide contact information and direction to first contact the community-based emergency services if they have health or safety risk concerns.

I. The Applicant must provide the following Resident Programs:

The quality of the Resident Programs committed to by the Applicant is subject to approval of the Board of Directors. The availability of the Resident Programs must be publicized on an ongoing basis such as through community newsletters, bulletin board posts, or flyers.

1. Daily Activities

The Applicant or its Management Company must provide on-site supervised, structured activities, at no cost to the resident, at least five days per week which must be offered between the hours of 8:00 a.m. and 7:00 p.m. If the Development consists of Scattered Sites, this resident program must be provided on the Scattered Site with the most units.

2. Computer Training

The Applicant or its Management Company shall make available computer and internet training classes (basic and/or advanced level depending on the needs and requests of the residents). The training classes must be provided at least once a week, at no cost to the resident, in a dedicated space on site. Training must be held between the hours of 8:00 a.m. and 7:00 p.m., and electronic media, if used, must be used in conjunction with live instruction. If the Development consists of Scattered Sites, this resident program must be provided on the Scattered Site with the most units.

3. Assistance with Light Housekeeping, Grocery Shopping and/or Laundry

The Applicant or its Management Company must provide residents with a list of qualified service providers for (a) light housekeeping, and/or (b) grocery shopping, and/or (c) laundry and will coordinate, at no cost to the resident, the scheduling of services. The Developer or Management Company shall verify that the services referral information is accurate and up-to-date at least once every six months.

HOUSE CREDIT ALLOCATION CALCULATION

Qualified Basis Calculation

Total Development Cost	\$60,401,049
Less Land Costs	\$4,085,000
Less Other Ineligible Costs	\$6,598,764
Total Eligible Basis	\$49,717,285
Applicable Fraction	100%
DDA/QCT Basis Credit, if applicable	130%
Qualified Basis	\$64,632,471
Housing Credit Percentage (Federal allocation)	4.00%
Annual Housing Credit Allocation	\$2,585,299

Notes to the Qualified Basis Calculation:

1. "Other Ineligible Costs" include but are not limited to a portion of new rental units, a portion of site work, accounting fees, environmental report, insurance, FHFC underwriting, application, and administrative fees, title insurance/recording fees, legal fees, marketing/advertising fees, various fees associated with the Viability, SAIL, ELI, and NHTF funding, a portion of construction loan interest, permanent loan related costs, cost of issuance related costs, and reserves.
2. The Development is 100% set-aside; therefore, the Applicable Fraction is 100%.
3. The Development is located in a HUD-designated Small Area DDA ("SADDA") 33141. Therefore, the Development is eligible for the 130% multiplier for the Annual Housing Credit Allocation.
4. FY 2021 Omnibus Appropriations and COVID-19 Legislation provides for a minimum rate of 4% for acquisition LIHTC's and tax-exempt private activity bond-financed developments; therefore, the minimum rate of 4% has been applied herein.

GAP Calculation

Total Development Cost (including land and ineligible costs)	\$60,401,049
Less Mortgages	\$30,036,500
Equity Gap	\$30,364,549
HC Percentage to Investment Partnership	99.99%
HC Syndication Pricing	\$0.985
HC Required to meet Equity Gap	\$30,830,036
Annual HC Required	\$3,083,004

Notes to the GAP Calculation:

1. Mortgages include mortgages provided by BoA CDB, FHFC, PHCD, the City of Miami and HACMB.
2. The HC Syndication Pricing of \$0.985 per dollar and HC Percentage to Investment Partnership are based upon the LOI dated May 15, 2023 and update email dated July 12, 2023 from BoA CDB. Please note the actual syndication pricing equals \$0.98500001162 /credit.

Summary

HC Per Qualified Basis	\$2,585,299
HC Per GAP Calculation	\$3,083,004
Annual HC Recommended	\$2,585,299
HC Proceeds Recommended	\$25,462,649

Notes to Summary:

1. The Annual HC Recommended is equal to the lesser of the Qualified Basis or the GAP Calculation. Therefore, the Qualified Basis was utilized.

Tax Credit 50% Test

Total DEPRECIABLE Cost	\$49,717,285
Plus: Land Cost	\$4,085,000
Equals Aggregate Basis	\$53,802,285
Tax Exempt Bond Amount	\$30,350,000
Tax Exempt Proceeds Used for Building and Land	\$30,350,000
Tax Exempt Proceeds as a Percentage of Aggregate Basis	56.41%

Notes to Tax Credit 50% Test:

1. Based upon this analysis, the 50% Test is satisfactory.

VIABILITY, SAIL, ELI, NHTF AND HC CREDIT UNDERWRITING REPORT

DEVELOPMENT NAME: Vista Breeze
DATE: August 24, 2023

In accordance with the applicable Program Rule(s), the Applicant is required to submit the information required to evaluate, complete, and determine its sufficiency in satisfying the requirements for Credit Underwriting to the Credit Underwriter in accordance with the schedule established by the Florida Housing. The following items must be satisfactorily addressed. "Satisfactorily" means that the Credit Underwriter has received assurances from third parties unrelated to the Applicant that the transaction can close within the allowed timeframe. Unsatisfactory items, if any, are noted below and in the "Issues and Concerns" section of the Executive Summary.

FINAL REVIEW REQUIRED ITEMS:	STATUS	NOTE
	Satis. / Unsatis.	
1. The development's final "as submitted for permitting" plans and specifications. Note: Final "signed, sealed, and approved for construction" plans and specifications will be required thirty days before closing.	Satis.	
2. Final site plan and/or status of site plan approval.	Satis.	
3. Permit Status.	Satis.	
4. Pre-construction analysis ("PCA").	Satis.	
5. Survey.	Satis.	
6. Complete, thorough soil test reports.	Satis.	
7. Full or self-contained appraisal as defined by the Uniform Standards of Professional Appraisal Practice.	Satis.	
8. Market Study separate from the Appraisal.	Satis.	
9. Environmental Site Assessment – Phase I and/or the Phase II if applicable (If Phase I and/or II disclosed environmental problems requiring remediation, a plan, including time frame and cost, for the remediation is required). If the report is not dated within one year of the application date, an update from the assessor must be provided indicating the current environmental status.	Satis.	
10. Audited financial statements for the most recent fiscal year ended or acceptable alternative as stated in Rule for credit enhancers, applicant, general partner, principals, guarantors, and general contractor.	Satis.	
11. Resumes and experience of applicant, general contractor, and management agent.	Satis.	
12. Credit authorizations; verifications of deposits and mortgage loans.	Unsatis.	3
13. Management Agreement and Management Plan.	Unsatis.	2
14. Firm commitment from the credit enhancer or private placement purchaser, if any.	N/A	
15. Firm commitment letter from the syndicator, if any.	Satis.	
16. Firm commitment letter(s) for any other financing sources.	Satis.	
17. Updated sources and uses of funds.	Satis.	
18. Draft construction draw schedule showing sources of funds during each month of the construction and lease-up period.	Satis.	
19. Fifteen-year income, expense, and occupancy projection.	Satis.	

VIABILITY, SAIL, ELI, NHTF AND HC CREDIT UNDERWRITING REPORT

FINAL REVIEW REQUIRED ITEMS:	STATUS	NOTE
	Satis. / Unsatis.	
20. Executed general construction contract with “not to exceed” costs.	Unsatis.	5, 6
21. HC ONLY: 15% of the total equity to be provided prior to or simultaneously with the closing of the construction financing.	Satis	
22. Any additional items required by the credit underwriter.	Unsatis.	1, 4, 7, 8, 9, 10, 11

NOTES AND DEVELOPER RESPONSES:

1. FHFC Board approval of an RFA waiver for the proposed Applicant ownership structure is a condition precedent to loan closing.
2. Receipt of an executed Management Agreement is a condition precedent to loan closing.
3. Receipt of the tax ID# for Vista Breeze HACMB, Inc., the General Partner in the transaction, and a satisfactory credit report for the entity is a condition precedent to loan closing.
4. Receipt of a P&P bond in the full amount of the Construction Contract is a condition precedent to loan closing.
5. Receipt of an executed Construction Contract is a condition precedent to loan closing.
6. Any changes to the Construction Contract as underwritten herein will require review and opinion by the construction consultant retained by AmeriNat. This is a condition precedent to loan closing.
7. Receipt of an executed HUD HAP contract consistent with the number of units, rents, and contract length as has been underwritten herein is a condition precedent to loan closing.
8. Completion of the HUD Section 3 pre-construction conference is a condition precedent to loan closing.
9. The Development shall meet the Section 3 requirements of the Housing and Urban Development Act of 1968 as amended (12 U.S.C. 1701u and 24 CFR Part 135) is a condition precedent to loan closing.
10. Satisfactory receipt of the Affirmative Fair Housing Marketing Plan is a condition precedent to loan closing.
11. Per Rule 67-48 the minimum DSC ratio shall be 1.10x for the SAIL Loan, including all superior mortgages. However, per Rule 67-48, if the Applicant defers at least 35% of its Developer Fee following the last disbursement of all permanent sources of funding identified in the final credit underwriting report and, in the case of a Housing Credit Development, the final cost certification documentation, and when the primary expected source of repayment has been identified as projected cash flow, the minimum DSC shall be 1.00x for the SAIL Loan, including all superior mortgages. The Applicant will be required to show permanent Deferred Developer Fee of at least 35% as the SAIL Loan DSC is 1.07x is a condition precedent to loan closing.

VIABILITY, SAIL, ELI, NHTF AND HC CREDIT UNDERWRITING REPORT

Viability Loan Sizing

Viability Loan Sizing Parameters and Metrics

Select the Development	Vista Breeze			
RFA of Active Award	RFA 2021-205			
Demographic Commitment	Elderly, Non-ALF			
Total Number of Units	119			
<u>Existing Competitive Active Awards:</u>	<u>Set-Aside Units</u>			
9% HC Allocation	NA	NA		
SAIL	\$ 3,000,000	119		
ELI	\$ 600,000	20		
NHTF	\$ 1,301,500	5		
HOME	NA	NA		
<u>Tax Exempt Bond Financing:</u>				
If MMRB, how much is the Perm Amount?	\$ 10,800,000	NA		
<u>Viability Funding Limits:</u>				
Gross Per Development Limit	\$ 4,300,000			
Maximum Per Unit Limit	\$ 125,000			
Net Per Developmentg Limit (same as gross)	\$ 4,300,000			
Maximum Limit from PU Limit (119 units x \$125,000 PU)	\$ 14,875,000	Does the stated Eligible Request Amount need to be adjusted?		
Lesser of Net Per Development or PU Limit	\$ 4,300,000			
<u>Viability Loan Sizing Parameters</u>				
a. Eligible Request Amount:	No			
Applicant's Request Amount	\$ 4,300,000	If so, how much should be deducted?		
Per Development/PU Limit	\$ 4,300,000			
Eligible Request Amount:	\$ 4,300,000			
b. Gap Analysis for Viability Sizing Purposes Only:				
Permanent Funding Sources:		<u>DS w/ Fees</u>	<u>DSCR</u>	<u>NCF</u>
Traditional First Mortgage	\$ 10,800,000.00	\$ 836,201	1.1896x	\$ 158,507
Viability	\$ 4,300,000.00	\$ 53,750	1.1177x	\$ 104,757
SAIL	\$ 3,000,000.00	\$ 38,523	1.0713x	\$ 66,234
ELI	\$ 600,000.00	\$ 3,855	1.0669x	\$ 62,379
NHTF	\$ 1,301,500.00	\$ 4,277	1.0620x	\$ 58,102
Miami Dade County FY 2022 Surtax / SHIP / HOME	\$ 5,950,000.00	\$ -	1.0620x	\$ 58,102
City of Miami Beach HOME	\$ 1,003,969.00	\$ -	1.0620x	\$ 58,102
Housing Authority of the City of Miami Beach	\$ 4,085,000.00	\$ -	1.0620x	\$ 58,102
	\$ -	\$ -	1.0620x	\$ 58,102
<additional source>	\$ -	\$ -	1.0620x	\$ 58,102
HC Equity	\$ 26,149,470.00			
Deferred Developer Fee (37.73%)	\$ 3,211,110.00			
Total Sources	\$ 60,401,049.00	\$ 936,606	1.0620x	\$ 58,102
Additional First Mortgage (Min 1st Sizing)	\$ -			
Additional First Mortgage (DCR Sizing)	\$ -	\$ -		
Total Development Costs	\$ 60,401,049.00			
Maximum Developer Fee Percentage	18%			
Total Developer Fee	\$8,510,678			
Minimum 30% Deferred Developer Fee	\$ 2,553,203.40			

*Set-Asides for MMRB are expressed as the greater of MMRB Set-Asides or 4%HC Set-Asides for purposes of calculating Compliance Monitoring Fees on the MMRB loan.

DENTON COVE, LTD.

**1105 KENSINGTON PARK DRIVE, SUITE 200
ALTAMONTE SPRINGS, FLORIDA 32714
TEL: (407) 333-3233
FAX: (407) 333-3919**

July 28, 2023

VIA EMAIL Lisa.Nickerson@floridahousing.org

Florida Housing Finance Corporation
227 North Bronough Street, Suite 500
Tallahassee, Florida 32301

Re: Denton Cove/2020-494C
Extended Low-Income Housing Agreement Amendment Request

Dear Ms. Nickerson,

We would like to request an amendment to Exhibit B of the Extended Low-Income Housing Agreement for the above referenced community.

Under RFA2014-114, the following Resident Programs were available for selection.

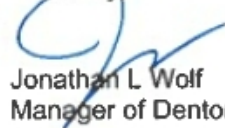
1. After School Program for Children
2. Literacy Training
3. Employment Assistance Program
4. Family Support Coordinator

In its response to the RFA, the Applicant selected Programs 1, 2 and 4. It was deemed that the Employment Assistance Program was not a viable option which left only the Family Support Coordinator Program to select. This program was not an option in future RFA's.

We would like to eliminate this program and change it to a Financial Management Program which was offered as an optional program in later RFA's. Due to the demographic of the property, we feel a Financial Management Program would serve our residents best.

We appreciate your consideration of this request. Should you have any questions, please feel free to contact our offices.

Sincerely,



Jonathan L Wolf
Manager of Denton Cove GP, LLC
General Partner of Denton Cove, LLC



July 25, 2023
Revised August 9, 2023

Melissa Levy
Managing Director, Multifamily Programs
Florida Housing Finance Corporation
227 N. Bronough Street, Suite 5000
Tallahassee, Florida 32301

**RE: Pinnacle at La Cabana – RFA 2021-202, Application 2022-131C
Change of Owner Principal Disclosure**

Dear Ms. Levy:

I submit this request in my capacity as President of the General Partner for Pinnacle at La Cabana, LLLP (owner entity).

We are requesting Florida Housing Finance Corporation approval of the change of ownership structure for Pinnacle at La Cabana, LLLP from that submitted in the application under RFA 2021-202 and as subsequently amended by the Board of Directors of Florida Housing on April 28, 2023.

There are two components to the change in ownership structure, as follows:

1. The remaining living natural persons with an ownership interest (Louis Wolfson III and myself) as well as the Estate of Mitchell M. Friedman have revised the ownership structure to accurately reflect the trusts established for our family members and the managed interests in Mr. Friedman's estate. Therefore, we have created three member entities of the General Partner. We disclose these natural persons in the trusts as trustees and beneficiaries on the attached revised Principal Disclosures of the Applicant form.
2. We have elected to admit the 501(c)(3) non-profit Everglades Housing Trust, Incorporated ("Everglades") as a co-General Partner with a 10% interest in the General Partnership (0.0010% interest in the owner entity). Everglades is a well-established and highly successful non-profit affordable housing owner and operator and has partnered with Pinnacle on numerous successfully completed affordable communities that have received Florida Housing awards, most recently Cannery Row at Redlands Crossing (2019-058C). Admission of Everglades will further enhance the operational and management team for the development consistent with past Pinnacle/Everglades ventures. It further will allow the development to be eligible to be exempt from ad-valorem taxes pursuant to F.S. 196.1975. The structure is further disclosed on the revised Principal Disclosures of the

Melissa Levy
Page 2

Applicant form. The admission of Everglades is explicitly not intended for the purpose of qualifying this development as a "Non-Profit Application" as prescribed under RFA 2021-202, pursuant to Section Four A.3.a.(3).

We respectfully request this matter be placed on the September 8, 2023 agenda for consideration and approval by the Board of Directors. Thank you very much for your consideration of this request and please contact us if additional information is required.

Sincerely,



David O. Deutch

President of General Partner

cc: Steven Kirk
Gary J. Cohen
Timothy P. Wheat
Coraly Rodriguez
Lilybeth De Leon
Lisa Nickerson
Sarah Garner

Principal Disclosures for the Applicant

Select the organizational structure for the Applicant entity:

The Applicant is a: Limited Partnership

Provide the name of the Applicant Limited Partnership:

Pinnacle at La Cabana, LLLP

% Ownership input features will not be made available until invitation to credit underwriting

First Principal Disclosure Level:

[Click here for Assistance with Completing the Entries for the First Level Principal Disclosure for the Applicant](#)

First Level Entity #	Select Type of Principal of Applicant	Enter Name of First Level Principal	Select organizational structure of First Level Principal identified	% Ownership of Applicant
1.	<u>General Partner</u>	<u>PC - Cabana, LLC</u>	<u>Limited Liability Company</u>	<u>0.0100%</u>
2.	<u>Investor LP</u>	<u>Deutch, David O. (placeholder)</u>	<u>Natural Person</u>	<u>99.9900%</u>
3.	<u><Select an option></u>	<u></u>	<u><Select an option></u>	<u></u>

Second Principal Disclosure Level:

Pinnacle at La Cabana, LLLP

[Click here for Assistance with Completing the Entries for the Second Level Principal Disclosure for the Applicant](#)

Select the corresponding First Level Principal Entity # from above for which the Second Level Principal is being identified

Second Level Entity #	Select the type of Principal being associated with the corresponding First Level Principal Entity	Enter Name of Second Level Principal	Select organizational structure of Second Level Principal identified	Second Level Principal % Ownership of First Level Principal
<u>1. (PC - Cabana, LLC)</u>	<u>1.A. Sole Member</u>	<u>PC GP Holdings, LLC</u>	<u>Limited Liability Company</u>	<u>100.0000%</u>
<u>1. (PC - Cabana, LLC)</u>	<u>1.B. Manager</u>	<u>Wolfson, Louis III</u>	<u>Natural Person</u>	<u></u>
<u>1. (PC - Cabana, LLC)</u>	<u>1.C. Manager</u>	<u>Deutch, David O.</u>	<u>Natural Person</u>	<u></u>
<u><Select a #></u>	<u><Select an option></u>	<u></u>	<u><Select an option></u>	<u></u>

Third Principal Disclosure Level:

Pinnacle at La Cabana, LLLP

[Click here for Assistance with Completing the Entries for the Third Level Principal Disclosure for the Applicant](#)

Select the corresponding Second Level Principal Entity # from above for which the Third Level Principal is being identified

Third Level Entity #	Select the type of Principal being associated with the corresponding Second Level Principal Entity	Enter Name of Third Level Principal who must be either a Natural Person or a Trust	The organizational structure of Third Level Principal identified Must be either a Natural Person or a Trust	3rd Level Principal % Ownership of 2nd Level Principal
<u>1.A. (PC GP Holdings, LLC)</u>	<u>1.A.(1) Member</u>	<u>Wolfson, Louis III</u>	<u>Natural Person</u>	<u>33.3300%</u>
<u>1.A. (PC GP Holdings, LLC)</u>	<u>1.A.(2) Member</u>	<u>Deutch, David O.</u>	<u>Natural Person</u>	<u>33.3400%</u>
<u>1.A. (PC GP Holdings, LLC)</u>	<u>1.A.(3) Member</u>	<u>The Estate of Mitchell M. Friedman</u>	<u>Natural Person</u>	<u>33.3300%</u>
<u>1.A. (PC GP Holdings, LLC)</u>	<u>1.A.(4) Manager</u>	<u>Wolfson, Louis III</u>	<u>Natural Person</u>	<u></u>
<u>1.A. (PC GP Holdings, LLC)</u>	<u>1.A.(5) Manager</u>	<u>Deutch, David O.</u>	<u>Natural Person</u>	<u></u>
<u><Select a #></u>	<u><Select an option></u>	<u></u>	<u><Select an option></u>	<u></u>

Principal Disclosures for the Applicant

Select the organizational structure for the Applicant entity:

The Applicant is a: Limited Partnership

Provide the name of the Applicant Limited Partnership:

Pinnacle at La Cabana, LLLP

% Ownership input features will not be made available until invitation to credit underwriting

First Principal Disclosure Level:

[Click here for Assistance with Completing the Entries for the First Level Principal Disclosure for the Applicant](#)

First Level Entity #	Select Type of Principal of Applicant	Enter Name of First Level Principal	Select organizational structure of First Level Principal identified	% Ownership of Applicant
1.	<u>General Partner</u>	<u>PC - Cabana, LLC</u>	<u>Limited Liability Company</u>	<u>0.0090%</u>
2.	<u>General Partner</u>	<u>Everglades Housing Trust, Incorporated</u>	<u>Non-Profit Corporation</u>	<u>0.0010%</u>
3.	<u>Non-Investor LP</u>	<u>Deutch, David O. (placeholder)</u>	<u>Natural Person</u>	<u>99.9900%</u>

Second Principal Disclosure Level:

Pinnacle at La Cabana, LLLP

[Click here for Assistance with Completing the Entries for the Second Level Principal Disclosure for the Applicant](#)

Select the corresponding First Level Principal Entity # from above for which the Second Level Principal is being identified

Second Level Entity #	Select the type of Principal being associated with the corresponding First Level Principal Entity	Enter Name of Second Level Principal	Select organizational structure of Second Level Principal identified	Second Level Principal % Ownership of First Level Principal
<u>1. (PC - Cabana, LLC)</u>	<u>1.A. Managing Member</u>	<u>DOD Affordable, LLC</u>	<u>Limited Liability Company</u>	<u>33.3400%</u>
<u>1. (PC - Cabana, LLC)</u>	<u>1.B. Managing Member</u>	<u>Wolfpack Affordable, LLC</u>	<u>Limited Liability Company</u>	<u>33.3300%</u>
<u>1. (PC - Cabana, LLC)</u>	<u>1.C. Member</u>	<u>MMF Affordable, LLC</u>	<u>Limited Liability Company</u>	<u>33.3300%</u>
<u>2. (Everglades Housing Trust, Inco</u>	<u>2.A. Executive Director</u>	<u>Kirk, Steven</u>	<u>Natural Person</u>	
<u>2. (Everglades Housing Trust, Inco</u>	<u>2.B. Officer/Director</u>	<u>Kirk, Steven</u>	<u>Natural Person</u>	
<u>2. (Everglades Housing Trust, Inco</u>	<u>2.C. Officer/Director</u>	<u>Vidales, Fabiola</u>	<u>Natural Person</u>	
<u>2. (Everglades Housing Trust, Inco</u>	<u>2.D. Officer/Director</u>	<u>Townsel, Alphonso</u>	<u>Natural Person</u>	
<u>2. (Everglades Housing Trust, Inco</u>	<u>2.E. Officer/Director</u>	<u>McDougal, Peter</u>	<u>Natural Person</u>	
<u>2. (Everglades Housing Trust, Inco</u>	<u>2.F. Officer/Director</u>	<u>Rubio-Riviera, Susan</u>	<u>Natural Person</u>	
<u>2. (Everglades Housing Trust, Inco</u>	<u>2.G. Officer/Director</u>	<u>Alegre, Pinita</u>	<u>Natural Person</u>	

Third Principal Disclosure Level:

Pinnacle at La Cabana, LLLP

[Click here for Assistance with Completing the Entries for the Third Level Principal Disclosure for the Applicant](#)

Select the corresponding Second Level Principal Entity # from above for which the Third Level Principal is being identified

Third Level Entity #	Select the type of Principal being associated with the corresponding Second Level Principal Entity	Enter Name of Third Level Principal who must be either a Natural Person or a Trust	The organizational structure of Third Level Principal identified Must be either a Natural Person or a Trust	3rd Level Principal % Ownership of 2nd Level Principal
<u>1.A. (DOD Affordable, LLC)</u>	<u>1.A.(1) Manager</u>	<u>Deutch, David O.</u>	<u>Natural Person</u>	
<u>1.A. (DOD Affordable, LLC)</u>	<u>1.A.(2) Member</u>	<u>The 2017 Jennifer L. Deutch Family Trust</u>	<u>Trust</u>	<u>50.0000%</u>
<u>1.A. (DOD Affordable, LLC)</u>	<u>1.A.(3) Member</u>	<u>The 2017 Matthew K. Deutch Family Trust</u>	<u>Trust</u>	<u>50.0000%</u>
<u>1.B. (Wolfpack Affordable, LLC)</u>	<u>1.B.(1) Manager</u>	<u>Wolfson, Louis III</u>	<u>Natural Person</u>	
<u>1.B. (Wolfpack Affordable, LLC)</u>	<u>1.B.(2) Member</u>	<u>Trust for Randi Faith Wolfson</u>	<u>Trust</u>	<u>33.3400%</u>
<u>1.B. (Wolfpack Affordable, LLC)</u>	<u>1.B.(3) Member</u>	<u>Trust for Lindsey Paige Wolfson</u>	<u>Trust</u>	<u>33.3300%</u>
<u>1.B. (Wolfpack Affordable, LLC)</u>	<u>1.B.(4) Member</u>	<u>Trust for Louis Wolfson IV</u>	<u>Trust</u>	<u>33.3300%</u>
<u>1.C. (MMF Affordable, LLC)</u>	<u>1.C.(1) Manager</u>	<u>Friedman, Chad</u>	<u>Natural Person</u>	
<u>1.C. (MMF Affordable, LLC)</u>	<u>1.C.(2) Manager</u>	<u>Schumacher, Robyn</u>	<u>Natural Person</u>	
<u>1.C. (MMF Affordable, LLC)</u>	<u>1.C.(3) Member</u>	<u>The Estate of Mitchell M. Friedman</u>	<u>Natural Person</u>	<u>100.0000%</u>
<u><Select a #></u>	<u><Select an option></u>		<u><Select an option></u>	

Fourth Principal Disclosure Level:

Pinnacle at La Cabana, LLLP

[Click here for Assistance with Completing the Entries for the Fourth Level Principal Disclosure for the Applicant](#)

Select the corresponding Third Level Principal Entity # from above for which the Fourth Level Principal is being identified

Select the type of Principal being associated with the corresponding Third Level Principal Entity	Enter Name of Fourth Level Principal who must be a Natural Person	The organizational structure of Fourth Level Principal identified Must Be a Natural Person	4th Level Principal % Ownership of 3rd Level Principal
<u>1.A.(2) (The 2017 Jennifer L. Deutch Family Tru</u>	<u>Trustee</u>	<u>Deutch, Debra K.</u>	<u>Natrual Person</u>
<u>1.A.(2) (The 2017 Jennifer L. Deutch Family Tru</u>	<u>Beneficiary</u>	<u>Deutch, Jennifer L.</u>	<u>Natrual Person</u>
<u>1.A.(3) (The 2017 Matthew K. Deutch Family Tr</u>	<u>Trustee</u>	<u>Deutch, Debra K.</u>	<u>Natrual Person</u>
<u>1.A.(3) (The 2017 Matthew K. Deutch Family Tr</u>	<u>Beneficiary</u>	<u>Deutch, Matthew K.</u>	<u>Natrual Person</u>
<u>1.B.(2) (Trust for Randi Faith Wolfson)</u>	<u>Trustee</u>	<u>Wolfson, Ellen D.</u>	<u>Natrual Person</u>
<u>1.B.(2) (Trust for Randi Faith Wolfson)</u>	<u>Trustee</u>	<u>Wolfson, Randi Faith</u>	<u>Natrual Person</u>
<u>1.B.(2) (Trust for Randi Faith Wolfson)</u>	<u>Beneficiary</u>	<u>Wolfson, Randi Faith</u>	<u>Natrual Person</u>
<u>1.B.(3) (Trust for Lindsey Paige Wolfson)</u>	<u>Trustee</u>	<u>Wolfson, Ellen D.</u>	<u>Natrual Person</u>
<u>1.B.(3) (Trust for Lindsey Paige Wolfson)</u>	<u>Trustee</u>	<u>Wolfson, Lindsey Paige</u>	<u>Natrual Person</u>

<u>1.B.(3) (Trust for Lindsey Paige Wolfson)</u>	<u>Beneficiary</u>	<u>Wolfson, Lindsey Paige</u>	<u>Natrual Person</u>	<u>100.0000%</u>
<u>1.B.(4) (Trust for Louis Wolfson IV)</u>	<u>Trustee</u>	<u>Wolfson, Ellen D.</u>	<u>Natrual Person</u>	
<u>1.B.(4) (Trust for Louis Wolfson IV)</u>	<u>Trustee</u>	<u>Wolfson, Louis IV</u>	<u>Natrual Person</u>	
<u>1.B.(4) (Trust for Louis Wolfson IV)</u>	<u>Beneficiary</u>	<u>Wolfson, Louis IV</u>	<u>Natrual Person</u>	<u>100.0000%</u>



July 25, 2023
Revised August 15, 2023

Melissa Levy
Managing Director, Multifamily Programs
Florida Housing Finance Corporation
227 N. Bronough Street, Suite 5000
Tallahassee, Florida 32301

**RE: Pinnacle at the Wesleyan - RFA 2020-201, Application 2021-098C
Change of Owner and Developer Principal Disclosure**

Dear Ms. Levy:

I submit this request in my capacity as President of the Authorized Member for Pinnacle at the Wesleyan, LLC (owner entity).

We are requesting Florida Housing Finance Corporation approval of the change of ownership structure for Pinnacle at the Wesleyan, LLC from that submitted in the application under RFA 2020-201 and as subsequently amended by the Board of Directors of Florida Housing on April 28, 2023.

There are two components to the change in ownership structure, as follows:

1. The remaining living natural persons with an ownership interest (Louis Wolfson III and myself) as well as the Estate of Mitchell M. Friedman have revised the ownership structure to accurately reflect the trusts established for our family members and the managed interests in Mr. Friedman's estate. Therefore, we have created three member entities of the Authorized Member, PC Wesleyan, LLC. We disclose these natural persons in the trusts as trustees and beneficiaries on the attached revised Principal Disclosures of the Applicant form.
2. We have elected to admit the principals of Birdsong Housing Partners ("Birdsong") as a Co-Non-Investor Member and Co-Manager with a 35% Non-Investor Member interest (0.0035% interest in the owner entity). Birdsong is a well-established and successful developer of affordable housing, particularly in Central Florida, and within Osceola County and the City of Kissimmee in particular. Adding Birdsong as both a Co-Non-Investor Member and Co-Developer strengthens the ability to execute and operate this critically needed community in the City of Kissimmee through the collaboration of two best-in-class affordable multi-family developers.

Melissa Levy
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We respectfully request this matter be placed on the September 8, 2023 agenda for consideration and approval by the Board of Directors. Thank you very much for your consideration of this request and please contact us if additional information is required.

Sincerely,

A handwritten signature in blue ink, appearing to read "David O. Deutch, President".

David O. Deutch
President of Authorized Member

cc: Steve Auger
Gary J. Cohen
Timothy P. Wheat
Coralyn Rodriguez
Lilybeth De Leon
Lisa Nickerson
Sarah Garner

Principal Disclosures for the Applicant

**CURRENT
APPLICANT**

Select the organizational structure for the Applicant entity:

The Applicant is a: Limited Liability Company

Provide the name of the Applicant Limited Liability Company:

Pinnacle at the Wesleyan, LLC

% Ownership input features will not be made available until invitation to credit underwriting

First Principal Disclosure Level:

[Click here for Assistance with Completing the Entries for the First Level Principal Disclosure for the Applicant](#)

First Level Entity #	Select Type of Principal of Applicant	Enter Name of First Level Principal	Select organizational structure of First Level Principal identified	% Ownership of Applicant
1.	<u>Non-Investor Member</u>	<u>PC Wesleyan, LLC</u>	<u>Limited Liability Company</u>	<u>0.0100%</u>
2.	<u>Investor Member</u>	<u>Deutch, David O. (placeholder)</u>	<u>Natural Person</u>	<u>99.9900%</u>
3.	<u>Manager</u>	<u>PC Wesleyan, LLC</u>	<u>Limited Liability Company</u>	
4.	<u><Select an option></u>		<u><Select an option></u>	

Second Principal Disclosure Level:

Pinnacle at the Wesleyan, LLC

[Click here for Assistance with Completing the Entries for the Second Level Principal Disclosure for the Applicant](#)

Select the corresponding First Level Principal Entity # from above for which the Second Level Principal is being identified

Second Level Entity #	Select the type of Principal being associated with the corresponding First Level Principal Entity	Enter Name of Second Level Principal	Select organizational structure of Second Level Principal identified	Second Level Principal % Ownership of First Level Principal
<u>1. (PC Wesleyan, LLC)</u>	<u>1.A. Sole Member</u>	<u>PC GP Holdings, LLC</u>	<u>Limited Liability Company</u>	<u>100.0000%</u>
<u>1. (PC Wesleyan, LLC)</u>	<u>1.B. Manager</u>	<u>Wolfson, Louis III</u>	<u>Natural Person</u>	
<u>1. (PC Wesleyan, LLC)</u>	<u>1.C. Manager</u>	<u>Deutch, David O.</u>	<u>Natural Person</u>	
<u>3. (PC Wesleyan, LLC)</u>	<u>3.A. Sole Member</u>	<u>PC GP Holdings, LLC</u>	<u>Limited Liability Company</u>	<u>100.0000%</u>
<u>3. (PC Wesleyan, LLC)</u>	<u>3.B. Manager</u>	<u>Wolfson, Louis III</u>	<u>Natural Person</u>	
<u>3. (PC Wesleyan, LLC)</u>	<u>3.C. Manager</u>	<u>Deutch, David O.</u>	<u>Natural Person</u>	
<u><Select a #></u>	<u><Select an option></u>		<u>Natural Person</u>	

Third Principal Disclosure Level:

Pinnacle at the Wesleyan, LLC

[Click here for Assistance with Completing the Entries for the Third Level Principal Disclosure for the Applicant](#)

Select the corresponding Second Level Principal Entity # from above for which the Third Level Principal is being identified

Third Level Entity #	Select the type of Principal being associated with the corresponding Second Level Principal Entity	Enter Name of Third Level Principal who must be either a Natural Person or a Trust	The organizational structure of Third Level Principal identified Must be either a Natural Person or a Trust	3rd Level Principal % Ownership of 2nd Level Principal
<u>1.A. (PC GP Holdings, LLC)</u>	<u>1.A.(1) Member</u>	<u>Wolfson, Louis III</u>	<u>Natural Person</u>	<u>33.3300%</u>
<u>1.A. (PC GP Holdings, LLC)</u>	<u>1.A.(2) Member</u>	<u>Deutch, David O.</u>	<u>Natural Person</u>	<u>33.3400%</u>
<u>1.A. (PC GP Holdings, LLC)</u>	<u>1.A.(3) Member</u>	<u>The Estate of Mitchell M. Friedman</u>	<u>Natural Person</u>	<u>33.3300%</u>
<u>1.A. (PC GP Holdings, LLC)</u>	<u>1.A.(4) Manager</u>	<u>Wolfson, Louis III</u>	<u>Natural Person</u>	
<u>1.A. (PC GP Holdings, LLC)</u>	<u>1.A.(5) Manager</u>	<u>Deutch, David O.</u>	<u>Natural Person</u>	
<u>3.A. (PC GP Holdings, LLC)</u>	<u>3.A.(1) Member</u>	<u>Wolfson, Louis III</u>	<u>Natural Person</u>	<u>33.3300%</u>
<u>3.A. (PC GP Holdings, LLC)</u>	<u>3.A.(2) Member</u>	<u>Deutch, David O.</u>	<u>Natural Person</u>	<u>33.3400%</u>
<u>3.A. (PC GP Holdings, LLC)</u>	<u>3.A.(3) Member</u>	<u>The Estate of Mitchell M. Friedman</u>	<u>Natural Person</u>	<u>33.3300%</u>
<u>3.A. (PC GP Holdings, LLC)</u>	<u>3.A.(4) Manager</u>	<u>Wolfson, Louis III</u>	<u>Natural Person</u>	
<u>3.A. (PC GP Holdings, LLC)</u>	<u>3.A.(5) Manager</u>	<u>Deutch, David O.</u>	<u>Natural Person</u>	
<u><Select a #></u>	<u><Select an option></u>		<u><Select an option></u>	

PROPOSED APPLICANT

Principal Disclosures for the Applicant

Select the organizational structure for the Applicant entity:

The Applicant is a: Limited Liability Company

Provide the name of the Applicant Limited Liability Company:

Pinnacle at the Wesleyan, LLC

% Ownership input features will not be made available until invitation to credit underwriting

First Principal Disclosure Level:

[Click here for Assistance with Completing the Entries for the First Level Principal Disclosure for the Applicant](#)

First Level Entity #	Select Type of Principal of Applicant	Enter Name of First Level Principal	Select organizational structure of First Level Principal identified	% Ownership of Applicant
1.	Non-Investor Member	PC Wesleyan, LLC	Limited Liability Company	0.0065%
2.	Non-Investor Member	DDER Wesleyan Manager, LLC	Limited Liability Company	0.0035%
3.	Manager	PC Wesleyan, LLC	Limited Liability Company	
4.	Manager	DDER Wesleyan Manager, LLC	Limited Liability Company	
5.	Investor Member	Deutch, David O. (placeholder)	Natural Person	99.9900%
19.	<Select an option>		<Select an option>	
20.	<Select an option>		<Select an option>	

Second Principal Disclosure Level:

Pinnacle at the Wesleyan, LLC

[Click here for Assistance with Completing the Entries for the Second Level Principal Disclosure for the Applicant](#)

Select the corresponding First Level Principal Entity # from above for which the Second Level Principal is being identified

Second Level Entity #	Select the type of Principal being associated with the corresponding First Level Principal Entity	Enter Name of Second Level Principal	Select organizational structure of Second Level Principal identified	Second Level Principal % Ownership of First Level Principal
1. (PC Wesleyan, LLC)	1.A. Managing Member	DOD Affordable, LLC	Limited Liability Company	33.3400%
1. (PC Wesleyan, LLC)	1.B. Managing Member	Wolfpack Affordable, LLC	Limited Liability Company	33.3300%
1. (PC Wesleyan, LLC)	1.C. Member	MMF Affordable, LLC	Limited Liability Company	33.3300%
2. (DDER Wesleyan Manager, LLC)	2.A. Sole Member	DDER Holdings, LLC	Limited Liability Company	100.0000%
2. (DDER Wesleyan Manager, LLC)	2.B. Manager	DDER Holdings, LLC	Limited Liability Company	
3. (PC Wesleyan, LLC)	3.A. Managing Member	DOD Affordable, LLC	Limited Liability Company	33.3400%
3. (PC Wesleyan, LLC)	3.B. Managing Member	Wolfpack Affordable, LLC	Limited Liability Company	33.3300%
3. (PC Wesleyan, LLC)	3.C. Member	MMF Affordable, LLC	Limited Liability Company	33.3300%
4. (DDER Wesleyan Manager, LLC)	4.A. Sole Member	DDER Holdings, LLC	Limited Liability Company	100.0000%
4. (DDER Wesleyan Manager, LLC)	4.B. Manager	DDER Holdings, LLC	Limited Liability Company	
<Select a #>	<Select an option>		<Select an option>	

Third Principal Disclosure Level:

Pinnacle at the Wesleyan, LLC

[Click here for Assistance with Completing the Entries for the Third Level Principal Disclosure for the Applicant](#)

Select the corresponding Second Level Principal Entity # from above for which the Third Level Principal is being identified

Third Level Entity #	Select the type of Principal being associated with the corresponding Second Level Principal Entity	Enter Name of Third Level Principal who must be either a Natural Person or a Trust	The organizational structure of Third Level Principal identified Must be either a Natural Person or a Trust	3rd Level Principal % Ownership of 2nd Level Principal
1.A. (DOD Affordable, LLC)	1.A.(1) Manager	Deutch, David O.	Natural Person	
1.A. (DOD Affordable, LLC)	1.A.(2) Member	The 2017 Jennifer L. Deutch Family Trust	Trust	50.0000%
1.A. (DOD Affordable, LLC)	1.A.(3) Member	The 2017 Matthew K. Deutch Family Trust	Trust	50.0000%
1.B. (Wolfpack Affordable, LLC)	1.B.(1) Manager	Wolfson, Louis III	Natural Person	
1.B. (Wolfpack Affordable, LLC)	1.B.(2) Member	Trust for Randi Faith Wolfson	Trust	33.3400%
1.B. (Wolfpack Affordable, LLC)	1.B.(3) Member	Trust for Lindsey Paige Wolfson	Trust	33.3300%
1.B. (Wolfpack Affordable, LLC)	1.B.(4) Member	Trust for Louis Wolfson IV	Trust	33.3300%
1.C. (MMF Affordable, LLC)	1.C.(1) Manager	Friedman, Chad	Natural Person	
1.C. (MMF Affordable, LLC)	1.C.(2) Manager	Schumacher, Robyn	Natural Person	
1.C. (MMF Affordable, LLC)	1.C.(3) Member	The Estate of Mitchell M. Friedman	Natural Person	100.0000%
2.A. (DDER Holdings, LLC)	2.A.(1) Member	Haddock, Edward E., Jr.	Natural Person	25.0000%
2.A. (DDER Holdings, LLC)	2.A.(2) Member	Sanchez, Domingo	Natural Person	25.0000%
2.A. (DDER Holdings, LLC)	2.A.(3) Member	Godwin, Robert H.	Natural Person	25.0000%
2.A. (DDER Holdings, LLC)	2.A.(4) Member	Lowery, Deion R.	Natural Person	25.0000%
2.A. (DDER Holdings, LLC)	2.A.(5) Manager	Haddock, Edward E., Jr.	Natural Person	
2.A. (DDER Holdings, LLC)	2.A.(6) Manager	Sanchez, Domingo	Natural Person	
2.A. (DDER Holdings, LLC)	2.A.(7) Manager	Godwin, Robert H.	Natural Person	
2.A. (DDER Holdings, LLC)	2.A.(8) Manager	Lowery, Deion R.	Natural Person	
2.B. (DDER Holdings, LLC)	2.B.(1) Member	Haddock, Edward E., Jr.	Natural Person	25.0000%
2.B. (DDER Holdings, LLC)	2.B.(2) Member	Sanchez, Domingo	Natural Person	25.0000%
2.B. (DDER Holdings, LLC)	2.B.(3) Member	Godwin, Robert H.	Natural Person	25.0000%

**PROPOSED
APPLICANT**

2.B. (DDER Holdings, LLC)	2.B.(4)	Member	Lowery, Deion R.	Natural Person	25.0000%
2.B. (DDER Holdings, LLC)	2.B.(5)	Manager	Haddock, Edward E., Jr.	Natural Person	
2.B. (DDER Holdings, LLC)	2.B.(6)	Manager	Sanchez, Domingo	Natural Person	
2.B. (DDER Holdings, LLC)	2.B.(7)	Manager	Godwin, Robert H.	Natural Person	
2.B. (DDER Holdings, LLC)	2.B.(8)	Manager	Lowery, Deion R.	Natural Person	
3.A. (DOD Affordable, LLC)	3.A.(1)	Manager	Deutch, David O.	Natural Person	
3.A. (DOD Affordable, LLC)	3.A.(2)	Member	The 2017 Jennifer L. Deutch Family Trust	Trust	50.0000%
3.A. (DOD Affordable, LLC)	3.A.(3)	Member	The 2017 Matthew K. Deutch Family Trust	Trust	50.0000%
3.B. (Wolfpack Affordable, LLC)	3.B.(1)	Manager	Wolfson, Louis III	Natural Person	
3.B. (Wolfpack Affordable, LLC)	3.B.(2)	Member	Trust for Randi Faith Wolfson	Trust	33.3400%
3.B. (Wolfpack Affordable, LLC)	3.B.(3)	Member	Trust for Lindsey Paige Wolfson	Trust	33.3300%
3.B. (Wolfpack Affordable, LLC)	3.B.(4)	Member	Trust for Louis Wolfson IV	Trust	33.3300%
3.C. (MMF Affordable, LLC)	3.C.(1)	Manager	Friedman, Chad	Natural Person	
3.C. (MMF Affordable, LLC)	3.C.(2)	Manager	Schumacher, Robyn	Natural Person	
3.C. (MMF Affordable, LLC)	3.C.(3)	Member	The Estate of Mitchell M. Friedman	Natural Person	100.0000%
4.A. (DDER Holdings, LLC)	4.A.(1)	Member	Haddock, Edward E., Jr.	Natural Person	25.0000%
4.A. (DDER Holdings, LLC)	4.A.(2)	Member	Sanchez, Domingo	Natural Person	25.0000%
4.A. (DDER Holdings, LLC)	4.A.(3)	Member	Godwin, Robert H.	Natural Person	25.0000%
4.A. (DDER Holdings, LLC)	4.A.(4)	Member	Lowery, Deion R.	Natural Person	25.0000%
4.A. (DDER Holdings, LLC)	4.A.(5)	Manager	Haddock, Edward E., Jr.	Natural Person	
4.A. (DDER Holdings, LLC)	4.A.(6)	Manager	Sanchez, Domingo	Natural Person	
4.A. (DDER Holdings, LLC)	4.A.(7)	Manager	Godwin, Robert H.	Natural Person	
4.A. (DDER Holdings, LLC)	4.A.(8)	Manager	Lowery, Deion R.	Natural Person	
4.B. (DDER Holdings, LLC)	4.B.(1)	Member	Haddock, Edward E., Jr.	Natural Person	25.0000%
4.B. (DDER Holdings, LLC)	4.B.(2)	Member	Sanchez, Domingo	Natural Person	25.0000%
4.B. (DDER Holdings, LLC)	4.B.(3)	Member	Godwin, Robert H.	Natural Person	25.0000%
4.B. (DDER Holdings, LLC)	4.B.(4)	Member	Lowery, Deion R.	Natural Person	25.0000%
4.B. (DDER Holdings, LLC)	4.B.(5)	Manager	Haddock, Edward E., Jr.	Natural Person	
4.B. (DDER Holdings, LLC)	4.B.(6)	Manager	Sanchez, Domingo	Natural Person	
4.B. (DDER Holdings, LLC)	4.B.(7)	Manager	Godwin, Robert H.	Natural Person	
4.B. (DDER Holdings, LLC)	4.B.(8)	Manager	Lowery, Deion R.	Natural Person	
<Select a #>		<Select an option>		<Select an option>	
<Select a #>		<Select an option>		<Select an option>	
<Select a #>		<Select an option>		<Select an option>	
<Select a #>		<Select an option>		<Select an option>	
<Select a #>		<Select an option>		<Select an option>	
<Select a #>		<Select an option>		<Select an option>	
<Select a #>		<Select an option>		<Select an option>	
<Select a #>		<Select an option>		<Select an option>	
<Select a #>		<Select an option>		<Select an option>	

Fourth Principal Disclosure Level:

Pinnacle at the Wesleyan, LLC

[Click here for Assistance with Completing the Entries for the Fourth Level Principal Disclosure for the Applicant](#)

Select the corresponding Third Level Principal Entity # from above for which the Fourth Level Principal is being identified	Select the type of Principal being associated with the corresponding Third Level Principal Entity	Enter Name of Fourth Level Principal who must be a Natural Person	The organizational structure of Fourth Level Principal identified Must Be a Natural Person	4th Level Principal % Ownership of 3rd Level Principal
1.A.(2) (The 2017 Jennifer L. Deutch Family Tru	Trustee	Deutch, Debra K.	Natural Person	
1.A.(2) (The 2017 Jennifer L. Deutch Family Tru	Beneficiary	Deutch, Jennifer L.	Natural Person	100.0000%
1.A.(3) (The 2017 Matthew K. Deutch Family Tru	Trustee	Deutch, Debra K.	Natural Person	
1.A.(3) (The 2017 Matthew K. Deutch Family Tru	Beneficiary	Deutch, Matthew K.	Natural Person	100.0000%
1.B.(1) (Trust for Randi Faith Wolfson)	Trustee	Wolfson, Ellen D.	Natural Person	
1.B.(1) (Trust for Randi Faith Wolfson)	Trustee	Wolfson, Randi Faith	Natural Person	
1.B.(1) (Trust for Randi Faith Wolfson)	Beneficiary	Wolfson, Randi Faith	Natural Person	100.0000%
1.B.(2) (Trust for Lindsey Paige Wolfson)	Trustee	Wolfson, Ellen D.	Natural Person	
1.B.(2) (Trust for Lindsey Paige Wolfson)	Trustee	Wolfson, Lindsey Paige	Natural Person	
1.B.(2) (Trust for Lindsey Paige Wolfson)	Beneficiary	Wolfson, Lindsey Paige	Natural Person	100.0000%
1.B.(3) (Trust for Louis Wolfson IV)	Trustee	Wolfson, Ellen D.	Natural Person	
1.B.(3) (Trust for Louis Wolfson IV)	Trustee	Wolfson, Louis IV	Natural Person	
1.B.(3) (Trust for Louis Wolfson IV)	Beneficiary	Wolfson, Louis IV	Natural Person	100.0000%
3.A.(2) (The 2017 Jennifer L. Deutch Family Tru	Trustee	Deutch, Debra K.	Natural Person	
3.A.(2) (The 2017 Jennifer L. Deutch Family Tru	Beneficiary	Deutch, Jennifer L.	Natural Person	100.0000%
3.A.(3) (The 2017 Matthew K. Deutch Family Tru	Trustee	Deutch, Debra K.	Natural Person	
3.A.(3) (The 2017 Matthew K. Deutch Family Tru	Beneficiary	Deutch, Matthew K.	Natural Person	100.0000%
3.B.(1) (Trust for Randi Faith Wolfson)	Trustee	Wolfson, Ellen D.	Natural Person	
3.B.(1) (Trust for Randi Faith Wolfson)	Trustee	Wolfson, Randi Faith	Natural Person	

**PROPOSED
APPLICANT**

3.B.(1) (Trust for Randi Faith Wolfson)	Beneficiary	Wolfson, Randi Faith	Natural Person	100.0000%
3.B.(2) (Trust for Lindsey Paige Wolfson)	Trustee	Wolfson, Ellen D.	Natural Person	
3.B.(2) (Trust for Lindsey Paige Wolfson)	Trustee	Wolfson, Lindsey Paige	Natural Person	
3.B.(2) (Trust for Lindsey Paige Wolfson)	Beneficiary	Wolfson, Lindsey Paige	Natural Person	100.0000%
3.B.(3) (Trust for Louis Wolfson IV)	Trustee	Wolfson, Ellen D.	Natural Person	
3.B.(3) (Trust for Louis Wolfson IV)	Trustee	Wolfson, Louis IV	Natural Person	
3.B.(3) (Trust for Louis Wolfson IV)	Beneficiary	Wolfson, Louis IV	Natural Person	100.0000%
<Select a #>	<Select an option>		Natural Person	
<Select a #>	<Select an option>		Natural Person	
<Select a #>	<Select an option>		Natural Person	

CURRENT DEVELOPER

Principal Disclosures for the Developer

How many Developers are part of this Application structure?

1

Select the organizational structure for the Developer entity:

The Developer is a: Limited Liability Company

Provide the name of the Developer Limited Liability Company:

Pinnacle Communities, LLC

First Principal Disclosure Level:

Pinnacle Communities, LLC

[Click here for Assistance with Completing the Entries for the First Level Principal Disclosure for a Developer](#)

<u>First Level Entity #</u>	<u>Select Type of Principal of Developer</u>	<u>Enter Name of First Level Principal</u>	<u>Select organizational structure of First Level Principal identified</u>
1.	<u>Member</u>	<u>Wolfson, Louis III</u>	<u>Natural Person</u>
2.	<u>Member</u>	<u>Deutch, David O.</u>	<u>Natural Person</u>
3.	<u>Member</u>	<u>The Estate of Mitchell M. Friedman</u>	<u>Natural Person</u>
4.	<u>Manager</u>	<u>Wolfson, Louis III</u>	<u>Natural Person</u>
5.	<u>Manager</u>	<u>Deutch, David O.</u>	<u>Natural Person</u>
6.	<u><Select an option></u>	<u></u>	<u><Select an option></u>

Principal Disclosures for the two Developers

How many Developers are part of this Application structure? (Please complete the Principal Disclosures for each of the two Co-Developers below.)

2

Select the organizational structure for the first Co-Developer entity:

The first Co-Developer is a: Limited Liability Company

Provide the name of the Developer Limited Liability Company:

Pinnacle Communities, LLC

First Principal Disclosure Level:

Pinnacle Communities, LLC

[Click here for Assistance with Completing the Entries for the First Level Principal Disclosure for a Developer](#)

<u>First Level Entity #</u>	<u>Select Type of Principal of Developer</u>	<u>Enter Name of First Level Principal</u>	<u>Select organizational structure of First Level Principal identified</u>
1.	<u>Member</u>	<u>Wolfson, Louis III</u>	<u>Natural Person</u>
2.	<u>Member</u>	<u>Deutch, David O.</u>	<u>Natural Person</u>
3.	<u>Member</u>	<u>The Estate of Mitchell M. Friedman</u>	<u>Natural Person</u>
4.	<u>Manager</u>	<u>Wolfson, Louis III</u>	<u>Natural Person</u>
5.	<u>Manager</u>	<u>Deutch, David O.</u>	<u>Natural Person</u>

Principal Disclosures for the two Developers

Select the organizational structure for the second Co-Developer entity:

The second Co-Developer is a: Limited Liability Company

Provide the name of the Developer Limited Liability Company:

DDER Development, LLC

First Principal Disclosure Level:

DDER Development, LLC

[Click here for Assistance with Completing the Entries for the First Level Principal Disclosure for a Developer](#)

<u>First Level Entity #</u>	<u>Select Type of Principal of Developer</u>	<u>Enter Name of First Level Principal</u>	<u>Select organizational structure of First Level Principal identified</u>
1.	<u>Member</u>	<u>Sanchez, Domingo</u>	<u><Select an option></u>
2.	<u>Member</u>	<u>Godwin, Robert H.</u>	<u><Select an option></u>
3.	<u>Member</u>	<u>Lowery, Deion R.</u>	<u><Select an option></u>
4.	<u>Member</u>	<u>Haddock, Edward E., Jr.</u>	<u><Select an option></u>
5.	<u>Manager</u>	<u>Sanchez, Domingo</u>	<u><Select an option></u>
6.	<u>Manager</u>	<u>Godwin, Robert H.</u>	<u><Select an option></u>
7.	<u>Manager</u>	<u>Lowery, Deion R.</u>	<u><Select an option></u>
8.	<u>Manager</u>	<u>Haddock, Edward E., Jr.</u>	<u><Select an option></u>

**MCCORMACK
BARON
SALAZAR**

July 17, 2023

Florida Housing Finance Corporation
ATTN: Melissa Levy – Assistant Director of Multifamily Programs
227 N. Bronough Street, Suite 5000
Tallahassee, FL 32301

RE: Delmar 745/2015-158CS/2017-253CS/2019-434CS/Change to Principals

Dear Ms. Levy,

This letter is to kindly request approval from Florida Housing Finance Corporation (FHFC) for changes in the applicant shareholders, officers/directors and developer members for the following entities: Delmar Terrace South, LLC (Applicant), Delmar Terrace Developers, LLC (Developer) and Boley Centers, Inc. (Co-Developer). The chart below reflects those persons who will be removed and proposed to be added. Please reference the below for an outline of the changes proposed.

	Original	Proposed
Delmar Terrace South, LLC (Applicant)	2 nd Level – remove <ul style="list-style-type: none"> • Kevin J. McCormack President • Michael C. Duffy - VP 	2 nd Level add <ul style="list-style-type: none"> • Ian McCormack VP • Brock Armstrong VP • C. Michael Saunders - VP
Delmar Terrace Developers, LLC (Developer)	2 nd Level – remove <ul style="list-style-type: none"> • Daniel F. Acosta • Laurel J. Tinsley • Michael C. Duffy • Yusef Freeman • Daniel Falcon, Jr. 	2 nd level – add <ul style="list-style-type: none"> • S. Cady Seabaugh • Brock B. Armstrong • Pam Askew • Louis Bernardy • Emily Bernstein • Kristen A. Carson • Monique Chavoya • Antonio Garate • LaShunda Gonzalez • Ian McCormack • Adhi Nagraj • C. Michael Saunders • Sandra Seals • Trace Shaughnessy • Joseph Weatherly

<p>Boley Centers, Inc. (Co-Developer)</p> <p>Co-Developer Gibraltar Development Partners</p>	<p>2nd level -remove</p> <ul style="list-style-type: none">• Gary MacMath• Miriam Nordlinger• Loretta Ross• Sally Poynter• Virginia Battaglia• Major Sharon Carron• Bob Pitts• Shanetta Wright-Minter <p>REMOVE – no longer part of transaction.</p>	<p>2nd level add</p> <ul style="list-style-type: none">• Kevin Marrone• Jack Hamburg• Joseph Stinger• Dr. Robert Wallace• Joseph L. Smith• Major Markus Hughes• Susan Proctor• Dr. James Swell• Michelle Joseph• Christa Bruning• Precious Green
---	--	---

Additionally, the Authorized Principals have also changed, which I understand requires Board approval. There has been a change from Michael Duffy to Hillary B. Zimmerman to Ian McCormack. Mr. Duffy is no longer with the company. Additionally, Co-Developer Gibraltar Development Partners is no longer part of the transaction.

If you have any questions or need additional information, please do not hesitate to contact Sandra Seals at #786-863-2442 or sandra.seals@mccormackbaron.com.

Very Truly Yours,

Delmar Terrace South, LLC
By: Delmar Terrace MBS Member, Inc., its Managing Member

By: 
Kim Hartmann, Vice President

Attachment

Cc: Lisa Nickerson

Current Organizational Structure

ATTACHMENT 3

DELMAR TERRACE

Level 1	Applicant Entity:	Delmar Terrace South, LLC
	Member/Manager (ownership .01%)	Delmar Terrace MBS Member, Inc. a Missouri corporation Officers and Directors: See Exhibit A
	Investor Member (ownership 99.99%)	MBS ILP, Inc., and/or assigns a Missouri corporation, Officers and Directors: See Exhibit B
<hr/>		
Level 1	Developer Entity:	Delmar Terrace Developers, LLC
	Member/Manager (ownership 62.50%)	McCormack Baron Salazar, Inc. a Missouri corporation Officers and Directors: See Exhibit C
	Member (ownership 37.50%)	Gibraltar Development Partners, LLC
		Eugenia J. Anderson, Manager/Member (Ownership 90.00%)
		Richard A. Alayon, Manager/Member (Ownership 10.00%)
	Co-Developer Entity: (ownership 100.00%)	Boley Centers, Inc. (See attached List of Board Members)

Level 2

CORPORATE OFFICERS AND DIRECTORS

EXHIBIT A

Delmar Terrace MBS Member, Inc.

<u>Office Title</u>	<u>Officer Name</u>	<u>Elected</u>
Director	Hillary B. Zimmerman	1/16/2015
Director	Kevin J. McCormack	1/16/2015
Director	Vincent R. Bennett	1/16/2015
President	Kevin J. McCormack	1/16/2015
Secretary	Hillary B. Zimmerman	1/16/2015
Treasurer	Kim Hartmann	1/16/2015
Vice President	Hillary B. Zimmerman	1/16/2015
Vice President	Kim Hartmann	1/16/2015
Vice President	Michael C. Duffy	1/16/2015
Vice President	Vincent R. Bennett	1/16/2015

Original Applicant Structure

EXHIBIT A

DELMAR TERRACE MBS MEMBER, INC. OWNERSHIP STRUCTURE

Level 2 Delmar Terrace MBS Member, Inc. is a Missouri corporation whose sole shareholder (owner) is MBA Properties, Inc., a Delaware corporation

CORPORATE OFFICERS AND DIRECTORS **EXHIBIT C**

Level 2 **McCormack Baron Salazar, Inc.**

<u>Office Title</u>	<u>Officer Name</u>	<u>Elected</u>
Director	Hillary B. Zimmerman	8/13/1997
Director	Kevin J. McCormack	8/13/1997
Director	Richard D. Baron	6/4/1975
Director	Tony M. Salazar	8/13/1997
Director	Vincent R. Bennett	6/1/2005
Chairman	Richard D. Baron	6/4/2008
President	Kevin J. McCormack	6/5/2001
Secretary	Hillary B. Zimmerman	2/1/1986
Treasurer	Kim Hartmann	6/13/2011
Vice President	Claudia Brodie	9/1/2011
Vice President	Daniel F. Acosta	8/5/2013
Vice President	Daniel Falcon, Jr.	9/1/2007
Vice President	Hillary B. Zimmerman	2/1/1986
Vice President	Kim Hartmann	8/1/2010
Vice President	Laurel J. Tinsley	7/26/2010
Vice President	Michael C. Duffy	6/3/2009
Vice President	Tony M. Salazar	4/1/1998
Vice President	Vincent R. Bennett	4/1/1998
Vice President	Yusef Freeman	1/1/2013
Assistant Secretary	Kim Hartmann	6/13/2011

Original Developer Structure - McCormack Baron Salazar, Inc.

EXHIBIT C

McCORMACK BARON SALAZAR, INC. OWNERSHIP STRUCTURE

Level 2 McCormack Baron Salazar, Inc. is a Missouri corporation whose sole shareholder (owner) is MBA Properties, Inc., a Delaware corporation

Original Co-Developer Structure - Boley Centers, Inc.

List of Principals

Co- Developer: Boley Centers, Inc.
Status: Not for Profit Corporation

Level 2 Board of Directors

Sandy Incorvia: Chairman
Loretta Ross: Vice Chairman
Sally Poynter: 2nd Vice Chairman
Rutland Bussey: Immediate Past President
Virginia Battaglia: Board Member
Major Sharon Carron: Board Member
Leonard Coley: Board Member
John "Jack" Hebert: Board Member
Martin Lott: Board Member
Paul Misiewicz: Board Member
Bob Pitts: Board Member
Dr. Robert Wallace: Board Member
Shanetta Wright-Minter: Board Member

Corporate Officers:

Gary MacMath, President/CEO
Miriam Nordlinger, COO

Proposed Organizational Structure

DELMAR TERRACE

Applicant Entity: **Delmar Terrace South, LLC**

Level 1 **Member/Manager (ownership .01%)** **Delmar Terrace MBS Member, Inc.** a Missouri corporation
Officers and Directors: See Exhibit A

Investor Member (ownership 99.99%) **U.S. Bancorp Community Development Corporation**

Level 1 **Developer Entity:** **Delmar Terrace Developer, LLC**
Member/Manager (ownership 100%) **McCormack Baron Salazar, Inc.** a Missouri corporation
Officers and Directors: See Exhibit C

Level 1 **Co-Developer Entity: (ownership 100.00%)** **Boley Centers, Inc.**
(See attached List of Board Members)

Proposed Applicant Structure

Exhibit A

Level 2 CORPORATE OFFICERS & DIRECTORS

Delmar Terrace MBS Member, Inc.

Director	Bennett, Vincent R.	10/20/2020
Director	Hartmann, Kim	1/9/2018
Director	Zimmerman, Hillary B.	1/16/2015
President	Bennett, Vincent R.	2/11/2021
Vice President	Armstrong, Brock	10/20/2020
Vice President	Hartmann, Kim	1/16/2015
Vice President	Saunders, C. Michael	9/30/2022
Vice President	Zimmerman, Hillary B.	1/16/2015
Treasurer	Hartmann, Kim	1/16/2015
Secretary	Zimmerman, Hillary B.	1/16/2015
Assistant Secretary	Hartmann, Kim	1/9/2018

Proposed Applicant Structure

Exhibit A

**DELMAR TERRACE MBS MEMBER, INC.
OWNERSHIP STRUCTURE**

Level 2

Delmar Terrace MBS Member, Inc. is a Missouri corporation, whose sole shareholder (owner) is MBA Properties, Inc., a Delaware corporation

Proposed Developer Structure

Exhibit C

Level 2 CORPORATE OFFICERS & DIRECTORS

McCormack Baron Salazar, Inc.

Executive Director	Baron, Richard D.
Officer/Director	McCormack, Kevin J.
Officer/Director	Zimmerman, Hillary B
Officer/Director	Bennett, Vincent R
Officer/Director	Hartmann, Kim
Officer/Director	Brodie, Claudia
Officer/Director	Seabaugh, S. Cady
Officer/Director	Armstrong, Brock B
Officer/Director	Salazar, Tony
Officer/Director	Askew, Pam
Officer/Director	Bernardy, Louis
Officer/Director	Bernstein, Emily
Officer/Director	Carson, Kristen A
Officer/Director	Chavoya, Monique
Officer/Director	Garate, Antonio
Officer/Director	Gonzalez, LaShunda
Officer/Director	McCormack, Ian
Officer/Director	Nagraj, Adhi
Officer/Director	Saunders, C Michael
Officer/Director	Seals, Sandra
Officer/Director	Shaughnessy, Trace
Officer/Director	Weatherly, Joseph

Proposed Developer Structure

Exhibit C

**MCCORMACK BARON SALAZAR, INC.
OWNERSHIP STRUCTURE**

Level 2 McCormack Baron Salazar, Inc. is a Missouri corporation, whose sole shareholder (owner) is MBA Properties, Inc., a Delaware corporation

Proposed Co-Developer Structure

LIST OF PRINCIPALS

**Co-Developer: Boley Center, Inc.
Status: Not for Profit Corporation**

Level 2

Board of Directors

Executive Director	MARRONE, KEVIN
Officer/Director	HUMBURG, JACK
Officer/Director	INCORVIA, SANDRA
Officer/Director	MISIEWICZ, PAUL
Officer/Director	LOTT, MARTIN
Officer/Director	HEBERT, JOHN T
Officer/Director	BUSSEY, RUTLAND
Officer/Director	STRINGER, JOSEPH
Officer/Director	SMITH, JOSEPH L
Officer/Director	COLEY, LEONARD
Officer/Director	DR. WALLACE, ROBERT
Officer/Director	HUGHES, MARKUS, MAJOR
Officer/Director	PROCTOR, SUSAN
Officer/Director	SEWELL, JAMES, Dr.
Officer/Director	JOSEPH, MICHELLE
Officer/Director	BRUNING, CHRISTA
Officer/Director	GREEN, PRECIOUS

**BOARD OF DIRECTORS**

Suzanne Cabrera, Chair
Housing Leadership Council of Palm Beach
County, Inc.

Robert Von, Vice Chair
Meridian Appraisal Group, Inc.

Ben Johnson, Treasurer
Seltzer Management Group, Inc.

Leroy Moore, Secretary
Tampa Housing Authority

Ed Busansky, At Large
First Housing Development Corporation

Mark Hendrickson, At Large
The Hendrickson Company

Jeff Kiss, At Large
Kiss & Company, Inc.

Melvin Philpot, At Large
Duke Energy

George Romagnoli, At Large
Neighborhood Lending Partners

Stephen Bender
University of Florida

Gladys Cook
Consultant

Charles Elsesser
Community Justice Project

Marilyn Drayton
Wells Fargo

Armando Fana
City of West Palm Beach

Bradford Goar
Florida Power and Light

David Hall
Florida Realtors

Kathy Hazelwood
Synovus

Cheryl Howell
Hillsborough County

Jack Humburg
Boley Centers, Inc.

Aileen Pruitt
PNC Bank

Anne Ray
Shimberg Center for Housing Studies

Mike Rogers
Southern Advocacy Group

Manny Sarria
Miami-Dade County Homeless Trust

Carmen Smith
Chipola Area Habitat for Humanity

ADVISORY COUNCIL

Stephanie Berman
Carrfour Supportive Housing

Helen Hough Feinberg
RBC Capital Markets

Debra Koehler
Sage Partners

Esther Marshall
Fifth Third Bank

Tammy Paycer
Truist

Christine Ruiz
Bank of America

Thais Sullivan
Valley National Bank

CHIEF EXECUTIVE OFFICER

Ashon Nesbitt

August 10, 2023

Mr. Robert Dearduff
Florida Housing Finance Corporation
227 N. Bronough Street Ste. 5000
Tallahassee, FL 32301-1329

RE: Development Plan Approval for Gardens at Casa Familia PLP 2023-010P-09

Dear Mr. Dearduff:

This letter provides notice that this project has my approval to go forward for consideration of FHFC approval of the non-site acquisition loan in the amount of \$500,000 and execution of loan documents. The applicant has expressed a desire to have the FHFC Board consider this request at their next meeting.

I have provided a Development Plan which provides information on the project, the project timeline, and a budget which details how PLP funds will be spent. After reviewing all documents pertaining to this project, and meeting with the Applicant to discuss the project specifics, I believe that \$500,000 is sufficient to complete the proposed predevelopment activities.

Should you need any further information please feel free to contact me at plancher@flhousing.org or call 850-274-9764.

Elissa Plancher
Technical Advisor



Predevelopment Loan Program

Development Plan

Development Name	Gardens at Casa Familia, LLC
Development File Number	2023-010P-09

A. General Information	
Applicant Entity Name	Casa Familia, Inc.
Development Name	Gardens at Casa Familia
Development Address	11025 SW 84 th Street Miami, FL 33173
Tax Assessor Parcel Id Number	30-4031-000-0170
Development Co-Developers	N/A
Primary Contact	Deborah Lawrence
Development Type	Rental <input checked="" type="checkbox"/> Homeownership <input type="checkbox"/>
Number of Buildings	1
Number of Units	50
Target Population	Persons with Developmental Disabilities
Construction Type	New <input checked="" type="checkbox"/> Rehab <input type="checkbox"/> Both <input type="checkbox"/>
Applicant Comments: Property has received a tax credit allocation in RFA 2023-106 (2023-185CGN) and expects to close in 12-18 mo.	
TAP Comments: The Gardens at Casa Familia development is one phase of a larger development project on a nine-acre parcel that is currently entered into a land lease under Casa Familia. The parcel is located in the Kendall area of Miami Dade County and is in close proximity to key community elements. The project was selected for financing under RFA 2023-106, received its invitation to credit underwriting in March, and recently received its preliminary recommendation letter from Seltzer Management. The Applicant Entity's mission is specific to developing affordable housing communities for persons with developmental and intellectual disabilities to ensure housing integration opportunities in a community of their choice.	

B. Development Finance Information	
PLP Loan Recommended Amount	\$500,000
Total Predevelopment Costs	\$3,096,422
PLP Loan Amount for Acquisition	\$0.00
Estimated Total Development Costs	\$27,992,502
Will the Development be pursuing Tax Credits or Bonds? Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>	
If "Yes" selected above, please state name of entity that will own the property?	Gardens at Casa Familia, LLC
Applicant Comments: Gardens at Casa Familia, LLC was awarded 9% Tax Credits in RFA 2023-106	
TAP Comments: The PLP Applicant is engaged in the credit underwriting process for FHFC financing.	

C. Development Team		
Developer	Casa Familia Housing Developer, LLC	Wholly owned subsidiary of Casa Familia, Inc.
Contractor	Royal American Construction	Pending
Architect	Studio MCG Architecture	Selected
Engineer	HSQ	Selected
Consultant	Kensing Consulting, LLC	Under Contract
Property Management	Royal American Management	Selected – Contract Pending
Other-Legal	Bilzin Sumburg	Selected
Applicant Comments: Other Consultants pending selection.		
TAP Comments: Deborah Lawrence with Kensing Consulting, LLC has experience with the PLP Loan process as point of contact for the Applicant’s initial PLP Loan for the Phase 1 of the project.		

D. Market/Feasibility		
Type of Study	Performed By	Status
Market Study	Mark Davis – Meridian Appraisal Group	Complete
Provide narrative of anticipated marketing and lease up of property: Marketing and lease up will begin within 6 months of completion of the project. The organization will maintain a survey of persons interested in applying to reside in the housing units. Casa Familia has held a public forum to explore the need for inclusive housing for people with developmental and intellectual disabilities. There is a very high need in Florida for affordable housing for adults in this population with an even more critical need in Miami-Dade County.		
Applicant Comments: Appraisal pending as part of underwriting.		
TAP Comments: The Market Study was completed as part of the credit underwriting process for the tax credit program.		

E. Development Site and Site Control	
A description of the development site is required in order to complete this development plan. Please provide (or attach) a legal description if available; if not, please identify the site by location or some other means such as street address:	
Site Control Questions	Applicant Response
Applicant currently owns the site (recorded deed)	_____ Yes <input checked="" type="checkbox"/> No
The Applicant has or will have prior to loan closing, a contract to purchase the site	_____ Yes <input checked="" type="checkbox"/> No
The Applicant has or will have prior to loan closing, a long-term lease on the site	<input checked="" type="checkbox"/> Yes _____ No
Are there existing liens on the property?	_____ Yes <input checked="" type="checkbox"/> No
If no liens exist, how was that verified?	
List all existing mortgages and liens on the property: Casa Familia, Inc. has a long-term lease for 9 acres of property in Kendall Florida, and Gardens at Casa Familia has a long-term Sublease with Casa Familia, Inc. for a portion of that property. Casa Familia, Inc. currently has a PLP (2017-011P-09) for its first Phase, the Village of Casa Familia, due to close before the end of the year. The Casa Familia PLP 2017-011P-09 will be paid off at closing of FHFC construction financing.	
Are there currently any mortgages or liens, or will there be any mortgages or liens at PLP closing, that will prevent the PLP Loan from being in a first mortgage or a second mortgage position?	_____ Yes <input checked="" type="checkbox"/> No
If the PLP will be a second mortgage, please provide details on the first mortgage, including the Lender, amount of mortgage and proposed closing date.	N/A
If the development site will be titled in the name of a special purpose entity (SPE) formed by the Applicant, please provide the name of the SPE. If not yet formed, please advise when the entity will be formed and list as "SPE to be formed" (Note: If a SPE will hold title to the development site, the SPE must be owned by the Applicant and it (the SPE) will be required to execute the note and mortgage, as borrower, and the Applicant will be required to act as guarantor of the PLP Loan).	Applicant formed – Tax Credits Awarded to Gardens at Casa Familia, LLC in RFA 2023-106
Applicant Comments:	

TAP Comments: The nine-acre parcel is owned by Miami-Dade County (Landlord) and is leased to Casa Familia, Inc. (Tenant) for a 55-year term with the option of two 20-year extension periods. Casa Familia, Inc. has entered into a sublease agreement with Gardens of Casa Familia, LLC for this development project and for the same lease term as the master lease. The sublease agreement states that the lease commences at the closing of construction financing.

F. Development Readiness	
Item	Status
Current Zoning on Property	GU with permission for RU4L
Current Use of Property	Vacant
Future Land Use Plan	Communications/Institutional
Site Plan Approval	In process
Property Survey	In process
Soil Testing	Complete
Permits	Anticipated
Availability of Utilities to property	Available - FPL
Availability of Water to property	Available - Miami-Dade WASD
Availability of Sewer to property	Available - Miami-Dade WASD
Availability of Road access to property	Available – Public road, 84 th Street Miami 33173
Environmental Assessments Performed	Update in process
Appraisal	In process
Financial Statements available for review	Yes
Plans, Specs for Development	In Process
Applicant Comments: State statute permits future land use as affordable housing.	
TAP Comments:	

G. Financing Sources		
Name of Source	Amount	Status
FHFC LIHTC 9% (Equity per Truist)	\$18,898,110	Awarded
FHFC - National Housing Trust Fund (NHTF)	\$1,600,000	Awarded
FHFC - DD Grant	\$4,600,000	Awarded
Deferred Developer Fee	\$2,894,392	Committed
Total	\$27,992,502	
Applicant Comments:		
Is the Applicant applying for any other FHFC financing? If so, has it been approved?	Yes. Awarded 9% Credit RFA 2023-106 2023-185CGN	
Is the Applicant entity under the other FHFC financing the same applicant entity as the PLP applicant entity? If not, provide the name of the Applicant entity.	Yes	
Will any of the other financing be closing in conjunction with the PLP loan?	No	
Will any of the financing closing in conjunction with the PLP loan be permanent or construction financing?	N/A	
TAP Comments:		

H. Narrative
Provide Additional narrative not covered in comments above: Gardens at Casa Familia will be comprised of a single midrise elevator building with 50 one-bedroom units of affordable housing with a minimum of 50% of the rental units set-aside for persons with Developmental Disabilities.

I. Predevelopment Loan Request Budget	
Item	Amount
Appraisal	8,000
Architect/Engineer	226,000
Consultant	45,000
Credit Underwriting Fees	25,000
Environmental Testing	6,000
Soil Testing	3,500
Legal Fees	55,000
Market Study	8,500
Survey	7,500
Other – Tax Credit Fees	115,500
PLP Loan Total	\$500,000

J. Total Development Costs	
Acquisition costs not covered by PLP	1,500,000
Acquisition closing costs not covered by PLP	0
Other Predevelopment costs not covered by PLP	1,709,016
Rehabilitation	N/A
Hard Construction	17,780,277
Construction Contingency	889,013
Developer Fees	4,597,871
Other construction costs	1,016,325
Total Development Cost	\$27,992,502

K. Timeline		
Timeline Item	Date	Status
PLP Loan Approval	Sept. 2023	Anticipated
Site Acquisition	2018	Complete
Survey	2022	Complete
Zoning Approval	Sept. 2023	Anticipated
PLP Loan Closing	Sept. 2023	Anticipated
Applying for Construction Financing	Sept. 2023	Anticipated
Construction Start	Q3 2024	Anticipated
Construction Completion	Q3 2025	Anticipated
Lease-up/Sale	Q4 2025	Anticipated

SELTZER MANAGEMENT GROUP, INC.

17633 ASHLEY DRIVE
PANAMA CITY BEACH, FL 32413
TEL: (850) 233-3616
FAX: (850) 233-1429

August 23, 2023

VIA EMAIL

Mr. Todd Fowler
Director of Special Assets
Florida Housing Finance Corporation
227 North Bronough Street, Suite 5000
Tallahassee, Florida 32301-1329

RE: Hidden Cove Apartments - HOME 2001HR-011
Ownership Transfer / First Mortgage Refinancing / HOME Renegotiation /
Assumption of HOME Loan Documents and LURA / Subordination of HOME
Documents and LURA / Release and Replacement of Guarantors

Dear Mr. Fowler:

On your behalf, Seltzer Management Group, Inc. ("SMG" or "Seltzer") has reviewed a request, dated August 4, 2023, from ONIC-Hidden Cove, Inc. ("Borrower"), a subsidiary and/or affiliate of Orlando Neighborhood Improvement Corporation ("ONIC"), requesting that Florida Housing Finance Corporation ("FHFC" or "Florida Housing" or "Corporation") consent to the sale of Hidden Cove Apartments ("Development") to 4900 S Rio Grande, LP ("New Borrower"). This transaction also requires the approval of the refinancing of the existing first mortgage, renegotiation of the HOME Investment Partnerships Program ("HOME") loan terms, extension of the HOME loan term to be co-terminus with the new first mortgage, assumption and subordination of HOME Loan Documents and Land Use Restrictions Agreement ("LURA"). The New Borrower was awarded new Tax-Exempt Bond funding from Escambia County Housing Finance Authority ("ECHFA") to acquire and rehabilitate the Development.

Specifically, SMG has been requested to determine that the New Borrower has the prerequisite financial strength and experience to successfully own and operate the Development. For purposes of this analysis, SMG reviewed the following:

- Borrower Correspondence dated July 17, 2023
- Original HOME Credit Underwriting Report dated April 5, 2002
- HOME 2001-011H Mortgage and Security Agreement, Promissory Note, and HOME LURA all dated June 28, 2002
- First Mortgage Refinancing & Extension of HOME Loan and LURA recommendation letter from SMG dated July 24, 2013

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- HOME 2001-011H Global First Amendment to HOME Mortgage and Loan Documents, First Amendment to HOME LURA and Allonge to Promissory Note all dated January 10, 2014
- ONIC's Audited Financial Statements for the Year Ending September 30, 2022
- ONIC's Federal Tax Returns for Years ending 2020 and 2021
- Rule 67-48.0205(1) F.A.C. and Rule 67-48.0205(3) F.A.C.
- Borrower email dated August 7, 2023 outlining length of the extension request
- Florida Housing email dated August 14, 2023 detailing the terms of the renegotiated HOME Loan terms
- Authorized Summary of Preliminary Financing Assumptions from Royal Bank of Canada Capital Markets ("RBC") dated July 29, 2023
- RBC Housing Credit ("HC") Letter of Intent dated, May 25, 2023
- Appraisal prepared by Walter Duke + Partners ("WDP") dated June 20, 2023 and an update to the Appraisal dated August 22, 2023
- Purchase and Sale Agreement ("PSA") dated March 23, 2023 and First Amendment to the PSA dated August 7, 2023
- For the New Borrower
 - Organizational Chart
 - State of Florida Registration and 2023 Certificate of Status / Annual Report
- Corporate resume for ONIC
- FHFC Past Due Report dated July 28, 2023
- FHFC Noncompliance Report dated May 24, 2023
- FHFC Occupancy Report
- Management Review and Physical Inspection dated June 14, 2023

In addition, SMG has had various conversations with FHFC staff, the Borrower and New Borrower's representative regarding the proposed refinancing. Our findings are as follows:

Background

Hidden Cove Apartments is an existing multifamily development originally built in 1972 and located at 4900 S Rio Grande Avenue in unincorporated Orlando, Orange County, Florida, consisting of 128 units in fourteen residential buildings. The apartment buildings contain 88 one-bedroom, one-bathroom units and 40 two-bedroom, one-bathroom units. The Borrower and its affiliate and/or subsidiary, ONIC, own 100% of the Development.

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The Development originally received a \$2,525,000 first mortgage financed loan from Central Florida Community Reinvestment Corporation (“CFCRC”) in October 1999. Other funding sources included a CFCRC mortgage in the amount of \$400,000, a Florida Community Capital Corporation mortgage of \$513,871, an Orange County HOME loan/grant in the amount of \$888,250, and Deferred Developer Fees.

The Development closed on a \$1,666,000 HOME loan on June 28, 2002, for rehabilitation purposes with a 15 year term, and 0% interest rate due to ONIC not-for-profit status, with the principal due at maturity. On January 10, 2014, the existing CFCRC first mortgage was refinanced and the HOME Loan was extended to June 1, 2029.

Operation of the Development is restricted by terms and conditions detailed in various loan documents, including but not limited to Florida Housing’s HOME LURA.

The HOME LURA requires that 20% (21 units) of the 103 HOME-assisted units be set-aside for Low-HOME tenants earning 50% or less of the Area Medium Income (“AMI”) and the remaining HOME-assisted units (82 units) be set-aside for High-HOME tenants earning 60% or less of AMI for a period of 61 years. The remaining 25 units may be rented at market rates.

The Borrower was not reported on Florida Housing’s July 28, 2023, past due report nor on the May 24, 2023, Asset Management Noncompliance Report.

As of the June 2023, FHFC occupancy report, the Development was 94.53% occupied.

The Servicer’s Management Review and Physical Inspection dated June 14, 2023 reported the property in compliance.

New Borrower Review:

A PSA was provided between the Borrower and the New Borrower which reflects a total purchase price of \$14,850,000 for the Development. The closing date shall occur no later than December 31, 2023 per the first amendment to the PSA. The New Borrower may request up to four extensions by 30 days.

The Developments Audited Financial Statements do not reflect any going concern comments. The current first mortgage balance and other subordinate payoffs are evidenced in the Overall Sources and Uses Section below.

The New Borrower is a Florida Limited Partnership registered with the State of Florida on March 21, 2023 to acquire, own, and operate the Development, and has no development experience. A copy of the Limited Partnership Agreement, also dated March 21, 2023, was provided for the New Borrower. The current Certificate of Limited Partnership (confirming the Applicant is in good standing with the State of Florida) was verified with the Secretary of State (aka Sunbiz.org). The General Partner of the New Borrower is ONIC-Cove GP, LLC. (“Cove GP”) with a 0.009% ownership interest in the Applicant. Cove GP is a Florida Limited Liability Company, formed on March 21, 2023. Cove GP is owned by ONIC and CDCT Reynolds, LLC. ONIC, who owns 79% of Cove GP, is a Florida Not For Profit Corporation registered with the State of Florida on April 15, 1985. ONIC is

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a development company, which has been developing affordable housing in Central Florida since 1989 consisting of both new construction and acquisition rehabilitations. They have developed single family homes as well as neighborhood-oriented shopping. They have also developed, co-developed or partnered in 24 properties throughout central Florida, representing approximately 2,587 residential units. CDCT Reynolds LLC, a passive entity who owns the remaining 21% of Cove GP, is a Florida Limited Company registered with the state of Florida on October 24, 2022. The sole member of CDCT Reynolds, LLC is Corporation to Develop Communities of Tampa, Inc. ("CDCT"), a non-profit entity governed by a Board of Directors. Seltzer is in receipt of an amended and restated Operating Agreement confirming the ownership as detailed above.

Based upon a HC equity investment letter of intent, dated May 25, 2023, RBC Community Investments, LLC ("RBC CI") will acquire a 99.99% limited partner interest, and RBC Community Investments Manager II, Inc ("RBC Manager") will acquire 0.001% special Limited Partner interest in the partnership concurrent with or prior to closing of the 4% HC.

The Borrower and ONIC were the original Guarantors of the HOME Loan. In the refinancing, ONIC will remain as a Guarantor but the Borrower will be replaced by the New Borrower.

FHFC Past Due and Noncompliance Reports

ONIC has no items reported on Florida Housing's July 28, 2023, past due report nor on the May 24, 2023, Asset Management Noncompliance Report.

Resolution of any past due and/or noncompliance items to the satisfaction of Florida Housing is a condition of Seltzer's Recommendation.

Overall Sources and Uses of Funds:

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Sources		
New First Mortgage		\$ 5,454,825
HOME Assumption		\$ 1,666,000
Seller Note		\$ 12,000,673
Sponsor Loan		\$ 1,650,000
Existing Reserves		\$ 182,816
GP Contribution		\$ 100
Net Operating Income		\$ 279,060
HC Equity		\$ 11,648,368
Deferred Developer Fee		\$ 1,942,144
Total Sources		<u>\$ 34,823,986</u>
Uses		
Purchase Price of \$14,850,000 consists of:		
Existing First Mortgage Payoff		\$ 1,016,010
Existing SHIP Note Payoff		\$ 167,317
HOME Negotiated Principal Payment		\$ 400,000
Remaining HOME Loan		\$ 1,266,000
Seller Note		\$ 12,000,673
Estimated Rehabilitation Costs		\$ 15,941,677
Developer Fee		\$ 4,032,309
Total Uses		<u>\$ 34,823,986</u>

Refinancing Overview

As evidenced by the RBC Summary of Preliminary Financing Assumptions (“Summary”) dated July 29, 2023, the New Borrower has been approved to receive ECHFA Multifamily Mortgage Revenue Bonds (“MMRB”) in the amount of \$15,400,000 to acquire and rehabilitate the Development. This transaction is currently being underwritten by Seltzer and it is anticipated to be approved at the Escambia County Board Meeting on September 12, 2023. The Construction MMRB will pay interest only at a fixed rate payable monthly and will be subject to mandatory redemption in 24-30 months. The interest rate will be determined at the time of pricing as the lowest rate at which the MMRB’s may be sold at a price of par (100%). Based on market conditions as of July 29, 2023, the estimated fixed rate is 5.81%, which is based on the 3-Year Municipal Market Data index plus a 300 basis points spread. SMG added an underwriting cushion of 100 basis points for an estimated all-in rate totaling 6.81%.

According to the Summary, approximately \$9,945,175 of the MMRB will be repaid from the portion of the proceeds from the sale of the 4% Housing Credits (“HC”) and various subordinate loan funds and \$5,454,825 in MMRB will serve as the Permanent financing of the Development. The Permanent MMRB will bear interest monthly at a fixed rate and following an initial three-

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year interest only period, will amortize over a 35-year period. Based on the market conditions as of July 29, 2023, the estimated rate on the Permanent MMRBs is 5.65% based on 18 year Municipal Market Data Index plus a 250 basis point spread. The Permanent MMRBs will be subject to a mandatory tender/redemption of the first day of the month 18 years following Issuance. Additional funding sources are as follows: renegotiated HOME Loan, a Seller Note, a Sponsor Loan from ONIC, Existing Reserves acquired by the New Borrower, GP Contribution, Net Operating Income, HC Equity and Deferred Developer Fee as detailed in the Overall Sources and Uses of Funds Section.

The applicable Rule 67-48.0205(1) states the HOME loan shall be assumable upon Development sale, transfer or refinancing if the following conditions are met: (a) The proposed transferee meets all specific Applicant identity criteria which were required as conditions of the original loan; (b) the proposed transferee agrees to maintain all set-asides and other requirements of the HOME loan for the period originally specified; (c) the proposed transferee agrees to pay all loan servicing and compliance monitoring fees through the end of the HOME LURA; and (d) The proposed transferee and Application receives a favorable recommendation from the Credit Underwriter and approval by the Corporation's Board of Directors.

Based on the updated financials as evidenced in Exhibit 1 attached, the annual debt service is estimated to be \$970,397, which is \$271,992 more than the annual debt service listed in ONIC's Audited Financial Statements ending September 30, 2022. Annual cash flow after debt service will fluctuate and the Development's economic viability will be maintained. The resulting combined Debt Service Coverage ("DSC") ratio for the new first mortgage loan and renegotiated HOME Loan detailed in the section below is calculated at 1.13 to 1.00, which meets the minimum FHFC DSC underwriting requirements. Seltzer's analysis is based on the implementation of 2023 maximum restricted rents, in conjunction with vacancy/collection losses (as a percentage of gross potential rental income), as confirmed in the Appraisal by WDP.

Renegotiation Overview

In order to minimize the amount of the Sponsor Loan from ONIC, the New Borrower and Florida Housing have agreed to the following renegotiated terms of the HOME Loan:

- Loan term extension to be co-terminus (18 years) with the new first mortgage, as detailed in the Summary
- \$400,000 negotiated principal payment, paid annually at 20% (or \$80,000), subject to available cash flow, and paid before payment of Deferred Developer Fees
- \$37,500 principal payment, subject to available cash flow and paid annually, before seller note payments
- HOME Loan Interest rate increased to 1%, effective after the current maturity date of June 1, 2029
- Extension of the HOME LURA by an amount of time equal to the HOME Loan extension

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The renegotiated terms will be effectuated in loan documents and executed at closing.

The applicable Rule 67-48.0205(3) states the Corporation may renegotiate and extend the loan in order to extend or retain the availability of housing for target population based upon (a) the Performance of the Applicant during the HOME Loan term, (b) availability of similar housing stock for the target population in the area, (c) documentation and certification by the Applicant that funds are not available to repay the Note upon maturity, (d) a plan for the repayment of the loan at the new maturity date, (e) assurance that the security interest of the Corporation will not be jeopardized by the new terms, and (f) industry standard terms which may include amortizing loans requiring regularly scheduled payments of principal and interest.

Based on SMG's interpretation of the Rule, the renegotiation of the HOME Loan as detailed above satisfies these requirements.

Summary and Recommendation

SMG concludes that the refinancing of the existing first mortgage and renegotiation of the HOME loan terms will not adversely impact the Development's financial position and meets FHFC's underwriting standards, subject to the conditions below.

Therefore, SMG recommends that FHFC approve the transfer of ownership of the Subject Development to the New Borrower. In addition, approve the refinance first mortgage, renegotiation and extension of the HOME Loan term, the extension of the HOME LURA term, assumption and subordination of HOME Loan Documents and LURA, and modification of any other loan documents required to effectuate the refinancing, renegotiating and transaction, subject to the following:

1. Review and approval of all loan documents consistent with the terms outlined above by Florida Housing's legal counsel
2. Receipt of a non-refundable renegotiation fee equal to one-half of one percent of the HOME principal amount on the date of the closing
3. Receipt of a non-refundable transfer fee equal to one-tenth of one percent of the HOME principal amount on the date of the closing
4. New permanent loan servicing and compliance fees based on the extended HOME Loan and LURA terms, respectively
5. Extension of the HOME LURA affordability period by a length of time equal to the extension of the HOME Loan term
6. HOME LURA extension fee in the amount of \$1,000
7. Subordination fee of HOME loan documents in the amount of \$1,000
8. Approval of the ECHFA MMRB Credit Underwriting Report

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9. Transfer of existing tax, insurance, replacement reserve and debt service reserve escrow accounts or establishment of new accounts in like or greater amounts satisfactory to FHFC prior to closing, if applicable
10. Payment of any outstanding arrearages to the Corporation, its legal counsel, Servicer or any agent or assignee of the Corporation for past due issues applicable to the development team (Applicant or Developer or Principal, Affiliate or Financial Beneficiary, as described in 67-48.0075 (5) F.A.C., of an Applicant or a Developer)
11. Satisfactory resolution of any outstanding past due and noncompliance items
12. All other due diligence required by FHFC and its legal counsel.

I hope this correspondence has been helpful and please do not hesitate to call if I can be of further assistance.

Sincerely,

SELTZER MANAGEMENT GROUP, INC.



Ryan Johnson
Credit Underwriter

MULTIFAMILY PROGRAMS - ALLOCATIONS

Action

MULTIFAMILY PROGRAMS - ALLOCATIONS

I. RFA 2023-205 SAIL Financing of Affordable Multifamily Housing Developments

1. **Background:**

- a) On July 5, 2023, Florida Housing Finance Corporation (Florida Housing) issued RFA 2023-205 offering \$108,344,703 in State Apartment Incentive Loan (SAIL) funding to be used in conjunction with (i) Tax-Exempt Bond financing, (ii) Non-Competitive Housing Credits (HC), and if applicable (iii) National Housing Trust Fund (NHTF) for Applicants proposing the development of affordable, multifamily housing for Families and the Elderly.
- b) The deadline for receipt of Applications was 3:00 p.m., Eastern Time, August 3, 2023.

2. **Present Situation:**

- a) Florida Housing received 63 Applications in response to this RFA. The Review Committee members, designated by the Executive Director, were Tim Kennedy, Multifamily Loans/Bonds Director (Chair), Cori MacDougall, Multifamily Programs Manager, and Mandy Perry, Multifamily Programs Manager. Each member of the Review Committee independently evaluated and scored their assigned portions of the submitted Applications, consulting with non-committee staff and legal counsel as necessary and appropriate.
- b) At its August 23, 2023, Review Committee meeting, the individual committee members presented their scores and the Committee carried out the funding selection process in accordance with Section Five, B. of the RFA. The individual scores are set forth on the RFA webpage and can be accessed here.
- c) On August 2, 2023, there was a return of funding through RFA 2022-205. Application number 2023-146SN, Clearwater Gardens, which was in the funding range as a result of final litigation in RFA 2022-205, declined its invitation to enter credit underwriting as it accepted an invitation to enter credit underwriting in RFA 2022-202. The total returned funding was \$5,407,500. At the review committee meeting, this returned funding was added, making the total SAIL available in this RFA \$113,752,203.
- d) The RFA 2023-205 All Applications chart (provided as [Exhibit A](#)) lists the eligible and ineligible Applications. The eligible Applications (i.e., Applications that met all criteria to be eligible to be considered for funding) and the ineligible Applications are listed in assigned Application Number order.
- e) The Review Committee considered the following motions:
 - (1) A motion to recommend the Board approve the addition of the returned funding in the amount of \$5,407,500 to the total SAIL available in this RFA.
 - (2) A motion for the Review Committee to approve the scoring results set out on Exhibit A and recommendations for funding as set out on Exhibit

September 8, 2023

Florida Housing Finance Corporation

MULTIFAMILY PROGRAMS - ALLOCATIONS

Action

B;

(3) A motion to recommend that the Board approve the scoring results set out on Exhibit A and recommendations for funding as set out on Exhibit B.

f) The motions passed unanimously.

3. **Recommendation:**

- a) Approve the Committee's recommendations that the Board approve the addition of \$5,407,500 to the total SAIL funding available in this RFA, adopt the scoring results of the 63 Applications and authorize the tentative selection of the 10 Applications ([set out on Exhibit B](#)) for funding.
- b) If no notice of protest or formal written protest is filed in accordance with Section 120.57(3), Fla. Stat., et. al., staff will proceed to issue an invitation to enter credit underwriting to the Applications set out on the Exhibit B.
- c) If a notice of protest or formal written protest is filed in accordance with Section 120.57(3), Fla. Stat., et. al., then at the completion of all litigation, staff will present all Recommended Orders for Board approval prior to issuing invitations to enter credit underwriting to those Applicants in the funding range.
- d) There is \$1,190,523 in SAIL funding remaining. As provided in Section Five, B. of the RFA, any remaining funding will be distributed as approved by the Board.

MULTIFAMILY PROGRAMS - ALLOCATIONS

Action

II. RFA 2023-212 Housing Credit Viability Funding For Developments Located In Monroe County That Have An Active Award Of SAIL Financing And 9 Percent Housing Credits

1. **Background:**

- a) On July 19, 2023, Florida Housing Finance Corporation (Florida Housing) issued RFA 2023-212 offering \$865,809 in additional Competitive Housing Credits for Applicants that have an Active Award of SAIL Financing and 9 percent Housing Credits, in which construction has stalled for more than two years since the acceptance to invitation to enter credit underwriting due to third-party litigation and/or Rate of Growth Ordinance (ROGO) issues which have been exacerbated by increased construction costs, making the proposed Development non-viable with current funding awards and a significant amount of deferred Developer Fee.
- b) The deadline for receipt of Applications was 3:00 p.m., Eastern Time, August 8, 2023.

2. **Present Situation:**

- a) Florida Housing received 2 Applications in response to this RFA. The Review Committee members, designated by the Executive Director, were Freebeau Swindle, Construction Administrator (Chair), Ebony Cargle, Multifamily Programs Manager, and Tim Kennedy, Multifamily Loans/Bonds Director. Each member of the Review Committee independently evaluated and scored their assigned portions of the submitted Applications, consulting with non-committee staff and legal counsel as necessary and appropriate.
- b) At its August 24, 2023, Review Committee meeting, the individual committee members presented their scores and the Committee carried out the funding selection process in accordance with Section Five, B. of the RFA. The individual scores are set forth on the RFA webpage and can be accessed here.
- c) The RFA 2023-212 All Applications chart (provided as Exhibit C) lists the Applications. The Applications are listed in assigned Application Number order. There were no ineligible Applications.
- d) The Review Committee considered the following motions:
 - (1) A motion for the Review Committee to approve the scoring results set out on Exhibit C and recommendations for funding as set out on Exhibit D;
 - (2) A motion to recommend that the Board approve the scoring results set out on [Exhibit C](#) and recommendations for funding as set out on Exhibit D.
- e) The motions passed unanimously.

3. **Recommendation:**

September 8, 2023

Florida Housing Finance Corporation

MULTIFAMILY PROGRAMS - ALLOCATIONS

Action

- a) Approve the Committee's recommendations that the Board adopt the scoring results of the 2 Applications and authorize the tentative selection of the 2 Applications (set out on [Exhibit D](#)) for funding.
- b) If no notice of protest or formal written protest is filed in accordance with Section 120.57(3), Fla. Stat., et. al., staff will proceed to issue an invitation to enter credit underwriting to the Applications set out on the Exhibit D.
- c) If a notice of protest or formal written protest is filed in accordance with Section 120.57(3), Fla. Stat., et. al., then at the completion of all litigation, staff will present all Recommended Orders for Board approval prior to issuing invitations to enter credit underwriting to those Applicants in the funding range.
- d) There is \$25,000 in Housing Credit funding remaining. As provided in Section Five, B. of the RFA, any remaining funding will be distributed as approved by the Board.

MULTIFAMILY PROGRAMS - ALLOCATIONS

Action

III. **Request for Approval to issue a Request for Applications (RFA) for Community Development Block Grant-Disaster Recovery (CDBG-DR) financing for affordable Developments located in Hurricane Sally impacted areas.**

1. **Background:**

- a) In September 2020, Hurricane Sally made landfall in the Florida Panhandle, impacting Escambia, Santa Rosa, Okaloosa, Walton, and Bay Counties.
- b) Florida Department of Commerce (FL Commerce) has been appropriated Community Development Block Grant – Disaster Relief (CDBG-DR) funding to support long-term recovery and mitigation efforts following Hurricane Sally. FL Commerce developed an action plan to guide how this funding will address unmet recovery and mitigation needs following Hurricane Sally.

2. **Present Situation:**

- a) Similar to CDBG-DR funding received from FL Commerce for Hurricane Irma recovery, FL Commerce has asked Florida Housing to work in partnership as a subrecipient to manage a program called Workforce Affordable Housing Construction Program that will result in the construction of new affordable rental housing in areas impacted by Hurricane Sally.
- b) FL Commerce has allocated \$25 million to the Workforce Affordable Housing Construction Program in the Hurricane Sally Action Plan.
- c) Staff anticipates offering CDBG-DR funding in conjunction with Tax-Exempt Bond Financing and Non-Competitive Housing Credits for smaller sized Developments.

3. **Recommendation:**

- a) Authorize staff to continue to work with FL Commerce on the Workforce Affordable Housing Construction Program, to enter into a subrecipient agreement with FL Commerce to administer the new CDBG-DR funding and to issue a Request for Applications to fund rental developments in the Hurricane Sally designated areas.

RFA 2023-205 All Applications

Application Number	Name of Development	County	County Size	Name of Authorized Principal	Name of Developers	Dev Category	Demo. Commitment	SAIL Request	ELI Request	Total SAIL Request (SAIL + ELI)	Eligible For Funding?	Veterans Preference?	Self-Sourced Applicant?	HUD CNI Goal?	Total Number of Units	Priority Level?	Total Points	Corporation SAIL Funding Per Set-Aside	Leveraging Level	Proximity Funding Preference	Florida Job Creation Preference	Lottery Number
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Eligible Applications

2024-001BSN	Hawthorne Heights	Alachua	M	Michael Ruane	CORE Hawthorne Heights Developer LLC	NC	E, Non-ALF	\$7,225,000	\$569,600	7,794,600	Y	Y	N	N	86	1	20	\$71,445.59	4	Y	Y	29
2024-002SN	Avery Place Apartments	Escambia	M	Renee Sandell	Paces Preservation Partners, LLC	NC	F	\$9,000,000	\$750,000	9,750,000	Y	N	N	N	112	1	20	\$68,337.72	4	Y	Y	24
2024-003BSN	Arbors at The Ridge	Lee	M	Terri Murray	ACRUVA Community Developers, LLC; Neighborhood Renaissance, Inc.	NC	E, Non-ALF	\$7,500,000	\$750,000	8,250,000	Y	Y	N	N	120	1	20	\$53,151.56	3	Y	Y	12
2024-004SN	Morris Manor Phase II	Duval	L	Darren J Smith	SHAG Morris Manor II Developer, LLC	NC	E, Non-ALF	\$8,930,000	\$635,000	9,565,000	Y	Y	N	N	94	1	20	\$80,790.38	5	Y	Y	7
2024-005SN	Calusa Pointe II	Palm Beach	L	J. David Page	Southport Development, Inc., a WA corporation doing business in FL as Southport Development Services, Inc.	NC	F	\$7,840,000	\$750,000	8,590,000	Y	N	N	N	168	1	20	\$49,373.33	2	Y	Y	53
2024-006S	Garden House	Miami-Dade	L	Christopher L. Shear	MHP FL South Parcel Developer, LLC ; MJHS South Parcel Developer, LLC	NC	F	\$5,915,000	\$750,000	6,665,000	Y	N	Y	N	145	1	26	\$33,467.07	4	Y	Y	11
2024-007BS	Sound Meadows	St. Lucie	M	J. David Page	Southport Development, Inc., a WA corporation doing business in FL as Southport Development Services, Inc.	NC	F	\$7,300,000	\$750,000	8,050,000	Y	N	Y	N	180	1	24	\$42,907.78	5	Y	Y	9
2024-008BSN	Southward Village CNI Phase 3	Lee	M	Vincent R Bennett	Fort Myers Developer, LLC; Southwest Florida Affordable Development, LLC	NC	E, Non-ALF	\$4,960,000	\$488,000	5,448,000	Y	Y	N	N	80	1	20	\$53,073.72	3	Y	Y	30
2024-009BSN	Southward Village CNI Phase 2	Lee	M	Vincent R Bennett	Fort Myers Developer, LLC; Southwest Florida Affordable Development, LLC	NC	F	\$7,440,000	\$750,000	8,190,000	Y	N	N	N	151	1	20	\$53,695.98	3	Y	Y	16
2024-010BSN	Ekos on Collier	Collier	M	Christopher L. Shear	MHP Collier II Developer, LLC.	NC	F	\$9,500,000	\$750,000	10,250,000	Y	N	N	N	160	1	20	\$50,493.98	2	Y	Y	57
2024-011BSN	Liberty Square Phase Five	Miami-Dade	L	Alberto Milo, Jr.	Liberty Square Phase Five Developer, LLC	NC	F	\$7,250,000	\$750,000	8,000,000	Y	N	N	N	276	1	20	\$20,927.86	1	Y	Y	8
2024-012SN	Yaeger Plaza	Miami-Dade	L	Kareem T. Brantley	Integral Florida, LLC	NC	F	\$3,000,000	\$750,000	3,750,000	Y	N	N	N	135	1	15	\$18,231.33	1	Y	Y	27
2024-013BSN	The Beacon at Bayside	Okaloosa	M	Carol Gardner	TEDC Affordable Communities Inc.; Bayside Development of Fort Walton, LLC; 42 Partners, LLC	NC	E, Non-ALF	\$7,600,000	\$696,000	8,296,000	Y	Y	N	N	80	1	20	\$93,474.30	5	Y	Y	43
2024-014SN	Oakhurst Trace	Pinellas	L	J. David Page	Southport Development, Inc., a WA corporation doing business in FL as Southport Development Services, Inc.	NC	F	\$9,000,000	\$750,000	9,750,000	Y	N	N	N	224	1	20	\$39,274.55	2	Y	Y	60

RFA 2023-205 All Applications

Application Number	Name of Development	County	County Size	Name of Authorized Principal	Name of Developers	Dev Category	Demo. Commitment	SAIL Request	ELI Request	Total SAIL Request (SAIL + ELI)	Eligible For Funding?	Veterans Preference?	Self-Sourced Applicant?	HUD CNI Goal?	Total Number of Units	Priority Level?	Total Points	Corporation SAIL Funding Per Set-Aside	Leveraging Level	Proximity Funding Preference	Florida Job Creation Preference	Lottery Number
2024-015SN	Hibiscus Grove	Miami-Dade	L	Jacob Morrow	Hibiscus Grove Developer, LLC	NC	F	\$6,750,000	\$750,000	7,500,000	Y	N	N	N	270	1	20	\$25,637.81	1	Y	Y	21
2024-016BSN	Walden Senior Apartments	Leon	M	Jeffrey Sharkey	Walden Senior Apartments Developer, LLC	A/R	E, Non-ALF	\$5,348,603	\$431,200	5,779,803	Y	Y	N	N	70	1	20	\$87,869.91	4	Y	Y	25
2024-017BSN	Osprey Landing	Miami-Dade	L	Michael Ruane	ACRUVA Community Developers, LLC; CORE Osprey Landing Developer, LLC	NC	E, Non-ALF	\$8,750,000	\$750,000	9,500,000	Y	Y	N	N	131	1	20	\$54,798.38	3	Y	Y	38
2024-018SN	3611/3621 Cleveland Avenue	Lee	M	Vincent R Bennett	Fort Myers Developer, LLC; Southwest Florida Affordable Development, LLC	NC	F	\$8,740,000	\$662,500	9,402,500	Y	N	N	Y	92	1	20	\$90,140.76	5	Y	Y	55
2024-019S	Riverbend Landings	Seminole	M	Jay P. Brock	Atlantic Housing Partners, L.L.P.	NC	F	\$3,471,000	\$628,700	4,099,700	Y	N	Y	N	89	1	26	\$33,150.00	2	Y	Y	46
2024-020BSN	Arbours at Emerald Springs	Walton	S	Sam Johnston	Arbour Valley Development, LLC	NC	F	\$7,980,000	\$629,400	8,609,400	Y	N	N	N	84	1	20	\$100,510.00	5	Y	Y	22
2024-021BSN	The Nautilus	Lee	M	Matthew A. Rieger	HTG Nautilus Developer, LLC	NC	E, Non-ALF	\$9,498,000	\$681,500	10,179,500	Y	Y	N	N	110	1	20	\$73,430.33	4	Y	Y	40
2024-022BSN	Legacy Park I	Lee	M	Matthew A. Rieger	HTG Legacy I Developer, LLC	NC	E, Non-ALF	\$9,499,000	\$750,000	10,249,000	Y	Y	N	N	114	1	20	\$70,861.29	4	Y	Y	59
2024-023SN	Barrett Park Apartments	Lee	M	Darren J Smith	SHAG Barrett Park Developer, LLC; LCHA Developer, LLC	NC	F	\$7,700,000	\$740,500	8,440,500	Y	N	N	N	96	1	20	\$59,704.84	3	Y	Y	35
2024-024BSN	Promenade on Embers Lake (Phase I)	Lee	M	Daniel M. Lopez	MCP Developer I, LLC; AFFORDABLE HOUSING PRESERVATION ADVISORS LLC	NC	F	\$9,110,000	\$702,100	9,812,100	Y	N	N	N	96	1	15	\$100,399.79	5	Y	Y	42
2024-025SN	Perrine Village I	Miami-Dade	L	Kenneth Naylor	Perrine Development, LLC	NC	F	\$11,000,000	\$750,000	11,750,000	Y	N	N	N	116	1	20	\$72,351.68	4	Y	Y	50
2024-027BSN	Fern Grove Phase Two	Orange	L	Scott Zimmerman	BDG Fern Grove Phase Two Developer, LLC	NC	E, Non-ALF	\$11,000,000	\$750,000	11,750,000	Y	Y	N	N	133	1	20	\$80,845.86	5	Y	Y	13
2024-028S	Lake Bradford Apartments	Leon	M	C. Hunter Nelson	ECG Lake Bradford Developer, LLC	NC	F	\$6,396,000	\$750,000	7,146,000	Y	N	Y	N	156	1	24	\$40,077.50	4	Y	Y	41
2024-029SN	Edison Towers II	Miami-Dade	L	Carol A Gardner	TEDC Affordable Communities Inc.	NC	E, Non-ALF	\$9,120,000	\$750,000	9,870,000	Y	Y	N	N	96	1	20	\$77,938.95	4	Y	Y	31
2024-030BSN	Liberty Renaissance	Miami-Dade	L	Lewis V Swezy	RS Development Corp	NC	E, Non-ALF	\$3,000,000	\$750,000	3,750,000	Y	Y	N	N	98	1	20	\$26,689.72	1	Y	Y	36
2024-031BSN	Hibiscus Pointe	Hernando	M	Michael Ruane	CORE FL Developer VII LLC	NC	F	\$8,170,000	\$614,200	8,784,200	Y	N	N	N	86	1	20	\$87,443.70	5	Y	Y	58
2024-032BSN	Hermosa North Fort Myers II	Lee	M	Marcus D. Goodson	Revital Development Group, LLC; DDER Development, LLC; LCHA Developer, LLC	NC	E, Non-ALF	\$5,500,000	\$580,500	6,080,500	Y	Y	N	N	88	1	20	\$49,430.95	2	Y	Y	23
2024-033BSN	Pine Island Park	Broward	L	Lewis V Swezy	RS Development Corp	NC	F	\$5,759,880	\$750,000	6,509,880	Y	N	N	N	120	1	20	\$35,921.20	2	Y	Y	14

RFA 2023-205 All Applications

Application Number	Name of Development	County	County Size	Name of Authorized Principal	Name of Developers	Dev Category	Demo. Commitment	SAIL Request	ELI Request	Total SAIL Request (SAIL + ELI)	Eligible For Funding?	Veterans Preference?	Self-Sourced Applicant?	HUD CNI Goal?	Total Number of Units	Priority Level?	Total Points	Corporation SAIL Funding Per Set-Aside	Leveraging Level	Proximity Funding Preference	Florida Job Creation Preference	Lottery Number
2024-034BSN	The Arbors at Naranja	Miami-Dade	L	Terri Murray	ACRUVA Community Developers, LLC; Neighborhood Renaissance, Inc.	NC	E, Non-ALF	\$7,350,000	\$750,000	8,100,000	Y	Y	N	N	110	1	20	\$54,818.30	3	Y	Y	63
2024-035S	Ambar Station	Miami-Dade	L	Elena M. Adames	Ambar3, LLC	NC	F	\$11,000,000	\$0	11,000,000	Y	N	Y	N	576	1	26	\$15,786.97	1	Y	Y	3
2024-036S	Southpointe Vista II	Miami-Dade	L	Christopher L. Shear	MHP FL IX Developer, LLC	NC	F	\$8,478,000	\$750,000	9,228,000	Y	N	Y	N	208	1	24	\$33,439.60	3	Y	Y	19
2024-037BSN	Ava Greens	Lee	M	Michael R. Allan	Revital Development Group, LLC; LCHA Developer, LLC	NC	F	\$9,500,000	\$750,000	10,250,000	Y	N	N	N	128	1	20	\$51,042.83	2	Y	Y	28
2024-039BSN	Autumn Palms at Bayshore	Lee	M	Michael R. Allan	Revital Development Group, LLC	NC	F	\$3,500,000	\$397,500	3,897,500	Y	N	N	N	60	1	20	\$53,693.50	3	Y	Y	15
2024-040SN	Perrine Village III	Miami-Dade	L	Kenneth Naylor	Perrine Development III, LLC	NC	E, Non-ALF	\$11,000,000	\$750,000	11,750,000	Y	Y	N	N	116	1	20	\$72,351.68	4	Y	Y	5
2024-041SN	Quail Roost Transit Village III	Miami-Dade	L	Kenneth Naylor	Quail Roost III Development, LLC	NC	E, Non-ALF	\$11,000,000	\$750,000	11,750,000	Y	Y	N	N	116	1	20	\$77,797.50	4	Y	Y	52
2024-044SN	Berkshire Square	Pinellas	L	Jonathan L. Wolf	Berkshire Square Developer, LLC	NC	F	\$6,744,900	\$581,400	7,326,300	Y	N	N	N	71	1	20	\$87,442.40	5	Y	Y	1
2024-045BSN	Driftwood Terrace	Broward	L	Brian Evjen	HHA Developer, LLC; Newstar Development, LLC	A/R	E, Non-ALF	\$2,000,000	\$750,000	2,750,000	Y	N	N	N	90	1	20	\$18,186.67	1	Y	Y	44
2024-046BSN	Bayside Gardens	Okaloosa	M	Carol Gardner	TEDC Affordable Communities Inc.; Bayside Development of Fort Walton, LLC; 42 Partners, LLC	NC	F	\$9,120,000	\$750,000	9,870,000	Y	N	N	N	96	1	20	\$93,474.30	5	Y	Y	37
2024-047BSN	Mariposa Grove	Orange	L	Scott Zimmerman	BDG Mariposa Grove Developer, LLC	NC	E, Non-ALF	\$11,000,000	\$750,000	11,750,000	Y	Y	N	N	138	1	20	\$65,395.00	3	Y	Y	45
2024-049SN	Woodland Park II	Alachua	M	Brian Evjen	Newstar Development, LLC; GHA Development, LLC	NC	F	\$7,500,000	\$750,000	8,250,000	Y	N	N	N	144	1	20	\$44,562.50	2	Y	Y	39
2024-050SN	Mayfield Place	Duval	L	Julie von Weller	Mayfield Place Developer, LLC	NC	E, Non-ALF	\$9,499,900	\$689,000	10,188,900	Y	Y	N	N	100	1	16.87	\$87,442.78	5	Y	Y	48
2024-051SN	Cypress Grove Apartments	Pinellas	L	Brett Green	Cypress Grove Developer, LLC; Pinellas County Housing and Economic Development Corporation	NC	F	\$4,500,000	\$568,260	5,068,260	Y	N	N	N	84	1	20	\$52,711.07	3	Y	Y	54
2024-054SN	Flats on 4th	Pinellas	L	Brett Green	Flats on 4th Developer, LLC; Pinellas Co	NC	E, Non-ALF	\$5,500,000	\$519,800	6,019,800	Y	Y	N	N	80	1	20	\$54,374.05	3	Y	Y	62
2024-055BSN	Casa San Juan Diego	Collier	M	Eric C. Miller	NDA Developer, LLC; CSID Developer, Ir	NC	F	\$6,250,000	\$750,000	7,000,000	Y	N	N	N	80	1	20	\$66,877.17	4	Y	Y	49
2024-056BSN	St. Agnes Place	Collier	M	Eric C. Miller	NDA Developer, LLC; St. Agnes Housing	NC	F	\$5,000,000	\$723,300	5,723,300	Y	N	N	N	56	1	20	\$82,183.93	5	Y	Y	4
2024-057SN	Magnolia Point	Miami-Dade	L	Jose L. Guillen	GTM Developers, LLC	NC	F	\$11,000,000	\$750,000	11,750,000	Y	N	N	N	400	1	20	\$20,336.25	1	Y	Y	51

RFA 2023-205 All Applications

Application Number	Name of Development	County	County Size	Name of Authorized Principal	Name of Developers	Dev Category	Demo. Commitment	SAIL Request	ELI Request	Total SAIL Request (SAIL + ELI)	Eligible For Funding?	Veterans Preference?	Self-Sourced Applicant?	HUD CNI Goal?	Total Number of Units	Priority Level?	Total Points	Corporation SAIL Funding Per Set-Aside	Leveraging Level	Proximity Funding Preference	Florida Job Creation Preference	Lottery Number
2024-058SN	Tampa 47th Street Apartments	Hillsborough	L	Alberto Milo, Jr.	Tampa 47th Street Apartments Develop	NC	F	\$7,000,000	\$750,000	7,750,000	Y	N	N	N	175	1	20	\$36,818.40	2	Y	Y	34
2024-059BSN	Thornton Place	Orange	L	Julie von Weller	Thornton Place Developer, LLC	NC	E, Non-ALF	\$9,499,900	\$683,500	10,183,400	Y	Y	N	N	100	1	20	\$80,789.52	5	Y	Y	47
2024-060SN	Egret Landing	Duval	L	Deion R. Lowery	DDER Development, LLC	NC	E, Non-ALF	\$8,360,000	\$624,300	8,984,300	Y	Y	N	N	88	1	20	\$87,443.70	5	Y	Y	10
2024-061BSN	Cardinal Pointe	Orange	L	Deion R. Lowery	DDER Development, LLC	NC	E, Non-ALF	\$11,000,000	\$750,000	11,750,000	Y	Y	N	N	120	1	20	\$84,375.50	5	Y	Y	2
2024-062BSN	S Ivey Lane Apartments	Orange	L	C. Hunter Nelson	ECG South Ivey Developer, LLC	NC	E, Non-ALF	\$8,020,000	\$672,600	8,692,600	Y	Y	N	N	96	1	20	\$88,387.08	5	Y	Y	56

Ineligible Applications

2024-026SN	Metro Grande II	Miami-Dade	L	Mara S Mades	Cornerstone Group Partners, LLC	NC	E, Non-ALF	\$3,000,000	\$750,000	3,750,000	N	Y	N	N	94	1	20	\$26,183.30	1	Y	Y	20
2024-038SN	Serenity Grove	Miami-Dade	L	Oliver L. Gross	Serenity Grove Developers, LLC	NC	E, Non-ALF	\$10,000,000	\$750,000	10,750,000	N	N	N	N	150	1	20	\$49,300.00	2	Y	Y	17
2024-042SN	Royal Pointe	Miami-Dade	L	Mara S. Mades	Cornerstone Group Partners, LLC; Anvil Community Development Land Trust, LLC	NC	F	\$3,000,000	\$750,000	3,750,000	N	N	N	N	102	1	20	\$27,072.35	2	Y	Y	18
2024-043BSN	Freedom Pointe (f.k.a. Little Havana Senior)	Miami-Dade	L	Kimberly Black King	Volunteers of America National Services	NC	E, Non-ALF	\$7,125,000	\$750,000	7,875,000	N	Y	N	N	75	1	20	\$77,938.95	4	Y	Y	32
2024-048BSN	DeSoto Workforce Housing	Manatee	M	J. David Heller	NRP Holdings LLC	NC	F	\$8,475,000	\$750,000	9,225,000	N	N	N	N	216	1	15	\$38,353.30	2	Y	Y	26
2024-052SN	Orange on 14th	Manatee	M	Brian Swanton	Gorman & Company, LLC	NC	F	\$9,500,000	\$750,000	10,250,000	N	N	N	N	174	1	10	\$53,369.25	3	Y	Y	6
2024-053BSN	Magnolia Senior	Leon	M	Carmen Chubb	New Affordable Housing Partners, LLC;	NC	E, Non-ALF	\$7,200,000	\$626,700	7,826,700	N	Y	N	N	100	1	20	\$70,843.68	4	Y	Y	61
2024-063SN	Village of Valor	Palm Beach	L	Kathy Makino	Development Partners INC	NC	F	\$5,000,000	\$0	5,000,000	N	N	N	N	54	1	5	\$90,509.26	5	Y	Y	33

RFA 2023-205 Review Committee Recommendations

SAIL Funding Balance Available	1,190,523
Family Demographic Funding Balance Available	1,016,978
Elderly Demographic Funding Balance Available	173,545

Application Number	Name of Development	County	County Size	Name of Authorized Principal	Name of Developers	Dev Category	Demo. Commitment	Total SAIL Request (SAIL + ELI)	Eligible For Funding?	Veterans Preference?	Self-Sourced Applicant?	HUD CNI Goal?	Total Number of Units	Priority Level?	Total Points	Leveraging Level	Proximity Funding Preference	Florida Job Creation Preference	Lottery Number
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Two Elderly Large County New Construction Applications

2024-047BSN	Mariposa Grove	Orange	L	Scott Zimmerman	BDG Mariposa Grove Developer, LLC	NC	E, Non-ALF	11,750,000	Y	Y	N	N	138	1	20	3	Y	Y	45
2024-054SN	Flats on 4th	Pinellas	L	Brett Green	Flats on 4th Developer, LLC; Pinellas County Housing and Economic Development Corporation	NC	E, Non-ALF	6,019,800	Y	Y	N	N	80	1	20	3	Y	Y	62

Three Family Large County New Construction Applications

2024-035S	Ambar Station	Miami-Dade	L	Elena M. Adames	Ambar3, LLC	NC	F	11,000,000	Y	N	Y	N	576	1	26	1	Y	Y	3
2024-033BSN	Pine Island Park	Broward	L	Lewis V Swezy	RS Development Corp	NC	F	6,509,880	Y	N	N	N	120	1	20	2	Y	Y	14
2024-006S	Garden House	Miami-Dade	L	Christopher L. Shear	MHP FL South Parcel Developer, LLC ; MJHS South Parcel Developer, LLC	NC	F	6,665,000	Y	N	Y	N	145	1	26	4	Y	Y	11

One Elderly Medium County New Construction Application

2024-032BSN	Hermosa North Fort Myers II	Lee	M	Marcus D. Goodson	Revital Development Group, LLC; DDER Development, LLC; LCHA Developer, LLC	NC	E, Non-ALF	6,080,500	Y	Y	N	N	88	1	20	2	Y	Y	23
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Two Family Medium County New Construction Applications

2024-019S	Riverbend Landings	Seminole	M	Jay P. Brock	Atlantic Housing Partners, L.L.L.P.	NC	F	4,099,700	Y	N	Y	N	89	1	26	2	Y	Y	46
2024-028S	Lake Bradford Apartments	Leon	M	C. Hunter Nelson	ECG Lake Bradford Developer, LLC	NC	F	7,146,000	Y	N	Y	N	156	1	24	4	Y	Y	41

RFA 2023-205 Review Committee Recommendations

Application Number	Name of Development	County	County Size	Name of Authorized Principal	Name of Developers	Dev Category	Demo. Commitment	Total SAIL Request (SAIL + ELI)	Eligible For Funding?	Veterans Preference?	Self-Sourced Applicant?	HUD CNI Goal?	Total Number of Units	Priority Level?	Total Points	Leveraging Level	Proximity Funding Preference	Florida Job Creation Preference	Lottery Number
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One HUD Choice Neighborhoods Implementation Grant Application

2024-018SN	3611/3621 Cleveland Avenue	Lee	M	Vincent R Bennett	Fort Myers Developer, LLC; Southwest Florida Affordable Development, LLC	NC	F	9,402,500	Y	N	N	Y	92	1	20	5	Y	Y	55
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Small County Application(s)

2024-020BSN	Arbours at Emerald Springs	Walton	S	Sam Johnston	Arbour Valley Development, LLC	NC	F	8,609,400	Y	N	N	N	84	1	20	5	Y	Y	22
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Medium County Application(s)

2024-001BSN	Hawthorne Heights	Alachua	M	Michael Ruane	CORE Hawthorne Heights Developer LLC	NC	E, Non-ALF	7,794,600	Y	Y	N	N	86	1	20	4	Y	Y	29
2024-055BSN	Casa San Juan Diego	Collier	M	Eric C. Miller	NDA Developer, LLC; CSJD Developer, Inc.; CCHA Developer, LLC	NC	F	7,000,000	Y	N	N	N	80	1	20	4	Y	Y	49

Large County Application(s)

2024-060SN	Egret Landing	Duval	L	Deion R. Lowery	DDER Development, LLC	NC	E, Non-ALF	8,984,300	Y	Y	N	N	88	1	20	5	Y	Y	10
2024-058SN	Tampa 47th Street Apartments	Hillsborough	L	Alberto Milo, Jr.	Tampa 47th Street Apartments Developer, LLC	NC	F	7,750,000	Y	N	N	N	175	1	20	2	Y	Y	34
2024-012SN	Yaeger Plaza	Miami-Dade	L	Kareem T. Brantley	Integral Florida, LLC	NC	F	3,750,000	Y	N	N	N	135	1	15	1	Y	Y	27

RFA 2023-212 – All Applications

AppNumber	Name of proposed Development	County	Original RFA Number	Original App Number	Authorized Principal Representative	Operational Contact	Active Award amount	Additional HC Request Amount	Total Units	Eligible for Funding?	Job Creation Preference	Lottery
2024-064C	The Landings at Sugarloaf Key	Monroe	RFA 2018-115	2019-010CS; 2019-008CS	Steven C Kirk	Dottie Cook	\$1,850,688	\$524,312	56	Y	Y	1
2024-065C	Coco Vista	Monroe	RFA 2021-208	2021-320CS	Elena M. Adames	Jason O. Floyd	\$2,683,503	\$316,497	109	Y	Y	2

RFA 2023-212 – Review Committee Recommendations

Total Funding Available for RFA	865,809.00
Total Funding Allocated	840,809.00
Total Funding Remaining	25,000.00

AppNumber	Name of proposed Development	County	Original RFA Number	Original App Number	Authorized Principal Representative	Operational Contact	Active Award amount	Additional HC Request Amount	Total Units	Eligible for Funding?	Job Creation Preference	Lottery
2024-064C	The Landings at Sugarloaf Key	Monroe	RFA 2018-115	2019-010CS; 2019-008CS	Steven C Kirk	Dottie Cook	\$1,850,688	\$524,312	56	Y	Y	1
2024-065C	Coco Vista	Monroe	RFA 2021-208	2021-320CS	Elena M. Adames	Jason O. Floyd	\$2,683,503	\$316,497	109	Y	Y	2



September 8, 2023

Information Items

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ASSET MANAGEMENT

Information

I. ASSET MANAGEMENT

A. Florida Housing Multifamily Rental Portfolio Compliance Dashboard

1. Background/Present Situation:

- a) Florida Housing's Management Review and Physical Inspection (MRPI) includes a review of records such as application for residency, tenant income certification/recertification and income verification documents, leases, rent rolls and regulatory agreements (Land Use Restriction Agreement and/or Extended Low-Income Housing Agreement). Physical Inspections include the interior/exterior of residential building and common areas, and a review of general site conditions - landscape, sidewalks, and paved areas.
- b) To arrive at the information presented below, data on all reviews conducted from 1/1/2018 through 7/31/2023 was analyzed. It is important to note, that from 4/1/2020 to 9/30/2021, physical inspections were paused pursuant to IRS Notices 2020-53 and 2021-12 and HUD Memos. Only desk-top reviews of tenant files were completed during this period.
- c) During the study period, Florida Housing conducted 4,074 MRPI Reports of 1,445 different developments. 87% of all MRPIs conducted during the study period were successfully closed. Of the 501 open reviews from the study period:
 - (1) 44% of developments and 39% of owners have unsatisfactory ratings for examination of records;
 - (2) 45% of developments and 38% of owners have unsatisfactory rating(s) regarding physical condition of the development; and
 - (3) 26% of developments have deficiencies in both the examination of record and physical inspection categories.

FISCAL
Information

II. FISCAL

A. Operating Budget Analysis for July 31, 2023

1. Background/Present Situation:

- a) The Financial Analysis is attached as [Exhibit A.](#)
- b) The Operating Budget for the period ending July 31, 2023 is attached as [Exhibit B.](#)

GUARANTEE PROGRAM

Information

III. GUARANTEE PROGRAM

A. Status of the Guarantee Program portfolio

1. Background:

- a) Since the implementation of the Guarantee Program in 1993, 120 transactions facilitating the construction of over 28,000 units in Florida were guaranteed. In November 1994, the Guarantee Program entered into an agreement with HUD to participate in the Risk-Sharing Program; characterized by a 50/50 sharing of default risk in connection with the mortgage guarantee. As of 7/31/23, one (1) multifamily development remains in the Guarantee Program portfolio.
- b) Between November 2008 and April 2010, eight (8) multifamily claims were filed on the Guarantee Program portfolio, representing the total (and only) multifamily claims incurred in its 30-year history. The Guarantee Program experienced a strong 87% foreclosure recovery rate, compared to the 64% national average at that time.¹ Currently, there are no foreclosures in inventory and no developments in monetary default in the portfolio.

2. Corpus and Portfolio Risk Exposure:

- a) The global liquidity crisis of 2008 collapsed the market for the variable rate bonds capitalizing the Guarantee Program corpus, ultimately leading staff to restructure the debt, paying off approximately \$89 million and refinancing the remaining \$156.2 million in variable rate bonds to a 5-year term loan with Citibank, closing on December 31, 2009.
- b) At that time, the Guarantee Program's total risk exposure was \$754.5 million. Since then, in keeping with the Board's mandate to cede risk from the portfolio, total risk exposure has been reduced over 99%, as reflected below:

Portfolio Risk Exposure

As of 7/31/23	12/31/22	12/31/21	12/31/20	12/31/19	12/31/18	12/31/17	12/31/16	12/31/15	12/31/14	12/31/13
\$4.8M	\$4.9M	\$5.0M	\$5.1M	\$5.2M	\$19.9M	\$20.4	\$30.9M	\$59.4M	\$158.9M	\$306.5M

- c) The continued low interest rate environment has prompted many Developers to refinance their properties, paying-off their guaranteed mortgages and removing them from the Guarantee Program portfolio, representing the primary driver behind the reduction in Total Commitments reflected above. Refinancing activity is reflecting in the following chart:

• _____
¹ Real Capital Analytics, April 2011.
September 8, 2023

GUARANTEE PROGRAM

Information

Refinancing Activity

	As of 7/31/23	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Loans (#):	0	0	0	0	2	0	1	5	17	22	22
Risk ceded (\$):	n/a	n/a	n/a	n/a	\$14.4M	n/a	\$10.2M	\$27.6M	\$100M	\$136.8M	\$149.4M

- d) Contributing to the reduction in Total Commitments was approximately \$115 million in partial prepayments (of mortgages) from SAIL ELI proceeds, funded prior to or at the time of closing, helping facilitate refinancing activity.
- e) Furthermore, Management aggressively reduced the Guarantee Program capitalizing debt, paying off the \$156.2 million Citibank term loan on December 21, 2012, reducing the Guarantee Fund's capitalizing debt to zero (\$0).
- f) The Guarantee Fund corpus contains approximately \$146.3 million in capital invested in the Florida Treasury Special Purpose Investment Account (SPIA) rated "AA-f" by Standard & Poor's as of September 30, 2022.

B. Current Ratings (Insurer Financial Strength)

1. Background:

- a) Standard & Poor's: May 2020 A+ / Stable outlook
 - (1) Cited strengths: "Strong state financial support...Strong asset quality...Strong Asset Management policies..."²
- b) Fitch: March 2018 A+ / Stable outlook
 - (1) Cited strengths: "Low Risk-to-Capital Ratio...Limited State support...Minimal Multifamily Losses..."³

C. Risk-to-Capital Ratio:

1. Background/Present Situation:

- a) Authorized Maximum Ratio = 5:1. Peaking in 1999 at 4.95:1, subsequent management efforts resulted in a more conservative downward trend to the vastly improved ratio of 0.03:1 as of 7/31/23. Capital not needed to support the outstanding Guarantees was made available to the SAIL program for use in 2016-2019 competitive solicitations.

D. Guarantee Program Portfolio ([Exhibit A](#))

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2 Standard & Poor's, "Florida Affordable Housing Guarantee Fund", May 21, 2020, www.standardandpoors.com/ratingsdirect. Standard & Poor's 2023 surveillance was concluded on April 17, 2023 and resulted in Review – No Action of the rating

3 Fitch Ratings, "Fitch Affirms Florida Housing Finance Corp's Guarantee Fund at 'A+'; Outlook Stable", March 28, 2018, www.fitchratings.com. Fitch Ratings 2023 surveillance was concluded on May 4, 2023 and resulted in Review-No Action of the rating.

September 8, 2023

HOUSING CREDITS

Information

IV. HOUSING CREDITS

A. The developments listed below have requested changes to the Extended Use Agreement:

1. **Background/Present Situation:**

- a) Mar Lago Village Apartments (1998-500C) is a 4% Housing Credit Development. The Extended Low-Income Housing Agreement (EUA) was recorded in Broward County on September 22, 1998. Subsequently, an Assignment and Assumption Agreement of Extended Low-Income Housing Agreement was recorded in Broward County on December 21, 2011.
- b) On April 26, 2023, staff received a letter from the Owner requesting a revision to Section 2(e)(3) of the EUA to update the recreation facility for older children from volleyball court to an outdoor fitness area.
- c) Staff will amend the EUA as appropriate.

2. **Background/Present Situation:**

- a) Cocoa Sunrise Terrace (2018-075C) is a 9% Housing Credit Development. The Extended Low-Income Housing Agreement (EUA) was recorded in Brevard County on November 17, 2021.
- b) On June 27, 2023, staff received a letter from the Owner requesting a revision to Exhibit B of the EUA to swap a resident program requirement Family Support Coordinator for Financial Management Program.
- c) Staff will amend the EUA as appropriate.

LEGAL

Information

V. LEGAL

A. ANNUAL REGULATORY PLAN

1. **Background/Present Situation:**

- a) Section 120.74, Fla. Stat., requires that Florida Housing publish on its website an Annual Regulatory Plan ("Plan") on or before October 1 of each year. Pursuant to Section 120.74, Fla. Stat., the Plan must contain
 - (1) A listing of each law enacted or amended during the previous 12 months which creates or modifies the duties or authority of the agency. Section 120.74(1)(a), Fla. Stat.
 - (2) A listing of each law the agency expects to implement by rulemaking before July 1, 2024. Section 120.74(1)(b), Fla. Stat.
 - (3) Any updates to the prior year's regulatory plan. Section 120.74(1)(c), Fla. Stat.
 - (4) A certification executed by the Chairman of the Board and the individual acting as principal legal advisor to Florida Housing. Section 120.74(1)(d), Fla. Stat.
- b) A copy of the Annual Regulatory Plan prepared by Staff for certification by the Board Chairman is attached as [Exhibit A](#).

LIVE LOCAL IMPLEMENTATION UPDATE

Information

VI. LIVE LOCAL IMPLEMENTATION UPDATE

A. Viability Loan Program

1. Background/Present Situation:

- a) \$100 million dedicated for development viability loans.
- b) FHFC added SAIL program income to the overall funding and issued a Request for Applications (RFA) in April 2023. Approximately \$121 million was awarded to 30 developments (totaling 3,606 units); these developments were invited to enter underwriting in June 2023.

B. Additional Traditional SAIL Funding

1. Background/Present Situation:

- a) \$109 million in SAIL financing distributed under s. 420.5087, F.S.
- b) The initial RFA was issued in July. The Review Committee met on August 23, 2023 and funding recommendations will be presented at the September 8, 2023 Board meeting.

C. Live Local Tax Credit Contribution Program

1. Background/Present Situation:

- a) Staff is working with Department of Revenue (DOR) on implementation.
- b) FHFC setting up a contribution webpage with our bank ready to go live October 2, 2023.
- c) There is a workshop planned for September 20, 2023 to explain “how to” for the contribution process.
- d) Staff conducted a conceptual workshop for the program funding on June 23, 2023. We have publicly noticed that once \$12.5 million has been received, RFAs will be developed.

D. Multifamily Middle Market Certification (Component of Missing Middle Tax Exemption)

1. Background/Present Situation:

- a) Staff is working with DOR and property appraisers on implementation.
- b) A portal for certification requests will open October 2, 2023.
- c) Staff conducted a conceptual workshop for the program funding on July 11, 2023.

LIVE LOCAL IMPLEMENTATION UPDATE

Information

- d) There is a workshop planned for September 19, 2023 to explain “how to” for the certification request process.

E. Florida Hometown Heroes

1. Background/Present Situation:

- a) \$100 million fully committed on August 22, 2023.
- b) Over 6,400 loans totaling almost \$2 billion in first mortgages paired with the \$100 million of down payment and closing cost assistance.

F. Additional SAIL – Innovative Multifamily Development Opportunities

1. Background/Present Situation:

- a) \$150 million in SAIL financing for innovative developments.
- b) Staff conducted a conceptual workshop for the program funding on June 22, 2023.
- c) A second conceptual workshop for a \$100 million RFA is scheduled for September 14, 2023. Additional RFAs will be workshopped for criteria not addressed in the initial \$100 million RFA.
- d) Staff anticipates that the initial RFA will be issued in November with applications submitted in December.

G. Upcoming & Recent Workshops and Other Information

1. Background/Present Situation:

- a) Local Government Live Local Workshop: August 23, 9:00 a.m.
- b) Second Conceptual Innovative Workforce SAIL Workshop: September 14, 2:00 p.m.
- c) Middle Market Certification Workshop: September 19, 2:00 p.m.
- d) Live Local Tax Credit Contribution Workshop: September 20, 2:00 p.m.
- e) Innovative Workforce SAIL RFA Workshop: October 3, 2:00 p.m.
- f) To date, participation in workshops has been excellent with participation from a broad range of stakeholders including local government stakeholders, housing developers, legal and financial professionals, financing partners, nonprofits, professional associations, and state agency partners.

MULTIFAMILY BONDS

Information

VII. MULTIFAMILY BONDS

A. Heron Estates Family (2020 Series Q / RFA 2018-116 / 2019-147BSN) has requested approval for additional permanent financing subordinate debt:

1. Background/Present Situation:

- a) On April 1, 2022, via a Telephonic Board Meeting, staff recommended and the Board approved to allow staff to approve changes to the development that occur after the Credit Underwriting Report is finalized that would normally require Board approval (such as increasing the principal amount, refinancing, or altering any terms or conditions of any mortgage superior or inferior to a Corporation mortgage). This action was ratified by the Board at the April 29, 2022 Board Meeting.
- b) Under the Rule in place at the time of the Application of the above named development, Rule Chapter 67-48.010(15), F.A.C (effective May 24, 2017), stated:
 - (15) After accepting a preliminary commitment, the Applicant shall not refinance, increase the principal amount, or alter any terms or conditions of any mortgage superior or inferior to the SAIL mortgage without prior approval of the Corporation's Board of Directors.
- c) On August 10, 2023, staff received an update to the final credit underwriting report with a positive recommendation for additional subordinate debt during the permanent period ([Exhibit A](#)). Staff has reviewed this report and approved the Borrower's request.

MULTIFAMILY PROGRAMS

Information

VIII. MULTIFAMILY PROGRAMS

A. Jacaranda Place (RFA 2020-106 / 2020-451CS) Request for Approval of Additional Subordinate Debt:

1. Background/Present Situation:

- a) On April 1, 2022, via a Telephonic Board Meeting, staff recommended, and the Board approved to allow staff to approve changes to the development that occur after the Credit Underwriting Report is finalized that would normally require Board approval (such as increasing the principal amount, refinancing, or altering any terms or conditions of any mortgage superior or inferior to a Corporation mortgage). This action was ratified by the Board at the April 29, 2022, Board Meeting.
- b) Under the Rule in place at the time of the Application, Rule Chapter 67-48.010(15), F.A.C. (effective July 11, 2019) stated:

(15) After accepting a preliminary commitment, the Applicant shall not refinance, increase the principal amount, or alter any terms or conditions of any mortgage superior or inferior to the SAIL mortgage without prior approval of the Corporation's Board of Directors.
- c) On June 29, 2023, staff received an update to the final credit underwriting report with a positive recommendation for the additional subordinate debt ([Exhibit A](#)). Staff has reviewed this report and finds that it meets all requirements of the RFA.

B. The Verandas of Punta Gorda III (RFA 2021-201 / 2022-070C / 2023-270C and (RFA 2023-211 / 2023-251V) Request Approval of Credit Underwriting Report:

1. Background/Present Situation:

- a) On July 20, 2021, Florida Housing Finance Corporation issued a Request for Applications (RFA) 2021-201 for Housing Credit Financing for Affordable Housing Developments Located in Medium and Small Counties. On May 5, 2022, staff issued an invitation to enter credit underwriting to the Applicant for Housing Credits. The acceptance was acknowledged on May 9, 2022.
- b) On May 1, 2023, Florida Housing Finance Corporation issued a Request for Applications (RFA) 2023-211 for Construction Inflation Response Viability Funding (Viability Loan) to assist competitive projects in the development pipeline experiencing cost increases related to market inflation. Viability Loan funding is intended to fill the funding gap experienced due to increased construction costs. On June 14, 2023, staff issued a Notice of Preliminary Award to the Applicant. The acceptance was acknowledged on June 14, 2023.
- c) On August 4, 2023, staff received final credit underwriting report with a positive recommendation for funding ([Exhibit B](#)). Per the RFA, if the Active Award is only for 9 percent Housing Credits, the Credit Underwriter's recommendations will be approved by the Corporation and included as an informational item for the Board. Staff has reviewed and approved this report and finds that the development meets all requirements of the RFA.

MULTIFAMILY PROGRAMS

Information

C. **Mango Terrace (RFA 2018-116 / 2019-149SN / 2018-542C) Request for Approval of Additional Superior Debt:**

1. **Background/Present Situation:**

- a) On April 1, 2022, via a Telephonic Board Meeting, staff recommended and the Board approved to allow staff to approve changes to the development that occur after the Credit Underwriting Report is finalized that would normally require Board approval (such as increasing the principal amount, refinancing, or altering any terms or conditions of any mortgage superior or inferior to a Corporation mortgage). This action was ratified by the Board at the April 29, 2022 Board Meeting.
- b) Under the Rule in place at the time of the Application, Rule Chapter 67-48.010(15), F.A.C. (effective July 8, 2018) stated:

(15) After accepting a preliminary commitment, the Applicant shall not refinance, increase the principal amount, or alter any terms or conditions of any mortgage superior or inferior to the SAIL mortgage without prior approval of the Corporation's Board of Directors.
- c) On June 27, 2023, staff received an update to the final credit underwriting report with a positive recommendation for additional superior debt ([Exhibit C](#)). Staff has reviewed this report and finds that it meets all requirements of the RFA.

D. **Southwest Hammocks (RFA 2021-106 / 2021-304CS / 2022-272CS) Request for Approval of Additional Subordinate Debt:**

1. **Background/Present Situation:**

- a) On April 1, 2022, via a Telephonic Board Meeting, staff recommended, and the Board approved to allow staff to approve changes to the development that occur after the Credit Underwriting Report is finalized that would normally require Board approval (such as increasing the principal amount, refinancing, or altering any terms or conditions of any mortgage superior or inferior to a Corporation mortgage). This action was ratified by the Board at the April 29, 2022, Board Meeting.
- b) Under the Rule in place at the time of the Application, Rule Chapter 67-48.010(15), F.A.C. (effective June 23, 2020) stated:

(15) After accepting a preliminary commitment, the Applicant shall not refinance, increase the principal amount, or alter any terms or conditions of any mortgage superior or inferior to the SAIL mortgage without prior approval of the Corporation's Board of Directors.
- c) On July 24, 2023, staff received an update to the final credit underwriting report with a positive recommendation for additional subordinate debt ([Exhibit D](#)). Staff has reviewed this report and finds that it meets all requirements of the RFA.

MULTIFAMILY PROGRAMS

Information

E. The following development has requested, and staff approved, changes to the Construction Features & Amenities and/or Resident Programs.

1. Background/Present Situation

- a) Casa Amigos / RFA 2019-108 / 2019-424S: The borrower has requested to change the Green Building Feature from "High Efficiency HVAC with SEER of at least 16 (2 Points)" to "Energy Star certified roofing materials (metal, shingles, thermoplastic polyolefin (TPO, or tiles) (3 Points)" The scoring of the application will remain unaffected.
- b) Staff will amend the Land Use Restriction Agreement for the development as appropriate.

F. The development listed below has requested approval to allow one subcontractor to exceed the 20%/31% limitation:

1. Background/Present Situation:

- a) On March 12, 2021, the Board delegated authority to staff to approve the 20% subcontractor limitation set forth in Rule Chapter 67-48.0072(17)(f) (2014) as stated below, respectively:

(17) the General Contractor must meet the following conditions:

(f) Ensure that not more than 20 percent of the construction cost is subcontracted to any one entity, with the exception of a subcontractor contracted to deliver the building shell of a building of at least five (5) stories which may not have more than 31 percent of the construction cost in a subcontract, unless otherwise approved by the Board for a specific Development. With regard to said approval, the Board shall consider the facts and circumstances of each Applicant's request, inclusive of construction costs and the General Contractor's fees.

- b) Staff, in conjunction with review by the credit underwriter and construction consultant, and upon receipt of a positive recommendation from the credit underwriter, has approved the below request to allow one subcontractor to exceed the 20% limitation. Because FHFC became aware of the excess through the cost certification review, after the work had been completed, no General Contractor Fee or Developer Fee will be allowed on the subcontract amounts that surpass the maximum contract amount allowed under Rule 67-48.0072(17)(f), F.A.C. If the General Contractor Fee on this amount has already been paid to the General Contractor, it will be paid out of the Developer's profit and reflected as a subset of the Developer Fee on the Development Final Cost Certification.

Development	Application Number	Dollar Amount of Contract	Percentage of Contract
Dr. Alice Moore	2016-333CL / 2017-281CL	\$1,590,802.08	28.34%

MULTIFAMILY PROGRAMS - ALLOCATIONS

Information

IX. MULTIFAMILY PROGRAMS - ALLOCATIONS

A. Multifamily Programs - Allocations Updates

1. RFA Updates:

- a) The Housing Credit Geographic RFAs were issued on July 7, 2023. Application Deadlines for each of the RFAs is set forth below.

RFA 2023-201 Housing Credit Financing For Affordable Housing Developments Located In Medium Counties. The Application Deadline is September 12, 2023.

RFA 2023-202 Housing Credit Financing For Affordable Housing Developments Located In Broward, Duval, Hillsborough, Orange, Palm Beach, And Pinellas Counties. The Application Deadline is September 13, 2023.

RFA 2023-203 Housing Credit Financing For Affordable Housing Developments Located In Miami-Dade County. The Application Deadline is September 14, 2023.

- b) A workshop regarding the Permanent Supportive Housing RFAs was held on September 6, 2023. The individual RFA workshops are set forth below.

The workshop for RFA 2024-103 Housing Credit And SAIL Financing To Develop Housing For Homeless Persons and RFA 2024-106 Financing To Develop Housing For Persons With Disabling Conditions / Developmental Disabilities is scheduled for October 12, 2023.

The workshop for RFA 2024-102 SAIL Financing For Smaller Permanent Supportive Housing Developments For Persons With Special Needs is scheduled for November 2, 2023.

- c) The workshop regarding RFA 2023-204 SAIL Financing for the Preservation of Elderly Developments is scheduled for October 25, 2023.

2. Live Local Act Updates

- a) A 2nd conceptual workshop regarding the creation of SAIL Financing for Innovative Multifamily Development Opportunities Pursuant to the Live Local Act – Section 420.50871, F.S., is scheduled for September 14, 2023. Staff expects to hold a workshop regarding the RFA for this funding on October 3, 2023.

- b) A workshop for Local Governments concerning the Live Local Act was held on August 23, 2023.

NATURAL DISASTER UPDATES

Information

X. NATURAL DISASTER UPDATES

A. Hurricane Ian

1. Background/Present Situation:

- a) Florida Housing had 1,056 developments with 6,833 buildings comprised of 12,196 units in our portfolio located in the 26 counties declared a major disaster due to Hurricane Ian.
- b) Of the eighteen (18) developments that reported catastrophic, extensive and moderate damage, there are eight (8) developments with work to be completed. Those developments have a total of 76 displaced households as of 7/31/2023.
- c) A summary of the status of developments within Florida Housing's portfolio that sustained damage from Hurricane Ian and have not completed all repair work is attached as [Exhibit A](#).
- d)

B. Hurricane Nicole

1. Background/ Present Situation:

- a) On November 10, 2022, Hurricane Nicole made landfall near Vero Beach. FEMA declared six (6) counties eligible for Individual Assistance (IA). Florida Housing has 176 developments with 848 buildings comprised of 17,814 units in our portfolio located in the 6 FEMA IA declared counties. All restoration work at the seven (7) developments reporting either moderate or limited damage to residential buildings or accessory buildings from Hurricane Nicole, has been completed.
- b) The Florida Legislature appropriated \$90 million to the Rental Recovery Loan Program (RRLP) to provide rental housing in areas of the state hardest hit by Hurricanes Ian and Nicole. Housing Credit and RRLP Requests for Applications (RFA) 2023-108 was issued April 11, 2023 and RRLP RFA 2023-304 was issued April 12, 2023. In addition, the Board authorized staff to issue HOME RFA 2022-206 and approved funding for seven (6) developments allocating more than \$36 million of HOME Investment Partnerships Program funding.
- c) The current status of Hurricanes Ian and Nicole related RFAs and developments awarded funding through those RFAs is attached as [Exhibit B](#).

C. Hurricane Eta

1. Background/Present Situation:

- a) Damage reports received indicated limited to moderate damage to roofs and windows combined with limited landscape damage. Of the 34 properties that sustained damage, 33 have completed all repair work as of December 31, 2021. Thirty (30) households were displaced due to flooding at Glorieta Gardens in Opa-Locka, Miami-Dade County. As of July 31, 2023, management reported one (1) unit remained out of service.

September 8, 2023

Florida Housing Finance Corporation

NATURAL DISASTER UPDATES

Information

- b) A summary of the status of developments within Florida Housing's portfolio that sustained damage from Hurricane ETA and have not completed all repair work is attached as [Exhibit C](#).

September 8, 2023

Florida Housing Finance Corporation

SINGLE FAMILY HOMEBUYER PROGRAMS

Information

XI. SINGLE FAMILY HOMEBUYER PROGRAMS

A. Single Family Homebuyer Program

1. Background/Present Situation:

- a) Florida Housing's Homebuyer Loan Programs provide assistance to eligible homebuyers by offering competitive, 30-year, fixed-rate mortgages together with down payment and closing cost assistance (DPA). Currently, we have four active first mortgage programs; the Florida First Government Loan Program (Government Loan Program), the Fannie Mae HFA Preferred Conventional Loan Program (HFA Preferred), the Freddie Mac HFA Advantage Conventional Loan Program (HFA Advantage), the Florida Hometown Heroes Housing Loan Program (Hometown Heroes).
- b) The Government Loan Program offers borrowers a 30-year, fixed-rate mortgage using all approved government-insured loan types. These include Federal Housing Administration (FHA) loans, U.S. Department of Veteran Affairs (VA) loans, and U.S. Department of Agriculture-Rural Development (RD) loans. This program is funded through both traditional mortgage revenue bond sales as well as by the sale of Mortgage-Backed Securities (MBS) into the secondary markets.
- c) The HFA Preferred and HFA Advantage programs offer first mortgage loan products developed specifically for state housing finance agencies. These programs are offered both as bond financed products as well as forward delivery "To Be Announced" (TBA) products in conjunction with our TBA Program administrator, Hilltop Securities. Single Family Program Staff sets daily mortgage interest rates for the TBA loans based upon prevailing market rates and predetermined profitability goals. The conventional loans, originated by participating lenders, offer borrowers 30-year, fixed rate mortgages. Borrowers at or below 80% of the area median income (AMI) benefit from lower mortgage insurance costs on these loans when compared to other conventional mortgage products, as well as similar government-insured loans such as FHA.
- d) The Hometown Heroes Loan Program (HTH), was launched June 1, 2022. The Florida Legislature appropriated \$100 million in the 2022 state budget to be used as a revolving source of funds to make homeownership more affordable by providing (DPA) to income-qualified, first-time homebuyers who are frontline community workers. Eligible borrowers can receive up to 5% of their first mortgage loan amount (a maximum of \$25,000) in assistance to help them purchase a primary residence in the community in which they work and serve. The 30-year, 0% interest, deferred repayment second mortgage is combined with one of Florida Housing's Homebuyer Loan Program's low interest rate first mortgage loans. This initial amount of funding has allowed us to assist over 6,700 borrowers. As of June 9, 2023, the funds were fully committed. We have a pipeline of 6,753 loans totaling over \$2 billion in first mortgage loan volume, paired with \$100 million of down payment and closing cost assistance.
- e) The Live Local Act was signed into law on Wednesday, March 29, 2023, by Governor DeSantis. It provided an additional \$100 million in funding to the HTH Loan Program. The new changes took effect with new reservations made on or after July 3, 2023. These changes include that eligible borrowers no longer must work in specific occupations. Instead, they must work for a company or

SINGLE FAMILY HOMEBUYER PROGRAMS

Information

business that has a physical location in Florida and work a minimum of 35 hours per week. Additionally, the assistance amount was increased to a maximum of \$35,000. As of August 22, 2023, the funds were fully committed. We have a pipeline of over 6,400 loans totaling almost \$2 billion in first mortgage loan volume paired with \$100 million of down payment and closing cost assistance.

- f) In addition to HTH, Florida Housing offers qualified homebuyers other DPA products, as well. Our Florida Assist loan is a 0% interest, non-amortizing, deferred payment loan in the amount of \$10,000. This second mortgage program serves homebuyers with an AMI of up to 120%, adjusted for household size. It is repayable in the event the home is sold, refinanced, the deed is transferred, or the home is no longer the borrower's primary residence.
- g) The HFA Preferred PLUS and the HFA Advantage PLUS programs offer 3%, 4% and 5% of the first mortgage loan amounts in DPA as forgivable second mortgage loans. These loans are forgiven 20% annually over a 5-year period unless the home is sold, refinanced, the deed is transferred, or is no longer the borrower's primary residence. If any of these actions occur prior to the 5-year forgiveness period, any unforgiven balance becomes due and payable.
- h) We also offer an amortizing second mortgage product, the Homebuyer Loan Program (HLP) Second Mortgage. This product is offered across all our first mortgage programs and provides up to \$10,000 of assistance at a 3% fixed interest rate and is repaid in monthly payments over 15 years.
- i) Single Family Program Staff offers a three-hour, Department of Business and Professional Regulation (DBPR)-approved continuing education (CE) course for realtors. Realtors who attend these classes receive a general three-hour CE credit while learning about our Homebuyer Loan Programs and other affordable housing programs available to their potential homebuyers. Florida Housing has permanent approval from DBPR to offer the class via webinar (online) format. We have found this format to be highly effective in attracting more realtors to the classes while also eliminating travel costs. Instead of offering individual classes to specific realtor boards, we are now contacting all boards and making them aware that we are offering these classes statewide twice each month. So far, we are seeing this both effective in reaching our realtor partners while freeing up staff time to devote to program support and lender management. Since our July Board Report, we have conducted four classes using this format that were attended by 696 realtors.
- j) Single Family Program Staff periodically conducts telephonic and webinar trainings for lender partners throughout the state. Lender trainings generally consist of program requirements and recent updates, system training with our compliance administrator (eHousingPlus) and first mortgage and servicer requirements and updates with our master servicer, Lakeview. Together, Florida Housing, eHousingPlus and Lakeview will provide lenders with information to better assist with the origination, delivery, and purchase of first and second mortgages originated through our Homebuyer Loan Program.

SINGLE FAMILY HOMEBUYER PROGRAMS

Information

- k) Additionally, we partner with other stakeholders such as mortgage insurance (MI) providers and the Government-Sponsored Enterprises (GSEs), Fannie Mae and Freddie Mac, to better educate and inform our Participating Lenders of recent industry changes.

2023 HOMEBUYER LOAN PROGRAMS ORIGINATIONS

	2022 HLP Program Totals	2023 HLP Program Totals	2023 HLP Government Loan Programs Totals	2023 HLP Conventional Loan Programs Totals
Average 1st Mortgage Loan Amount	\$249,693	\$281,569	\$285,250	\$273,983
Average Acquisition Price	\$259,022	\$296,402	\$294,625	\$300,064
Average Compliance Income	\$68,916	\$80,486	\$80,469	\$80,519
County Area Median Income %	70%	72%	70%	74%
Total Purchased 1st Mortgage Loan Amounts	\$1,378,488,464	\$2,040,822,821	\$1,392,038,448	\$648,784,373
Total # of Units	5,533	7,257	4,886	2,371

2023 TOP 10 COUNTIES FOR HOMEBUYER LOAN PROGRAMS ORIGINATIONS

County	Loan Count	Loan Amount	DPA
Duval	613	\$152,043,146	\$7,556,831
Broward	470	\$162,475,246	\$8,016,749
Hillsborough	445	\$134,978,014	\$6,450,413
Polk	408	\$106,757,058	\$5,100,352
Miami-Dade	344	\$130,558,819	\$6,377,003
Volusia	333	\$89,814,661	\$4,317,648
Pasco	331	\$87,577,455	\$4,187,236
Palm Beach	322	\$102,405,404	\$5,065,297
Lee	301	\$91,261,071	\$4,343,522
Orange	286	\$85,868,165	\$4,155,362

DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION
AND RESULTS OF OPERATIONS

Results of Operations for the seven months ending July 2023

The budget to actual analysis for the seven months ending July 2023 shows a net of revenues over expenses in the amount of \$3,283,121. Variances of note compared to the budget are as follows:

REVENUES

Investment Income (Line 1) is over budget by \$1,212,385. The budget was based on prior year average performance and a conservative projection of current year performance. Returns have been greater than expected.

Program Fees (Line 2) are \$145,110 over budget primarily due to the receipt of commitment fees in the HOME Rental program as well as application fees in the SAIL, and RRLP programs. The collection of these fees is difficult to forecast, therefore they are budgeted conservatively.

Other Income (Line 4) is \$251,645 over budget due to the timing of the transfer of receipts for SF TBA late fees collected.

SALARIES & BENEFITS

Total Salaries & Benefits are favorable to the budget by \$740,031 primarily due to a vacancy rate greater than budgeted.

OPERATING EXPENSES

Board Meetings (Line 3) are \$14,303 over budget due to higher costs than anticipated for the January and June board meetings, as well as expenses for the special board meeting in February that were not included in the original budget.

Capital Expenses (Line 5) are under budget by \$234,500 due to the timing of planned purchases of computer software and equipment.

Conferences & Seminars (Line 7) are \$81,217 under budget due to the timing of planned conferences, schedule conflicts, and efforts to control operating expenses.

Legal Fees (Line 10) are \$171,722 under budget due to fewer hearings and less than anticipated use of outside counsel primarily in the Multifamily programs, as well as the timing of fees incurred for closings in the HOME Rental, NHTF and CBDG-DR programs.

Professional Fees (Line 15) are \$187,635 under budget primarily due to the timing of expenses related to Prolink and Onbase development projects.

Program Administration (Line 16) is \$802,572 under budget primarily due to the timing of compliance monitoring, credit underwriting and servicer fees in various programs.

Systems Maintenance, Support and Services (Line 19) are \$57,663 under budget primarily due to timing of planned maintenance on various hardware and software components.

Travel Expenses (Line 21-27) are \$96,068 under budget due to timing of planned travel and efforts to control operating expenses.

Workshops (Line 28) are under budget \$72,350 primarily due to timing of workshops for the Catalyst program.

Total Operating Expenses year-to-date are favorable to the budget by \$1,848,343.

**FLORIDA HOUSING FINANCE CORPORATION
OPERATING BUDGET TO ACTUAL SUMMARY
PERIOD ENDING July 31, 2023**

	2023 BUDGET YTD	2023 ACTUAL YTD	2023 VARIANCE YTD	2023 APPROVED ANNUAL BUDGET
REVENUES				
1. Investment Income	2,233,000	3,445,385	1,212,385	3,828,000
2. Program Fees	9,494,411	9,639,521	145,110	16,799,285
3. Administrative Fees	6,010,165	5,976,396	(33,769)	80,000
4. Other Income	46,669	298,314	251,645	11,950,824
TOTAL REVENUES	17,784,245	19,359,616	1,575,371	32,658,109
EXPENSES				
SALARIES & BENEFITS				
1. Salaries & Benefits	10,696,311	9,956,280	740,031	18,385,000
TOTAL SALARIES & BENEFITS	10,696,311	9,956,280	740,031	18,385,000
OPERATING EXPENSES				
1. Advertising, Marketing & Public Outreach	71,740	41,065	30,675	96,015
2. Bank Charges & Other Fees	30,974	11,045	19,929	52,444
3. Board Meetings	51,080	65,383	(14,303)	79,140
4. Books & Subscriptions	44,984	31,269	13,715	67,720
5. Capital Expenses	277,000	42,500	234,500	325,000
6. Furniture, Equipment & Computer Expenses	339,050	300,682	38,368	780,750
7. Conferences & Seminars	114,123	32,906	81,217	198,358
8. Corporate Insurance	290,000	285,292	4,709	307,550
9. General & Administrative Expenses	14,308	7,666	6,642	18,274
10. Legal Fees	270,090	98,368	171,722	695,102
11. Membership Dues	81,921	67,610	14,311	85,434
12. Office Supplies	9,317	4,446	4,871	13,916
13. Postage	14,101	6,715	7,386	23,532
14. Printing & Reproduction	13,550	5,318	8,232	16,225
15. Professional Fees	1,182,402	994,767	187,635	1,996,904
16. Program Administration	3,871,406	3,068,834	802,572	7,205,192
17. Rent	481,818	483,004	(1,186)	833,638
18. Repair & Maintenance	4,420	716	3,704	7,150
19. Systems Maintenance, Support and Services	309,180	251,517	57,663	412,630
20. Telephone	50,884	43,321	7,563	90,144
21. Travel - Board Members	38,962	22,480	16,482	63,730
22. Travel - Staff to Board Meetings	37,087	35,219	1,868	49,251
23. Travel - Reviews/Monitoring	8,408	2,377	6,031	31,595
24. Travel - FHFC Workshops	9,132	2,249	6,883	16,589
25. Travel - Staff Development	113,095	70,841	42,254	273,202
26. Travel - Marketing/Public Outreach	22,908	5,585	17,323	53,204
27. Travel - Other	7,368	2,140	5,228	17,494
28. Workshops	209,250	136,900	72,350	316,250
TOTAL OPERATING EXPENSES	7,968,558	6,120,215	1,848,343	14,126,433
TOTAL EXPENSES	18,664,869	16,076,495	2,588,374	32,511,433
REVENUES OVER EXPENSES	(880,624)	3,283,121	4,163,745	146,676

Guarantee Program Portfolio

(as of July 31, 2023)

Property Name Location	Developer	Issuer Cosing Date	Total		HUD Risk- Share?	GF exposure of mtg guarantee	(\$) share	SAIL	SMI	SAIL/ELI	Projected refinance closing date	Comments / Refi Status
			Units	Current Bal								
1) Vista Palms Lehigh Acres	Creative Choice	Lee Cnty 6/20/2001	229	\$4,815,419	\$21,028	N	\$4,815,419	\$2,000,000	\$392,788	\$3,450,000		<p>July 2013: initial contact with borrower re: refinancing. Oct 2016: borrower selling property, negotiating contract, advised borrower of requisite FHFC approval for SAIL/SAIL ELI subordination, SMI pay-off, etc. Jan 2017: Borrower meeting with buyer to revise timeline. Aug 2017: appraisal and DSC issues; closing postponed. Dec 2017: closing postponed. October 2018: possibly closing 1st qtr 2019. Borrower hopes to be on the December Lee County HFA meeting to vote on bond issuance for the refinance. November 2018: Credit underwriter has been assigned. Lee County will not have bond allocation until 2019. Operating proformas and letters of interest from lender and syndicators submitted by borrowers are stale. Jan 2019: Underwriters had a status call with borrower 12/11/18 but have not received any due diligence items since that call. 3/6/19 Lee County commissioners postponed approval of the TEFFRA Hearing for their bond issuance. May 2019: The borrower submitted a letter of intent for a Key Bank/Fannie Mae financing structure. The Credit Underwriter is reviewing the due diligence items that have been submitted but there remains a great deal of information still outstanding. July 2019: Some of the due diligence items have been refinancing the development within the next year. September 2020: Received a letter of intent from a potential purchaser for the property. Requested follow up information but have not received. We presume the potential purchaser is no longer interested. February 2021: Special Assets had conference call with potential purchaser, owner representative and bond counsel regarding potential purchase to take place by 3rd quarter of 2021. July 2021: The potential purchaser contacted the county for local bonds for the acquisition of Vista Palms but has not submitted an application. Sept 2021: The potential purchaser communicated that he was still interested in acquiring Vista Palms but has not taken any affirmative steps in that direction. Nov. 2021: The potential purchaser has not taken any affirmative steps towards the purchase of Vista Palms. As of 12/23/2021, the potential purchaser advised they had submitted a tax-exempt bond application to Lee County HFA for the financing of the potential acquisition. As of Feb 2022, the Lee County HFA bond application was received and reviewed. By letter dated 3/8/22, Lee County advised the potential purchaser that they are deferring any further review of the application for bond financing due to the development having matured SAIL and SMI loans, Glorieta Gardens' outstanding physical deficiencies as well as other issues. On 6/2/2022, Lee County, the underwriter and special assets had a call with the proposed purchaser and parties representing the owner. The proposed purchaser will be submitting a revised tax-exempt bond application to Lee County HFA. The potential purchaser informed FHFC that he would not be submitting an application to Lee County but would submit a non-competitive (NC) bond application to Florida Housing for the acquisition/rehabilitation of Vista Palms. A check for the application and TEFFRA fees was received 10/12/2022. The NC bond application was received 10/18/2022. Nov 2022: NC bond application was under review. Jan 2023: Program Staff informed the applicant of needed corrections to cure the application. Feb 2023: Staff has reviewed corrections submitted by the Applicant and relayed comments, however, more corrections are still required to cure the application and that information has been relayed to the Applicant and relayed comments, however, more corrections are still required to cure the application. Mar 2023: Staff reviewed corrections submitted by the Applicant and relayed comments, however, more corrections are still required to cure the application and that information has been relayed to the Applicant. Staff received a 3rd revised application on 4/7/2023 and relayed comments on 4/14/2023 regarding the corrections that are required. May 2023: On 5/15/2023, Staff received responses to the comments provided on 4/14/2023, however, more corrections are required to cure the application and staff relayed outstanding issues to the Applicant on 5/22/2023. After receiving questions from applicant and staff responses, received revised applications on 6/1/2023, 6/14/23 and 6/28/23. Staff anticipates furnishing comments on most recent revision 7/7/2023. The revised application submitted on 6/28/23 was reviewed and deemed final and complete. An invitation to enter credit underwriting was extended on 8/2/23 and accepted by the applicant on 8/6/23. Staff anticipates an acknowledgement resolution will be submitted to the Board at the 9/8/23 meeting.</p>

GF Total Commitments: **\$4,815,419**

FLORIDA HOUSING FINANCE CORPORATION
REGULATORY PLAN FOR 2022-2023

Pursuant to Section 120.74, Florida Statutes (F.S.), the Florida Housing Finance Corporation (FHFC) has prepared the following regulatory plan for 2023-2024. Sections below correspond with the requirements set forth in Section 120.74(1), F.S.

(a) In compliance with Section 120.74(1)(a), F.S., below is a list of laws enacted or amended during the 12 months prior to October 1, 2023, which create or modify the statutory duties or authority of FHFC.

1. During the 2023 Regular Session, SB 102, codified in Chapter 2023-17, Laws of Florida, was enacted, modifying the duties and authorities of FHFC.

Section enacted or modified that creates or modifies FHFC authority or duties.	Is rulemaking necessary to implement the law?	If rulemaking is not necessary, statement explaining reasons why the law may be implemented without rulemaking.	If rulemaking is necessary, has notice of rule development been published in the FAR? If yes, which FAR issue?	Rule Number and Title
§196.1978, F.S.	No	This section provides eligibility criteria for properties to receive an ad valorem tax exemption if certain conditions are met. This section is self-implementing and does not require rulemaking.		
§420.504, F.S.	No	This section revises the composition of the corporation's board of directors, providing specifications for filling vacancies on the board of directors. This section is self-implementing and does not require rulemaking.		
§420.507, F.S.	No	This section specifies requirements for the corporation's annual budget request. This section is self-implementing and does not require rulemaking.		

§420.5087, F.S.	No	This section revises the prioritization of funds for the State Apartment Incentive Loan Program (SAIL). This section is self-implementing and does not require rulemaking.		
§420.50871, F.S.	No	This section authorizes and sets requirements for allocating additional funds derived from amendments to §201.15, F.S. to be awarded under the SAIL program to finance certain housing projects. This section is self-implementing and does not require rulemaking.		
§420.50872, F.S.	No	This section authorizes and sets requirements for allocating additional funds derived from amendments to §220.1878 and §624.51058, F.S., to be awarded under the SAIL program to finance certain housing projects. This section is self-implementing and does not require rulemaking.		
§420.5096, F.S.	No	This section creates the Florida Hometown Hero Program authorizing the corporation to underwrite and make certain mortgage loans. This section is self-implementing and does not require rulemaking.		
§420.531, F.S.	No	This section authorizes FHFC to contract with certain entities to provide technical assistance to local governments. This section is self-implementing and does not require rulemaking.		

- (b) In compliance with Section 120.74(1)(b), F.S., the following is a list of statutes FHFC expects to implement by rulemaking before July 1, 2024:

1. Sections 420.507, 520.508, 520.509, and 420.5099, F.S., will be implemented by amending the following rules in order to clarify and/or increase the efficiency of the processes and requirements in those rules:

67-21.001	Purpose and Intent
67-21.002	Definitions
67-21.0025	Miscellaneous Criteria
67-21.003	Application and Selection Process for Development
67-21.004	Federal Set-Aside Requirements for MMRB Loans
67-21.0045	Determination of Method of Bond Sale
67-21.006	MMRB Development Requirements
67-21.007	MMRB Fees
67-21.008	Terms and Conditions of MMRB Loans
67-21.009	Interest Rate on Mortgage Loans
67-21.010	Issuance of Revenue Bonds
67-21.013	Non-Credit Enhanced Multifamily Mortgage Revenue Bonds
67-21.014	MMRB Credit Underwriting Procedures
67-21.015	Use of Bonds with Other Affordable Housing Finance Programs
67-21.017	Transfer of Ownership of a MMRB Development
67-21.018	Refunding and Troubled Development Review
67-21.019	Issuance of Bonds for Section 501(c)(3) Entities
67-21.025	HC Fees
67-21.026	HC Credit Underwriting Procedures
67-21.027	HC General Program Procedures and Requirements
67-21.028	HC with Tax-Exempt Bond-Financed Developments
67-21.029	HC Extended Use Agreement
67-21.030	Sale or Transfer of a Housing Credit Development
67-21.031	Qualified Contracts

2. Sections 420.502, 420.503, 420.507, 420.508, 420.509, 420.51, 215.68, 215.84, F.S., will be implemented by amending the following rules in order to clarify and/or increase the efficiency of the processes and requirements in those rules:

67-25.002	Definitions
67-25.003	Issuance of Revenue Bonds
67-25.004	Security for Repayment of Bonds
67-25.005	Notice of Program and Invitation and Application to Participate
67-25.006	Program Documents
67-25.007	Allocation of Proceeds
67-25.008	Program Fees

67-25.009	Commitment and Origination Periods
67-25.011	Loan Processing
67-25.012	Eligible Persons
67-25.013	Transfer of Single-Family Residence by Eligible Borrower
67-25.014	Rental of Bond Financed Residences
67-25.015	Interest Rate on Program Loans and Financing Programs
67-25.0155	Private Mortgage Insurance
67-25.016	Waiver of Repayment Terms under Mortgage
67-25.017	Rating of Bonds

3. Sections 420.507, 420.508, 420.5087, 420.5089, and 420.5099, F.S., will be implemented by amending the following rules in order to clarify and/or increase the efficiency of the processes and requirements in those rules:

67-48.001	Purpose and Intent
67-48.002	Definitions
67-48.004	Selection Procedures for Developments
67-48.007	Fees
67-48.0072	Credit Underwriting and Loan Procedures
67-48.0075	Miscellaneous Criteria
67-48.009	SAIL General Program Procedures and Restrictions
67-48.0095	Additional SAIL Selection Procedures
67-48.010	Terms and Conditions of SAIL Loans
67-48.0105	Sale, Transfer or Refinancing of a SAIL Development
67-48.013	SAIL Construction Disbursements and Permanent Loan Servicing
67-48.014	HOME General Program Procedures and Restrictions
67-48.015	Match contribution Requirements for HOME Allocation
67-48.017	Eligible HOME Activities
67-48.018	Eligible HOME Applicants
67-48.019	Eligible and ineligible HOME Development Costs
67-48.020	Terms and Conditions of Loans for HOME Rental Developments
67-48.0205	Sale, Transfer or Refinancing of a HOME Development
67-48.022	HOME Disbursements Procedures and Loan Servicing
67-48.023	Housing Credits General Program Procedures and Requirements
67-48.027	Tax-Exempt Bond-Financed Developments
67-48.028	Carryover Allocation Provisions

67-48.029	Extended Use Agreement
67-48.030	Sale or Transfer of a Housing Credit Development
67-48.031	Qualified Contracts

4. Sections 420.507, F.S., will be implemented by amending the following rules, in order to clarify and/or increase the efficiency of the processes and requirements in those rules:

67-49.0005	General Provisions
67-49.001	Definitions
67-49.002	Procurement of Commodities or Contractual Services
67-49.003	Withdrawal of a Competitive Solicitation
67-49.0031	Emergency Purchases
67-49.0032	Single Source Purchases
67-49.004	Modification of Terms of a Competitive Solicitation
67-49.005	Responsibility of Bidders
67-49.007	Evaluation of Responses
67-49.008	Identical (Tie) Responses
67-49.009	Right to Waive Minor Irregularities
67-49.011	Nonresponsive Bids
67-49.012	Contract Administrator and Manager
67-49.013	Contracts; Terms, Amendments, Renewals

- (c) FHFC's Regulatory Plan from 2022-2023 identified six rule chapters that the agency expected to amend or adopt before July 1, 2023.
1. A Notice of Proposed Rule for Chapter 67-21 was published on May 1, 2023 in volume 49, page 84 of the F.A.R.
 2. The identified rules in Chapter 67-25 were not amended due to internal delays.
 3. A Notice of Proposed Rule for Chapter 67-48 was published on May 3, 2022 in volume 49, page 84 of the F.A.R.
 4. The identified rules in Chapter 67-52 were not amended due to internal delays.
 5. The identified rules in Chapter 67-57 were not amended due to internal delays.
 6. The identified rules in Chapter 67-59 were not amended or repealed due to internal delays.
- (d) The Chair of the Board of Directors of FHFC and the FHFC Office of General Counsel hereby certify that this Regulatory Plan has been reviewed by each signatory and is true and complete to the best of our knowledge. We also certify that FHFC regularly reviews all of its rules, most recently in August 2023, to determine whether the rules remain consistent with FHFC's rulemaking authority and the laws implemented.

Mario Facella
Chair of the Board of Directors
Florida Housing Finance Corporation

Laura Cox, on behalf of the
Office of General Counsel
Florida Housing Finance Corporation

Done this 8th day of September 2023 in Jacksonville, Florida. A copy of the foregoing will be posted on FHFC's website on or before October 1, 2022.

SELTZER MANAGEMENT GROUP, INC.

17633 ASHLEY DRIVE
PANAMA CITY BEACH, FL 32413
TEL: (850) 233-3616
FAX: (850) 233-1429

August 10, 2023

Mr. Tim Kennedy
Multifamily Loans & Bonds Director
Florida Housing Finance Corporation
City Centre Building
227 North Bronough Street, Suite 5000
Tallahassee, Florida 32301

Re: Heron Estates Family – MMRB 2020 Series Q / SAIL, ELI, & NHTF RFA 2018-116 (2019-147BSN) /
4% HC 2018-539C
CUR Update Letter – Additional Subordinate Debt Permanent Period Second Mortgage Loan

Dear Mr. Kennedy:

Seltzer Management Group, Inc. (“SMG” or “Seltzer”) is in receipt of email correspondence dated July 20, 2023, from HTG Heron Estates Family, LLC (“Borrower”) requesting Florida Housing Finance Corporation’s (“FHFC” or “Florida Housing”) consent to include an additional subordinate permanent second mortgage loan for the above referenced transaction. At your direction, SMG has reviewed the request and formulated a recommendation. Seltzer’s findings are presented below.

The credit underwriting report (“CUR”), dated July 7, 2020, for the above referenced development was approved at the July 17, 2020 FHFC Board meeting and closed on October 7, 2020. FHFC approved a CUR Update Letter dated June 23, 2023 at the July 21, 2023 FHFC Board meeting to increase the existing permanent first mortgage loan, however since the Board approval, the Borrower has changed the structure of the increase. The Borrower requests that FHFC consent to a subordinate second mortgage during the permanent period provided by JPMorgan Chase Bank, N.A. (“Chase Bank”) for \$600,000. The CUR and SMG’s Closing Letter dated October 7, 2020 contemplated a permanent first mortgage loan in the amount of \$6,300,000. At conversion the new taxable second mortgage will paydown the outstanding tax-exempt loan issued by \$600,000.

The terms and conditions of the permanent first mortgage loan will remain consistent with terms as described in the CUR. The CUR contemplated an interest rate of 3.20%. However, the fixed interest rate was locked at closing at 3.45%, which remains. The term of the loan is 15 years amortized over a 35-year period, with a maturity date of April 7, 2038. The new permanent second mortgage will be for an additional \$600,000 and will have an interest rate that is based on the 10-year SOFR Swap Rate, plus 225 basis points (“bps”). The second mortgage interest rate will be locked at closing. The current 10-year SOFR Swap Rate as of July 14, 2023 rate is 4.50% plus 225 bps, for a rate of 6.75% with the same loan terms as the permanent first mortgage.

The annual MMRB Issuer Fees, Trustee Fees, Permanent Loan Servicing Fees, and Compliance Monitoring Fees are reflected in the operating pro forma. Conversion requirements include confirmation that all labor and materials for which disbursements have been requested have been incorporated into the Improvements or suitably stored upon the Mortgaged Property in accordance with reasonable and standard building practices, the Continuing Covenant Agreement and all applicable laws, ordinances, rules and regulations of any governmental authority having jurisdiction over the Mortgaged Property. In

Mr. Tim Kennedy
Heron Estates Family
August 10, 2023

addition, the materials, supplies and equipment furnished or installed for the Repairs cannot be subject to any Lien or security interest or funds to be disbursed pursuant to this Disbursement Request cannot be used to satisfy any such Lien or security interest.

Revised Permanent Financing Sources

Please note that in the following table, the Applicant column reflects the Permanent Financing Sources as reflected in the Closing Letter.

Source	Lender	Applicant	Revised Applicant	Underwriter	Interest Rate	Amort. Yrs.	Term Yrs.	Annual Debt
First Mortgage	FHFC - MMRB / Chase	\$6,300,000	\$6,300,000	\$6,300,000	3.45%	35	15	\$310,262
Second Mortgage	Chase	\$0	\$600,000	\$600,000	5.75%	35	15	\$39,852
Second Mortgage	FHFC - SAIL	\$5,500,000	\$5,500,000	\$5,500,000	1.00%	N/A	15	\$55,000
Third Mortgage	FHFC - ELI	\$600,000	\$600,000	\$600,000	0.00%	N/A	15	\$0
Fourth Mortgage	FHFC - NHTF	\$1,435,800	\$1,435,800	\$1,435,800	0.00%	N/A	30	\$0
Fifth Mortgage	Palm Beach County - HOME	\$500,000	\$500,000	\$500,000	1.00%	30	30	\$5,000
HC Equity	Balogh Opportunity Fund, LLC	\$6,972,571	\$7,272,571	\$6,972,572				
Def. Developer Fee	HTG Heron Estates Family Developer / Heron Estates Developer One	\$62,832	\$980,012	\$1,285,321				
Total		\$21,371,203	\$23,188,383	\$23,193,693				\$410,114

Changes to the Sources:

1. Total Development Costs and Uses have increased \$1,822,490 from \$21,371,203 to \$23,193,693, mainly due to increases in hard costs.
2. Deferred Developer Fee has increased by \$1,222,489 from \$62,832 to \$1,285,321, due to the increase of \$1,822,490 in the development budget.

Seltzer is in receipt of an appraisal from Apprise By Walker & Dunlop (“Apprise”) dated March 27, 2023. Apprise indicated Heron Estates Family is achieving 2022 Maximum Allowable HC Rents.

A rent roll for the Development is illustrated in the following table:

West Palm Beach-Boca Raton HMFA; / Palm Beach County

Bed Rooms	Bath Rooms	Units	Square Feet	AMI%	Low HOME Rents	High HOME Rents	Gross HC Rent	Utility Allow.	Net Restricted Rents	PBRA Contr Rents	Applicant Rents	Appraiser Rents	CU Rents	Annual Rental Income
1	1.0	1	614	22%			\$379	\$104	\$275		\$264	\$275	\$275	\$3,300
1	1.0	3	614	30%			\$517	\$104	\$413		\$396	\$413	\$413	\$14,868
1	1.0	6	614	60%			\$1,035	\$104	\$931		\$890	\$931	\$931	\$67,032
1	1.0	9	614	70%			\$1,207	\$104	\$1,103		\$1,055	\$1,103	\$1,103	\$119,124
2	2.0	1	878	22%			\$455	\$128	\$327		\$325	\$327	\$327	\$3,924
2	2.0	1	878	30%			\$621	\$128	\$493		\$483	\$493	\$493	\$5,916
2	2.0	1	878	60%			\$1,242	\$128	\$1,114		\$1,076	\$1,114	\$1,114	\$13,368
2	2.0	3	878	70%			\$1,449	\$128	\$1,321		\$1,274	\$1,321	\$1,321	\$47,556
2	2.5	2	829	22%			\$455	\$117	\$338		\$325	\$338	\$338	\$8,112
2	2.5	5	829	30%			\$621	\$117	\$504		\$483	\$504	\$504	\$30,240
2	2.5	12	829	60%			\$1,242	\$117	\$1,125		\$1,076	\$1,125	\$1,125	\$162,000
2	2.5	15	829	70%			\$1,449	\$117	\$1,332		\$1,274	\$1,332	\$1,332	\$239,760
3	2.0	1	1,055	22%			\$526	\$142	\$384		\$381	\$384	\$384	\$4,608
3	2.0	1	1,055	70%			\$1,674	\$142	\$1,532		\$1,477	\$1,532	\$1,532	\$18,384
3	2.5	1	1,164	22%			\$526	\$135	\$391		\$381	\$391	\$391	\$4,692
3	2.5	3	1,164	30%			\$717	\$135	\$582		\$564	\$582	\$582	\$20,952
3	2.5	6	1,164	60%			\$1,435	\$135	\$1,300		\$1,249	\$1,300	\$1,300	\$93,600
3	2.5	8	1,164	70%			\$1,674	\$135	\$1,539		\$1,477	\$1,539	\$1,539	\$147,744
		79	68,182											\$1,005,180

Mr. Tim Kennedy
Heron Estates Family
August 10, 2023

Operating Pro forma

OPERATING PRO FORMA		ANNUAL	PER UNIT
INCOME	Gross Potential Rental Income	\$1,005,180	\$12,724
	Other Income:		
	Miscellaneous	\$64,400	\$815
	Washer/Dryer Rentals	\$46,610	\$590
	Gross Potential Income	\$1,116,190	\$14,129
	Less:		
	Physical Vacancy Loss - Percentage: 5.0%	(\$55,810)	(\$706)
Collection Loss - Percentage: 1.0%	(\$11,162)	(\$141)	
Total Effective Gross Revenue		\$1,049,219	\$13,281
EXPENSES	Fixed:		
	Real Estate Taxes	\$1,975	\$25
	Insurance	\$153,339	\$1,941
	Other: Personal Property Taxes	\$0	\$0
	Variable:		
	Management Fee - Percentage: 4.9%	\$51,017	\$646
	General and Administrative	\$39,500	\$500
	Payroll Expenses	\$108,372	\$1,372
	Utilities	\$78,210	\$990
	Marketing and Advertising	\$1,975	\$25
	Maintenance and Repairs	\$27,650	\$350
	Grounds Maintenance and Landscaping	\$21,330	\$270
	Contract Services	\$15,800	\$200
	Reserve for Replacements	\$23,700	\$300
	Total Expenses		\$522,868
Net Operating Income		\$526,351	\$6,663
Debt Service Payments			
DEBT SERVICE	First Mortgage - FHFC - MMRB / Chase	\$310,262	\$3,927
	Second Mortgage - Chase	\$39,852	\$504
	Third Mortgage - FHFC - SAIL	\$55,000	\$696
	Fourth Mortgage - FHFC - ELI	\$0	\$0
	Fifth Mortgage - FHFC - NHTF	\$0	\$0
	All Other Mortgages -	\$5,000	\$63
	First Mortgage Fees - FHFC - MMRB / Chase	\$25,452	\$322
	Second Mortgage Fees - Chase	\$0	\$0
	Third Mortgage Fees - FHFC - SAIL	\$11,429	\$145
	Fourth Mortgage Fees - FHFC - ELI	\$3,581	\$45
	Fifth Mortgage Fees - FHFC - NHTF	\$4,543	\$58
	All Other Mortgages Fees	\$2,000	\$25
Total Debt Service Payments		\$457,119	\$5,786
Cash Flow After Debt Service		\$69,232	\$876

Mr. Tim Kennedy
Heron Estates Family
August 10, 2023

Debt Service Coverage Ratios	
DSC - First Mortgage plus Fees	1.568
DSC - Second Mortgage plus Fees	1.401
DSC - Third Mortgage plus Fees	1.191
DSC - Fourth Mortgage plus Fees	1.181
DSC - Fifth Mortgage plus Fees	1.169
DSC - All Mortgages and Fees	1.151

Financial Ratios	
Operating Expense Ratio	49.8%
Break-Even Ratio	88.1%

Notes to the Operating Pro Forma and Ratios:

1. The First Mortgage plus Fees Debt Service Coverage (“DSC”) ratio in the CUR increased from 1.520x to 1.568x to 1.00. The DSC for the first mortgage, second mortgage and third mortgage SAIL decreased from 1.262x to 1.191x to 1.00.
2. Real estate tax expense is based on the Applicants’ estimate.
3. Other operating expense estimates are based on comparable properties and are supported by the appraisal.

Conclusion

SMG concludes that the additional subordinate debt permanent period second mortgage loan in the amount of \$600,000 from Chase will not adversely impact the transaction and/or FHFC’s security position. Accordingly, SMG provides this analysis for FHFC’s consideration to approve the Borrower’s request, subject to the following:

- Review and approval of all loan documents consistent with the terms outlined above by FHFC Housing, it’s Legal Counsel and Servicer.
- Payment of any outstanding arrearages to the Corporation, its legal counsel, servicer or any agent or assignee of the Corporation for past due issues applicable to the Development team (Borrower or Developer or Principal, Affiliate or Financial Beneficiary, as described in 67-21.0025 (5) F.A.C. and 67- 48.0075 (5) F.A.C., of an Borrower or a Developer).
- Prepayment of any required compliance monitoring fees and servicing fees, as applicable.
- Payment of all costs and fees to Florida Housing, its Legal Counsel, and Servicer, as applicable.
- Consent of the HC equity provider, if applicable.
- The SAIL, ELI and NHTF loans will be subordinate to the Chase permanent second mortgage, if applicable.
- Satisfactory resolution of any outstanding past due and/or noncompliance items.
- Any other due diligence required by FHFC, its legal counsel and Servicer.

Mr. Tim Kennedy
Heron Estates Family
August 10, 2023

Should you have any questions please feel free to contact me directly.

SELTZER MANAGEMENT GROUP, INC.



Justin Coles
Credit Underwriter

SELTZER MANAGEMENT GROUP, INC.

17633 ASHLEY DRIVE
PANAMA CITY BEACH, FL 32413
TEL: (850) 233-3616
FAX: (850) 233-1429

June 29, 2023

VIA EMAIL

Mr. Tim Kennedy
Multifamily Loans and Bonds Director
Florida Housing Finance Corporation
227 North Bronough Street, Suite 5000
Tallahassee, Florida 32301

Re: Jacaranda Place – SAIL and 9% HC RFA 2020-106 (2020-451CS)

CUR Update Letter –Additional Subordinate Debt CCHP SHIP Loan / Subordination of the CCHP SHIP Loan to the SAIL Loan

Dear Mr. Kennedy:

Seltzer Management Group, Inc. (“SMG” or “Seltzer”) is in receipt of email correspondence, dated April 10, 2023 from Blue CASL Charlotte, LLC (“Borrower”) requesting Florida Housing Finance Corporation’s (“FHFC” or “Florida Housing”) consent to additional subordinate debt of State Housing Initiatives Partnership (“SHIP”) funding in the amount of \$300,000 from Charlotte County HOME Program (“CCHP”) through their Local Housing Assistance Plan (“LHAP”) for the above referenced transaction. The CCHP SHIP loan will be subordinate to the SAIL loan.

At your direction, SMG has reviewed the request and formulated a recommendation. Seltzer’s findings are presented below.

For purposes of this analysis, Seltzer reviewed the following due diligence:

- Request for Application (“RFA”) 2020-106
- Request for Additional Subordinate Debt from Borrower dated April 10, 2023
- Credit Underwriting Report (“CUR”) dated April 21, 2021, approved at the April 30, 2021 FHFC Board meeting
- FHFC Closing Letter / Final Sources and Uses / Construction Draw Schedule dated July 20, 2021
- A Notification Award Letter, dated April 6, 2023, from CCHP
- LHAP strategy page outlining the terms of the SHIP note
- State Apartment Incentive Loan (“SAIL”) Land Use Restriction Agreement (“LURA”) dated July 20, 2021
- An email dated April 27, 2023 from Charlotte County confirming the restrictions of the SHIP award will be less restrictive than SAIL restrictions
- An email dated April 25, 2023 from a representative of Blue CASL Charlotte, LLC explaining the use of the awarded funds
- An email dated March 2, 2023 between a representative of Blue CASL Charlotte, LLC and Zurich, NA detailing the estimated costs associated with Hurricane Ian

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June 29, 2023
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- Unexecuted roofing contract from US Roofing Systems dated November 16, 2022 detailing the projected replacement costs
- Inspection report from GLE Associates, Inc (“GLE”) dated October 24, 2022

The Borrower correspondence requests \$300,000 awarded through Charlotte County’s LHAP be added to the transaction based on the Award letter dated April 6, 2023 from CCHP. The CCHP administered a SHIP RFA for the rehabilitation of housing units affected by Hurricane Ian. Per Inspection Report #15 from GLE, Jacaranda Place construction was 90.05% complete when Hurricane Ian made landfall in Southwest Florida. The storm damaged the roofs at the property. The Borrower provided a contract from US Roofing Systems, LLC indicating a cost of \$365,862.17. An email from the insurance company, Zurich, NA, estimates the total claim is in the amount of \$448,301.49 and a deductible of \$325,655.02. These costs include but are not limited to emergency dry out services, roof demolition and replacement and a claim for costs or delay in completion. The SHIP funds are contingent upon verification that there are no duplication of benefits and specifies that the funds can only be used for Hurricane related damages. The terms of the SHIP funding consist of a zero percent (0%) interest rate, a term of 20 years which will be forgiven at the end of the loan and no repayment is required. According to a Charlotte County representative, the funds will be governed by a LURA. The restrictions detailed in SAIL LURA will be more restrictive than the restrictions in the SHIP LURA. Charlotte County will monitor for compliance.

Construction and Permanent Sources from the Closing Letter are as follows:

CONSTRUCTION/PERMANENT SOURCES:				
Source	Lender	Construction	Permanent	Perm Loan/Unit
Regulated Mortgage	TD Bank N.A.	\$12,000,000	\$0	\$0.00
FHFC - SAIL	FHFC-SAIL	\$4,000,000	\$4,000,000	\$45,455
HC Equity	RJTFC	\$3,059,694	\$15,298,470	\$173,846
Deferred Developer	Developer	\$631,776	\$393,000	\$4,466
TOTAL		\$19,691,470	\$19,691,470	\$223,767

Revised Construction and Permanent Sources are as follows:

CONSTRUCTION/PERMANENT SOURCES:				
Source	Lender	Construction	Permanent	Perm Loan/Unit
Regulated Mortgage	TD Bank N.A.	\$12,000,000	\$0	\$0.00
FHFC - SAIL	FHFC-SAIL	\$4,000,000	\$4,000,000	\$45,455
Local Government Subsidy	CCHP-SHIP	\$300,000	\$300,000	\$3,409
HC Equity	RJTFC	\$3,059,694	\$15,298,470	\$173,846
Deferred Developer	Developer	\$331,776	\$93,000	\$1,057
TOTAL		\$19,691,470	\$19,691,470	\$223,767

The addition of the SHIP funds does not negatively impact the debt service coverage as the loan has a zero (0%) interest rate, no payments, and is forgivable at maturity.

Recommendation

SMG concludes that the additional subordinate debt of the CCHP SHIP funding will not adversely impact the transaction and would have otherwise been approved if it had been included as a funding source during the credit underwriting process. Accordingly, SMG provides this analysis for FHFC’s consideration

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to approve the additional subordinate debt and subordination of the loan to the SAIL loan, subject to the following:

- Receipt of Insurance Settlement Statement/Claim Adjustment, and verification that no duplication of benefits is occurring
- Review and approval of all loan documents consistent with the terms outlined in this CUR Update Letter by FHFC, its Legal Counsel and Servicer.
- Payment of any outstanding arrearages to the Corporation, its Legal Counsel, Servicer or any agent or assignee of the Corporation for past due issues applicable to the development team (Applicant or Developer or Principal, Affiliate or Financial Beneficiary, as described in 67-48.0075(5) of an Applicant or a Developer).
- Prepayment of any required compliance monitoring fees and servicing fees, as applicable.
- Payment of all costs and fees to Florida Housing, its Legal Counsel, and Servicer, as applicable.
- Consent to the HC equity provider, if applicable.
- Satisfactory resolution of any outstanding past due and/or noncompliance items.
- All other due diligence required by FHFC, its Legal Counsel and Servicer.

Should you have any questions please feel free to contact me directly.

Sincerely,

SELTZER MANAGEMENT GROUP, INC.



Ryan Johnson
Credit Underwriter

Florida Housing Finance Corporation

Credit Underwriting Report

The Verandas of Punta Gorda III

Competitive 9% Housing Credits and Viability Funding

RFA 2021-201 / 2022-070C / 2023-270C

RFA 2023-211 / 2023-251V

**Housing Credit Financing for Affordable Housing Developments Located in
Medium and Small Counties / Construction Inflation Response Viability
Funding**

Section A: Report Summary

**Section B: Viability Loan Special and General Conditions
Housing Credit Allocation Recommendation & Contingencies**

Section C: Supporting Information & Schedules

Prepared by

First Housing Development Corporation of Florida

Final Report

August 4, 2023

The Verandas of Punta Gorda III

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Section A
Report Summary

VIABILITY & HC CREDIT UNDERWRITING REPORT

Recommendation

The Verandas of Punta Gorda III, LLLP ("Applicant") has applied for a \$1,523,000 Federal 9% Housing Credit ("HC") determination to finance the new construction of The Verandas of Punta Gorda III ("Development"). First Housing Development Corporation of Florida ("FHDC", "First Housing", or "Servicer") recommends a Viability Loan in the amount of \$2,090,000 and an annual 9% HC Allocation of \$1,523,000 be awarded for the construction and permanent financing of the Development.

DEVELOPMENT & SET-ASIDES														
Development Name:		<u>The Verandas of Punta Gorda III</u>												
RFA/Program Numbers:		<u>RFA 2021-201</u>	/	<u>2022-070C /</u>	<u>2023-270C</u>		<u>RFA 2023-211 /</u>	<u>2023-251V</u>						
Address:		<u>Airport Rd., approximately 850 Ft NW of the intersection of Airport Rd. and Cooper St.</u>												
City:		<u>Punta Gorda</u>	Zip Code:		<u>33950</u>	County:		<u>Charlotte</u>	County Size:		<u>Medium</u>			
Development Category:		<u>New Construction</u>				Development Type: <u>Garden Apts (1-3 Stories)</u>								
Construction Type:		<u>Masonry</u>												
Demographic Commitment:		Primary: <u>Family</u> for <u>100%</u> of the Units												
Unit Composition:		# of ELI Units: <u>8</u> ELI Units Are Restricted to <u>35%</u> AMI, or less. Total # of units with PBRA? <u>18</u>												
		# of Link Units: <u>4</u> Are the Link Units Demographically Restricted? <u>Yes</u> # of NHTF Units: <u>0</u>												

Charlotte County, Punta Gorda MSA

Bed Rooms	Bath Rooms	Units	Square Feet	AMI%	Low HOME Rents	High HOME Rents	Gross HC Rent	Utility Allow.	Net Restricted Rents	PBRA Contr Rents	Applicant Rents	Appraiser Rents	CU Rents	Annual Rental Income
1	1.0	2	718	35% - ACC			\$503	\$153	\$ 350	\$ 183	\$ 183	\$ 183	\$ 183	\$ 4,392
1	1.0	2	718	35% - PBV			\$503	\$153	\$ 350	\$ 974	\$ 974	\$ 974	\$ 974	\$ 23,376
1	1.0	3	718	60% - PBV			\$863	\$153	\$ 710	\$ 974	\$ 974	\$ 974	\$ 974	\$ 35,064
1	1.0	28	718	60%			\$863	\$153	\$ 710		\$ 710	\$ 710	\$ 710	\$ 238,560
1	1.0	1	720	60%			\$863	\$153	\$ 710		\$ 710	\$ 710	\$ 710	\$ 8,520
2	2.0	1	1,063	35% - ACC			\$604	\$183	\$ 421	\$ 280	\$ 280	\$ 280	\$ 280	\$ 3,360
2	2.0	2	1,063	35% - PBV			\$604	\$183	\$ 421	\$ 1,214	\$ 1,214	\$ 1,214	\$ 1,214	\$ 29,136
2	2.0	3	1,063	60% PBV			\$1,036	\$183	\$ 853	\$ 1,214	\$ 1,214	\$ 1,214	\$ 1,214	\$ 43,704
2	2.0	18	1,063	60%			\$1,036	\$183	\$ 853		\$ 853	\$ 853	\$ 853	\$ 184,248
2	2.0	2	1,065	60%			\$1,036	\$183	\$ 853		\$ 853	\$ 853	\$ 853	\$ 20,472
3	2.0	1	1,325	35% - ACC			\$698	\$209	\$ 489	\$ 402	\$ 402	\$ 402	\$ 402	\$ 4,824
3	2.0	4	1,325	60% - PBV			\$1,197	\$209	\$ 988	\$ 1,776	\$ 1,776	\$ 1,776	\$ 1,776	\$ 85,248
3	2.0	5	1,325	60%			\$1,197	\$209	\$ 988		\$ 988	\$ 988	\$ 988	\$ 59,280
		72	66,742											\$ 740,184

VIABILITY & HC CREDIT UNDERWRITING REPORT

The Applicant selected 40% of units at 60% or lower as the minimum set-aside commitment; therefore, according to Request for Applications 2021-201 (“RFA”) the Applicant must set-aside 10% of the units (8 units) as Extremely Low Income (“ELI”) Set-Asides at 35% Area Median Income (“AMI”). The proposed Development must set aside 50% of the ELI Set-Aside units (4 units) as Link units for Persons with Special Needs. In order to meet the commitment to set aside ELI units as Link units for Persons with Special Needs, the Applicant must develop and execute a Memorandum of Understanding (“MOU”) with at least one designated Special Needs Household Referral Agency that provides supportive services for Persons with Special Needs for the county where the proposed Development will be located (Charlotte County). The MOU was approved by Florida Housing Finance Corporation (“FHFC” or “Florida Housing”) on February 1, 2023.

The Tenant Selection Plan was approved by Florida Housing on November 2, 2022.

VIABILITY & HC CREDIT UNDERWRITING REPORT

Buildings: Residential - 4 Non-Residential - 1
 Parking: Parking Spaces - 108 Accessible Spaces - 8

Set Asides:	Program	% of Units	# of Units	% AMI	Term (Years)
	HC	10.0%	8	35%	50
	HC	90.0%	64	60%	50

Absorption Rate 25 units per month for 2.9 months.

Occupancy Rate at Stabilization: Physical Occupancy 96.00% Economic Occupancy 95.00%
 Occupancy Comments N/A - New Construction

DDA: No QCT: No Multi-Phase Boost: No QAP Boost: Yes
 Site Acreage: 4.52 Density: _____ Flood Zone Designation: AE
 Zoning: PD-NC, PD-Neighborhood Center District Flood Insurance Required?: Yes

DEVELOPMENT TEAM

Applicant/Borrower:	The Verandas of Punta Gorda III, LLLP	% Ownership
General Partner	Norstar Verandas III, Inc.	0.0051%
General Partner	The Verandas GP III, Inc.	0.0049%
Limited Partner	Banc of America CDC Special Holding Company, Inc.	0.00%
Limited Partner	Bank of America, N.A. ("BoA")	99.99%
Construction Completion Guarantor(s):		
CC Guarantor 1:	The Verandas of Punta Gorda III, LLLP and Norstar Verandas III, Inc.	
CC Guarantor 2:	Norstar Florida Holdings, Inc.	
CC Guarantor 3:	Richard L. Higgins	
CC Guarantor 4:	Norstar Development USA, L.P. ("Norstar")	
CC Guarantor 5:	Nordev, Inc.	
CC Guarantor 6:	Newstar Development, LLC ("Newstar")	
CC Guarantor 7:	Anise Development, LLC and Brian Evjen	
CC Guarantor 8:	Corder Development, LLC	
Operating Deficit Guarantor(s):		
OD Guarantor 1:	The Verandas of Punta Gorda III, LLLP and Norstar Verandas III, Inc.	
OD Guarantor 2:	Norstar Florida Holdings, Inc.	
OD Guarantor 3:	Richard L. Higgins	
OD Guarantor 4:	Norstar	
OD Guarantor 5:	Nordev, Inc.	
OD Guarantor 6:	Newstar	
OD Guarantor 7:	Anise Development, LLC and Brian Evjen	
OD Guarantor 8:	Corder Development, LLC	
Developer:	Norstar	
Co-Developer:	Punta Gorda Developers, L.L.C. ("PGD") and Newstar	
General Contractor 1:	NSBF, LLC	
Management Company:	Norstar Accolade Property Management	
Syndicator:	BoA	
Architect:	Forum Architecture & Interior Design, Inc.	
Market Study Provider:	Colliers International Valuation & Advisory Services ("Colliers")	
Appraiser:	Integra Realty Resources - Tampa Bay ("Integra")	

VIABILITY & HC CREDIT UNDERWRITING REPORT

PERMANENT FINANCING INFORMATION						
	1st Source	2nd Source	3rd Source	4th Source	5th Source	6th Source
Lien Position	First	Second	Third	Fourth	Fifth	Sixth
Lender/Grantor	BoA	FHFC - Viability	Punta Gorda Development Corporation	Charlotte County - Board of County Commissioner ("BOCC")	Charlotte County SHIP	Punta Gorda Housing Authority ("PGHA")
Amount	\$2,780,000	\$2,090,000	\$340,000	\$1,463,525	\$400,000	\$2,000,000
Underwritten Interest Rate	6.50%	1.00%	1.00%	1.50%	0.00%	0.00%
Loan Term	18	18	18	18	18	48
Amortization	35	0	30	0	0	0
Market Rate/Market Financing LTV	15%	26%	28%	36%	38%	49%
Restricted Market Financing LTV	49%	85%	91%	117%	124%	159%
Loan to Cost - Cumulative	11%	19%	20%	26%	27%	35%
Debt Service Coverage	1.40	1.24	1.17	1.07	1.07	1.07
Operating Deficit & Debt Service Reserves	\$335,000					
# of Months covered by the Reserves	6.2					

Deferred Developer Fee	\$1,565,252
As-Is Land Value	\$1,080,000
Market Rent/Market Financing Stabilized Value	\$18,500,000
Rent Restricted Market Financing Stabilized Value	\$5,720,000
Projected Net Operating Income (NOI) - Year 1	\$281,998
Projected Net Operating Income (NOI) - 15 Year	\$302,069
Year 15 Pro Forma Income Escalation Rate	2.00%
Year 15 Pro Forma Expense Escalation Rate	3.00%
Housing Credit (HC) Syndication Price	\$0.9575
HC Annual Allocation - Initial Award	\$1,523,000
HC Annual Allocation - Qualified in CUR	\$1,523,000
HC Annual Allocation - Equity Letter of Interest	\$1,523,000

CONSTRUCTION/PERMANENT SOURCES:				
Source	Lender	Construction	Permanent	Perm Loan/Unit
Regulated Mortgage Lender	BoA	\$15,000,000	\$2,780,000	\$38,611
FHFC - Viability	FHFC	\$2,090,000	\$2,090,000	\$29,028
Affiliate / Principal	Punta Gorda Development Corporation	\$340,000	\$340,000	\$4,722
Local Government Subsidy	Charlotte County - BOCC Loan	\$1,463,525	\$1,463,525	\$20,327
Local Government Subsidy	Charlotte County - SHIP Loan	\$400,000	\$400,000	\$5,556
Local Government Subsidy	PGHA	\$2,000,000	\$2,000,000	\$27,778
HC Equity	BoA	\$2,187,190	\$14,581,266	\$202,518
Deferred Developer Fee	Norstar, PGD, and Newstar	\$1,739,328	\$1,565,252	\$21,740
Non-FHFC Grant	Charlotte County	\$537,755	\$537,755	\$7,469
HC Equity	BoA	\$87,900	\$87,900	\$1,221
TOTAL		\$25,845,698	\$25,845,698	\$358,968

Credit Underwriter: First Housing
Date of Final CUR: 08/04/2023
TDC PU Limitation at Application: \$311,900 TDC PU Limitation at Credit Underwriting: \$412,322
Minimum 1st Mortgage per Rule: \$2,539,389 Amount Dev. Fee Reduced for TDC Limit: \$0

VIABILITY & HC CREDIT UNDERWRITING REPORT

Changes from the Application:

COMPARISON CRITERIA	YES	NO
Does the level of experience of the current team equal or exceed that of the team described in the application?	X	
Are all funding sources the same as shown in the Application?		1-2.
Are all local government recommendations/contributions still in place at the level described in the Application?	X	
Is the Development feasible with all amenities/features listed in the Application?	X	
Do the site plans/architectural drawings account for all amenities/features listed in the Application?	X	
Does the applicant have site control at or above the level indicated in the Application?	X	
Does the applicant have adequate zoning as indicated in the Application?	X	
Has the Development been evaluated for feasibility using the total length of set-aside committed to in the Application?	X	
Have the Development costs remained equal to or less than those listed in the Application?		3.
Is the Development feasible using the set-asides committed to in the Application?	X	
If the Development has committed to serve a special target group (e.g. elderly, large family, etc.), do the development and operating plans contain specific provisions for implementation?	X	
HOME ONLY: If points were given for match funds, is the match percentage the same as or greater than that indicated in the Application?	N/A	
HC ONLY: Is the rate of syndication the same as or greater than that shown in the Application?	4.	
Is the Development in all other material respects the same as presented in the Application?		5-7.

The following are explanations of each items listed in the table above:

1. At Application it was anticipated that JP Morgan Chase Bank, N.A. would provide a construction loan in the amount of \$14,000,000 and a permanent loan in the amount of \$2,800,000. BoA is now providing a construction loan in the maximum amount of \$15,000,000 and a permanent loan in the amount of \$2,780,000. In addition, the Syndicator has changed from RBC Tax Credit Equity, LLC to Bank of America, N.A.
2. Since the Application, the following sources have been added: a Viability Loan from FHFC in the amount of \$2,090,000, a BOCC Loan from Charlotte County in the amount of

VIABILITY & HC CREDIT UNDERWRITING REPORT

\$1,463,525, a SHIP loan in from Charlotte County in the amount of \$400,000, and funds from the Punta Gorda Housing Authority in the amount of \$2,000,000.

3. The Total Development Costs (“TDC”) have increased by a total of \$6,326,201 or 32.41% from \$19,519,497 to \$25,845,698 since the Application. The change is mainly due to an increase in construction costs.
4. Since the Application, the syndication rate has increased from \$0.92 to \$0.9575.
5. Since the Application, the unit mix and number of buildings has changed, as requested by the Applicant on June 15, 2022 and approved by FHFC staff on June 27, 2022.

Item Description (From)	Item Description (To)
3 Buildings	4 Buildings
30 – 1 bedroom/1 bath (3 ELI)	36 – 1 bedroom/1 bath (4 ELI)
27 – 2 bedroom/2 bath (3 ELI)	26 – 2 bedroom/2 bath (3 ELI)
15 – 3 bedroom/2 bath (2 ELI)	10 – 3 bedroom/2 bath (1 ELI)
72 Units (8 ELI)	72 Units (8 ELI)

6. Since the Application, the number of non-residential buildings has increased from zero to one, as requested by the Applicant on September 7, 2022 and approved by FHFC staff on September 15, 2022.
7. Since the Application, the address and phone number for Richard Higgins, the Authorized Principal Representative, has changed to 4144 N Armenia Avenue, Suite 220, Tampa, FL 33607 and 813-608-4144.

The above changes have no substantial material impact to the Viability Loan or HC recommendation for this Development.

Does the Development Team have any FHFC Financed Developments on the Past Due/Noncompliance Report?

According to the FHFC Asset Management Noncompliance Report, dated May 24, 2023, the Development Team has the following noncompliance item(s) not in the correction period:

- None

VIABILITY & HC CREDIT UNDERWRITING REPORT

According to the FHFC Past Due report, dated July 12, 2023, the Development Team has the following past due item(s):

- None

Strengths:

1. The Principals of the Developer, General Contractor, and the Management Company are experienced in affordable multifamily housing.
2. The Principals have sufficient experience and substantial financial resources to construct and operate the proposed Development.
3. Colliers prepared a Market Study for the Development, dated July 12, 2022 (Report Date). The research indicates there is sufficient demand in the market to support the Development. The Development's overall capture rate is 1.13%.
4. According to the Market Study, Colliers anticipates the Development will experience an absorption rate of 25± units per month.

Issues and Concerns:

None

Mitigating Factors:

None

Waiver/Special Conditions:

1. According to the RFA, the Corporation will review the limited partnership agreement or limited liability company operating agreement language on reserves for compliance with the RFA requirement. If the limited partnership agreement or limited liability company operating agreement does not specifically state that the parties will comply with the Corporation's RFA requirements, the Corporation will require an amendment of the agreement and will not issue IRS form(s) 8609 until the amendment is executed and provided to the Corporation.

The RFA includes language restricting the disposition of any funds remaining in any operating deficit reserve(s) after the term of the reserve's original purpose has terminated or is near termination. The RFA also requires the Corporation to review the limited partnership agreement or limited liability company operating agreement language on reserves for compliance with the RFA requirement. While Florida Housing will continue

VIABILITY & HC CREDIT UNDERWRITING REPORT

to require the Applicant to adhere to all requirements in the RFA including the restrictions on the disposition of any funds in an operating deficit reserve account, Florida Housing will not monitor the limited partnership agreement or limited liability company operating agreement language for compliance with these requirements, as this would require analysis of a legal contract. This deviation in process was included as an Information Item in the April 29, 2022 FHFC Board Meeting.

Additional Information:

1. Based on the TDC per unit limitations in affect as of the April 1, 2022 FHFC Telephonic Board meeting, FHFC has set the TDC for the RFA, exclusive of land costs and Operating Deficit Reserves (“ODR”), of \$412,322 per unit for a new Enhanced Structural Systems (“ESS”) Construction, garden-style development located in Charlotte County, and inclusive of the \$7,500 add on for PHA as a Principal. The Development’s per unit TDC, less land costs and ODR is \$24,943,940 or \$346,443.61 per unit, which meets the TDC requirement.
2. FHDC has completed the required minimum first mortgage qualifying test and finds that the proposed first mortgage in the amount of \$2,780,000 exceeds the minimum requirement of \$2,539,389.

VIABILITY & HC CREDIT UNDERWRITING REPORT

Recommendation:

First Housing recommends a Viability Loan in the amount of \$2,090,000 and an annual 9% Housing Credit Allocation of \$1,523,000 be awarded to finance the Development.

This recommendation is based upon the assumptions detailed in the Report Summary (Section A) and Supporting Information and Schedules (Section C). In addition, these recommendations are subject to the Viability Loan Special and General Conditions and the Housing Credit Allocation Recommendation and Contingencies (Section B). **This recommendation is only valid for six months from the date of the report.**

The reader is cautioned to refer to these sections for complete information.

Prepared by:



Stephanie Petty
Senior Credit Underwriter

Reviewed by:



Ed Busansky
Senior Vice President

VIABILITY & HC CREDIT UNDERWRITING REPORT

Overview

Construction Financing Sources:

Construction Sources	Lender	Application	Revised Applicant	Underwriter	Construction Interest Rate	Annual Construction Debt Service
Regulated Mortgage Lender	BoA	\$14,000,000	\$15,000,000	\$15,000,000	8.47%	\$1,270,500
FHFC - Viability	FHFC	\$0	\$2,090,000	\$2,090,000	1.00%	\$20,900
Affiliate / Principal	Punta Gorda Development Corporation	\$340,000	\$340,000	\$340,000	1.00%	\$3,400
Local Government Subsidy	Charlotte County - BOCC Loan	\$0	\$1,463,525	\$1,463,525	1.50%	\$21,953
Local Government Subsidy	Charlotte County - SHIP Loan	\$0	\$400,000	\$400,000	0.00%	\$0
Local Government Subsidy	PGHA	\$2,000,000	\$2,000,000	\$2,000,000	0.00%	\$0
HC Equity	BoA	\$2,101,531	\$2,187,191	\$2,187,190	N/A	N/A
Deferred Developer Fee	Norstar, PGD, and Newstar	\$2,615,167	\$1,555,097	\$1,739,328	N/A	N/A
Non-FHFC Grant	Charlotte County	\$0	\$537,755	\$537,755	N/A	N/A
HC Equity	BoA	\$0	\$0	\$87,900	N/A	N/A
Total		\$21,056,698	\$25,573,568	\$25,845,698		\$1,316,753

First Mortgage:

First Housing received a Term Sheet from BoA, dated May 26, 2023, for an End-to-End Taxable Construction to Permanent Loan. Based on the term sheet, BoA will provide a construction loan in an amount that is the least of \$15,000,000, 80% Loan to Cost, or 80% Loan to Value. Interest only payments will be required during construction. The interest rate is floating based on the Bloomberg Short Term Bank Yield “BSBY” Daily Floating Rate, with a floor of 0.75%, plus a spread of 2.30%. The term is 24 months, with one 6-month extension option available. The construction loan interest is calculated based on the BSBY Daily Floating Rate of 5.17%, as of July 3, 2023, plus a 2.30% spread, and an underwriting cushion of 1.00%, for an overall interest rate of 8.47%.

FHFC Viability Loan:

First Housing reviewed a Notice of Preliminary Award from FHFC, dated June 14, 2023, with a preliminary Viability Loan in the amount of \$2,090,000. Based on the sizing parameters in RFA 2023-211, First Housing has sized the Viability Loan in the amount of \$2,090,000.

The Viability Loan is non-amortizing with an interest rate of 1% plus permanent loan servicing fees for a total term of 20.5 years, of which 2.5 years is for the construction/stabilization period and 18 years is for the permanent period. As required by the first mortgage lender and permitted by RFA 2023-211, the Viability Loan will be coterminous with the first mortgage. Annual payments of all applicable fees will be required. Any unpaid interest will be deferred until cash flow is available. However, at the maturity of the Viability Loan, all principal and unpaid interest will be due.

VIABILITY & HC CREDIT UNDERWRITING REPORT

Punta Gorda Development Corporation:

First Housing received a Commitment Letter from the City of Punta Gorda, dated March 1, 2023, for a loan in the amount \$340,000. According to the letter, the interest rate is 1% with a term of 18 years and a 30-year amortization schedule. Principal and Interest payments will be required with a balloon payment in year 18. First Housing has included a 2.5-year construction period, as the Applicant confirmed on July 8, 2023, that the loan will have an 18-year permanent period. The City of Punta Gorda will lend the money to Punta Gorda Development Corporation, which will then lend the funds to the Applicant. First Housing received a Commitment of Funds, dated July 6, 2023, from Punta Gorda Development Corporation, which has the same terms of the City of Punta Gorda loan.

Charlotte County – BOCC:

First Housing received a Commitment Letter from Charlotte County, dated February 23, 2023, for a BOCC loan in the amount \$1,463,525. First Housing has included a 2.5-year construction period, as the permanent financing term is 18 years. The interest rate on the loan is 1.5% (non-compounding). Annual payments are based on available cash flow, with a balloon payment in year 18 for principal and interest.

Charlotte County – SHIP:

First Housing received a Commitment Letter from Charlotte County, dated February 23, 2023, for a SHIP loan in the amount \$400,000. The loan will bear interest at 0% and will have a permanent term of 18 years. First Housing has included a 2.5-year construction period, as the permanent financing term is 18 years. The County may in its “sole and absolute discretion” forgive the balance of the SHIP Loan upon maturity, if the units remain restricted according to the Land Use Restriction Agreement.

PGHA:

First Housing received a Commitment Letter from the Punta Gorda Housing Authority, dated April 24, 2023, for a construction and permanent loan in the amount \$2,000,000. The interest rate is 0% and has a construction term of 2 years and a permanent term of 48 years. Principal is due in full at maturity.

Housing Credit Equity:

First Housing has reviewed an executed Letter of Interest (“LOI”), dated May 26, 2023, indicating BoA, and or its affiliates, will acquire 99.99% ownership interest in the Applicant. Based on the LOI, the annual HC allocation is estimated to be in the amount of \$1,523,000 with a syndication

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rate of \$0.9575 for a net capital contribution of \$14,581,266. Please note the LOI indicates a total capital contribution of \$14,581,267; however, the contributions add to \$14,581,266. BoA has committed to make available 15.00% or \$2,187,190 of the total net equity during construction. An additional \$12,394,076 will be available in three additional installments at 100% completion, stabilization, and upon receipt of the Forms 8609. The first installment, in the amount of \$2,187,190, meets the RFA requirement that 15% of the total equity must be contributed at or prior to the closing.

Deferred Developer Fee:

To balance the sources and uses of funds during construction, the Developer is required to defer \$1,739,328 or approximately 50.55% of the total Developer Fee of \$3,440,543.

Charlotte County:

First Housing received a letter, dated November 8, 2022, indicating the Development has been awarded a Subsidy in the maximum amount of \$650,000. Based on First Housing's understanding the County will pay the Impact/Utility/Permit Fees directly. These funds will not be a source at closing as the County will process payment for these fees. The Developer has estimated \$537,755 will be covered by the County.

Additional HC Equity:

According to the LOI, the Investor is responsible for all of the Investor's transaction expenses up to \$86,650. The Investor's expenses will be paid in the form of capital contribution in addition to the capital contributions mentioned above. First Housing further received an email, dated July 20, 2023, indicating the amount has increased to \$87,900.

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Permanent Financing Sources:

Permanent Sources	Lender	Application	Revised Applicant	Underwriter	Term Yrs.	Amort. Yrs.	Interest Rate	Annual Debt Service
Regulated Mortgage Lender	BoA	\$2,800,000	\$2,780,000	\$2,780,000	18	35	6.50%	\$201,546
FHFC - Viability	FHFC	\$0	\$2,090,000	\$2,090,000	18	0	1.00%	\$20,900
Affiliate / Principal	Punta Gorda Development Corporation	\$340,000	\$340,000	\$340,000	18	30	1.00%	\$13,123
Local Government Subsidy	Charlotte County - BOCC Loan	\$0	\$1,463,525	\$1,463,525	18	0	1.50%	\$21,953
Local Government Subsidy	Charlotte County - SHIP Loan	\$0	\$400,000	\$400,000	18	0	0.00%	\$0
Local Government Subsidy	PGHA	\$2,000,000	\$2,000,000	\$2,000,000	48	0	0.00%	\$0
HC Equity	BoA	\$14,010,199	\$14,581,267	\$14,581,266	N/A	N/A	N/A	N/A
Deferred Developer Fee	Norstar, PGD, and Newstar	\$2,615,167	\$1,918,776	\$1,565,252	N/A	N/A	N/A	N/A
Non-FHFC Grant	Charlotte County	\$0	\$537,755	\$537,755	N/A	N/A	N/A	N/A
HC Equity	BoA	\$0	\$0	\$87,900	N/A	N/A	N/A	N/A
Total		\$21,765,366	\$26,111,323	\$25,845,698				\$257,522

First Mortgage:

First Housing received a Term Sheet from BoA, dated May 26, 2023, for an End-to-End Taxable Construction to Permanent Loan. Based on the term sheet, BoA will provide a permanent loan in an amount that is the least of \$2,780,000, 90% Loan to Value, or an amount to achieve a 1.15 debt service coverage ratio. The term of the loan will be 18 years from the permanent loan conversion. Principal and interest payments will be based on a 35-year amortization schedule. The interest rate will be fixed, estimated to be 6.30% as of the date of the letter. According to an email from BoA, dated July 5, 2023, the current interest rate is estimated at 6.50%.

FHFC Viability Loan:

First Housing reviewed a Notice of Preliminary Award from FHFC, dated June 14, 2023, with a preliminary Viability Loan in the amount of \$2,090,000. Based on the sizing parameters in RFA 2023-211, First Housing has sized the Viability Loan in the amount of \$2,090,000.

The Viability Loan is non-amortizing with an interest rate of 1% plus permanent loan servicing for a total term of 20.5 years, of which 2.5 years is for the construction/stabilization period and 18 years is for the permanent period. As required by the first mortgage lender and permitted by RFA 2023-211, the Viability Loan will be coterminous with the first mortgage. Annual payments of all applicable fees will be required. Any unpaid interest will be deferred until cash flow is available. However, at the maturity of the Viability Loan, all principal and unpaid interest will be due.

Fees includes an annual Permanent Loan Servicing Fee of 25 bps of the outstanding loan amount up to a maximum of \$936 per month, subject to a minimum of \$236 per month.

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Punta Gorda Development Corporation:

First Housing received a Commitment Letter from the City of Punta Gorda, dated March 1, 2023, for a loan in the amount \$340,000. According to the letter, the interest rate is 1% with a term of 18 years, and 30-year amortization schedule. Principal and Interest payments will be required with a balloon payment in year 18. The Applicant confirmed on July 8, 2023, that the loan will have an 18-year permanent period. The City of Punta Gorda will lend the money to Punta Gorda Development Corporation, which will then lend the funds to the Applicant. First Housing received a Commitment of Funds, dated July 6, 2023, from Punta Gorda Development Corporation, which has the same terms of the City of Punta Gorda loan.

Charlotte County – BOCC:

First Housing received a Commitment Letter from Charlotte County, dated February 23, 2023, for a BOCC loan in the amount \$1,463,525. The permanent financing term is 18 years with an interest rate of 1.5% (non-compounding). Annual payments are based on available cash flow, with a balloon payment in year 18 for principal and interest.

Charlotte County – SHIP:

First Housing received a Commitment Letter from Charlotte County, dated February 23, 2023, for a SHIP loan in the amount \$400,000. The loan will bear interest at 0% and will have a permanent term of 18 years. The County may in its “sole and absolute discretion” forgive the balance of the SHIP Loan upon maturity, if the units remain restricted according to the Land Use Restriction Agreement.

PGHA:

First Housing received a Commitment Letter from the Punta Gorda Housing Authority, dated April 24, 2023, for a construction and permanent loan in the amount \$2,000,000. The interest rate is 0% and has a construction term of 2 years and a permanent term of 48 years. Principal is due in full at maturity.

Housing Credit Equity:

First Housing has reviewed an executed LOI, dated May 26, 2023, indicating BoA and or its affiliates, will acquire 99.99% ownership interest in the Applicant. Based on a syndication rate of \$0.9575, BoA anticipates a net capital contribution of \$14,581,266 paid in four installments, as follows:

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Syndication Contributions

Capital Contributions	Amount	Percentage of Total	When Due
1st Installment	\$2,187,190	15.00%	Closing of Partnership
2nd Installment	\$5,103,443	35.00%	100% completion
3rd Installment	\$6,780,289	46.50%	Achievement of three months of a 1.15 debt service coverage ratio, 93% occupied, permanent loan has closed, and permanent certificates of occupancy
4th Installment	\$510,344	3.50%	Form 8609
Total	\$14,581,266	100.00%	

Annual Credit Per Syndication Agreement	\$1,523,000
Calculated HC Exchange Rate	\$0.9575
Limited Partner Ownership Percentage	99.99%
Proceeds Available During Construction	\$2,187,190

Deferred Developer Fee:

To balance the sources and uses of funds during the permanent period, the Developer is required to defer \$1,565,252 or approximately 45.49% of the total Developer Fee of \$3,440,543. Therefore, the Applicant is meeting the Viability requirement of deferring at least 30% of the Developer Fee.

Charlotte County:

First Housing received a letter, dated November 8, 2022, indicating the Development has been awarded a Subsidy in the maximum amount of \$650,000. Based on First Housing's understanding the County will pay the Impact/Utility/Permit Fees directly. These funds will not be a source at closing as the County will process payment for these fees. The Developer has estimated \$537,755 will be covered by the County.

Additional HC Equity:

According to the LOI, the Investor is responsible for all of the Investor's transaction expenses up to \$86,650. The Investor's expenses will be paid in the form of capital contribution in addition to the capital contributions mentioned above. First Housing further received an email, dated July 20, 2023, indicating the amount has increased to \$87,900.

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Uses of Funds

CONSTRUCTION COSTS:	Applicant Costs	Revised Applicant Costs	Underwriters Total Costs - CUR	Cost Per Unit	HC Ineligible Costs - CUR
Accessory Buildings	\$208,688	\$0	\$0	\$0	\$0
New Rental Units	\$9,221,092	\$11,163,656	\$11,163,656	\$155,051	\$0
Recreational Amenities	\$69,563	\$0	\$0	\$0	\$0
Site Work	\$1,359,750	\$2,695,597	\$2,695,597	\$37,439	\$808,679
Constr. Contr. Costs subject to GC Fee	\$10,859,093	\$13,859,253	\$13,859,253	\$192,490	\$808,679
General Conditions	\$1,520,273	\$831,555	\$831,555	\$11,549	\$0
Overhead	\$0	\$277,185	\$277,185	\$3,850	\$0
Profit	\$0	\$831,555	\$831,555	\$11,549	\$0
General Liability Insurance	\$0	\$161,250	\$161,250	\$2,240	\$0
Payment and Performance Bonds	\$0	\$161,250	\$161,250	\$2,240	\$0
Total Construction Contract/Costs	\$12,379,366	\$16,122,048	\$16,122,049	\$223,917	\$808,679
Hard Cost Contingency	\$618,968	\$806,102	\$806,102	\$11,196	\$0
FF&E paid outside Constr. Contr.	\$0	\$115,000	\$115,000	\$1,597	\$0
Other: <u>Maintenance Equipment</u>	\$0	\$85,000	\$85,000	\$1,181	\$0
Total Construction Costs:	\$12,998,334	\$17,128,150	\$17,128,151	\$237,891	\$808,679

Notes to the General Development Costs:

1. The Applicant has provided an executed construction contract, dated June 14, 2023, in the amount of \$16,122,048.66. Due to rounding, the chart shows a total construction cost of \$16,122,049. The contract is a Standard Form of Agreement between The Verandas of Punta Gorda III, LLLP (“Owner”) and NSBF, LLC (“Contractor”) where the basis of payment is the Cost of Work Plus a fee with a Guaranteed Maximum Price (“GMP”). The contract specifies substantial completion of not later than 487 calendar days from the date of commencement of Work. Retainage of 10% shall be withheld from payment through 50% completion of work and 5% retainage withheld on amounts due after 50% completion.
2. The GC Fees are within the maximum 14% of hard costs allowed by the RFA and Rule Chapter 67-48. The GC Fee stated herein is for credit underwriting purposes only, and the final GC fee will be determined pursuant to the final cost certification process as per Rule Chapter 67-48.023, F.A.C.
3. The GC Contract includes \$385,000 in allowances which is 2.39% of the GMP. On Solid Ground, LLC (“OSG”) found the allowances to be acceptable.

Site Preparation – Material Storage	\$15,000
Muck Removal	\$50,000
Irrigation Wells & Pumps	\$25,000
Retaining Wall	\$15,000
Site Furnishings	\$25,000
Architectural Woodwork	\$20,000
Signs	\$15,000

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Monument Signs	\$20,000
MEP Site Connections	\$5,000
Shade Structures	\$20,000
Dry Utilities	\$30,000
Communications	\$10,000
DAS Systems	\$55,000
CCTB/Surveillance	\$20,000
Multimedia Equipment	\$10,000
Relocate Utilities	\$50,000
Total	\$385,000

4. Hard Cost Contingency is within 5% of total construction costs, as allowed for new construction developments by the RFA and Rule Chapter 67-48.

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GENERAL DEVELOPMENT COSTS:	Applicant Costs	Revised Applicant Costs	Underwriters Total Costs - CUR	Cost Per Unit	HC Ineligible Costs - CUR
Accounting Fees	\$30,000	\$55,000	\$55,000	\$764	\$8,250
Appraisal	\$7,500	\$15,000	\$10,300	\$143	\$0
Architect's Fee - Site/Building Design	\$275,000	\$300,000	\$300,000	\$4,167	\$0
Architect's Fee - Supervision	\$50,000	\$50,000	\$50,000	\$694	\$0
Building Permits	\$89,600	\$112,904	\$112,904	\$1,568	\$0
Builder's Risk Insurance	\$150,000	\$150,000	\$150,000	\$2,083	\$0
Engineering Fees	\$100,000	\$125,000	\$125,000	\$1,736	\$0
Environmental Report	\$15,000	\$11,990	\$11,990	\$167	\$0
FHFC Administrative Fees	\$137,070	\$137,070	\$137,070	\$1,904	\$137,070
FHFC Application Fee	\$3,000	\$3,000	\$3,500	\$49	\$3,500
FHFC Credit Underwriting Fee	\$15,000	\$15,000	\$20,309	\$282	\$20,309
FHFC Compliance Fee	\$216,000	\$210,000	\$229,477	\$3,187	\$229,477
FHFC Other Processing Fee(s)	\$0	\$41,000	\$45,000	\$625	\$45,000
Impact Fee	\$0	\$128,718	\$128,718	\$1,788	\$0
Lender Inspection Fees / Const Admin	\$90,000	\$90,000	\$90,000	\$1,250	\$0
Green Building Cert. (LEED, FGBC, NAHB)	\$25,000	\$25,000	\$25,000	\$347	\$0
Insurance	\$0	\$195,000	\$195,000	\$2,708	\$0
Legal Fees - Organizational Costs	\$250,000	\$350,000	\$350,000	\$4,861	\$70,000
Market Study	\$7,500	\$0	\$5,000	\$69	\$5,000
Marketing and Advertising	\$109,338	\$75,000	\$75,000	\$1,042	\$75,000
Plan and Cost Review Analysis	\$0	\$0	\$2,700	\$38	\$0
Property Taxes	\$10,000	\$10,000	\$10,000	\$139	\$0
Soil Test	\$15,000	\$18,010	\$18,010	\$250	\$0
Survey	\$30,000	\$30,000	\$30,000	\$417	\$0
Title Insurance and Recording Fees	\$215,000	\$125,000	\$125,000	\$1,736	\$25,000
Utility Connection Fees	\$360,435	\$316,133	\$316,133	\$4,391	\$0
Soft Cost Contingency	\$110,022	\$125,691	\$131,055	\$1,820	\$0
Total General Development Costs:	\$2,310,465	\$2,714,516	\$2,752,166	\$38,225	\$618,606

Notes to the General Development Costs:

1. General Development Costs are the Applicant's updated estimates, which appear reasonable.
2. First Housing has utilized actual costs for: FHFC Application Fee, Appraisal, Market Study, and Plan and Cost Review.
3. The FHFC Application Fee of \$3,500 includes a \$3,000 initial application fee and a \$500 fee for the Viability Loan.
4. FHFC Compliance Fee of \$229,477 is based on the compliance fee calculator spreadsheet provided by FHFC.

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5. The FHFC Processing Fees of \$45,000 includes a Notice of Construction Extension Fee of \$10,000, a LPA Extension Fee of \$10,000, a 10% Test Extension Fee of \$5,000, a \$5,000 CUR Extension, and a \$15,000 Credit Swap Fee.
6. The FHFC Administrative Fee is based on 9% of the recommended annual housing credit allocation.
7. The FHFC Credit Underwriting Fee includes an underwriting fee of \$13,455, a Preliminary Recommendation Letter fee of \$1,708, and a Viability underwriting fee of \$5,146.
8. The Applicant provided an Agreement for Professional Services, dated February 21, 2022, between Norstar Development USA, LP and Two Trail, Inc. for NGBS Consulting and inspection services for the Development.
9. First Housing has adjusted Soft Cost Contingency to be 5% of the General Development Costs, less the contingency as allowed by the RFA and Rule Chapter 67-48 for new construction developments.

FINANCIAL COSTS:	Revised		Underwriters	Cost Per Unit	HC Ineligible Costs - CUR
	Applicant Costs	Applicant Costs	Total Costs - CUR		
Construction Loan Origination Fee	\$140,000	\$97,500	\$97,500	\$1,354	\$0
Construction Loan Interest	\$700,000	\$1,120,000	\$1,304,380	\$18,116	\$260,876
Permanent Loan Origination Fee	\$31,000	\$37,800	\$37,800	\$525	\$37,800
Permanent Loan Closing Costs	\$75,000	\$0	\$0	\$0	\$0
Legal Fees - Financing Costs	\$0	\$150,000	\$150,000	\$2,083	\$60,000
Other: FHFC Viability Commitment Fee	\$0	\$20,900	\$20,900	\$290	\$20,900
Other: FHFC Viability Closing Costs	\$0	\$0	\$12,500	\$174	\$12,500
Total Financial Costs:	\$1,036,000	\$1,426,200	\$1,623,080	\$22,543	\$392,076
Dev. Costs before Acq., Dev. Fee & Reserves	\$16,344,799	\$21,268,866	\$21,503,397	\$298,658	\$1,819,361

Notes to the Financial Costs:

1. The Construction Loan Origination Fee of \$97,500 is based on 0.65% of the construction loan in the amount of \$15,000,000.
2. The Construction Loan Interest of \$1,304,380 is based on an interest rate of 8.47%, a 22-month term, and an average outstanding loan balance of 56%. The GC Contract specifies a substantial completion of not later than 16 months and considering it will take

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approximately 6 months to lease-up, First Housing has estimated that a construction term of 22-months is reasonable.

3. The Permanent Loan Origination Fee is based on 1% of the permanent loan in the amount of \$2,780,000, plus a \$10,000 conversion fee.
4. The FHFC Viability Commitment Fee is based on 1% of the Viability Loan.
5. First Housing included FHFC Closing costs of \$12,500 for the Viability Loan FHFC legal counsel fees.

NON-LAND ACQUISITION COSTS	Applicant Costs	Revised Applicant Costs	Underwriters Total Costs - CUR	Cost Per Unit	HC Ineligible Costs - CUR
Total Non-Land Acquisition Costs:	\$0	\$0	\$0	\$0	\$0

Notes to the Non-Land Acquisition Costs:

1. As this is new construction, non-land acquisition costs are not applicable.

DEVELOPER FEE ON NON-ACQUISITION COSTS	Applicant Costs	Revised Applicant Costs	Underwriters Total Costs - CUR	Cost Per Unit	HC Ineligible Costs - CUR
Developer Fee - Unapportioned	\$2,615,167	\$3,403,019	\$3,440,543	\$47,785	\$0
Total Other Development Costs:	\$2,615,167	\$3,403,019	\$3,440,543	\$47,785	\$0

Notes to the Other Development Costs:

1. The recommended Developer Fee does not exceed 16% of total development cost before Developer Fee and Operating Deficit Reserves as allowed by RFA 2021-201 and Rule Chapter 67-48.

LAND ACQUISITION COSTS	Applicant Costs	Revised Applicant Costs	Underwriters Total Costs - CUR	Cost Per Unit	HC Ineligible Costs - CUR
Land	\$559,531	\$559,483	\$559,558	\$7,772	\$559,558
Total Acquisition Costs:	\$559,531	\$559,483	\$559,558	\$7,772	\$559,558

Notes to Acquisition Costs:

1. First Housing reviewed a has reviewed a draft Fourth Amended and Restated Ground Lease between Punta Gorda Housing Authority (“Landlord”) and The Verandas of Punta Gorda III, LLLP (“Tenant”). According to the Ground Lease, the Tenant shall pay to Landlord a one-time capital lease payment in the amount of \$559,483. The annual base rent shall be \$1 per annum and shall be paid for the entire term on the commencement date. First

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Housing has included the total annual rent cost of \$75 within the land costs. A portion of the proceeds from the PGHA \$2,000,000 loan will cover the cost of the capital lease payment. The term of the lease shall be for a minimum term of the (A) expiration of the minimum period during which the Mixed Finance Public Housing Units are required by law to be operated as public housing in accordance with the Act; (B) the expiration of forty (40) years from the date the Development becomes available for occupancy; and (C) the 75th anniversary of the commencement date. Receipt of a final executed ground lease is a condition to close.

2. The appraisal indicates the estimated market value “as is”, as of May 20, 2023 was \$1,080,000, which supports the capitalized lease payment.

RESERVE ACCOUNTS	Applicant Costs	Revised Applicant Costs	Underwriters Total Costs - CUR	Cost Per Unit	HC Ineligible Costs - CUR
ACC Reserve (Lender)	\$0	\$7,200	\$7,200	\$100	\$7,200
Operating Deficit Reserve (Syndicator)	\$0	\$335,000	\$335,000	\$4,653	\$335,000
Total Reserve Accounts:	\$0	\$342,200	\$342,200	\$4,753	\$342,200

Notes to Reserve Accounts:

1. The Applicant has estimated a \$7,200 ACC Reserve.
2. Based on the LOI, dated May 26, 2023, an ODR in the estimated amount of \$335,000 equal to 6 months of operating expense, replacement reserves, and must pay debt service is required by the Syndicator. In exchange for receiving funding from the Corporation, the Corporation reserves the authority to restrict the disposition of any funds remaining in any operating deficit reserve(s) after the term of the reserve’s original purpose has terminated or is near termination. Authorized disposition uses are limited to payments towards any outstanding loan balances of the Development funded from the Corporation, any outstanding Corporation fees, any unpaid costs incurred in the completion of the Development (i.e., deferred Developer Fee), the Development’s capital replacement reserve account (provided, however, that any operating deficit reserve funds deposited to the replacement reserve account will not replace, negate, or otherwise be considered an advance payment or pre-funding of the Applicant’s obligation to periodically fund the replacement reserve account), the reimbursement of any loan(s) provided by a partner, member or guarantor as set forth in the Applicant’s organizational agreement (i.e., operating or limited partnership agreement whereby its final disposition remains under this same restriction. The actual direction of the disposition is at the Applicant’s discretion so long as it is an option permitted by the Corporation. In no event, shall the payment of amounts to the Applicant or the Developer from any operating deficit reserve established for the Development cause the Developer Fee or General Contractor fee to exceed the applicable percentage limitations provided for in this RFA.

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At the end of the Compliance Period, any remaining balance of the ODR less amounts that may be permitted to be drawn (which includes Deferred Developer Fee and reimbursements for authorized member/partner and guarantor loan(s) pursuant to the operating/partnership agreement), will be used to pay FHFC loan debt; if there is no FHFC loan debt on the proposed Development at the end of the Compliance Period, any remaining balance shall be used to pay any outstanding FHFC fees. If any balance is remaining in the ODR after the payments above, the amount should be placed in a Replacement Reserve account for the Development. In no event shall the payments of amounts to the Applicant or the Developer from the Reserve Account cause the Developer Fee or General Contractor Fee to exceed the applicable percentage limitations provided for in Rule Chapter 67-48. Any and all terms and conditions of the ODR must be acceptable to Florida Housing, its legal counsel, and its Servicer.

TOTAL DEVELOPMENT COSTS	Applicant Costs	Revised Applicant Costs	Underwriters Total Costs - CUR	Cost Per Unit	HC Ineligible Costs - CUR
TOTAL DEVELOPMENT COSTS:	\$19,519,497	\$25,573,568	\$25,845,698	\$358,968	\$2,721,119

Notes to Total Development Costs:

1. The Total Development Costs have increased by a total of \$6,326,201 or 32.41% from \$19,519,497 to \$25,845,698 since the Application. The change is mainly due to an increase in construction costs.

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Operating Pro Forma – The Verandas of Punta Gorda III

FINANCIAL COSTS:				Year 1	Year 1 Per Unit
OPERATING PRO FORMA					
INCOME:	Gross Potential Rental Income			\$740,184	\$10,280
	Other Income				
	Miscellaneous			\$25,906	\$360
	Gross Potential Income			\$766,090	\$10,640
	Less:				
	Physical Vac. Loss Percentage: 4.00%			\$30,644	\$426
Collection Loss Percentage: 1.00%			\$7,661	\$106	
Total Effective Gross Income				\$727,786	\$10,108
EXPENSES:	Fixed:				
	Real Estate Taxes			\$54,000	\$750
	Insurance			\$90,000	\$1,250
	Variable:				
	Management Fee Percentage: 6.00%			\$43,667	\$606
	General and Administrative			\$28,800	\$400
	Payroll Expenses			\$117,000	\$1,625
	Utilities			\$40,320	\$560
	Marketing and Advertising			\$3,600	\$50
	Maintenance and Repairs/Pest Control			\$28,800	\$400
	Grounds Maintenance and Landscaping			\$18,000	\$250
	Reserve for Replacements			\$21,600	\$300
	Total Expenses				\$445,787
Net Operating Income				\$281,998	\$3,917
Debt Service Payments					
First Mortgage - BoA			\$201,546	\$2,799	
Second Mortgage - FHFC - Viability			\$20,900	\$290	
Third Mortgage - Punta Gorda Development Corporation			\$13,123	\$182	
Fourth Mortgage - Charlotte County - BOCC			\$21,953	\$305	
Fifth Mortgage - Charlotte County - SHIP			\$0	\$0	
Sixth Mortgage - PGHA			\$0	\$0	
First Mortgage Fees - BoA			\$0	\$0	
Second Mortgage Fees - FHFC - Viability			\$5,225	\$73	
Third Mortgage Fees - Punta Gorda Development			\$0	\$0	
Fourth Mortgage Fees - Charlotte County BOCC			\$0	\$0	
Fifth Mortgage Fees - Charlotte County SHIP			\$0	\$0	
Sixth Mortgage Fees - PGHA			\$0	\$0	
Total Debt Service Payments				\$262,747	\$3,649
Cash Flow after Debt Service				\$19,252	\$267
Debt Service Coverage Ratios					
DSC - First Mortgage plus Fees			1.40x		
DSC - Second Mortgage plus Fees			1.24x		
DSC - Third Mortgage plus Fees			1.17x		
DSC - Fourth Mortgage plus Fee			1.07x		
DSC - Fifth Mortgage plus Fees			1.07x		
DSC - All Mortgages and Fees			1.07x		
Financial Ratios					
Operating Expense Ratio			61.25%		
Break-even Economic Occupancy Ratio (all debt)			92.79%		

Notes to the Operating Pro Forma and Ratios:

1. The rent levels are based on the 2023 maximum LIHTC rents published on FHFC's website for Charlotte County less the applicable utility allowance. Below is the rent roll for the Development.

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Charlotte County, Punta Gorda MSA

Bed Rooms	Bath Rooms	Units	Square Feet	AMI%	Low HOME Rents	High HOME Rents	Gross HC Rent	Utility Allow.	Net Restricted Rents	PBRA Contr Rents	Applicant Rents	Appraiser Rents	CU Rents	Annual Rental Income
1	1.0	2	718	35% -ACC			\$503	\$153	\$ 350	\$ 183	\$ 183	\$ 183	\$ 183	\$ 4,392
1	1.0	2	718	35% -PBV			\$503	\$153	\$ 350	\$ 974	\$ 974	\$ 974	\$ 974	\$ 23,376
1	1.0	3	718	60% -PBV			\$863	\$153	\$ 710	\$ 974	\$ 974	\$ 974	\$ 974	\$ 35,064
1	1.0	28	718	60%			\$863	\$153	\$ 710		\$ 710	\$ 710	\$ 710	\$ 238,560
1	1.0	1	720	60%			\$863	\$153	\$ 710		\$ 710	\$ 710	\$ 710	\$ 8,520
2	2.0	1	1,063	35% -ACC			\$604	\$183	\$ 421	\$ 280	\$ 280	\$ 280	\$ 280	\$ 3,360
2	2.0	2	1,063	35% -PBV			\$604	\$183	\$ 421	\$ 1,214	\$ 1,214	\$ 1,214	\$ 1,214	\$ 29,136
2	2.0	3	1,063	60% PBV			\$1,036	\$183	\$ 853	\$ 1,214	\$ 1,214	\$ 1,214	\$ 1,214	\$ 43,704
2	2.0	18	1,063	60%			\$1,036	\$183	\$ 853		\$ 853	\$ 853	\$ 853	\$ 184,248
2	2.0	2	1,065	60%			\$1,036	\$183	\$ 853		\$ 853	\$ 853	\$ 853	\$ 20,472
3	2.0	1	1,325	35% -ACC			\$698	\$209	\$ 489	\$ 402	\$ 402	\$ 402	\$ 402	\$ 4,824
3	2.0	4	1,325	60% -PBV			\$1,197	\$209	\$ 988	\$ 1,776	\$ 1,776	\$ 1,776	\$ 1,776	\$ 85,248
3	2.0	5	1,325	60%			\$1,197	\$209	\$ 988		\$ 988	\$ 988	\$ 988	\$ 59,280
		72	66,742											\$ 740,184

2. First Housing received a letter, dated September 24, 2020, from the Punta Gorda Housing Authority for a conditional approval of 14 project-based vouchers. First Housing further received a letter, dated May 23, 2023, from the Punta Gorda Housing Authority reflecting current rents and utility allowances. Receipt of an Agreement to Enter into Housing Assistance Payment (“AHAP”) Contract is a condition to close. An addition four units are expected to be supported by an Annual Contribution Contract (“ACC”). Receipt of the Mix-Financing Agreement is a condition to close.
3. The utility allowances are based on the Punta Gorda Housing Authority, Florida Utility Allowances Schedule, dated April 1, 2023.
4. The appraisal projected vacancy and collection loss at 3%. First Housing has utilized a vacancy and collection loss of 5%, to be more conservative.
5. The Appraisal projected Miscellaneous Income of \$25,906 which is comprised of revenue from vending machines, late charges, forfeited security deposits, and other miscellaneous sources.
6. Based upon operating data from comparable properties, third-party reports (Appraisal and Market Study) and the Credit Underwriter's independent due diligence, First Housing represents that, in its professional opinion, estimates for Rental Income, Vacancy, Other Income, and Operating Expenses fall within a band of reasonableness.
7. The Applicant has submitted a draft Property Management Agreement between The Verandas of Punta Gorda III, LLLP and Norstar Accolade Property Management. Receipt of an executed Management Agreement is a condition to close. The Agreement reflects a

VIABILITY & HC CREDIT UNDERWRITING REPORT

management fee of 6% of each month's effective gross income or \$2,200 per month, whichever is greater. First Housing has utilized a Management Fee of 6.00%.

8. Residents are responsible for electric, water/sewer, and cable/phone/internet expenses. The landlord is responsible for trash, and common area utility expenses.
9. Replacement Reserves of \$300 per unit per year are required per Rule Chapter 67-48.
10. The Break-even Economic Occupancy Ratio includes all debt; however, the Viability Loan and Charlotte County BOCC Loan interest payments are based on available cash flow. This ratio would improve to 87.19% if the Viability Loan and BOCC Loan interest payments were not included in the calculation.
11. Refer to Exhibit 1, Page 1 for a 15-Year Pro Forma, which reflects rental income increasing at an annual rate of 2%, and expenses increasing at an annual rate of 3%.

Section B

Viability Loan Special and General Conditions

Housing Credit Allocation Recommendation & Contingencies

Special Conditions

This recommendation is contingent upon the review and approval of the following items by Florida Housing and First Housing **at least two weeks prior to Real Estate Loan Closing**. Failure to submit and to receive approval of these items within this time frame may result in postponement of the Viability Loan closing date.

1. Firm Commitment from BoA (construction and permanent financing) with terms and conditions that are not substantially different than those utilized in this credit underwriting report.
2. Final loan documents for the third, fourth, fifth, and sixth mortgages with terms which are not substantially different than those utilized in this credit underwriting report.
3. Receipt and satisfactory review of the Final signed, sealed “approved for construction” plans and specifications by the Construction Consultant and the Servicer.
4. At least 30% of the Developer Fee must be deferred pursuant to the requirements of the Viability Loan.
5. Receipt of a final executed Ground Lease.
6. Satisfactory receipt of an executed Management Agreement and Management Plan.
7. Receipt of rental assistance contracts (ACC and PBV), with rents utilized in this credit underwriting report.
8. Satisfactory receipt and review of updated financials for the Guarantors, dated within 90 days of closing.
9. Any other reasonable requirements of the Servicer, Florida Housing, or its Legal Counsel.

General Conditions

This recommendation is contingent upon the review and approval of the following items by Florida Housing and First Housing **at least two weeks prior to Real Estate Loan Closing**. Failure to submit and to receive approval of these items within this time frame may result in postponement of the closing date:

1. Payment of any outstanding arrearages to the Corporation, its Legal Counsel, Servicer or any agent or assignee of the Corporation for past due issues applicable to the Development Team (Applicant or Developer or Principal, Affiliate or Financial Beneficiary, as described 67-48.0075 (5) F.A.C. of an Applicant or a Developer).
2. OSG is to act as construction inspector during the construction phase.
3. At all times there will be undisbursed loan funds (collectively held by Florida Housing, the first mortgage lender and any other source) sufficient to complete the Development. If at any time there are not sufficient funds to complete the Development, the Borrower will be required to expend additional equity on Development Costs or to deposit additional equity with Florida Housing which is sufficient (in Florida Housing's judgment) to complete the Development before additional loan funds are disbursed. This condition specifically includes escrowing at closing all equity necessary to complete construction or another alternative acceptable to Florida Housing in its sole discretion.
4. Construction Period Developer Fee shall be the lessor of i) 50% of the Total Developer Fee or ii) the Total Developer Fee less the Deferred Developer Fee listed in the Sources and Uses for the construction period, as calculated by the Servicer. At closing, a maximum of 35% of the Construction Period Developer Fee may be funded. Remaining Construction Period Developer Fee will be disbursed during construction/rehabilitation on a pro rata basis, based on the percentage of completion of the development, as approved and reviewed by FHFC and Servicer.

Once the Development has achieved 100% lien free completion and retainage has been released, the Post-Construction Period Developer Fee may be funded. Post-Construction Period Developer Fee is the remaining portion of Developer Fee less Deferred Developer Fee listed in the Sources and Uses for the permanent period, as calculated by the Servicer.

5. Signed and sealed survey, dated within 90 days of loan closing, unless otherwise approved by Florida Housing, and its Legal Counsel, based upon the particular circumstances of the transaction. The Survey shall be certified to Florida Housing, and its Legal Counsel, as well as the title insurance company, and shall indicate the legal description, exact

boundaries of the Development, easements, utilities, roads, and means of access to public streets, total acreage and flood hazard area and any other requirements of Florida Housing.

6. Building permits and any other necessary approvals and permits (e.g., final site plan approval, Department of Environmental Protection, Army Corps of Engineers, the Water Management District, Department of Transportation, etc.) or a letter from the local permitting and approval authority stating that the above referenced permits and approvals will be issued upon receipt of applicable fees (with no other conditions), or evidence of 100% lien-free completion, if applicable. If a letter is provided, copies of all permits will be required as a condition of the first post-closing draw.
7. Final "as permitted" (signed and sealed) site plans, building plans and specifications. The geotechnical report must be bound within the final plans and specifications, if applicable.
8. Final sources and uses of funds schedule itemized by source and line item, in a format and in amounts approved by the Servicer. A detailed calculation of the construction loan interest based upon the final draw schedule, documentation of the closing costs, and draft loan closing statement must also be provided. The sources and uses of funds schedule will be attached to the Loan Agreement as the approved development budget.
9. A final construction draw schedule showing itemized sources and uses of funds for each monthly draw. Viability Loan proceeds shall be disbursed during the construction phase in an amount per draw that does not exceed the ratio of the Viability Loan to the Total Development Costs, unless approved by First Housing. The closing draw must include appropriate backup and ACH wiring instructions.
10. Evidence of insurance coverage pursuant to the RFA governing this proposed transaction and, as applicable, the FHFC Insurance Guide.
11. The General Contractor shall secure a payment and performance bond equal to 100 percent of the total construction cost listing FHFC as a co-obligee, whose terms do not adversely affect the Corporation's interest, issued in the name of the General Contractor, from a company rated at least "A-" by AMBest & Co., or a Corporation-approved alternate security for the General Contractor's performance such as a letter of credit issued by a financial institution with a senior long term (or equivalent) credit rating of at least "Baa3" by Moody's, or at least "BBB-" by Standard & Poor's or Fitch, or a financial rating of at least 175 by IDC Financial Publishing. The LOC must include "evergreen" language and be in a form satisfactory to Florida Housing, its Servicer and its Legal Counsel.

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12. Architect, Construction Consultant, and Developer Certifications on forms provided by FHFC will be required for both design and as built with respect to Section 504 of the Rehabilitation Act, Americans with Disabilities Act, and the Federal Fair Housing Act requirements, if applicable.
13. Borrower is to comply with any and all recommendations noted in the Plan and Cost Analysis, prepared by OSG.
14. At the end of the Compliance Period, any remaining balance of the ODR less amounts that may be permitted to be drawn (which includes Deferred Developer Fee, and reimbursements for authorized member/partner and guarantor loan(s) pursuant to the operating/partnership agreement), will be used to pay FHFC loan debt; if there is no FHFC loan debt on the proposed Development at the end of the Compliance Period, any remaining balance shall be used to pay any outstanding FHFC fees. If any balance is remaining in the ODR after the payments above, the amount should be placed in a Replacement Reserve account for the Development. In no event shall the payments of amounts to the Applicant or the Developer from the Reserve Account cause the Developer Fee or General Contractor Fee to exceed the applicable percentage limitations provided for in the Rule. Any and all terms and conditions of the ODR must be acceptable to Florida Housing, its Servicer and its Legal Counsel.
15. A copy of an Amended and Restated Limited Partnership Agreement reflecting purchase of the HC under terms consistent with the assumptions contained within this Credit Underwriting Report. The Amended and Restated Limited Partnership Agreement shall be in a form and of financial substance satisfactory to Servicer and to FHFC and its Legal Counsel.

This recommendation is contingent upon the review and approval of the following items by Florida Housing, and its Legal Counsel **at least two weeks prior to Real Estate Loan Closing**. Failure to receive approval of these items, along with all other items listed on Florida Housing Counsel's due diligence, within this time frame may result in postponement of the loan closing date.

1. Documentation of the legal formation and current authority to transact business in Florida for the Borrower, the general partner/principal(s)/manager(s) of the Borrower, the guarantor, and any limited partners of the Borrower.
2. Award of 9% Housing Credits and purchase of HC by BoA or an affiliate, under terms consistent with the assumptions of this report.

VIABILITY & HC CREDIT UNDERWRITING REPORT

3. Signed and sealed survey, dated within 90 days of closing, unless otherwise approved by Florida Housing, and its Legal Counsel, based upon the particular circumstances of the transaction. The Survey shall be certified to Florida Housing and its Legal Counsel, as well as the title insurance company, and shall indicate the legal description, exact boundaries of the Development, easements, utilities, roads, and means of access to public streets, total acreage and flood hazard area and any other requirements of Florida Housing.
4. An acceptable updated Environmental Audit Report, together with a reliance letter to Florida Housing, prepared within 90 days of closing, unless otherwise approved by Florida Housing, and Legal Counsel, based upon the particular circumstances of the transaction. Borrower to comply with any and all recommendations and remediation restrictions noted in the Environmental Assessment(s) and Updates and the Environmental Review, if applicable.
5. Title insurance pro forma or commitment for title insurance with copies of all Schedule B exceptions, in the amount of the Loans naming FHFC as the insured. All endorsements required by FHFC shall be provided.
6. Florida Housing and its Legal Counsel shall review and approve all other lenders closing documents and the limited partnership or other applicable agreement. Florida Housing shall be satisfied in its sole discretion that all legal and program requirements for the Loan(s) have been satisfied.
7. Evidence of insurance coverage pursuant to the RFA governing this proposed transaction and, as applicable, the FHFC Insurance Guide.
8. Receipt of a legal opinion from the Borrower's Legal Counsel acceptable to Florida Housing addressing the following matters:
 - a. The legal existence and good standing of the Borrower and of any partnership or limited liability company that is the general partner of the Borrower (the "GP") and of any corporation or partnership that is the managing general partner of the GP, of any corporate guarantor and any manager;
 - b. Authorization, execution, and delivery by the Borrower and the guarantor, of all Loan(s) documents;
 - c. The Loan(s) documents being in full force and effect and enforceable in accordance with their terms, subject to bankruptcy and equitable principles only;

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- d. The Borrower's and the Guarantor's execution, delivery and performance of the Loan(s) documents shall not result in a violation of, or conflict with, any judgments, orders, contracts, mortgages, security agreements or leases to which the Borrower is a party or to which the Development is subject to the Borrower's Partnership Agreement and;
 - e. Such other matters as Florida Housing or its Legal Counsel may require.
9. Evidence of compliance with the local concurrency laws, if applicable.
 10. Such other assignments, affidavits, certificates, financial statements, closing statements and other documents as may be reasonably requested by Florida Housing or its Legal Counsel in form and substance acceptable to Florida Housing or its Legal Counsel, in connection with the Loan(s).
 11. UCC Searches for the Borrower, its partnerships, as requested by Counsel.
 12. Any other reasonable conditions established by Florida Housing and its Legal Counsel.

Additional Conditions

This recommendation is also contingent upon satisfaction of the following additional conditions:

1. Compliance with all provisions of Section 420.507 Florida Statutes, Rule 67-48 F.A.C., Rule Chapter 67-53, F.A.C., Rule Chapter 67-60 F.A.C., RFA 2021-201, RFA 2023-211, Section 42 I.R.C. (Housing Credits), and any other State or Federal requirements.
2. Acceptance by the Borrower and execution of all documents evidencing and securing the Viability loan in form and substance satisfactory to Florida Housing, including, but not limited to, the Promissory Note(s), the Loan Agreement(s), the Mortgage and Security Agreement(s), Extended Land Use Agreement(s), and Final Cost Certificate.
3. Receipt and satisfactory review of a Joint Funding Agreement between Applicant and BoA or an affiliate, that requires funding of all HC Equity Installments during construction, even if the Borrower is in default under the Limited Partnership Agreement.
4. Guarantors to provide the standard FHFC Construction Completion Guaranty, to be released upon lien-free completion, as approved by the Servicer.
5. For the Viability Loan, Guarantors are to provide the standard FHFC Operating Deficit Guaranty. If requested in writing by the Applicant, the Servicer will consider a

recommendation to release the Operating Deficit Guaranty if all conditions are met, including achievement of a 1.15x debt service coverage on the combined permanent first mortgage and Viability Loan as determined by FHFC, or the Servicer, and 90% occupancy, and 90% of the gross potential rental income, net of utility allowances, if applicable, for a period equal to 12 consecutive months, all as certified by an independent Certified Public Accountant, and verified by the Servicer. The calculation of the debt service coverage ratio shall be made by FHFC or the Servicer. Notwithstanding the above, the Operating Deficit Guaranty shall not terminate earlier than three (3) years following the final certificate of occupancy.

6. Guarantors to provide the Standard FHFC Environmental Indemnity Guaranty.
7. Guarantors to provide the Standard FHFC Guaranty of Recourse Obligations.
8. A Mortgagee Title Insurance policy naming Florida Housing as the insured in the amount of the Loan(s) is to be issued immediately after closing. Any exceptions to the title insurance policy must be acceptable to Florida Housing or its Legal Counsel. The form of the title policy must be approved prior to closing.
9. Property tax and hazard insurance escrow are to be established and maintained by the First Mortgagee Lender, Trustee, or the Servicer. In the event the reserve account is held by Florida Housing's Loan(s) servicing agent, the release of funds shall be at Florida Housing's sole discretion.
10. Replacement Reserves in the amount of \$300 per unit per year will be required to be deposited on a monthly basis into a designated escrow account, to be maintained by the First Mortgagee or Florida Housing's Loan(s) servicing agent. However, Applicant has the option to prepay Replacement Reserves, as allowed per 67-48 F.A.C., in the amount of \$21,600 (one-half the required Replacement Reserves for Years 1 and 2), in order to meet the applicable DSC loan requirements. Applicant can waive this election, if at closing of the loan(s) the required DSC is met without the need to exercise the option. It is currently estimated that Replacement Reserves will be funded from Operations in the amount of \$300 per unit per year for years 1 and 2, followed by \$300 per unit per year thereafter. The initial replacement reserve will have limitations on the ability to be drawn. New construction developments shall not be allowed to draw during the first five (5) years or until the establishment of a minimum balance equal to the accumulation of five (5) years of replacement reserves per unit. The amount established as a replacement reserve shall be adjusted based on a Capital Needs Assessment ("CNA") to be received by the Corporation or its servicers, prepared by an independent third party and acceptable to the Corporation and its servicers at the time the CNA is required, beginning no later

than the tenth year after the first residential building in the development receives a certificate of occupancy, a temporary certificate of occupancy, or is placed in service, whichever is earlier (“initial replacement reserve date”). A subsequent CNA is required no later than the 15th year after the initial Replacement Reserve Date and subsequently every five (5) years thereafter.

11. A minimum of 10% retainage holdback on all construction draws until the Development is 50% complete, and 0% retainage thereafter is required. Retainage will not be released until successful completion of construction and issuance of all certificates of occupancy. The construction contract specifies a 10% retainage of each application for payment. After the completed work has reached 50% of the work, retainage will be reduced to 5%. This meets the RFA and Rule Chapter 67-48 minimum requirements.
12. Closing of all funding sources prior to or simultaneous with the Viability loan.
13. Satisfactory completion of a pre-loan closing compliance audit conducted by FHFC or Servicer, if applicable.
14. Satisfactory resolution of any outstanding past due and/or noncompliance items.
15. Any other reasonable requirements of the Servicer, Florida Housing, or its Legal Counsel.

Housing Credit Allocation Recommendation

First Housing Development Corporation has estimated a preliminary annual HC allocation of \$1,523,000. Please see the HC Allocation Calculation in Exhibit 2 of this report for further details.

Contingencies

The HC allocation will be contingent upon the receipt and satisfactory review of the following items by First Housing and Florida Housing by the deadline established in the Preliminary Determination. Failure to submit these items within this time frame may result in forfeiture of the HC Allocation.

1. Satisfactory resolution of any outstanding past due and/or noncompliance issues.
2. This report is subject to Florida Housing's Asset Management Department's approval of the Applicant's selection of management company.
3. This report is subject to continued approval of the management agent by Florida Housing.
4. Receipt of executed FHFC Fair Housing, Section 504, and ADA as built certification forms 122, 127, 129.
5. Any other reasonable requirements of the Servicer, Florida Housing, or its Legal Counsel.

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15-Year Pro Forma

FINANCIAL COSTS:		Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11	Year 12	Year 13	Year 14	Year 15
OPERATING PRO FORMA																
INCOME:	Gross Potential Rental Income	\$740,184	\$754,988	\$770,087	\$785,489	\$801,199	\$817,223	\$833,567	\$850,239	\$867,244	\$884,588	\$902,280	\$920,326	\$938,732	\$957,507	\$976,657
	Other Income															
	Miscellaneous	\$25,906	\$26,424	\$26,953	\$27,492	\$28,041	\$28,602	\$29,174	\$29,758	\$30,353	\$30,960	\$31,579	\$32,211	\$32,855	\$33,512	\$34,182
	Gross Potential Income	\$766,090	\$781,412	\$797,040	\$812,981	\$829,240	\$845,825	\$862,742	\$879,997	\$897,597	\$915,548	\$933,859	\$952,537	\$971,587	\$991,019	\$1,010,839
	Less:															
	Physical Vac. Loss Percentage: 4.00%	\$30,644	\$31,256	\$31,882	\$32,519	\$33,170	\$33,833	\$34,510	\$35,200	\$35,904	\$36,622	\$37,354	\$38,101	\$38,863	\$39,641	\$40,434
	Collection Loss Percentage: 1.00%	\$7,661	\$7,814	\$7,970	\$8,130	\$8,292	\$8,458	\$8,627	\$8,800	\$8,976	\$9,155	\$9,339	\$9,525	\$9,716	\$9,910	\$10,108
	Total Effective Gross Income	\$727,786	\$742,341	\$757,188	\$772,332	\$787,778	\$803,534	\$819,605	\$835,997	\$852,717	\$869,771	\$887,166	\$904,910	\$923,008	\$941,468	\$960,298
	EXPENSES:	Fixed:														
		Real Estate Taxes	\$54,000	\$55,620	\$57,289	\$59,007	\$60,777	\$62,601	\$64,479	\$66,413	\$68,406	\$70,458	\$72,571	\$74,749	\$76,991	\$79,301
Insurance		\$90,000	\$92,700	\$95,481	\$98,345	\$101,296	\$104,335	\$107,465	\$110,689	\$114,009	\$117,430	\$120,952	\$124,581	\$128,318	\$132,168	\$136,133
Variable:																
Management Fee Percentage: 6.00%		\$43,667	\$44,540	\$45,431	\$46,340	\$47,267	\$48,212	\$49,176	\$50,160	\$51,163	\$52,186	\$53,230	\$54,295	\$55,380	\$56,488	\$57,618
General and Administrative		\$28,800	\$29,664	\$30,554	\$31,471	\$32,415	\$33,387	\$34,389	\$35,420	\$36,483	\$37,577	\$38,705	\$39,866	\$41,062	\$42,294	\$43,563
Payroll Expenses		\$117,000	\$120,510	\$124,125	\$127,849	\$131,685	\$135,635	\$139,704	\$143,895	\$148,212	\$152,658	\$157,238	\$161,955	\$166,814	\$171,818	\$176,973
Utilities		\$40,320	\$41,530	\$42,775	\$44,059	\$45,381	\$46,742	\$48,144	\$49,589	\$51,076	\$52,608	\$54,187	\$55,812	\$57,487	\$59,211	\$60,988
Marketing and Advertising		\$3,600	\$3,708	\$3,819	\$3,934	\$4,052	\$4,173	\$4,299	\$4,428	\$4,560	\$4,697	\$4,838	\$4,983	\$5,133	\$5,287	\$5,445
Maintenance and Repairs/Pest Control		\$28,800	\$29,664	\$30,554	\$31,471	\$32,415	\$33,387	\$34,389	\$35,420	\$36,483	\$37,577	\$38,705	\$39,866	\$41,062	\$42,294	\$43,563
Grounds Maintenance and Landscaping	\$18,000	\$18,540	\$19,096	\$19,669	\$20,259	\$20,867	\$21,493	\$22,138	\$22,802	\$23,486	\$24,190	\$24,916	\$25,664	\$26,434	\$27,227	
Reserve for Replacements	\$21,600	\$21,600	\$21,600	\$21,600	\$21,600	\$21,600	\$21,600	\$21,600	\$21,600	\$21,600	\$22,248	\$22,915	\$23,603	\$24,311	\$25,040	
Total Expenses	\$445,787	\$458,076	\$470,725	\$483,744	\$497,145	\$510,939	\$525,137	\$539,751	\$554,794	\$570,279	\$586,865	\$603,939	\$621,514	\$639,606	\$658,229	
Net Operating Income	\$281,998	\$284,265	\$286,463	\$288,587	\$290,633	\$292,595	\$294,468	\$296,245	\$297,922	\$299,492	\$300,301	\$300,971	\$301,494	\$301,863	\$302,069	
Debt Service Payments																
First Mortgage - BoA	\$201,546	\$201,546	\$201,546	\$201,546	\$201,546	\$201,546	\$201,546	\$201,546	\$201,546	\$201,546	\$201,546	\$201,546	\$201,546	\$201,546	\$201,546	\$201,546
Second Mortgage - FHFC - Viability	\$20,900	\$20,900	\$20,900	\$20,900	\$20,900	\$20,900	\$20,900	\$20,900	\$20,900	\$20,900	\$20,900	\$20,900	\$20,900	\$20,900	\$20,900	\$20,900
Third Mortgage - Punta Gorda Development Corporation	\$13,123	\$13,123	\$13,123	\$13,123	\$13,123	\$13,123	\$13,123	\$13,123	\$13,123	\$13,123	\$13,123	\$13,123	\$13,123	\$13,123	\$13,123	\$13,123
Fourth Mortgage - Charlotte County - BOCC	\$21,953	\$21,953	\$21,953	\$21,953	\$21,953	\$21,953	\$21,953	\$21,953	\$21,953	\$21,953	\$21,953	\$21,953	\$21,953	\$21,953	\$21,953	\$21,953
Fifth Mortgage - Charlotte County - SHIP	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Sixth Mortgage - PGHA	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
First Mortgage Fees - BoA	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Second Mortgage Fees - FHFC - Viability	\$5,225	\$5,225	\$5,225	\$5,225	\$5,225	\$5,225	\$5,225	\$5,225	\$5,225	\$5,225	\$5,225	\$5,225	\$5,225	\$5,225	\$5,225	\$5,225
Third Mortgage Fees - Punta Gorda Development	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Fourth Mortgage Fees - Charlotte County BOCC	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Fifth Mortgage Fees - Charlotte County SHIP	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Debt Service Payments	\$262,747	\$262,747	\$262,747	\$262,747	\$262,747	\$262,747	\$262,747	\$262,747	\$262,747	\$262,747	\$262,747	\$262,747	\$262,747	\$262,747	\$262,747	\$262,747
Cash Flow after Debt Service	\$19,252	\$21,518	\$23,716	\$25,841	\$27,886	\$29,848	\$31,721	\$33,499	\$35,176	\$36,746	\$37,555	\$38,224	\$38,747	\$39,116	\$39,322	
Debt Service Coverage Ratios																
DSC - First Mortgage plus Fees	1.40	1.41	1.42	1.43	1.44	1.45	1.46	1.47	1.48	1.49	1.49	1.49	1.50	1.50	1.50	1.50
DSC - Second Mortgage plus Fees	1.24	1.25	1.26	1.27	1.28	1.29	1.29	1.30	1.31	1.32	1.32	1.32	1.32	1.33	1.33	1.33
DSC - Third Mortgage plus Fees	1.17	1.18	1.19	1.20	1.21	1.22	1.22	1.23	1.24	1.24	1.25	1.25	1.25	1.25	1.25	1.25
DSC - Fourth Mortgage plus Fee	1.07	1.08	1.09	1.10	1.11	1.11	1.12	1.13	1.13	1.14	1.14	1.15	1.15	1.15	1.15	1.15
DSC - Fifth Mortgage plus Fees	1.07	1.08	1.09	1.10	1.11	1.11	1.12	1.13	1.13	1.14	1.14	1.15	1.15	1.15	1.15	1.15
DSC - All Mortgages and Fees	1.07	1.08	1.09	1.10	1.11	1.11	1.12	1.13	1.13	1.14	1.14	1.15	1.15	1.15	1.15	1.15
Financial Ratios																
Operating Expense Ratio	61.25%	61.71%	62.17%	62.63%	63.11%	63.59%	64.07%	64.56%	65.06%	65.57%	66.15%	66.74%	67.34%	67.94%	68.54%	
Break-even Economic Occupancy Ratio (all debt)	92.79%	92.55%	92.32%	92.12%	91.94%	91.77%	91.62%	91.49%	91.38%	91.29%	91.28%	91.29%	91.31%	91.35%	91.41%	

HC Allocation Calculation

Section I: Qualified Basis Calculation

Total Development Costs(including land and ineligible Costs)	\$25,845,698
Less Land Costs	\$559,558
Less Federal Grants and Loans	\$0
Less Other Ineligible Costs	\$2,161,561
Total Eligible Basis	\$23,124,579
Applicable Fraction	100%
DDA/QCT Basis Credit	130%
Qualified Basis	\$30,061,953
Housing Credit Percentage	9.00%
Annual Housing Credit Allocation	\$2,705,576

Notes to the Qualified Basis Calculation:

1. Other ineligible costs include site work, accounting fees, FHFC fees, legal, market study, advertising/marketing, title work, financial costs, ACC reserves, and operating deficit reserves.
2. The Development has a 100% set-aside. Therefore, the Applicable Fraction is 100%.
3. For purposes of this analysis, the Development is located in a Local Government Areas of Opportunity and qualifies for the Public Housing Authority Areas of Opportunity; therefore, the 130% basis credit was applied. At Application the Development was located within a Qualified Census Tract (“QCT”): however, according to the 2023 data, the Development is no longer located in a QCT.
4. For purposes of this recommendation a HC percentage of 9% was applied based on the 9% floor rate which was permanently extended through the Protecting Americans from Tax Hikes (PATH) Act of 2015 as part of the Omnibus Consolidated Appropriations Act of 2016.

VIABILITY & HC CREDIT UNDERWRITING REPORT

Section II: GAP Calculation

Total Development Costs(including land and ineligible Costs)	\$25,845,698
Less Mortgages	\$9,161,425
Less Grants	\$537,755
Equity Gap	\$16,146,518
HC Syndication Percentage to Investment Partnership	99.99%
HC Syndication Pricing	\$0.9575
HC Required to meet Equity Gap	\$16,864,890
Annual HC Required	\$1,686,489

Notes to the Gap Calculation:

1. The syndication information was taken from the executed LOI, dated May 26, 2023, from BoA.
2. The committed first mortgage in the amount of \$2,780,000 exceeds the minimum first mortgage requirement of \$2,539,389.
3. The mortgage lime item includes the additional expense reimbursement installment in the amount of \$87,900.

Section III: Summary

HC Per Applicant's Request	\$1,523,000
HC Per Qualified Basis	\$2,705,576
HC Per GAP Calculation	\$1,686,489
Annual HC Recommended	\$1,523,000
Syndication Proceeds based upon Syndication Agreement	\$14,581,266

1. The estimated annual housing credit allocation is limited to the lesser of the Qualified Basis calculation, the GAP calculation or the Applicant's Request. The recommendation is based on the Applicant's Request.
2. FHFC reserves the right to resize the Housing Credit preliminary awarded to the Applicant. The next opportunity for a feasibility review of this transaction will be at cost certification. If the cost certification indicates a need to resize the HC allocation, FHFC will do so at that time.

VIABILITY & HC CREDIT UNDERWRITING REPORT

Rule Chapter 67-48.0072(28)(g)	
Determination of the minimum first mortgage for use in the Housing Credit gap calculation	
Input Variables	
Annual rate of increase for revenues	2.00%
Annual rate of increase for operating expenses	3.00%
Vacancy & Collection Factor in CUR	5.00%
Minimum Vacancy & Collection Factor	7.00%
Which Rule was applicable at time of Application?	Post 7/11/2019
Minimum DSCR Year 15	1.25x
Minimum DSCR Year 1	1.50x
Minimum NCF after DS Year 1	\$1,000.00
Minimum qualifying 1st mortgage	\$500,000.00
Number of units in the proposed Development	72
Potential Gross Income Year 1	\$766,090.00
Vacancy & Collection Loss (7.00%)	\$53,626.30
Effective Gross Income Year 1	\$712,463.70
Operating Expenses Year 1	\$445,787.13
(i) Actual Debt of Development	\$2,780,000.00
Actual interest rate	6.50%
Actual term of debt amortization	35.00 Yrs
DS Interest Rate floor	7.00%
Application deadline	08/26/21
10-Year Treasury Rate as of App deadline	1.342%
Spread over 10-yr Treasury	325 bps
10-yr Treasury plus the stated spread	4.59%
Greater of interest rate floor or spread over Treasury	7.00%
Maximum Rate	8.00%
Interest Rate to be used for qualifying debt	7.00%
Minimum stated term of debt amortization per RFA	30.00 Yrs
Term of debt amortization to be used for qualifying debt	35.00 Yrs
Resulting Mortgage Constant to be used for qualifying debt	7.66628%
Minimum Debt Service	
NOI Year 15	\$265,787.69
DSCR DS limitation	\$212,630.15
(a) Resulting Debt, Year 15 limitation	\$2,773,577.98
NOI Year 1	\$266,676.57
(b)(i) DSCR DS limitation	\$177,784.38
(b)(i) DSCR Debt Sizing	\$2,319,044.77
(b)(ii) NCF DS limitation	\$194,676.57
(b)(ii) NCF Debt Sizing	\$2,539,388.91
(b) Greater of (i) DSCR debt or (ii) NCF debt, Year 1 limitation	\$2,539,388.91
(ii) Minimum qualifying first mortgage (lesser of (a) or (b))	\$2,539,388.91
Greater of Actual or Minimum	\$2,780,000.00

VIABILITY & HC CREDIT UNDERWRITING REPORT

Viability Loan Sizing

Viability Loan Sizing Parameters and Metrics			
Select the Development	The Verandas of Punta Gorda III		
RFA of Active Award	RFA 2021-201		
Demographic Commitment	Family		
Total Number of Units	72		
Existing Competitive Active Awards:	Set-Aside Units		
9% HC Allocation	\$ 1,523,000	72	
SAIL	NA	NA	
ELI	NA	NA	
NHTF	NA	NA	
HOME	NA	NA	
Tax Exempt Bond Financing:			
If MMRB, how much is the Perm Amount?		NA	
Viability Funding Limits:			
Gross Per Development Limit	\$ 4,300,000		
Maximum Per Unit Limit	\$ 125,000		
Net Per Development Limit (same as gross)	\$ 4,300,000		
Maximum Limit from PU Limit (72 units x \$125,000 PU)	\$ 9,000,000		
Lesser of Net Per Development or PU Limit	\$ 4,300,000		
Viability Loan Sizing Parameters			
a. Eligible Request Amount:	No		
Applicant's Request Amount	\$ 2,090,000	If so, how much should	
Per Development/PU Limit	\$ 4,300,000	be deducted?	
Eligible Request Amount:	\$ 2,090,000		
b. Gap Analysis for Viability Sizing Purposes Only:			
Permanent Funding Sources:	DS w/ Fees	DSCR	NCF
Sized First Mortgage	\$ 2,992,086.30	\$ 216,922	1.3000x \$ 65,077
Viability	\$ 2,090,000.00	\$ 26,125	1.1603x \$ 38,952
FHFC Source 1 - NA	\$ -	\$ -	1.1603x \$ 38,952
FHFC Source 2 - NA	\$ -	\$ -	1.1603x \$ 38,952
FHFC Source 3 - NA	\$ -	\$ -	1.1603x \$ 38,952
Punta Gorda Development Corporation	\$ 340,000.00	\$ 13,123	1.1008x \$ 25,829
Charlotte County - BOCC Loan	\$ 1,463,525.00	\$ 21,953	1.0139x \$ 3,876
Charlotte County - SHIP Loan	\$ 400,000.00	\$ -	1.0139x \$ 3,876
PGHA	\$ 2,000,000.00	\$ -	1.0139x \$ 3,876
Charlotte County - Grant	\$ 537,755.00	\$ -	1.0139x \$ 3,876
HC Equity	\$ 14,669,166.00		
Deferred Developer Fee (39.33%)	\$ 1,353,165.35		
Total Sources	\$ 25,845,697.65	\$ 278,123	1.0139x \$ 3,876
Additional First Mortgage (Min 1st Sizing)	\$ 212,086.30	\$ -	
Additional First Mortgage (DCR Sizing)	\$ -	\$ -	
Total Development Costs	\$ 25,845,698		
Maximum Developer Fee Percentage	16%		
Total Developer Fee	\$ 3,440,543		
Minimum 30% Deferred Developer Fee	\$ 1,032,162.90		

*Set-Asides for MMRB are expressed as the greater of MMRB Set-Asides or 4%HC Set-Asides for purposes of calculating Compliance Monitoring Fees on the MMRB loan.

Cash Flow Assumptions	
Net Operating Income:	
Total Effective Gross Income in CUR Yr 1	\$ 727,785.50
Total Operating Expenses in CUR Yr 1	\$ 445,787.13
Net Operating Income in CUR Yr 1	\$ 281,998.37
Actual Traditional 1st Mortgage:	
Proposed Amount of Traditional 1st Mortgage	\$ 2,780,000.00
Traditional 1st Mtg Amortization (Years)	35.00
Traditional 1st Mtg Interest Rate	6.500%
Traditional 1st Mortgage Constant	7.24985%
Local HFA Bond Fees, if applicable	
Traditional 1st Mtg DSCR	1.40x
Net Cash Flow (NCF) after 1st Mtg Debt Service	\$ 80,452.49
Debt Service (DS) on FHFC Subsidy Loans (w/ fees)	\$ -
NCF after FHFC Subsidy Loans DS & Fees	\$ 80,452.49
RFA 2023-211 Minimum 1st Mortgage:	
Maximum 1st Mtg DSCR from Viability RFA	1.30x
Sized Debt Service from maximum DSCR	\$ 216,921.82
When TEBS are not utilized, no fees are included	\$ -
Sized Debt Service to be incorporated, net of fees	\$ 216,921.82
Mortgage Constant to be incorporated	7.24985%
Resulting minimum 1st Mtg	\$ 2,992,086.30
NCF after resulting minimum 1st Mtg	\$ 65,076.55
NCF after FHFC Subsidy Loans DS & Fees	\$ 65,076.55
Rule Chapter 67-48.0072(28)(g)2 Variables and Process:	
Total Vacancy & Collection Rate in CUR	5.000%
Revenue Growth Rate in CUR	2.000%
Operating Expense Growth Rate in CUR	3.000%
Amortization to be incorporated (Years)	35.00
Interest Rate to be incorporated	7.000%
Resulting Mortgage Constant for qualifying debt	7.66628%
Revenue Growth Rate to be incorporated	2.000%
Operating Expense Growth Rate to be incorporated	3.000%
Vacancy Rate to be incorporated	7.000%
Maximum DSCR for Year 1 NOI	1.50x
Maximum DSCR for Year 15 NOI	1.25x
Minimum NCF PU Year 1 (after 1st Mtg DS Only)	\$1,000
Net Operating Income Year 1	\$ 266,676.57
Net Operating Income Year 15	\$ 265,787.69
(a) Resulting Debt for Year 15 DSCR Limitations	\$ 2,773,577.98
(b)(i) Resulting Debt for Year 1 DSCR Limitation	\$ 2,319,044.77
(b)(ii) Resulting Debt for Year 1 NCS Limitation	\$ 2,539,388.91
(b) Greater of (b)(i) or (b)(ii)	\$ 2,539,388.91
Lesser of (a) or (b)	\$ 2,539,388.91
Sized Minimum 1st Mortgage per Rule	\$ 2,539,388.91
Resulting DSCR from Sized Minimum 1st Mortgage per Rule (using actual 1st mortgage debt structure)	1.53x

Total FHFC Servicing Fees			
Permanent Loan Servicing	\$ 5,225.00		
MMRB Annual Fee	0.000%	\$ -	
MMRB Annual Minimum	\$0	\$ -	
MMRB Permanent Loan Servicing Fee	\$ -		
Non-MMRB Annual Fee(s)	0.25%	\$ 5,225.00	
Non-MMRB Annual Minimum(s)	\$2,832	\$ 2,832.00	
Non-MMRB Annual Maximum(s)	\$11,232	\$ 11,232.00	
Non-MMRB Permanent Loan Servicing Fee(s)	\$ 5,225.00		
Compliance Monitoring	\$ -		
MMRB Annual Base Fee	\$0	\$ -	
Additional MMRB PSAU Fee	\$0.00	\$ -	
MMRB Minimum Annual Fee	\$0	\$ -	
MMRB Compliance Monitoring Fee	\$ -		
Non-MMRB Annual Base(s)	\$2,196	\$ -	
Additional Non-MMRB PSAU Fee(s)	\$11.24	\$ -	
Non-MMRB Annual Minimum(s)	\$3,432	\$ -	
Multiple Program Fee(s)	\$1,023	\$ -	
Non-MMRB Compliance Monitoring Fee(s)	\$ -		
FHFC MMRB Ongoing Issuer Fees	\$ -		
MMRB Annual Fee	0.00%	\$ -	
MMRB Annual Minimum	\$10,000	\$ -	
FHFC MMRB Trustee Fees	\$ -		
Flat Rate	\$0	\$ -	

Verification Debt Coverage Ratio is Not Enhanced	
Prior Overall Debt Coverage Ratio	
Did the Proposed Development have a DSCR prior to the RFA 2023-211 Application Deadline?	No
If yes, what was the Net Operating Income used in calculating the DSCR?	\$ -
If yes, what was the total of all debt service and servicing fees of all applicable Permanent Sources of Funding used in calculating the DSCR?	\$ -
If yes, what was the overall Debt Coverage Ratio, inclusive of all applicable Permanent Sources of Funding?	
The actual overall Debt Coverage Ratio, inclusive of all actual applicable Permanent Sources of Funding (excludes any additional sized 1st Mtg) is:	1.0733x
The actual overall Debt Coverage Ratio, inclusive of all applicable Permanent Sources of Funding (inclusive of actual debts and applicable additional gap sized 1st Mtg) is:	1.0139x
Since there was no prior existing debt coverage ratio established or drafted prior to the Application Deadline of RFA 2023-211, there is no methodology available to verify whether the debt coverage ratio was or was not enhanced.	

THE VERANDAS OF PUNTA GORDA III
RFA 2021-201 (2022-070C)
DESCRIPTION OF FEATURES AND AMENITIES

The Development will consist of:

72 apartments units located in 4 garden residential buildings.

Unit Mix:

Thirty-six (36) one bedroom/one bath units;

Twenty-six (26) two bedroom/two bath units; and

Ten (10) three bedroom/two bath units.

72 Total Units

All units are expected to meet all requirements as outlined below. If the proposed Development consists of rehabilitation, the proposed Development's ability to provide all construction features will be confirmed as outlined in Exhibit F of the RFA. The quality of the construction features committed to by the Applicant is subject to approval of the Board of Directors.

a. Federal Requirements and State Building Code Requirements for all Developments

All proposed Developments must meet all federal requirements and state building code requirements, including the following, incorporating the most recent amendments, regulations and rules:

- Florida Accessibility Code for Building Construction as adopted pursuant to Section 553.503, Florida Statutes;
- The Fair Housing Act as implemented by 24 CFR 100;
- Section 504 of the Rehabilitation Act of 1973*; and
- Titles II and III of the Americans with Disabilities Act of 1990 as implemented by 28 CFR 35.

*All Developments must comply with Section 504 of the Rehabilitation Act of 1973, as implemented by 24 CFR Part 8 ("Section 504 and its related regulations"). All Developments must meet accessibility standards of Section 504. Section 504 accessibility standards require a minimum of 5 percent of the total dwelling units, but not fewer than one unit, to be accessible for individuals with mobility impairments. An additional 2 percent of the total units, but not fewer than one unit, must be accessible for persons with hearing or vision impairments. All of the accessible units must be equally distributed among different unit sizes and Development types and must be dispersed on all accessible routes throughout the Development.

To the extent that a Development is not otherwise subject to Section 504 and its related regulations, the Development shall nevertheless comply with Section 504 and its related regulations as requirements of the Corporation funding program to the same extent as if the Development were subject to Section 504 and its related regulations in all respects. To that end, all Corporation funding shall be deemed "Federal financial assistance" within the meaning of that term as used in Section 504 and its related regulations for all Developments.

b. General Features

The Development will provide the following General Features:

- Termite prevention;
- Pest control;
- Window covering for each window and glass door inside each unit;
- Cable or satellite TV hook-up in each unit and, if the Development offers cable or satellite TV service to the residents, the price cannot exceed the market rate for service of similar quality available to the Development's residents from a primary provider of cable or satellite TV;
- Washer and dryer hook ups in each of the Development's units or an on-site laundry facility for resident use. If the proposed Development will have an on-site laundry facility, the following requirements must be met:
 - There must be a minimum of one Energy Star certified washer and one Energy Star certified or commercial grade dryer per every 15 units. To determine the required number of washers and dryers for the on-site laundry facility; divide the total number of the Development's units by 15, and then round the equation's total up to the nearest whole number;
 - At least one washing machine and one dryer shall be front loading that meets the accessibility standards of Section 504;
 - If the proposed Development consists of Scattered Sites, the laundry facility shall be located on each of the Scattered Sites, or no more than 1/16 mile from the Scattered Site with the most units, or a combination of both;
- At least two full bathrooms in all 3 bedroom or larger new construction units;
- Bathtub with shower in at least one bathroom in at least 90 percent of the new construction non-Elderly units;
- Elderly Developments must have a minimum of one elevator per residential building provided for all Elderly Set-Aside Units that are located on a floor higher than the first floor; and
- Full-size range and oven in all units.

c. Required Accessibility Features, regardless of the age of the Development

Federal and state law and building code regulations requires that programs, activities, and facilities be readily accessible to and usable by persons with disabilities. Florida Housing requires that the design, construction, or alteration of its financed Developments be in compliance with federal and state accessibility requirements. When more than one law and accessibility standard applies, the Applicant shall comply with the standard (2010 ADA Standards, Section 504, Fair Housing Act, or Florida Building Code, Accessibility) which affords the greater level of accessibility for the residents and visitors. Areas required to be made accessible to mobility-impaired residents and their visitors, including those in wheelchairs, shall include, but not be limited to, accessible routes and entrances, paths of travel, primary function areas, parking, trash bins, mail and package receiving areas for residents, pool and other amenities, including paths of travel to amenities and laundry rooms, including washers and dryers.

(1) Required Accessibility Features in all Units

- Primary entrance doors on an accessible route shall have a threshold with no more than a ½-inch rise;
 - All door handles on primary entrance door and interior doors must have lever handles;
 - Lever handles on all bathroom faucets and kitchen sink faucets;
 - Mid-point on light switches and thermostats shall not be more than 48 inches above finished floor level; and
 - Cabinet drawer handles and cabinet door handles in bathroom and kitchen shall be lever or D-pull type that operate easily using a single closed fist.
- (2) In addition to the 5 percent mobility requirement outlined above, all Family Demographic Developments must provide reinforced walls for future installation of horizontal grab bars in place around each tub/shower and toilet, or a Corporation-approved alternative approach for grab bar installation. The installation of the grab bars must meet or exceed the 2010 ADA Standards for Accessible Design.

At the request of and at no charge to a resident household, the Development shall purchase and install grab bars around each tub/shower unit and toilet in the dwelling unit. The product specifications and installation must meet or exceed 2010 ADA Standards for Accessible Design. The Development shall inform a prospective resident that the Development, upon a resident household's request and at no charge to the household, will install grab bars around a dwelling unit's tub/shower unit and toilet, pursuant to the 2010 ADA Standards. At a minimum, the Development shall inform each prospective lessee by including language in the Development's written materials listing and describing the unit's features, as well as including the language in each household's lease.

d. Required Green Building Features in all Developments

- (1) All units and, as applicable, all common areas must have the features listed below:
- Low or No-VOC paint for all interior walls (Low-VOC means 50 grams per liter or less for flat; 150 grams per liter or less for non-flat paint);
 - Low-flow water fixtures in bathrooms—WaterSense labeled products or the following specifications:
 - Toilets: 1.28 gallons/flush or less,
 - Urinals: 0.5 gallons/flush,
 - Lavatory Faucets: 1.5 gallons/minute or less at 60 psi flow rate,
 - Showerheads: 2.0 gallons/minute or less at 80 psi flow rate;
 - Energy Star certified refrigerator;
 - Energy Star certified dishwasher;
 - Energy Star certified ventilation fan in all bathrooms;
 - Water heater minimum efficiency specifications:
 - Residential Electric:
 - Up to 55 gallons = 0.95 EF or 0.92 UEF; or
 - More than 55 gallons = Energy Star certified; or
 - Tankless = 0.97 EF and Max GPM of ≥ 2.5 over a 77° rise or 0.87 UEF and GPM of ≥ 2.9 over a 67° rise;
 - Residential Gas (storage or tankless/instantaneous): Energy Star certified,
 - Commercial Gas Water Heater: Energy Star certified;

VIABILITY & HC CREDIT UNDERWRITING REPORT

- Energy Star certified ceiling fans with lighting fixtures in bedrooms;
- Air Conditioning (in-unit or commercial):
 - Air-Source Heat Pumps – Energy Star certified:
 - ≥ 8.5 HSPF/ ≥15 SEER/ ≥12.5 EER for split systems
 - ≥ 8.2 HSPF ≥15 SEER/ ≥12 EER for single package equipment including gas/electric package units
 - Central Air Conditioners – Energy Star certified:
 - ≥15 SEER/ ≥12.5 EER* for split systems
 - ≥15 SEER/ ≥12 EER* for single package equipment including gas/electric package units.

NOTE: Window air conditioners and portable air conditioners are not allowed. Package Terminal Air Conditioners (PTACs) / Package Terminal Heat Pumps (PTHPs) are allowed in studio and 1 bedroom units.

- (2) In addition to the required Green Building features outlined in (1) above, this New Construction Development commits to achieve the following Green Building Certification program:

- _____ Leadership in Energy and Environmental Design (LEED);
- _____ Florida Green Building Coalition (FGBC);
- _____ Enterprise Green Communities; or
- ___X___ ICC 700 National Green Building Standard (NGBS)

e. This Family Development will provide the following resident programs:

- (1) Employment Assistance Program

The Applicant or its Management Company must provide, at no cost to the resident, a minimum of quarterly scheduled Employment Assistance Program workshops/meetings offering employment counseling by a knowledgeable employment counselor. Such a program includes employability skills workshops providing instruction in the basic skills necessary for getting, keeping, and doing well in a job. The instruction must be held between the hours of 8:00 a.m. and 7:00 p.m. and include, but not be limited to, the following:

- Evaluation of current job skills;
- Assistance in setting job goals;
- Assistance in development of and regular review/update of an individualized plan for each participating resident;
- Resume assistance;
- Interview preparation; and
- Placement and follow-up services.

If the training is not provided on-site, transportation at no cost to the resident must be provided. Electronic media, if used, must be used in conjunction with live instruction.

(2) Financial Management Program

The Applicant or its Management Company shall provide a series of classes to provide residents training in various aspects of personal financial management. Classes must be held at least quarterly, consisting of at least two hours of training per quarter, and must be conducted by parties that are qualified to provide training regarding the respective topic area. If the Development consists of Scattered Sites, the Resident Program must be held on the Scattered Site with the most units. Residents residing at the other sites of a Scattered Site Development must be offered transportation, at no cost to them, to the classes. The topic areas must include, but not be limited to:

- Financial budgeting and bill-paying including training in the use of technologies and web-based applications;
- Tax preparation including do's and don'ts, common tips, and how and where to file, including electronically;
- Fraud prevention including how to prevent credit card and banking fraud, identity theft, computer hacking and avoiding common consumer scams;
- Retirement planning & savings options including preparing a will and estate planning; and
- Homebuyer education including how to prepare to buy a home, and how to access to first-time homebuyer programs in the county in which the development is located.

Different topic areas must be selected for each session, and no topic area may be repeated consecutively.

(3) Homeownership Opportunity Program - Applicant commits to provide a financial incentive which includes the following provisions:

- The incentive must be applicable to the home selected and may not be restricted to or enhanced by the purchase of a home in which the Applicant, Developer, or other related party has an interest;
- the incentive must be not less than 5 percent of the rent received by the owner for the unit during the entire occupancy by the household (Note: The incentive will be paid for all months for which the household is in compliance with the terms and conditions of the lease. Damages to the unit in excess of the security deposit will be deducted from the incentive.);
- the benefit must be in the form of a gift or grant and may not be a loan of any nature;
- the benefits of the incentive must accrue from the beginning of occupancy;
- the vesting period can be no longer than 2 years of continuous residency; and
- no fee, deposit or any other such charge can be levied against the household as a condition of participation in this program.

VIABILITY & HC CREDIT UNDERWRITING REPORT

DEVELOPMENT

NAME: The Verandas of Punta Gorda III

DATE: August 4, 2023

In accordance with the applicable Program Rule(s), the applicant is required to submit the information required to evaluate, complete, and determine its sufficiency in satisfying the requirements for Credit Underwriting to the Credit Underwriter in accordance with the schedule established by the Florida Housing Finance Corporation ("FHFC"). The following items must be satisfactorily addressed. "Satisfactorily" means that the Credit Underwriter has received assurances from third parties unrelated to the applicant that the transaction can close within the allowed time frame. Unsatisfactory items, if any, are noted below in the "Issues and Concerns" section of the Executive Summary.

FINAL REVIEW	STATUS	NOTE
REQUIRED ITEMS:	Satis. / Unsatis.	
1. The development's final "as submitted for permitting" plans and specifications. Note: Final "signed, sealed, and approved for construction" plans and specifications will be required thirty days before closing.	Satis.	1.
2. Final site plan and/or status of site plan approval.	Satis.	
3. Permit Status.	Satis.	2.
4. Pre-construction analysis ("PCA"). a. No construction costs exceeding 20% is subcontracted to any one entity with the exception of a subcontractor contracted to deliver the building shell of a building of at least 5 stories which may not have more than 31% of the construction cost in a subcontract. b. No construction costs is subcontracted to any entity that has common ownership or is an affiliate of the general contractor of the developer.	Satis. Satis. Satis.	
5. Survey.	Satis.	3.
6. Complete, thorough soil test reports.	Satis	
7. Full or self-contained appraisal as defined by the Uniform Standards of Professional Appraisal Practice.	Satis.	
8. Market Study separate from the Appraisal.	Satis.	
9. Environmental Site Assessment – Phase I and/or the Phase II if applicable (If Phase I and/or II disclosed environmental problems requiring remediation, a plan, including time frame and cost, for the remediation is required). If the report is not dated within one year of the application date, an update from the assessor must be provided indicating the current environmental status.	Satis.	
10. Audited financial statements for the most recent fiscal year ended or acceptable alternative as stated in Rule for credit enhancers, applicant, general partner, principals, guarantors and general contractor.	Satis.	
11. Resumes and experience of applicant, general contractor and management agent. Confirmed active status on Sunbiz for Applicant, Developer, and GC entities.	Satis.	
12. Credit authorizations; verifications of deposits and mortgage loans.	Satis.	
13. Management Agreement and Management Plan.	Satis.	4.
14. Firm commitment from the credit enhancer or private placement purchaser, if any.	N/A	

VIABILITY & HC CREDIT UNDERWRITING REPORT

15. Firm commitment letter from the syndicator, if any.	Unsatis.	5.
16. Firm commitment letter(s) for any other financing sources.	Unsatis.	6-7.
17. Updated sources and uses of funds.	Satis.	
18. Draft construction draw schedule showing sources of funds during each month of the construction and lease-up period.	Satis.	8.
19. Fifteen-year income, expense, and occupancy projection.	Satis.	
20. Executed general construction contract with "not to exceed" costs.	Satis.	
21. HC ONLY: 15% of the total equity to be provided prior to or simultaneously with the closing of the construction financing.	Satis.	
22. Any additional items required by the credit underwriter.	Satis.	9.
23. Receipt of executed Florida Housing Fair Housing, Section 504 and ADA Design Certification Forms 121, 126, and 128.	Satis.	
24. If the owner has a HAP Contract or ACC with HUD, then receipt of HUD approval for an owner-adopted preference or limited preference specifically for individuals or families who are referred by a designated Referral Agency serving the county where the Development is located.	Satis.	
25. Receipt of Tenant Selection Plan	Satis.	
26. Receipt of GC Certification	Satis.	
27. Reliance for FHDC as agent for FHFC is include in all applicable third party reports: Appraisal, Market Study, PCA, CNA, and Phase I.	Satis.	

1. Closing is conditioned upon receipt of final plans and specifications.
2. Closing is conditioned upon acceptable permits or a permit ready letter.
3. Closing is conditioned upon receipt of a final survey.
4. Closing is conditioned upon receipt of an executed Management Agreement and Management Plan.
5. Closing is conditioned upon receipt of an Amended and Restated Limited Partnership Agreement.
6. Closing is conditioned upon receipt of a firm commitment from BoA (construction and permanent) with terms and conditions that are not substantially different than those utilized in this credit underwriting report.
7. Closing is conditioned upon final loan documents for the third, fourth, fifth, and six mortgages with terms that are not substantially different than those utilized in this credit underwriting report.

8. Closing is conditioned upon receipt of a final draw schedule.
9. Closing is conditioned upon receipt of a final executed ground lease.

SELTZER MANAGEMENT GROUP, INC.

17633 ASHLEY DRIVE
PANAMA CITY BEACH, FL 32413
TEL: (850) 233-3616
FAX: (850) 233-1429

June 27, 2023

Mr. Tim Kennedy
Multifamily Loans & Bonds Director
Florida Housing Finance Corporation
City Centre Building
227 North Bronough Street, Suite 5000
Tallahassee, Florida 32301

Re: Mango Terrace – SAIL, ELI and NHTF RFA 2018-116 (2019-149SN) / 4% HC 2018-542C
CUR Update Letter – Additional Superior Debt JLL Permanent Taxable Loan / Subordination of
the SAIL, ELI and NHTF Loans to JLL Permanent Taxable Tail Loan

Dear Mr. Kennedy:

Seltzer Management Group, Inc. (“SMG” or “Seltzer” or “Servicer”) is in receipt of correspondence dated June 2, 2023, from SP Terrace, LLC (“Borrower”) requesting Florida Housing Finance Corporation’s (“FHFC” or “Florida Housing”) consent to additional superior permanent period debt for the above referenced transaction. The State Apartment Incentive Loan (“SAIL”), Extremely Low Income (“ELI”) Loan and National Housing Trust Fund (“NHTF”) Loan will be subordinate to the additional superior permanent period loan. At your direction, SMG has reviewed the request and formulated a recommendation. Seltzer’s findings are presented below.

The Credit Underwriting Report (“CUR”) dated September 30, 2020 for the above referenced transaction was approved at the October 16, 2020, FHFC Board meeting and closed on December 18, 2020. The Borrower requests that Florida Housing consent to the additional funding source in the permanent phase provided by JLL Capital Markets (“JLL”) of the \$2,006,000. The CUR dated originally had a permanent period tax-exempt loan in the amount of \$7,000,000 at completion of construction and conversion to the permanent phase (in accordance with JLL’s underwriting requirements).

The addition of the permanent period loan is based on the as-completed/as-stabilized Net Operating Income (“NOI”), as underwritten by JLL, and evidenced by the JLL term sheet dated August 10, 2020. Terms and conditions of the permanent period loan are consistent with terms as described in the CUR and are based on Mango Terrace (“Development”) receiving 2022 maximum Housing Credit HCents effective April 18, 2022.

The Borrower provided a term sheet from JLL dated May 18, 2023. Loan interest has been fixed based on the 10-year treasury rate (with a floor rate of 3.19%), currently 3.74% as of June 22, 2023, plus a Freddie Mac spread of 2.40%, for an estimated all in rate of 6.14%. The term of the loan is 15 years and a 35 year amortization schedule. Loan requirements include a Loan to Value not to exceed 90% of as-rehabilitated, as-stabilized value, utilizing the lesser of Section 8 voucher rents, market rents, or in-place rents as determined by an as-rehabilitated appraisal commissioned by JLL. There is a minimum loan Debt Service Coverage (“DSC”) of 1.15 to 1.00 at the final locked rate.

Mr. Tim Kennedy
Mango Terrace
June 27, 2023

Revised Permanent Financing Sources

Please note that in the following table, the Revised Applicant column reflects the Permanent Financing Sources in the Closing Letter dated December 16, 2023 and the Underwriter column represents the current request.

Source	Lender	Revised Applicant	Underwriter	Interest Rate	Amort. Yrs.	Term Yrs.	Annual Debt Service
First Mortgage	Hillsborough HFA - MMRB / JLL	\$7,000,000	\$7,000,000	3.61%	35	15	\$352,539
Second Mortgage	JLL Taxable Tail Loan	\$0	\$2,006,000	6.14%	N/A	15	\$123,128
Third	FHFC - SAIL	\$5,000,000	\$5,000,000	1.00%	N/A	15	\$50,000
Fourth	FHFC - ELI	\$600,000	\$600,000	0.00%	N/A	15	\$0
Fifth	FHFC - NHTF	\$1,113,000	\$1,113,000	0.00%	N/A	27.5	\$0
HC Equity	Synovus Bank	\$7,161,800	\$7,091,062				
Def. Developer Fee	Southport Development	\$1,249,428	\$2,078,204				
Owner Equity	Southport Development	\$0	\$695,109				
Total		\$22,124,228	\$25,583,375				\$525,667

Changes to the sources:

1. Total Development Costs ("TDC") have increased by \$3,459,147, from \$22,124,228 to \$25,583,375 since closing due to the circumstances described in this paragraph. During construction, the Development experienced significant COVID-19 delays and price increases which increased the construction budget through change orders. The change orders were approved through the standard change order process with signatures from the Architect, General Contractor and Construction Consultant, as well as approval from GLE Associates, Inc and the Servicer.
2. Due to the increase in TDC throughout construction, the Developer injected \$2,533,998.05 of equity to cover the insufficient sources. Following the addition of the JLL Taxable Tail Loan, the Developer will be reimbursed a portion of "Owner Equity" paid during construction, less the \$695,109 needed to fund the gap during the permanent period.
3. Deferred Developer Fee has increased by \$828,776 from \$1,249,428 to \$2,078,204, due to the increase in TDC outweighing the increase in the permanent loan sources.

Seltzer is in receipt of an appraisal from JLL Valuation & Advisory Services, LLC dated May 23, 2023. Mango Terrace is projected to achieve 2022 Maximum Allowable HC Rents published by Florida Housing on all units based upon the Appraiser's estimate of achievable rents per comparable properties surveyed.

Mr. Tim Kennedy
Mango Terrace
June 27, 2023

A rent roll for the Development is illustrated in the following table:

MSA / County: Tampa – St. Petersburg – Clearwater MSA / Hillsborough County

Bed Rooms	Bath Rooms	Units	Square Feet	AMI%	Low HOME Rents	High HOME Rents	Gross HC Rent	Utility Allow.	Net Restricted Rents	PBRA Contr Rents	Applicant Rents	Appraiser Rents	CU Rents	Annual Rental Income
1	1.0	2	696	22%			\$338	\$65	\$273		\$233	\$273	\$273	\$6,552
1	1.0	1	696	35%			\$539	\$65	\$474		\$405	\$474	\$474	\$5,688
1	1.0	5	696	60%			\$924	\$65	\$859		\$735	\$859	\$859	\$51,540
2	2.0	4	942	22%			\$406	\$70	\$336		\$287	\$336	\$336	\$16,128
2	2.0	7	942	35%			\$646	\$70	\$576		\$492	\$576	\$576	\$48,384
2	2.0	53	942	60%			\$1,108	\$70	\$1,038		\$888	\$1,038	\$1,038	\$660,168
3	2.0	3	1,075	35%			\$747	\$74	\$673		\$575	\$673	\$673	\$24,228
3	2.0	29	1,075	60%			\$1,281	\$74	\$1,207		\$1,032	\$1,207	\$1,207	\$420,036
		104	100,256											\$1,232,724

Mr. Tim Kennedy
Mango Terrace
June 27, 2023

Operating Pro forma

OPERATING PRO FORMA		ANNUAL	PER UNIT
INCOME	Gross Potential Rental Income	\$1,232,724	\$11,853
	Other Income:		
	Miscellaneous	\$30,000	\$288
	Alarm Income	\$0	\$0
	Gross Potential Income	\$1,262,724	\$12,142
	Less:		
	Physical Vacancy Loss - Percentage: 4.0%	(\$50,509)	(\$486)
Collection Loss - Percentage: 1.0%	(\$12,627)	(\$121)	
Total Effective Gross Revenue		\$1,199,588	\$11,534
EXPENSES	Fixed:		
	Real Estate Taxes	\$68,186	\$656
	Insurance	\$114,400	\$1,100
	Other	\$0	\$0
	Variable:		
	Management Fee - Percentage: 5.6%	\$67,328	\$647
	General and Administrative	\$35,000	\$337
	Payroll Expenses	\$130,000	\$1,250
	Utilities	\$85,000	\$817
	Marketing and Advertising	\$0	\$0
	Maintenance and Repairs	\$65,000	\$625
	Grounds Maintenance and Landscaping	\$0	\$0
	Resident Programs	\$0	\$0
Reserve for Replacements	\$31,200	\$300	
Total Expenses		\$596,114	\$5,732
Net Operating Income		\$603,474	\$5,803
Debt Service Payments			
DEBT SERVICE	First Mortgage - Hillsborough HFA - MMRB / JLL	\$352,539	\$3,390
	Second Mortgage - JLL Taxable Tail Loan	\$123,128	\$1,184
	Third Mortgage - FHFC - SAIL	\$50,000	\$481
	Fourth Mortgage - FHFC - ELI	\$0	\$0
	Fifth Mortgage - FHFC - NHTF	\$0	\$0
	First Mortgage Fees - Hillsborough HFA - MMRB / JL	\$24,332	\$234
	Second Mortgage Fees - JLL Taxable Tail Loan	\$0	\$0
	Third Mortgage Fees - FHFC - SAIL	\$11,429	\$110
	Fourth Mortgage Fees - FHFC - ELI	\$3,581	\$34
	Fifth Mortgage Fees - FHFC - NHTF	\$3,736	\$36
Total Debt Service Payments		\$568,745	\$5,469
Cash Flow After Debt Service		\$34,729	\$334

Debt Service Coverage Ratios		
	DSC - First Mortgage plus Fees	1.601
	DSC - Second Mortgage plus Fees	1.207
	DSC - Third Mortgage plus Fees	1.075
	DSC - Fourth Mortgage plus Fees	1.068
	DSC - Fifth Mortgage plus Fees	1.061
	DSC - All Mortgages and Fees	1.061
Financial Ratios		
	Operating Expense Ratio	49.7%
	Break-Even Ratio	92.5%

Mr. Tim Kennedy
Mango Terrace
June 27, 2023

Notes to the Operating Pro Forma and Ratios:

1. Based on updates to the Appraisal and the increase in the 2022 HC Rents, the Development's First Mortgage Plus Fees Debt Service Coverage ("DSC") increased from 1.181 to 1.601, which meets the 1.10 to 1.00 minimum DSC requirement.
2. The DSC for the first mortgage, second mortgage and third mortgage SAIL is 1.075 to 1.00. Per Rule 67-48, the minimum DSC shall be 1.10 to 1.00 for the SAIL loan and all superior mortgages. However, if the Applicant defers at least 35 percent of its Developer Fee for at least six (6) months following construction completion, the minimum DSC shall be 1.00 for the SAIL, including all superior mortgages. This Development meets the preceding guidelines.
3. Real estate tax expense is based on the Appraiser's estimate and 2022 HC rents.
4. Other operating expense estimates are based on comparable properties and are supported by the appraisal.

Conclusion

SMG concludes that the additional superior debt JLL permanent taxable tail loan to a maximum amount of \$2,006,000 will not adversely impact the transaction and/or Florida Housing's security position. Accordingly, SMG provides this analysis for FHFC's consideration to approve the additional superior permanent debt and the SAIL, ELI and NHTF loans will be subordinate to the additional superior permanent period loan. Subject to the following:

- Review and approval of all loan documents consistent with the terms outlined above by Florida Housing, its Legal Counsel and Servicer.
- Payment of any outstanding arrearages to FHFC, its Legal Counsel, Servicer or any agent or assignee of FHFC for past due issues applicable to the development team (Applicant or Developer or Principal, Affiliate or Financial Beneficiary, as described in 67,21.0025 (5) F.A.C. and 67-48.0075(5) F.A.C., of an Applicant or a Developer).
- Prepayment of any required compliance monitoring fees and servicing fees, as applicable.
- Payment of all costs and fees to Florida Housing, its Legal Counsel, and Servicer, as applicable.
- Consent of the HC equity provider, if applicable.
- Satisfactory resolution of any outstanding past due and/or noncompliance items.
- All other due diligence required by FHFC, its Legal Counsel and Servicer.

Should you have any questions please feel free to contact me directly.

Sincerely,

SELTZER MANAGEMENT GROUP, INC.



Ryan Johnson
Credit Underwriter



July 24, 2023

Mr. Tim Kennedy
Multifamily Loans & Bonds Director
Florida Housing Finance Corporation
227 N. Bronough Street, Suite 5000
Tallahassee, Florida 32301-3291

Re: Southwest Hammocks (“Development”) – State Apartment Incentive Loan Program (“SAIL”), Extremely Low Income Loan (“ELI”), Competitive 9% Housing Credits (“HC”) RFA 2021-106 (2021-304CS & 2022-272CS), and Invitation to Participate (“ITP”) 2022 Construction Housing Inflation Response Program (“CHIRP”)

Credit Underwriting Report Update Letter (“CUL”) – Changes to the Final Credit Underwriting Report, dated July 27, 2021 (“Final CUR”) and CUR Update Letter (“CUR Update Letter”) dated September 22, 2022 to include additional Subordinate Debt

Dear Mr. Kennedy,

First Housing Development Corporation of Florida (“FHDC”, “First Housing”, or “Servicer”) reviewed an email, dated April 7, 2023, from a representative of Southwest Hammocks, LLLP (“Borrower” or “Applicant”), requesting Florida Housing Finance Corporation (“FHFC” or “Florida Housing”) approve additional subordinate debt in the amount of \$1,000,000 from Broward County and \$750,000 from Carrfour Supportive Housing, Inc. The Broward County and Carrfour Supportive Housing, Inc. loans will be subordinate to the SAIL/SAIL CHIRP and ELI loans.

On behalf of Florida Housing, First Housing has performed certain due diligence and formulated a recommendation and closing conditions which are contained at the end of this CUR Update Letter. For the purposes of this analysis, First Housing has reviewed the following:

- Final CUR and CUR Update Letter.

FHDC

- Servicer Closing Letter and Final Sources & Uses / Construction Draw Schedule, dated October 4, 2022.
- Request email, dated April 7, 2023, from a representative of the Borrower.
- County Gap Loan Funding Award Notification, dated October 12, 2022, from Broward County.
- Affordable Housing Program (“AHP”) Agreement, dated October 27, 2022, from Federal Home Loan Bank of Atlanta (“FHLB”).
- Draft Promissory Note between Carrfour Supportive Housing, Inc. and Enterprise Community Loan Fund, Inc. and draft Promissory Note between Southwest Hammocks, LLLP and Carrfour Supportive Housing, Inc.
- Change Orders numbers 1 through 5, which have collectively increased the Guaranteed Maximum Price from \$22,529,490.25 to \$23,717,077.89.

Background

The Development is located at 8251 Pembroke Road, Pembroke Pines, Florida 33025. The Development will consist of 100-units within one Garden style apartment building. The Development has committed to serving Persons with a Disabling Condition where at least 50% (50 units), but less than 80% (80 units), of the total units must be set-aside for Permanent Supportive Housing for Persons with a Disabling Condition and at least 20% of the total units (20 units) must consist of Permanent Supportive Housing for individuals and families that meet the definition of Homeless (which may be the same units set aside for Persons with a Disabling Condition demographic commitment).

The inclusion of the AHP Subsidy will require the Development to include 5 additional units at 25% or less of Area Median Income (“AMI”). Below are the set-asides including the AHP.

Set Asides:

Program	% of Units	# of Units	% AMI	Term (Years)
SAIL/ELI/HC	15%	15	25%	50
SAIL/HC	85%	85	60%	50
AHP	20%	20	25%	15
AHP	80%	80	60%	15

On October 4, 2022, the Borrower closed on the below financing, which is based on the Final Sources & Uses / Construction Draw Schedule. According to an Inspection Field Report, dated June 12, 2023, the Development was approximately 49.13% complete.

FHDC

CONSTRUCTION/PERMANENT SOURCES:			
Source	Lender	Construction	Permanent
Regulated Mortgage	Bank of America, N.A.	\$14,915,000	-
FHFC - SAIL	FHFC	\$3,402,400	\$3,402,400
FHFC – SAIL CHIRP	FHFC	\$4,300,000	\$4,300,000
FHFC - ELI	FHFC	\$597,600	\$597,600
HC Equity	Enterprise	\$8,245,240	\$26,226,200
Deferred Developer Fee	Carrfour Supportive Housing, Inc.	\$4,301,836	\$2,750,229
ODR	N/A	\$1,514,353	-
TOTAL		\$37,276,429	\$37,276,429

FHDC

Sources Overview

CONSTRUCTION/PERMANENT SOURCES:				
Source	Lender	Construction	Permanent	Perm Loan/Unit
Regulated Mortgage Lender	Bank of America, N.A. ("BOA")	\$14,915,000	\$0	\$0
FHFC - SAIL	FHFC	\$3,402,400	\$3,402,400	\$34,024
FHFC - SAIL CHIRP	FHFC	\$4,300,000	\$4,300,000	\$43,000
FHFC - SAIL ELI	FHFC	\$597,600	\$597,600	\$5,976
Local Government Subsidy	Broward County	\$0	\$1,000,000	\$10,000
Affiliate / Principal	Carrfour Supportive Housing, Inc. - AHP	\$750,000	\$750,000	\$7,500
HC Equity	Enterprise	\$8,245,240	\$26,226,200	\$262,262
Deferred Developer Fee	Carrfour	\$4,290,296	\$1,738,689	\$17,387
Operating Deficit Reserve	N/A	\$1,514,353	\$0	\$0
TOTAL		\$38,014,889	\$38,014,889	\$380,149

Construction Loan - BOA

First Housing received a Promissory Note, dated October 4, 2022, where Southwest Hammocks, LLLP promises to pay to the order of Bank of America, N.A. in the amount of \$14,915,000. According to the Note, the loan shall be due and payable in full on April 4, 2025 (Initial Maturity Date), subject to an Extension Option and has an extended Maturity Date of October 4, 2025. The interest rate is floating based on Bloomberg Short Term Bank Yield Index ("BSBY") Daily Floating Rate plus 2.45% spread.

FHFC – SAIL

First Housing received a Promissory Note, dated October 4, 2022, where Southwest Hammocks, LLLP promises to pay to the order of FHFC in the amount of \$7,702,400. The original SAIL Loan (\$3,402,400) and SAIL CHIRP Loan (\$4,300,000) were combined into one loan but have been separated for presentation purposes. The SAIL loan interest rate is 0.50% per annum plus permanent loan servicing and compliance monitoring fees. The SAIL Loan is non-amortizing over the life of the loan. The SAIL Loan has a total term of 18 years (including the construction/stabilization period). Annual payments of all applicable fees are required. Any unpaid interest will be deferred until cash flow is available. However, at the maturity of the SAIL Loan, all principal and unpaid interest will be due.

FHDC

FHFC – SAIL ELI

First Housing received a Promissory Note, dated October 4, 2022, where Southwest Hammocks, LLLP promises to pay to the order of FHFC in the amount of \$597,600. The ELI Loan is non-amortizing with an interest rate of 0% plus permanent loan servicing and compliance monitoring fees. The ELI Loan has a total term of 18 years (including the construction/stabilization period). Annual payments of all applicable fees are required. Principal is forgivable at maturity provided the units for which the ELI Loan amount is awarded are targeted to ELI households for the first 15 years of the 50-year Compliance Period.

Broward County:

First Housing received a County Gap Loan Funding Award, dated October 12, 2022, indicating the Broward County Board of County Commissioners approved \$1,000,000 in County Gap Loan funds to Southwest Hammocks. The funds are intended to address funding gaps remaining after the incorporation of FHFC's CHIRP funds. The term on the loan is 30 years, with early repayment due upon sale, refinance, or transfer. Based on First Housing's understanding the interest rate will be 0%. According to the Award, 60% of the funds will be disbursed upon Temporary Certificate of Occupancy, 20% upon auditor's submission of Final Cost Certification to FHFC, and 20% after the issuance of the IRS Form 8609 by FHFC. Further, the Developer is required to defer not less than 35% of the Developer Fee. Since the funds will not be available until after completion, no funds have been shown as a source during construction.

AHP:

First Housing received an AHP Agreement, dated October 27, 2022, where Southwest Hammocks, LLLP has applied for \$750,000 in AHP Subsidy. The subsidy will be used for the sub-subleasehold acquisition and construction of the 100 multifamily rental units in Pembroke Pines, Florida. The funds will be lent to Carrfour Supportive Housing, Inc. which will in return lend the money to the Borrower.

First Housing received a draft Promissory Note where Carrfour Supportive Housing, Inc. promises to pay to the order of Enterprise Community Loan Fund, Inc. the principal sum of \$750,000. The interest rate is 0% and has a term of 15 years. No payment shall be required under the Note and the Note will be deemed satisfied on the maturity date, if no event of default or breach has occurred.

First Housing received a draft Promissory Note (30 Year Loan – AHP Loan) where Southwest Hammocks, LLLP promises to pay to the order of Carrfour Supportive Housing, Inc the principal sum of \$750,000 plus interest on the outstanding principal balance at the rate of 3%. The outstanding principal and all accrued and unpaid interest shall be due and payable at maturity.

FHDC

Housing Credits

First Housing reviewed the executed First Amended and Restated Agreement of Limited Partnership (“LPA”), dated October 4, 2022. The Capital Contribution schedule below remains the same as reflected in the Servicer Closing Letter.

Capital Contributions	Amount	Percentage of Total	When Due
1st Installment	\$5,245,240	20.00%	Admission
2nd Installment	\$3,000,000	11.44%	Construction (90% Complete)
3rd Installment	\$353,671	1.35%	Completion (TCO)
4th Installment	\$1,514,356	5.77%	Latest of a) the satisfaction of all conditions to prior Capital Contribution or b) August 4, 2024
5th Installment	\$14,561,229	55.52%	Copy of Extended Use Agreement, Permanent Certificates of Occupancy for 100% of the units, draft cost certification, final lien release
6th Installment	\$1,181,704	4.51%	Achievement of the Stabilization Date, Loan Conversion, Final Cost Cert.
7th Installment	\$370,000	1.41%	Latest of IRS Form 8609, first year tax return and audit, and January 1, 2025
Total	\$26,226,200	100.00%	

Annual Credit Per Syndication Agreement	\$2,882,000
Calculated HC Exchange Rate	\$0.910091
Limited Partner Ownership Percentage	99.99%
Proceeds Available During Construction	\$8,245,240

Deferred Developer Fee:

In order to balance the sources and uses during the permanent period, the Developer must defer \$1,738,689 or 35.14% of the total Developer Fee of \$4,947,789 (which does not include the Developer Fee which is funding the ODR). This meets the SAIL CHIRP requirement that the Applicant must defer at least 30% of the Developer Fee. This also meets the Broward County requirement that the Applicant must defer at least 35% of the Developer Fee.

FHDC

Uses of Funds

Please note the Applicant Costs column is based on the Final Sources & Uses / Construction Draw Schedule and the Revised Applicant Costs column is based on an updated draw schedule provided by the Developer throughout the CUL.

CONSTRUCTION COSTS:	Applicant Costs	Revised Applicant Costs	Underwriters Total Costs - CUR	Cost Per Unit	HC Ineligible Costs - CUR
New Rental Units	\$16,582,580	\$17,624,853	\$17,624,853	\$176,249	\$0
Site Work	\$2,593,758	\$2,593,758	\$2,593,758	\$25,938	\$259,376
Constr. Contr. Costs subject to GC Fee	\$19,176,338	\$20,218,611	\$20,218,611	\$202,186	\$259,376
General Conditions	\$1,132,347	\$1,194,624	\$1,194,624	\$11,946	\$0
Overhead	\$377,449	\$398,208	\$398,208	\$3,982	\$0
Profit	\$1,132,347	\$1,194,624	\$1,194,624	\$11,946	\$0
General Liability Insurance	\$200,730	\$200,730	\$200,730	\$2,007	\$0
Payment and Performance Bonds	\$360,280	\$360,280	\$360,280	\$3,603	\$0
Contract Costs not subject to GC Fee	\$150,000	\$150,000	\$150,000	\$1,500	\$0
Total Construction Contract/Costs	\$22,529,490	\$23,717,078	\$23,717,078	\$237,171	\$259,376
Hard Cost Contingency	\$1,577,064	\$389,476	\$1,007,976	\$10,080	\$0
FF&E paid outside Constr. Contr.	\$200,000	\$200,000	\$200,000	\$2,000	\$0
Total Construction Costs:	\$24,306,554	\$24,306,554	\$24,925,054	\$249,251	\$259,376

Notes to the Total Construction Costs:

1. The Applicant provided an executed construction contract, dated June 9, 2022, in the amount of \$22,529,490.25. This is a Standard Form of Agreement between Owner, Southwest Hammocks, LLLP, and GC, Jaxi Builders, Inc. where the basis of payment is the Cost of the Work Plus a Fee with a Guaranteed Maximum Price (“GMP”). Per the contract, substantial completion is to be achieved by no later than 420 calendar days after the date of commencement and an additional 30 calendar days to final completion. The construction contract specifies a 10% retainage will be held through 50% completion of the work, and such retainage shall be withheld until 100%, final, lien-free completion of the entire Work and satisfaction of all other conditions precedent to final payment. No additional retainage shall be withheld on amounts due and owing for Work performed after 50% completion of the work.
2. First Housing received Change Order numbers 1 through 5, which increased the GMP to \$23,717,077.89.
3. The GC fee is within the maximum 14% of hard costs allowed by the RFA and Rule Chapter 67-48. The GC fee stated herein is for credit underwriting purposes only, and the final GC fee will be determined pursuant to the final cost certification process as per Rule Chapter 67-48.

FHDC

4. Contract Costs not Subject to GC Fee is for Security Guards.
5. First Housing has increased Hard Cost Contingency by \$618,500 for a total hard cost contingency of 4.25%, which is within the 5% allowed per Rule Chapter 67-48 and is approximately 7.09% of the remaining hard costs to be funded. The Development is approximately 44.25% complete and the Borrower still expects additional increases to hard costs between now and completion.
6. The GC Contract includes \$273,445.21 in allowances, which is approximately 1.15% of the GMP. The Plan and Cost Review (“PCR”) indicates the allowances are in an acceptable reasonable for the Development.

VE Elevated Boardwalk to viewing area	\$10,000.00
Dewater-Elevator Pit	\$47,645.21
Electrical Rough-in LV Security & Access Control	10,800.00
Permit Fees	\$5,000.00
FPL Permanent Power	\$200,000.00
Total	\$273,445.21

7. First Housing has included 10% of the site work as Housing Credit ineligible costs.
8. The General Contractor has budgeted for Payment & Performance (“P&P”) Bonds to secure the construction contract.

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GENERAL DEVELOPMENT COSTS:	Applicant Costs	Revised Applicant Costs	Underwriters Total Costs - CUR	Cost Per Unit	HC Ineligible Costs - CUR
Accounting Fees	\$30,000	\$30,000	\$30,000	\$300	\$15,000
Appraisal	\$14,500	\$14,500	\$14,500	\$145	\$0
Architect's Fee - Site/Building Design	\$680,000	\$680,000	\$680,000	\$6,800	\$0
Architect's Fee - Supervision	\$50,000	\$50,000	\$50,000	\$500	\$0
Building Permits	\$520,721	\$520,721	\$520,721	\$5,207	\$0
Builder's Risk Insurance	\$99,967	\$99,967	\$99,967	\$1,000	\$0
Engineering Fees	\$15,831	\$19,331	\$19,331	\$193	\$0
Environmental Report	\$154,423	\$154,423	\$154,423	\$1,544	\$0
FHFC Administrative Fees	\$158,510	\$158,510	\$158,510	\$1,585	\$158,510
FHFC Application Fee	\$3,000	\$3,000	\$3,000	\$30	\$3,000
FHFC Credit Underwriting Fee	\$28,883	\$28,883	\$34,672	\$347	\$34,672
FHFC Compliance Fee	\$219,545	\$219,545	\$219,545	\$2,195	\$219,545
FHFC Other Processing Fee(s)	\$51,000	\$51,000	\$51,000	\$510	\$51,000
Impact Fee	\$153,330	\$153,330	\$153,330	\$1,533	\$0
Lender Inspection Fees / Const Admin	\$100,000	\$100,000	\$100,000	\$1,000	\$0
Green Building Cert. (LEED, FGBC, NAHB)	\$40,000	\$40,000	\$40,000	\$400	\$0
Insurance	\$290,130	\$290,130	\$290,130	\$2,901	\$0
Legal Fees - Organizational Costs	\$357,024	\$357,024	\$357,024	\$3,570	\$53,554
Market Study	\$5,750	\$5,750	\$5,750	\$58	\$5,750
Marketing and Advertising	\$150,000	\$146,500	\$146,500	\$1,465	\$146,500
Plan and Cost Review Analysis	\$9,350	\$9,350	\$9,350	\$94	\$0
Property Taxes	\$76,501	\$76,501	\$76,501	\$765	\$0
Soil Test	\$7,500	\$7,500	\$7,500	\$75	\$0
Survey	\$75,000	\$75,000	\$75,000	\$750	\$7,500
Title Insurance and Recording Fees	\$186,801	\$186,801	\$186,801	\$1,868	\$28,020
Utility Connection Fees	\$500,662	\$500,662	\$500,662	\$5,007	\$0
Soft Cost Contingency	\$189,893	\$189,893	\$199,313	\$1,993	\$0
Other: Zoning & Site Plan Fees	\$2,047	\$2,047	\$2,047	\$20	\$0
Total General Development Costs:	\$4,170,368	\$4,170,368	\$4,185,577	\$41,856	\$723,051

Notes to the General Development Costs:

1. General Development Costs are based on an updated draw schedule.
2. The FHFC Credit Underwriting Fee includes an original underwriting fee of \$20,987, a CHIRP underwriting fee of \$4,996, an update letter underwriting fee of \$2,900, and this update letter underwriting fee of \$5,789.
3. First Housing has adjusted Soft Cost Contingency to 5% of the General Development Costs less the soft cost contingency, as allowed by the RFA and Rule Chapter 67-48 for new construction developments.

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FINANCIAL COSTS:	Applicant Costs	Revised Applicant Costs	Underwriters Total Costs - CUR	Cost Per Unit	HC Ineligible Costs - CUR
Construction Loan Commitment Fee	\$149,150	\$149,150	\$149,150	\$1,492	\$0
Construction Loan Interest	\$1,263,000	\$1,263,000	\$1,263,000	\$12,630	\$315,750
SAIL Commitment Fee	\$77,024	\$77,024	\$77,024	\$770	\$77,024
SAIL Closing Costs	\$13,000	\$13,000	\$13,000	\$130	\$13,000
SAIL-ELI Commitment Fee	\$5,976	\$5,976	\$5,976	\$60	\$5,976
SAIL-ELI Closing Costs	\$6,500	\$6,500	\$6,500	\$65	\$6,500
Misc Loan Underwriting Fee	\$0	\$0	\$2,894	\$29	\$2,894
Other: Syndication Fee	\$140,000	\$140,000	\$140,000	\$1,400	\$140,000
Other: SAIL & ELI Extension Fee	\$40,000	\$40,000	\$40,000	\$400	\$40,000
Other: Loan Closing Costs	\$38,000	\$38,000	\$38,000	\$380	\$38,000
Other: BOA GC Liability Insurance	\$77,507	\$77,507	\$77,507	\$775	\$77,507
Total Financial Costs:	\$1,810,157	\$1,810,157	\$1,813,051	\$18,131	\$716,651
Dev. Costs before Acq., Dev. Fee & Reserves	\$30,287,079	\$30,287,079	\$30,923,682	\$309,237	\$1,699,078

Notes to the Financial Costs:

1. The Financial Costs are based on an updated draw schedule.
2. The Misc. Loan Underwriting Fee is for the Broward County Loan.

NON-LAND ACQUISITION COSTS	Applicant Costs	Revised Applicant Costs	Underwriters Total Costs - CUR	Cost Per Unit	HC Ineligible Costs - CUR
Total Non-Land Acquisition Costs:	\$0	\$0	\$0	\$0	\$0

Notes to the Non-Land Acquisition Costs:

1. As this is new construction, there are no non-land acquisition costs.

DEVELOPER FEE ON NON-ACQUISITION COSTS	Applicant Costs	Revised Applicant Costs	Underwriters Total Costs - CUR	Cost Per Unit	HC Ineligible Costs - CUR
Developer Fee - Unapportioned	\$4,845,932	\$4,845,932	\$4,947,789	\$49,478	\$0
DF to fund Operating Debt Reserve	\$1,514,353	\$1,514,353	\$1,514,353	\$15,144	\$0
Total Other Development Costs:	\$6,360,285	\$6,360,285	\$6,462,142	\$64,621	\$0

Notes to the Other Development Costs:

1. The recommended Developer Fee does not exceed 21% of Total Development Costs (“TDC”) before Developer Fee and land costs as allowed by the RFA and Rule Chapter 67-48. Five percent (5%) of the Developer Fee must be placed in an operating subsidy reserve account to be held by FHFC or its servicer. Please note, First Housing is reflecting the Operating Deficit Reserve per the closing documents.

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2. In exchange for receiving funding from the Corporation, the Corporation reserves the authority to restrict the disposition of any funds remaining in any operating deficit reserve(s) after the term of the reserve’s original purpose has terminated or is near termination. Authorized disposition uses are limited to payments towards any outstanding loan balances of the Development funded from the Corporation, any outstanding Corporation fees, any unpaid costs incurred in the completion of the Development (i.e., deferred Developer Fee), the Development’s capital replacement reserve account (provided, however, that any operating deficit reserve funds deposited to the replacement reserve account will not replace, negate, or otherwise be considered an advance payment or pre-funding of the Applicant’s obligation to periodically fund the replacement reserve account), the reimbursement of any loan(s) provided by a partner, member or guarantor as set forth in the Applicant’s organizational agreement (i.e., operating or limited partnership agreement). The actual direction of the disposition is at the Applicant’s discretion so long as it is an option permitted by the Corporation. In no event, shall the payment of amounts to the Applicant or the Developer from any operating deficit reserve established for the Development cause the Developer Fee or General Contractor fee to exceed the applicable percentage limitations provided for in this RFA.

At the end of the Compliance Period, any remaining balance of the ODR less amounts that may be permitted to be drawn (which includes Deferred Developer Fee and reimbursements for authorized member/partner and guarantor loan(s) pursuant to the operating/partnership agreement), will be used to pay FHFC loan debt; if there is no FHFC loan debt on the proposed Development at the end of the Compliance Period, any remaining balance shall be used to pay any outstanding FHFC fees. If any balance is remaining in the ODR after the payments above, the amount should be placed in a Replacement Reserve account for the Development. In no event shall the payments of amounts to the Applicant or the Developer from the Reserve Account cause the Developer Fee or General Contractor Fee to exceed the applicable percentage limitations provided for in Rule Chapter 67-48. Any and all terms and conditions of the ODR must be acceptable to Florida Housing, its legal counsel, and its Servicer.

LAND ACQUISITION COSTS	Applicant Costs	Revised Applicant Costs	Underwriters Total Costs - CUR	Cost Per Unit	HC Ineligible Costs - CUR
Land Lease Payment	\$629,065	\$629,065	\$629,065	\$6,291	\$629,065
Total Acquisition Costs:	\$629,065	\$629,065	\$629,065	\$6,291	\$629,065

Notes to Acquisition Costs:

1. First Housing has reviewed a Sub-Sublease, dated March 12, 2021, between City of Pembroke Pines (“Sub-Sublessor”) and Southwest Hammocks, LLLP (“Sub-Sublessee”). The property is owned by the Board of Trustees of the Internal Improvement Trust Fund of the

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State of Florida and is currently leased to the State of Florida Department of Children and Families (“Department”). The Sub-Sublessor, as sublessee, has entered into a Sublease with the Department, as sublessor, for the site. The term of the Sub-Sublease is for a period of 65 years, commencing on March 15, 2021 and ending on March 14, 2086 with an option to extend on a year to year basis thereafter. The Sub-Sublessee will pay a one-time Capital Lease Payment at construction loan closing in the amount of \$629,000. The annual base rent thereafter will be \$1. Sub-Sublessee will be responsible for Maintenance Payments in an amount equal to 5.1% of the total amount actually expended by Sub-Sublessor in the previous City fiscal year (October 1-September 30) in connection with the improvements and maintenance of the Development, minus \$20,000. First Housing has also reviewed an Amendment Number One to Lease Number 2628, dated March 19, 2004, an Amendment Number Two to Lease Number 2628, dated September 9, 2008.

RESERVE ACCOUNTS	Applicant Costs	Revised Applicant Costs	Underwriters Total Costs - CUR	Cost Per Unit	HC Ineligible Costs - CUR
Total Reserve Accounts:	\$0	\$0	\$0	\$0	\$0

Notes to Reserve Accounts:

1. No additional reserves are required for the Development.

TOTAL DEVELOPMENT COSTS	Applicant Costs	Revised Applicant Costs	Underwriters Total Costs - CUR	Cost Per Unit	HC Ineligible Costs - CUR
TOTAL DEVELOPMENT COSTS:	\$37,276,429	\$37,276,429	\$38,014,889	\$380,149	\$2,328,143

Notes to Total Development Costs:

1. The TDC has increased a total of \$738,460 or 1.98% from \$37,276,429 to \$38,014,889 since the Closing. The increase is mainly due to an increase in construction costs.
2. Based on the TDC per unit limitations in effect as of the April 1, 2022 FHFC Telephonic Board meeting, Florida Housing has set the TDC for RFA 2021-106, exclusive of land costs, to no more than \$461,039 per unit for a new construction Garden Enhanced Structural Systems Construction structure in Broward County. The Development TDC per unit before land is \$373,858, which meets the requirements. In the event the Total Development Costs are lower than expected, the Broward County loan will be decreased to an amount to maintain a defer Developer Fee of 35%.

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Operating Pro Forma: Southwest Hammocks

FINANCIAL COSTS:				Year 1	Year 1 Per Unit
OPERATING PRO FORMA					
INCOME:	Gross Potential Rental Income			\$945,924	\$9,459
	Other Income				
	Ancillary Income			\$10,000	\$100
	Gross Potential Income			\$955,924	\$9,559
	Less:				
	Physical Vac. Loss		Percentage: 5.00%	\$47,796	\$478
	Collection Loss		Percentage: 2.00%	\$19,118	\$191
Total Effective Gross Income				\$889,009	\$8,890
EXPENSES:	Fixed:				
	Real Estate Taxes			\$113,152	\$1,132
	Insurance			\$80,000	\$800
	Variable:				
	Management Fee		Percentage: 6.00%	\$53,341	\$533
	General and Administrative			\$60,000	\$600
	Payroll Expenses			\$141,320	\$1,413
	Utilities			\$95,000	\$950
	Marketing and Advertising			\$2,500	\$25
	Maintenance and Repairs/Pest Control			\$67,500	\$675
	Grounds Maintenance and Landscaping			\$10,000	\$100
	Security			\$7,500	\$75
	Reserve for Replacements			\$35,000	\$350
	Total Expenses				\$665,313
Net Operating Income				\$223,697	\$2,237
Debt Service Payments					
First Mortgage - FHFC - SAIL/CHIRP			\$38,512	\$385	
Second Mortgage - FHFC - SAIL ELI			\$0	\$0	
Third Mortgage - Broward County			\$0	\$0	
Fourth Mortgage - Carrfour Supportive Housing, Inc. - AHP			\$0	\$0	
First Mortgage Fees - FHFC - SAIL/CHIRP			\$11,901	\$119	
Second Mortgage Fees - FHFC - SAIL ELI			\$3,741	\$37	
Third Mortgage Fees - Broward County			\$0	\$0	
Fourth Mortgage Fees -AHP			\$0	\$0	
Total Debt Service Payments			\$54,154	\$542	
Cash Flow after Debt Service			\$169,543	\$1,695	
Debt Service Coverage Ratios					
DSC - First Mortgage plus Fees			4.44x		
DSC - Second Mortgage plus Fees			4.13x		
DSC - Third Mortgage plus Fees			4.13x		
DSC - Fourth Mortgage plus Fee			4.13x		
Financial Ratios					
Operating Expense Ratio			74.84%		
Break-even Economic Occupancy Ratio (all debt)			75.68%		

Notes to the Operating Pro Forma and Ratios:

1. The Development will be utilizing Housing Credits in conjunction with SAIL and ELI financing, which will impose rent restrictions. The rent levels are based on the 2021 maximum low-income housing tax credits (“LIHTC”) rents published on FHFC’s website for Broward County less the applicable utility allowance. The utility allowances are based on the utility allowance schedule from U.S. Department of Housing and Urban

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Development (“HUD”) for Garden style buildings in Broward County effective January 1, 2022. Below is the rent roll for the Development:

Miami-Fort Lauderdale-Pompano Beach MSA, Broward County, FL

Bed Rooms	Bath Rooms	Units	Square Feet	AMI%	Low HOME Rents	High HOME Rents	Gross HC Rent	Utility Allow.	Net Restricted Rents	PBRA Contr Rents	Applicant Rents	Appraiser Rents	CU Rents	Annual Rental Income
0	1.0	3	587	25%			\$385	\$110	\$ 275		\$ 275	\$ 275	\$ 275	\$ 9,900
0	1.0	12	587	60%			\$924	\$110	\$ 814		\$ 814	\$ 814	\$ 814	\$ 117,216
1	1.0	10	777	25%			\$412	\$133	\$ 279		\$ 279	\$ 279	\$ 279	\$ 33,480
1	1.0	40	777	60%			\$990	\$133	\$ 857		\$ 857	\$ 857	\$ 857	\$ 411,360
2	2.0	7	1,061	25%			\$495	\$159	\$ 336		\$ 336	\$ 336	\$ 336	\$ 28,224
2	2.0	28	1,061	60%			\$1,188	\$159	\$ 1,029		\$ 1,029	\$ 1,029	\$ 1,029	\$ 345,744
		100	84,790											\$ 945,924

2. The appraisal used a vacancy and collection loss rate of 5%. First Housing has used a 7% vacancy and collection loss which includes a 5% vacancy loss and a 2% collection loss.
3. Ancillary Income is primarily comprised of revenue from interest income, late charges, and special service fees. Total Ancillary Income of approximately \$100 per unit per year is supported by the appraisal.
4. Based upon operating data from comparable properties, third-party reports (appraisal and market study) and First Housing's independent due diligence, First Housing represents that, in its professional opinion, estimates for Rental Income, Vacancy, Other Income, and Operating Expenses fall within a band of reasonableness.
5. The Applicant has submitted a draft management agreement between Crossroads and the Applicant. The management agreement reflects a management fee equal to 6% of Effective Gross Potential Revenue received or \$33.80 per unit per month, the higher of both. The appraisal uses a 6% management fee for the restricted scenario. First Housing has based the management fee on 6% as that is the higher of the two scenarios.
6. The landlord is responsible for common area electric, water and sewer, and trash collection. Tenant will be responsible for electric, water and sewer.
7. Replacement Reserves of \$300 per unit per year are required per Rule Chapter 67-48. According to the LPA, which requires replacement reserve at \$350 per unit per year increasing at 3% annually.
8. Per Rule Chapter 67-48.0072(11), the maximum debt service coverage (“DSC”) shall be 1.50x for the SAIL Loan, including all superior mortgages. The DSC is 4.44x on the SAIL Loan in year 1, which exceeds the maximum threshold. In extenuating circumstances, such as when the Development has deep or short-term subsidy, the DSC

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may exceed 1.50x, if the Credit Underwriter's favorable recommendation is supported by the projected cash flow analysis, as illustrated in Exhibit 1. In this instance, the above extenuating circumstances apply, based on the deep subsidy of 20 ELI units at or below 25% of the AMI, exceeding the maximum threshold is permitted.

9. Refer to Exhibit 1, Page 1 for a 15-Year Pro Forma, which reflects rental income increasing at an annual rate of 2%, and expenses increasing at an annual rate of 3%.

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Recommendation:

First Housing's review indicates the additional subordinate funds in the amount of \$1,000,000 from Broward County and \$750,000 from Carrfour Supportive Housing Inc. and subordination of the Broward County and Carrfour Supportive Housing, Inc. loans to the SAIL/SAIL CHIRP and ELI loans have no substantial adverse impact to the Development.

This recommendation is conditioned upon the following:

1. Payment of any outstanding arrearages to the Corporation, its Legal Counsel, Servicer of any agent or assignee of the Corporation for past due issues applicable to the development team (Applicant or Developer or Principal, Affiliate or Financial Beneficiary, as described in 67-48.0075(5) F.A.C., of an Applicant or a Developer).
2. Final loan documents for the Broward County loan and AHP Subsidy with terms which are not substantially different than those utilized in the CUL.
3. Review and approval of all loan documents consistent with the terms outlined in this CUL by FHFC, its Legal Counsel and Servicer.
4. Prepayment of any required compliance monitoring fees and servicing fees, as applicable.
5. Payment of all costs and fees to Florida Housing, its Legal Counsel, and Servicer, as applicable.
6. Consent to the HC equity provider, if applicable.
7. Satisfactory resolution of any outstanding past due and/or noncompliance items.
8. All other due diligence required by FHFC, its Legal Counsel, and Servicer.

Prepared by:



Stephanie Petty
Senior Credit Underwriter

Reviewed by:



Ed Busansky
Senior Vice President

HC Allocation Calculation

Qualified Basis Calculation

Total Development Costs(including land and ineligible Costs)	\$38,014,889
Less Land Costs	\$629,065
Less Federal Grants and Loans	\$0
Less Other Ineligible Costs	\$1,699,078
Total Eligible Basis	\$35,686,746
Applicable Fraction	100%
DDA/QCT Basis Credit	130%
Qualified Basis	\$46,392,770
Housing Credit Percentage	9.00%
Annual Housing Credit Allocation	\$4,175,349

Notes to the Qualified Basis Calculation:

1. Other ineligible costs include: site work, accounting fees, FHFC Fees, legal fees, market study, marketing, survey, title and recording fees, and financial costs.
2. The Development has a 100% of the units set -aside, the calculation is based on 100% of the housing credit eligible costs.
3. All proposed Development in the RFA qualify for the basis boost.
4. For purposes of this recommendation a HC percentage of 9% was applied based on the 9% floor rate which as permanently extended through the Protecting Americans from Tax Hikes (PATH) Act of 2015 as part of the Omnibus Consolidated Appropriations Act of 2016.

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GAP Calculation

Total Development Costs(including land and ineligible Costs)	\$38,014,889
Less Mortgages	\$10,050,000
Less Grants	\$0
Equity Gap	\$27,964,889
HC Syndication Percentage to Investment Partnership	99.99%
HC Syndication Pricing	\$0.910091
HC Required to meet Equity Gap	\$30,730,647
Annual HC Required	\$3,073,065

Notes to the Gap Calculation:

1. The syndication pricing and Percentage to Investor Limited Partner are based on the LPA.

Summary

HC Per Applicant's Request	\$2,882,000
HC Per Qualified Basis	\$4,175,349
HC Per GAP Calculation	\$3,073,065
Annual HC Recommended	\$2,882,000
Syndication Proceeds based upon Syndication Agreement	\$26,226,200

1. The annual HC recommendation is limited by the Applicant's Request.
2. FHFC reserves the right to resize the Housing Credits preliminarily awarded to the Applicant. The next opportunity for a feasibility review of this transaction will be during credit underwriting. If the final credit underwriting report indicates a need to resize the HC allocation, FHFC will do so at that time.

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15 Year Proforma

FINANCIAL COSTS:		Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11	Year 12	Year 13	Year 14	Year 15	
OPERATING PRO FORMA																	
INCOME:	Gross Potential Rental Income	\$945,924	\$964,842	\$984,139	\$1,003,822	\$1,023,899	\$1,044,377	\$1,065,264	\$1,086,569	\$1,108,301	\$1,130,467	\$1,153,076	\$1,176,138	\$1,199,660	\$1,223,654	\$1,248,127	
	Other Income																
	Ancillary Income	\$10,000	\$10,200	\$10,404	\$10,612	\$10,824	\$11,041	\$11,262	\$11,487	\$11,717	\$11,951	\$12,190	\$12,434	\$12,682	\$12,936	\$13,195	
	Gross Potential Income	\$955,924	\$975,042	\$994,543	\$1,014,434	\$1,034,723	\$1,055,417	\$1,076,526	\$1,098,056	\$1,120,017	\$1,142,418	\$1,165,266	\$1,188,571	\$1,212,343	\$1,236,590	\$1,261,321	
	Less:																
	Physical Vac. Loss	Percentage: 5.00%	\$47,796	\$48,752	\$49,727	\$50,722	\$51,736	\$52,771	\$53,826	\$54,903	\$56,001	\$57,121	\$58,263	\$59,429	\$60,617	\$61,829	\$63,066
	Collection Loss	Percentage: 2.00%	\$19,118	\$19,501	\$19,891	\$20,289	\$20,694	\$21,108	\$21,531	\$21,961	\$22,400	\$22,848	\$23,305	\$23,771	\$24,247	\$24,732	\$25,226
	Total Effective Gross Income		\$889,009	\$906,790	\$924,925	\$943,424	\$962,292	\$981,538	\$1,001,169	\$1,021,192	\$1,041,616	\$1,062,448	\$1,083,697	\$1,105,371	\$1,127,479	\$1,150,028	\$1,173,029
	Fixed:																
	Real Estate Taxes		\$113,152	\$116,547	\$120,043	\$123,644	\$127,354	\$131,174	\$135,109	\$139,163	\$143,338	\$147,638	\$152,067	\$156,629	\$161,328	\$166,168	\$171,153
Insurance		\$80,000	\$82,400	\$84,872	\$87,418	\$90,041	\$92,742	\$95,524	\$98,390	\$101,342	\$104,382	\$107,513	\$110,739	\$114,061	\$117,483	\$121,007	
Variable:																	
Management Fee	Percentage: 6.00%	\$53,341	\$54,407	\$55,496	\$56,605	\$57,738	\$58,892	\$60,070	\$61,272	\$62,497	\$63,747	\$65,022	\$66,322	\$67,649	\$69,002	\$70,382	
General and Administrative		\$60,000	\$61,800	\$63,654	\$65,564	\$67,531	\$69,556	\$71,643	\$73,792	\$76,006	\$78,286	\$80,635	\$83,054	\$85,546	\$88,112	\$90,755	
Payroll Expenses		\$141,320	\$145,560	\$149,926	\$154,424	\$159,057	\$163,829	\$168,743	\$173,806	\$179,020	\$184,391	\$189,922	\$195,620	\$201,489	\$207,533	\$213,759	
Utilities		\$95,000	\$97,850	\$100,786	\$103,809	\$106,923	\$110,131	\$113,435	\$116,838	\$120,343	\$123,953	\$127,672	\$131,502	\$135,447	\$139,511	\$143,696	
Marketing and Advertising		\$2,500	\$2,575	\$2,652	\$2,732	\$2,814	\$2,898	\$2,985	\$3,075	\$3,167	\$3,262	\$3,360	\$3,461	\$3,564	\$3,671	\$3,781	
Maintenance and Repairs/Pest Control		\$67,500	\$69,525	\$71,611	\$73,759	\$75,972	\$78,251	\$80,599	\$83,016	\$85,507	\$88,072	\$90,714	\$93,436	\$96,239	\$99,126	\$102,100	
Grounds Maintenance and Landscaping		\$10,000	\$10,300	\$10,609	\$10,927	\$11,255	\$11,593	\$11,941	\$12,299	\$12,668	\$13,048	\$13,439	\$13,842	\$14,258	\$14,685	\$15,126	
Security		\$7,500	\$7,725	\$7,957	\$8,195	\$8,441	\$8,695	\$8,955	\$9,224	\$9,501	\$9,786	\$10,079	\$10,382	\$10,693	\$11,014	\$11,344	
Reserve for Replacements		\$35,000	\$36,050	\$37,132	\$38,245	\$39,393	\$40,575	\$41,792	\$43,046	\$44,337	\$45,667	\$47,037	\$48,448	\$49,902	\$51,399	\$52,941	
Total Expenses		\$665,313	\$684,739	\$704,737	\$725,324	\$746,517	\$768,336	\$790,797	\$813,920	\$837,725	\$862,232	\$887,461	\$913,435	\$940,174	\$967,703	\$996,044	
Net Operating Income		\$223,697	\$222,051	\$220,189	\$218,100	\$215,775	\$213,203	\$210,372	\$207,272	\$203,891	\$200,217	\$196,236	\$191,937	\$187,304	\$182,325	\$176,985	
Debt Service Payments																	
First Mortgage - FHFC - SAIL/CHIRP		\$38,512	\$38,512	\$38,512	\$38,512	\$38,512	\$38,512	\$38,512	\$38,512	\$38,512	\$38,512	\$38,512	\$38,512	\$38,512	\$38,512	\$38,512	
Second Mortgage - FHFC - SAIL ELI		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Third Mortgage - Broward County		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Fourth Mortgage - Carrfour Supportive Housing, Inc. - AHP		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
First Mortgage Fees - FHFC - SAIL/CHIRP		\$11,901	\$11,901	\$11,901	\$11,901	\$11,901	\$11,901	\$11,901	\$11,901	\$11,901	\$11,901	\$11,901	\$11,901	\$11,901	\$11,901	\$11,901	
Second Mortgage Fees - FHFC - SAIL ELI		\$3,741	\$3,741	\$3,741	\$3,741	\$3,741	\$3,741	\$3,741	\$3,741	\$3,741	\$3,741	\$3,741	\$3,741	\$3,741	\$3,741	\$3,741	
Third Mortgage Fees - Broward County		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Fourth Mortgage Fees - AHP		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Total Debt Service Payments		\$54,154	\$54,154	\$54,154	\$54,154	\$54,154	\$54,154	\$54,154	\$54,154	\$54,154	\$54,154	\$54,154	\$54,154	\$54,154	\$54,154	\$54,154	
Cash Flow after Debt Service		\$169,543	\$167,897	\$166,035	\$163,946	\$161,621	\$159,049	\$156,218	\$153,118	\$149,737	\$146,063	\$142,082	\$137,783	\$133,150	\$128,171	\$122,831	
Debt Service Coverage Ratios																	
DSC - First Mortgage plus Fees		4.44	4.40	4.37	4.33	4.28	4.23	4.17	4.11	4.04	3.97	3.89	3.81	3.72	3.62	3.51	
DSC - Second Mortgage plus Fees		4.13	4.10	4.07	4.03	3.98	3.94	3.88	3.83	3.77	3.70	3.62	3.54	3.46	3.37	3.27	
DSC - Third Mortgage plus Fees		4.13	4.10	4.07	4.03	3.98	3.94	3.88	3.83	3.77	3.70	3.62	3.54	3.46	3.37	3.27	
DSC - Fourth Mortgage plus Fee		4.13	4.10	4.07	4.03	3.98	3.94	3.88	3.83	3.77	3.70	3.62	3.54	3.46	3.37	3.27	
Financial Ratios																	
Operating Expense Ratio		74.84%	75.51%	76.19%	76.88%	77.58%	78.28%	78.99%	79.70%	80.43%	81.16%	81.89%	82.64%	83.39%	84.15%	84.91%	
Break-even Economic Occupancy Ratio (all debt)		75.68%	76.20%	76.73%	77.26%	77.80%	78.35%	78.91%	79.48%	80.05%	80.63%	81.23%	81.83%	82.44%	83.06%	83.68%	

Based on the LPA, Replacement Reserves will be required at \$350 per unit per year, increasing by 3% per year.

Exhibit A
Hurricane Ian- Progress Report on Reconstruction and Re-housing of Displaced Households
as of 7/31/2023

Displaced HHs with Catastrophic, Extensive, or Moderate Damage

HFA#	Event	FEMA IA County	Property-HDR	City	County	Ttl Units HDR	Buildings Damaged	Units Damaged	Households Displaced	Estimated Damage	Construction Progress as of 6/15/2023	Households Displaced at 7/31/2023
2513	Hurricane Ian	Yes	Kissimmee Homes	Kissimmee	Osceola	104		97	97	CATASTROPHIC	The first group of 11 units is anticipated to be completed on 3/6/2023. All units scheduled for completion by 6/23/2023. As of 3/31/2023, 12 units are complete and awaiting fire extinguisher inspection prior to CO being issued. Inspection scheduled for 4/17/2023. Anticipate completion date is still 6/23/2023. As of 5/15/2023, 13 units are complete. 6 of those have been reoccupied. As of 6/15/2023, 16 units are complete and ready for occupancy. As of 7/31/2023, 33 units are complete and ready for occupancy. Anticipated completion date is 10/31/2023.	66
1127	Hurricane Ian	Yes	McPines	Arcadia	Desoto	64	2	2	1	MODERATE	Interior drywall and painting is complete. Ready for cabinets, doors, light fixtures and appliances. Exterior siding work worked has started. Anticipated completion date for all work is 5/31/2023. As of 5/15/2023, two (2) units continue to be out of service awaiting roof repairs. As of 6/15/2023, two (2) units continue to be out of service awaiting roof repairs. As of 7/31/2023, the two (2) remaining units (306 and 1515) await final inspection.	1
2278	Hurricane Ian	Yes	Renaissance Phase II	Ft. Myers	Lee	96	15	18	6	EXTENSIVE	All tenants were relocated to other properties operated by the Housing Authority of the City of Ft. Myers (HACFM). As of 3/31/2023, HACFM is waiting on insurance funds and/or FEMA funding to begin roof replacement. All roofs are currently tarped. Anticipated completion date is 2024. As of 6/15/2023, owner was still waiting on funds from FEMA and/or insurance carrier to commence work. As of 7/31/2023, the owner continues to negotiate the claim with the insurer. Contract for roof work is anticipated no earlier than December 2023. Anticipated completion date for all work is during the first quarter of 2024.	0

Exhibit A
Hurricane Ian- Progress Report on Reconstruction and Re-housing of Displaced Households
as of 7/31/2023

Displaced HHs with Catastrophic, Extensive, or Moderate Damage

HFA#	Event	FEMA IA County	Property-HDR	City	County	Ttl Units HDR	Buildings Damaged	Units Damaged	Households Displaced	Estimated Damage	Construction Progress as of 6/15/2023	Households Displaced at 7/31/2023
2466	Hurricane Ian	Yes	Renaissance Phase III	Ft. Myers	Lee	88	8	11	4	EXTENSIVE	All tenants were relocated to other properties operated by the Housing Authority of the City of Ft. Myers (HACFM). As of 3/31/2023, HACFM is waiting on insurance funds and/or FEMA funding to begin roof replacement. All roofs are currently tarped. Anticipated completion date is 2024. As of 6/15/2023, owner was still waiting on funds from FEMA and/or insurance carrier to commence work. As of 7/31/2023, the owner continues to negotiate the claim with the insurer. Contract for roof work is anticipated no earlier than December 2023. Anticipated completion date for all work is during the first quarter of 2024.	0
2710	Hurricane Ian	Yes	Renaissance Phase IV	Ft. Myers	Lee	88	8	11	3	EXTENSIVE	All tenants were relocated to other properties operated by the Housing Authority of the City of Ft. Myers (HACFM). As of 3/31/2023, HACFM is waiting on insurance funds and/or FEMA funding to begin roof replacement. All roofs are currently tarped. Anticipated completion date is 2024. As of 6/15/2023, owner was still waiting on funds from FEMA and/or insurance carrier to commence work. As of 7/31/2023, the owner continues to negotiate the claim with the insurer. Contract for roof work is anticipated no earlier than December 2023. Anticipated completion date for all work is during the first quarter of 2024.	0
2010	Hurricane Ian	Yes	Renaissance Senior	Ft. Myers	Lee	120	1	8	0	EXTENSIVE	All tenants were relocated to other properties operated by the Housing Authority of the City of Ft. Myers (HACFM). As of 3/31/2023, HACFM is waiting on insurance funds and/or FEMA funding to begin roof replacement. All roofs are currently tarped. Anticipated completion date is 2024. No change as of 5/15/2023. As of 6/15/2023, owner and insurance carrier were working to finalize contracts for reconstruction. As of 7/31/2023, the owner continues to negotiate the claim with the insurer. Contract for roof work is anticipated no earlier than December 2023. Anticipated completion date for all work is during the first quarter of 2024.	0

Exhibit A
Hurricane Ian- Progress Report on Reconstruction and Re-housing of Displaced Households
as of 7/31/2023

Displaced HHs with Catastrophic, Extensive, or Moderate Damage

HFA#	Event	FEMA IA County	Property-HDR	City	County	Ttl Units HDR	Buildings Damaged	Units Damaged	Households Displaced	Estimated Damage	Construction Progress as of 6/15/2023	Households Displaced at 7/31/2023
634	Hurricane Ian	Yes	Seven Palms	Punta Gorda	Charlotte	336	42	168	0	EXTENSIVE	Roof replacement began 2/27/2023. Anticipated completion date is 6/30/2023. As of 3/31/2023, the anticipated completion date has been pushed out to 10/31/2023 due to permitting and inspection delays. As of 5/15/2023, roof work continued on schedule for a 10/31/2023 completion date. As of 6/15/2023, 27 of 42 damaged buildings have been restored. The final phase of work includes 15 residential buildings, the clubhouse, mail kiosk, gazebo and maintenance building and is scheduled for a 10/31/2023 completion date. As of 7/31/2023, roof work is complete. Fascia and gutters are scheduled for a 9/30/2023 completion date. All non-residential buildings are scheduled for a 10/31/2023 completion date.	0
1608	Hurricane Ian	Yes	Valencia Gardens	Wauchula	DeSoto	104	1	16	15	CATASTROPHIC	Sixteen (16) units destroyed by fire due to the Hurricane. No anticipated completion date. Seven (7) households were re-housed at Valencia Gardens. As of 3/31/2023, debris removal has started. Bids for reconstruction of the building are being reviewed. A contract should be finalized by 4/30/2023. As of 5/15/2023, the building site was cleared of all debris. As of 6/15/2023, owner and insurance carrier are working to finalize contracts for reconstruction. As of 7/31/2023, environmental and geotechnical site studies are being conducted along with and draft architectural plans and preliminary cost estimates.	9
Total											76	

Natural Disaster Recovery Update
Hurricanes Ian and Nicole
Exhibit B

RFA	Application Number	Name of Development	Funding Amount	Name of Applicant	Name of Developers	County	Total Units	Demo Commitment	Current Status	Assigned Credit Underwriter	Credit Underwriting Status, if applicable
2023-304 (RRLP)	2023-201R	Lofts on Lemon Phase II	\$10,657,100.00	Lofts on Lemon II, LLC	Lofts II Fortis Developer, LLC; SHA Affordable Development, LLC	Sarasota	93	F	Invited into credit underwriting on August 23, 2023.	First Housing	
2023-304 (RRLP)	2023-216BR	Palms Landing	\$8,096,200.00	SP Palms LLC	Southport Development, Inc.	Lee	88	F	Invited into credit underwriting on August 23, 2023.	First Housing	
2023-304 (RRLP)	2023-220BR	Legacy Park II	\$8,950,600.00	HTG Legacy II, Ltd.	HTG Legacy II Developer, LLC	Lee	80	E, Non-ALF	Invited into credit underwriting on August 23, 2023.	AmeriNat	
2023-304 (RRLP)	2023-226BR	New York Avenue Apartents	\$9,353,500.00	Blue Ian, LLC	Blue Ian Developer, LLC	Volusia	84	F	Invited into credit underwriting on August 23, 2023.	AmeriNat	
2023-304 (RRLP)	2023-196BR	Town Oaks Apartments	\$5,340,600.00	ECG Town Oaks, LP	ECG Town Oaks Developer, LLC	Orange	60	F	Invited into credit underwriting on August 23, 2023.	Seltzer	
2023-304 (RRLP)	2023-206BR	Lakewood Senior Housing	\$5,394,400.00	Lakewood Senior Housing, LLLP	ACRUVA Community Developers, LLC; Neighborhood Renaissance, Inc.	Volusia	56	E, Non-ALF	Invited into credit underwriting on August 23, 2023.	Seltzer	
2023-108 (HC and RRLP)	2023-190CRA	Blue Coral Apartments	\$2,040,000 HC \$4,200,000 RRLP	Blue CASL Coral, LLC	Blue BC Developer, LLC; CASL Developer, LLC	Lee	72	H	Invited into credit underwriting on June 20, 2023.	First Housing	
2023-108 (HC and RRLP)	2023-192CRA	Fox Pointe	\$2,040,000 HC \$4,200,000 RRLP	HFH Fox Pointe, LLC	HTG Fox Pointe Developer, LLC; HFH Fox Pointe Developer, LLC	Volusia	70	H	Invited into credit underwriting on June 20, 2023.	Seltzer	
2022-206 (HOME)	2023-162H	Parc East	\$6,600,000.00	Parc East, LLC	Rural Neighborhoods, Incorporated	Okeechobee	28	F	Invited into credit underwriting on June 12, 2023.	AmeriNat	
2022-206 (HOME)	2023-163H	Wauchula Place	\$5,700,000.00	NDA Wauchula, LLC	NDA Developer, LLC	Hardee	22	F	Invited into credit underwriting on May 24, 2023.	First Housing	
2022-206 (HOME)	2023-164H	Phoenix Crossings	\$6,250,000.00	Phoenix Crossings, LLC	Rural Neighborhoods, Incorporated	Flagler	28	F	Invited into credit underwriting on May 24, 2023.	AmeriNat	
2022-206 (HOME)	2023-165BH	Sovereign at Harbor West	\$6,173,749.00	Sovereign at Harbor West, LLC	Strategic Sovereign Developers, LLC; N Vision Communities, Inc.	Charlotte	32	F	Invited into credit underwriting on May 24, 2023.	Seltzer	
2022-206 (HOME)	2023-166BH	Sovereign at Parkside East	\$5,653,571.00	Sovereign at Parkside East, LLC	Strategic Sovereign Developers, LLC; N Vision Communities, Inc.	Charlotte	32	E, Non-ALF	Invited into credit underwriting on May 24, 2023.	Seltzer	
2022-206 (HOME)	2023-168H	Holy Child	\$6,994,000.00	Holy Child Housing, Inc.	NDA Developer, LLC; Holy Child Developer, Inc.	Hardee	25	F	Invited into credit underwriting on June 12, 2023.	First Housing	

Exhibit C
Hurricane Eta (FEMA-3551_FL) Damage Assessment
as of July 31, 2023

Development	City	County	Demographic	# Units	Damage reported	Current Status
Glorieta Gardens	Opa Locka	Miami-Dade	Family	330	Flood damage to first floor units of two (2) buildings	<p>The Local government has agreed to issue permits to begin demolition work. However, commencement of work is dependent on a damaged, storm drain line that extends from the property to a city-owned canal. As of 2/15/2021, building permit are secured and all tenants have been relocated. Owners anticipate having the units back on line by April 30, 2021. As of 4/9/2021, the tenants have all been relocated to either a hotel or another unit at the development. Owner anticipates completion of interior demolition work by May 31, 2021. All units are anticipated to be back in service by June 30, 2021. As of 5/15/2021, the completion has been extended to 7/31/2021. There are now 28 tenants currently displaced. As of 6/30/2021, there are now 26 tenants currently displaced. The anticipated completion date is still 7/31/2021. There are now 19 tenants currently displaced. Anticipated completion date is October 31, 2021. As of 9/30/2021, there are 43 units out of service. There are now 15 households currently displaced. There are now 13 tenants currently displaced. No work was completed due to shortage in supply/material. Contractors have placed material and supply orders directly through the manufacturers to expedite delivery. Anticipated completion date is March 31, 2022. As of 2/15/2022, there are remain 13 households displaced and the anticipated completion date continues to be 3/31/2022. As of 3/31/2022, 13 residents are in hotels. Seven (7) units were ready for move-in on 3/31/2022. However, inspection backlogs within the City of Opa Locka Building Dept. have delayed receipt of COs. As of 5/31/2022, 24 units are still out of service and 8 households remain displaced. However, by Thursday, 6/2 only one tenant will remain in a hotel. Pending additional site work, the new anticipated completion date is June 30, 2022. As of 8/31/2022, 16 units remain out of service with 1 household displaced. As of 3/31/2023, one(1) unit remains out-of-service from flooding caused by Hurricane Eta. No households displaced. As of 5/15/2023, one (1) unit remains out-of-service while awaiting air quality testing and final inspection. According to management, as of 6/15/2023, the unit has been fully inspected and a new tenant has a scheduled move-in date of June 28th. As of</p>