May 10, 2024

Information Items

Table of Contents

I. ASSET MANAGEMENT

A. Florida Housing Multifamily Rental Portfolio Compliance Dashboard

1. <u>Background/Present Situation:</u>

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 4/15/2024 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 4,606 MRPI Reports of 1,461 different developments. 90% of all MRPIs conducted during the study period were successfully closed. Of the 468 open reviews from the study period:

(1) 44% of developments and 32% of owners have unsatisfactory ratings for examination of records.

(2) 48% of developments and 30% of owners have unsatisfactory rating(s) regarding physical condition of the development; and

(3) 29% of developments have deficiencies in both the examination of record and physical inspection categories.

II. FISCAL

A. Operating Budget Analysis for March 31, 2024

1. **Background/Present Situation:**

a) The Financial Analysis is attached as Exhibit A.

b) The Operating Budget for the period ending March 31, 2024 is attached as Exhibit B.

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 3/31/24, 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) In response to the 2008 global liquidity crisis, the Guarantee Program restructured its debt, paying off $89 million and refinancing $156.2 million in variable rate bonds into a 5-year term loan with Citibank on December 31, 2009. The Citibank loan was successfully paid off in 2012, in less than 3 years reducing the Guarantee Fund's capitalizing debt to zero ($0). At the time of the restructuring, the Guarantee Program's total risk exposure was $754.5 million.

b) Following the 2009 global liquidity crisis, a prolonged period of relatively low interest rates combined with the Guarantee Program's risk mitigation initiatives, prompted many Developers to refinance their properties. Approximately $115 million in partial prepayments from SAIL ELI proceeds, funded prior to or at the time of closing, contributed to the refinancing activity. These measures, along with other risk reduction actions by the Guarantee Program, collectively served as the primary driver behind the remarkable 99% reduction in total risk exposure. This highlights the program's adaptability and effective risk management in challenging economic conditions.

c) On March 31, 2024, the Guarantee Fund corpus contained approximately $148.7 million in capital invested in the Florida Treasury, Special Purpose Investment Account (SPIA) rated "AA-f" by Standard & Poor's as of September 29, 2023.

[1] Real Capital Analytics, April 2011.

B. Current Ratings (Insurer Financial Strength)

1. <u>Background:</u>

a) Standard & Poor's: September 2023 A+ / Stable outlook

(1) Cited strengths: "Strong state financial support…Excellent financial strength…fund's highly strategic status in relation to FHFC…"[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. <u>Background/Present Situation:</u>

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 March 31, 2024. 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 (<u>Exhibit A</u>)

[2] Standard & Poor's, "Florida Affordable Housing Guarantee Fund", September 26, 2023, www.standardandpoors.com/ratingsdirect. Standard & Poor's.
[3] Fitch Ratings, "Fitch Affirms Florida Housing Finance Corp's Guarantee Fund at 'A+'; Outlook Stable", March 28, 2018, www.fitchratings.com. Fitch Ratings 2024 surveillance was concluded on April 18, 2024 and resulted in Review-No Action of the rating.

IV. HOME RENTAL

A. Request Approval of additional funding for Meadow Park Apartments (RFA 2020-206 / 2021-280H)

1. <u>Background/Present Situation:</u>

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 RFA 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 March 18, 2021, staff issued a preliminary commitment letter. In accordance with Rule 67-48, the Developers had a March 22, 2022 deadline to complete the credit underwriting report and be issued a firm loan commitment. Pursuant to Rule 67-48.0072(21)(b) the Applicants may request one extension of the deadline of up to six months.

d) On March 4, 2022, the Board approved: 1) the request to extend the firm loan commitment by six (6) months from March 22, 2022 until September 22, 2022, as a result of experiencing several delays due to the Covid-19 pandemic and the current rising construction costs; and 2) the unit reduction request from 27 to 23 due to the aforementioned issues.

e) On June 17, 2022, the Board approved the final credit underwriting report with a positive recommendation for a HOME loan in the amount of $5,350,000 and a HOME Viability Loan of $1,270,000. The loan closed August 4, 2022.

f) On August 15, 2023, Meadow Park Apartments, LLC. (Applicant/Borrower) received correspondence from the Federal Home Loan Bank of Atlanta with an award amount of $750,000 from its Affordable Housing Program (AHP) to help fund Meadow Park Apartments.

g) On January 12, 2024, staff received correspondence requesting the inclusion of the $750,000 AHP award as an additional funding source for Meadow Park Apartments.

h) On March 12, 2024, staff received an update to the final credit underwriting report with a positive recommendation to add the additional funding (<u>Exhibit A</u>). Staff reviewed this report and finds that it meets all the requirements of the RFA.

i) As of April 3, 2024, the development is 100% complete.

V. HOUSING CREDITS

A. The developments listed below have requested approval to allow one subcontractor to exceed the 20%/31% limitation:

1. <u>Background/Present Situation:</u>

a) On March 12, 2021, the Board delegated authority to staff to approve the 20%/31% subcontractor limitation set forth in Rule Chapter 67-21.026(13)(f) (2021) & 67-21.026(13)(g) (2020 & 2021) as stated below:

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

(f) For Developments with a Development category of new construction, unless otherwise approved by the Corporation for a specific Development, ensure that not more than 20 percent of the construction cost, not to include the General Contractor fee or passthrough fees paid by the General Contractor, is 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 (or any group of entities that have common ownership or are Affiliates of any other subcontractor):

1. Contracted to deliver the building shell of a building of less than five (5) stories which may not have more than 25 percent of the construction cost in a subcontract, unless otherwise approved by the Corporation for a specific development; or

2. Contracted to deliver the building shell of a building of at least five (5) stories which may not have more than 31percent of the construction cost in a subcontract, unless otherwise approved by the Corporation for a specific Development; or

3. Contracted to deliver the building shell of a Development located in the Florida Keys Area may not have more than 31 percent of the construction cost in a subcontract, unless otherwise approved by the Corporation for a specific Development.

With regard to said approval, the Corporation shall require an analysis from the Credit Underwriter and consider the facts and circumstances of each Applicant's request, inclusive of construction costs and the General Contractor's fees. For purposes of paragraph(f), "Affiliate" has the meaning given in subsection 67-21.002(5), F.A.C., except that the term "Applicant" therein shall mean "subcontractor".

(g) For Developments with a Development category of Rehabilitation or Substantial Rehabilitation, unless otherwise approved by the Corporation for a specific Development, ensure that not more than 20 percent of the construction cost, not to include the General Contractor fee or pass-through fees paid by the General Contractor, is 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 (or any group of entities that have common ownership or are Affiliates of any other subcontractor) contracted to perform work on both the HVAC and electrical components of a building of at least seven (7) stories which may not have more than 31 percent of the construction cost in a subcontract, unless otherwise approved by the Corporation for a specific

Development. With regard to said approval, the Corporation shall require an analysis from the Credit Underwriter and consider the facts and circumstances of each Applicant's request, inclusive of construction costs and the General Contractor's fees. For purposes of this paragraph, "Affiliate" has the meaning given in subsection 67-21.002(5), F.A.C., except that the term "Applicant" therein shall mean "subcontractor".

Staff, in conjunction with review by the credit underwriters and construction consultants, and receipt of positive recommendations from the credit underwriters, has approved the below requests 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 Chapter 67-21.026(13)(f) & (g), 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
Clyde Morris Landings Senior Living - Phase II	2021-516C	$3,328,759	24.9%
Merritt Place Estates	2021-511C	$2,514,306	25.5%
Nathan Ridge	2020-545C	$5,887,590	23.5%

VI. LIVE LOCAL

A. Traditional SAIL Funding (2023)

1. <u>Background/Present Situation:</u>

a) $109 million in SAIL financing distributed under s. 420.5087, F.S.

b) Successful applicants in RFA 2023-205 have been invited to credit underwriting.

c) Preliminary funding recommendations for Applications in RFAs 2024-102 (Smaller developments for Persons with Special Needs), will be presented in May 2024, and the 2024-103 (Homeless Households), and 2024-106 (Persons with Disabling Conditions/ Developmental Disabilities) RFAs that were presented in March 2024 are in litigation.

d) Staff is seeking RFA timeline approval for 2024 Traditional SAIL funding in May 2024.

B. Live Local Tax Credit Contribution Program

1. <u>Background/Present Situation:</u>

a) Florida Department of Revenue (DOR) opened requests for credit allocation on October 2, 2023.

b) The Florida Housing contribution webpage went live October 2, 2023.

c) As of April 24, 2024, $99,575,000 in total program credit allocation has been requested from DOR. Florida Housing has received $1,450,000 in contributions, applied to the 2023 tax year.

d) For the 2024 tax year, $1,566,667 in program credit allocation has been requested from DOR.

e) Florida Housing started RFA development for developments of large-scale regional impact, as set forth further, below.

C. Multifamily Middle Market Certification (Component of Missing Middle Tax Exemption)

1. <u>Background/Present Situation:</u>

a) The Florida Housing portal for certification requests opened October 2, 2023.

b) The certification portal closed on December 31, 2023. Florida Housing reopened portal from February 5, 2024, through February 9, 2024.

c) Florida Housing issued certifications for 120 properties. Owners were required to submit applications for property exemptions with the local property appraisers by March 1, 2024.

d) Staff is monitoring the status of exemption applications and will determine whether to proceed with rule development at a later date.

D. Florida Hometown Heroes

1. <u>**Background/Present Situation:**</u>

a) The $100 million appropriated for the 2023-2024 fiscal year was fully committed on August 22, 2023.

b) At the October 27, 2023 meeting, the Board authorized an additional $36 million to be used for the Hometown Heroes program.

c) On November 6, 2023, staff re-opened Hometown Heroes reservations to our participating lenders for the additional $36 million.

d) Over 8,800 loans were made to Florida families totaling over $2.6 billion in first mortgages paired with the $136 million in Hometown Heroes DPA.

E. Additional SAIL – Innovative Multifamily Development Opportunities & Proceeds from Live Local Program Tax Credit Contributions

1. <u>**Background/Present Situation:**</u>

a) Florida Housing was appropriated $150 million in SAIL financing for innovative developments.

b) RFA 2023-213 was issued in November, primarily focusing on mixed use and urban infill developments, including additional statutory criteria. One notice of intent to protest was filed, and the settlement agreement will be presented at May 2024 meeting. Ten Applications were selected for funding and have been, or will be, invited to enter credit underwriting.

c) An RFA workshop for redevelopment criteria was held on April 16, 2024. The RFA will be issued April 30, with Application due on July 16, 2024.

d) RFA 2024-206, was issued in January, for housing in rural areas of opportunity RFA, focusing on Hurricane Idalia impacted areas. Four Applications were selected for funding and are invited into credit underwriting.

e) A conceptual workshop for housing near military installations was held on January 18, 2024. Florida Housing staff has been engaging with military installations, local government and veterans' services stakeholders to perform increased due diligence on affordable housing needs and priorities relating to the required statutory criteria. Based on significant public comment, Florida Housing is broadening the military installation geographic areas for funding and adding additional 2024 Live Local funding. The workshop for this RFA is scheduled for June 6, 2024.

f) An RFA workshop for developments of large-scale regional impact, which is funded through the proceeds of the Live Local Program Tax Credit Contribution, will be held on June 5, 2024.

VII. MULTIFAMILY PROGRAMS

A. Orchid Lake (RFA 2021-103 / 2021-293CSN & 2022 CHIRP ITP) Request approval of additional superior and subordinate debt:

1. <u>Background/Present Situation:</u>

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 April 25, 2024, staff received an update to the final credit underwriting report with a positive recommendation of additional superior and subordinate debt (Exhibit A). Staff has reviewed this report and finds that it meets all requirements of the RFA.

B. Captiva Cove III (RFA 2021-205 / 2022-204S / 2021-525C & 2022 CHIRP ITP) Request approval to increase existing subordinate debt:

1. <u>Background/Present Situation:</u>

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 May 18, 2021) 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 March 13, 2024, staff received an update to the final credit underwriting report with a positive recommendation to increase existing subordinate debt (Exhibit B). Staff has reviewed this report and finds that it meets all requirements of the RFA.

C. 3611/3621 Cleveland Avenue (RFA 2023-205 / 2024-018SN / 2023-506C) Request approval to increase first mortgage construction loan and extend SAIL loan term:

1. **Background/Present Situation:**

   a) Under the Rule in place at the time of the Application, Rule Chapter 67-48.010(15), F.A.C. (effective June 28, 2023) stated:

      (15) After accepting a firm 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.

   On March 22, 2024, staff received an update to the final credit underwriting report with a positive recommendation to increase the construction first mortgage and extend the SAIL loan term (Exhibit C). Staff has reviewed this report and finds that it meets all requirements of the RFA.

D. Falcon Trace II (RFA 2021-205 / 2022-186S / 2021-519C & 2022 CHIRP ITP) Request approval to increase first mortgage tax exempt bond loan and increase existing 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 May 18, 2021) 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 April 25, 2024, staff received an update to the final credit underwriting report with a positive recommendation to increase first mortgage tax exempt bond loan and increase existing subordinate debt (Exhibit D). Staff has reviewed this report and finds that it meets all requirements of the RFA.

E. Ekos Magnolia fka Magnolia Oaks (RFA 2019-111/ 2020-074BR / 2019-546C) Request approval to increase first mortgage:

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 RFA in place at the time of the Application, Exhibit G, Section D (18) (effective August 1, 2019) stated:

> (18) 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 RRLP mortgage without prior approval of the Corporation's Board of Directors.

c) On March 28, 2024, staff received an update to the final credit underwriting report with a positive recommendation to increase the first mortgage (Exhibit E). Staff has reviewed this report and finds that it meets all requirements of the RFA.

VIII. MULTIFAMILY PROGRAMS - ALLOCATIONS

A. Multifamily Programs - Allocations Updates

1. RFA Updates:

a) A workshop regarding RFA 2024-104 SAIL Financing Farmworker and Commercial Fishing Worker Housing was held on March 6, 2024. Staff issued the RFA on April 18, 2024, with an Application Deadline of May 16, 2024.

b) A workshop regarding RFA 2024-105 Financing to Build Smaller Permanent Supportive Housing Properties for Persons with Developmental Disabilities is scheduled for March 27, 2024. The RFA was issued on April 23, 2024, with an Application Deadline of May 15, 2024.

c) Staff issued RFA 2024-305 Community Development Block Grant-Disaster Recovery (CDBG-DR) Financing for Affordable Housing Developments located in Hurricane Sally Impacted Areas on April 24, 2024, with an Application Deadline of May 21, 2024.

d) A workshop regarding RFA 2024-306 Community Development Block Grant-Disaster Recovery (CDBG-DR) Financing for Affordable Housing Developments located in Hurricane Ian Impacted Areas is scheduled for May 13, 2024. Staff expects to issue the RFA on June 12, 2024 with an anticipated Application Deadline of July 10, 2024.

e) A workshop regarding the 2024 Housing Credit Geographic RFAs is scheduled for May 21, 2024. Staff expects to issue all three RFAs on June 18, 2024 with the following anticipated Application Deadlines:

(1) RFA 2024-201 Housing Credit Financing for Affordable Housing Developments Located In Small And Medium Counties: July 9, 2024

(2) RFA 2024-202 Housing Credit Financing for Affordable Housing Developments Located In Broward, Duval, Hillsborough, Orange, Palm Beach, And Pinellas Counties: July 18, 2024

(3) RFA 2024-203 Housing Credit Financing for Affordable Housing Developments Located In Miami-Dade County: July 11, 2024

2. Live Local Act Updates

a) A 4th workshop regarding RFA 2024-214 Live Local SAIL Financing to be Used for Developing and Reconstructing Affordable Multifamily Housing Developments (Section 420.50871, F.S.) was held on April 16, 2024. Staff issued the RFA on April 30, 2024, with an Application Deadline of July 16, 2024.

b) A conceptual workshop regarding Live Local SAIL Financing for the Construction of Large-Scale Developments of Significant Regional Impact was held on April 4, 2024. An RFA workshop is scheduled for June 5, 2024.

c) A workshop regarding RFA 2024-215 SAIL Funding for development near Military Installations pursuant to the Live Local Act is scheduled for June 4, 2024.

Information

3. <u>2024 Rule Development Update</u>

a) A Rule Hearing regarding Rules 67-21.002 and 67-48.002, F.A.C., and the 2024 Qualified Allocation Plan was held on April 18, 2024 and the rules will be filed for adoption.

IX. NATURAL DISASTER UPDATES

A. Hurricane Idalia

1. <u>Background/Present Situation:</u>

a) Florida Housing had 238 developments with 1,459 residential buildings comprised of 22,024 units in our portfolio located in the 16 counties declared by FEMA as a major disaster due to Hurricane Idalia.

b) Of the 23 developments originally reporting damage levels from extensive to limited, there are four (4) properties with work to be completed as of 4/1/2024. Those same developments have a total of five (5) displaced households as of 4/1/2024.

c) A summary of the status of developments within Florida Housing's portfolio that sustained damage from Hurricane Idalia and have not completed all repair work is attached as <u>Exhibit A</u>.

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 had 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 <u>Exhibit B</u>.

C. Hurricane Ian

1. <u>Background/Present Situation:</u>

a) Florida Housing had 1,056 developments with 6,833 buildings comprised of 132,196 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, or moderate damage, there are five (5) developments with work to be completed. Those developments have a total of nine (9) displaced households as of 4/1/2024.

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 C.

D. 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 4/1/2024, management reported one (1) unit remained out of service.

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 D.

X. 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 interest rates and insurance costs on these loans when compared to other conventional mortgage products, as well as similar government-insured loans such as FHA.

d) The Live Local Act was signed into law on Wednesday, March 29th, 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 3rd, 2023. These changes include that eligible borrowers no longer must work in specific occupations. Instead, they must work for a company or 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 minimum of $10,000 and a maximum of $35,000. As of August 22, 2023, the funds were fully committed. At the October 2023 Board Meeting, the Board authorized an additional $36 million of DPA funding for HTH. The new money was rolled out on November 6, 2023, and these additional funds were fully reserved by December 20, 2023. As part of SB 328 passed by the Florida Legislature this session, HTH will receive $100 million effective July 1st, subject to the Governor's approval.

e) 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.

f) 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.

g) 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.

h) 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 offering these classes statewide twice each month. This has been effective in reaching our realtor partners while also freeing up staff time to devote to program support and lender management. Since our last Board Report, we have conducted three classes that were attended by 251 real estate agents.

i) 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.

j) Additionally, we partner with other stakeholders such as mortgage insurance (MI) providers and Freddie Mac, to better educate and inform our Participating Lenders of recent industry changes.

SINGLE FAMILY HOMEBUYER PROGRAMS

Information

2024 HOMEBUYER LOAN PROGRAMS ORIGINATIONS

	2023 HLP Program Totals	2024 HLP Program Totals	2024 HLP Government Loan Programs Totals	2024 HLP Conventional Loan Programs Totals
Average 1st Mortgage Loan Amount	$289,043	$284,050	$287,007	$278,711
Average Acquisition Price	$305,121	$298,708	$295,534	$304,438
Average DPA Amount	$14,271	$14,000	$13,985	$14,190
Average Compliance Income	$83,256	$83,996	$84,313	$83,424
Total Purchased DPA Amounts	$189,686,980	$41,511,257	$26,512,336	$14,998,921
Total Purchased 1st Mortgage Loan Amounts	$3,841,674,166	$840,949,355	$546,778,611	$294,170,744
Total # of Units	13,291	2,965	1,908	1,057

2024 TOP 10 COUNTIES FOR HOMEBUYER LOAN PROGRAMS ORIGINATIONS

County	Loan Count	Loan Amount	DPA
Broward	227	$75,223,206	$3,797,124
Polk	192	$49,496,355	$2,419,346
Duval	180	$41,220,955	$2,110,375
Miami-Dade	176	$69,708,101	$3,479,633
Hillsborough	174	$53,369,411	$2,613,793
Lee	160	$48,044,447	$2,260,678
Palm Beach	140	$43,268,584	$2,166,288
Orange	136	$40,389,997	$1,971,535
Pasco	135	$34,547,019	$1,699,747
Brevard	121	$33,321,273	$1,584,677

DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Results of Operations for the three months ending March 2024

The budget to actual analysis for the three months ending March 2024 shows a net of revenues over expenses in the amount of $2,513,635. Variances of note compared to the budget are as follows:

REVENUES

Investment Income (Line 1) is over budget by $875,233 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 $388,611 under budget primarily due to the timing of the receipt of commitment fees in the SAIL program.

Administrative Fees (Line 3) are $463,404 under budget primarily related to timing of activities in the various federal programs and directly offsets variances in expenses.

SALARIES & BENEFITS

Total Salaries & Benefits are favorable to the budget by $856,875 primarily due to a vacancy rate greater than budgeted.

OPERATING EXPENSES

Capital Expenses (Line 5) are under budget by $79,000 due to the timing of planned purchases of computer equipment and software.

Furniture, Equipment & Computer Expenses (Line 6) are under budget by $41,026 due to the timing of planned purchases of computer equipment.

Conferences & Seminars (Line 7) are $43,708 under budget due to the timing of planned in-house training, schedule conflicts, and efforts to control operating expenses.

Legal Fees (Line 10) are $53,488 under budget due to fewer hearings and less than budgeted use of outside counsel primarily in the Multifamily programs.

Professional Fees (Line 15) are $216,298 under budget primarily due to the timing of expenses related to Prolink and Onbase development projects.

Program Administration (Line 16) is $764,690 under budget primarily due to the timing of compliance monitoring, credit underwriting and servicer fees in various programs.

Travel Expenses (Line 21-27) are $66,707 under budget due to timing of planned travel and efforts to control operating expenses.

Workshops (Line 28) are over budget $13,050 due to timing of workshops for the Catalyst program.

Total Operating Expenses year-to-date are favorable to the budget by $1,355,745.

FLORIDA HOUSING FINANCE CORPORATION
OPERATING BUDGET TO ACTUAL SUMMARY
PERIOD ENDING March 31, 2024

	2024 BUDGET YTD	2024 ACTUAL YTD	2024 VARIANCE YTD	2024 APPROVED ANNUAL BUDGET
REVENUES				
1. Investment Income	1,657,017	2,532,250	875,233	6,628,073
2. Program Fees	4,305,752	3,917,141	(388,611)	17,547,105
3. Administrative Fees	2,962,560	2,499,156	(463,404)	13,262,678
4. Other Income	50,199	87,826	37,627	200,800
TOTAL REVENUES	**8,975,528**	**9,036,373**	**60,845**	**37,638,656**
EXPENSES				
SALARIES & BENEFITS				
1. Salaries & Benefits	5,222,403	4,365,528	856,875	21,581,200
TOTAL SALARIES & BENEFITS	**5,222,403**	**4,365,528**	**856,875**	**21,581,200**
OPERATING EXPENSES				
1. Advertising, Marketing & Public Outreach	18,389	1,685	16,704	87,110
2. Bank Charges & Other Fees	10,452	7,857	2,595	41,808
3. Board Meetings	26,050	4,679	21,371	113,175
4. Books & Subscriptions	25,736	16,142	9,594	70,716
5. Capital Expenses	79,000	-	79,000	428,000
6. Furniture, Equipment & Computer Expenses	153,280	112,254	41,026	881,770
7. Conferences & Seminars	64,135	20,427	43,708	235,303
8. Corporate Insurance	300,600	296,791	3,809	345,600
9. General & Administrative Expenses	10,553	1,710	8,843	26,277
10. Legal Fees	69,996	16,508	53,488	688,316
11. Professional Licenses & Membership Dues	7,114	4,010	3,104	82,119
12. Office Supplies	9,105	1,328	7,777	26,987
13. Postage	5,031	2,421	2,610	20,779
14. Printing & Reproduction	4,500	2,068	2,432	15,325
15. Professional Fees	450,200	233,902	216,298	3,398,596
16. Program Administration	1,652,875	888,185	764,690	6,768,894
17. Rent	211,612	211,555	57	848,359
18. Repairs & Maintenance	1,890	802	1,088	7,670
19. Systems Maintenance, Support and Services	210,620	191,913	18,707	482,630
20. Telephone	23,856	18,669	5,187	96,144
21. Travel - Board Members	21,998	6,391	15,607	76,842
22. Travel - Staff to Board Meetings	8,399	6,269	2,130	78,170
23. Travel - Reviews/Monitoring	2,704	-	2,704	37,430
24. Travel - FHFC Workshops	4,511	-	4,511	18,650
25. Travel - Staff Development	52,534	16,771	35,763	254,048
26. Travel - Marketing/Public Outreach	4,040	1,026	3,014	55,588
27. Travel - Other	5,326	2,348	2,978	21,873
28. Workshops	78,450	91,500	(13,050)	359,200
TOTAL OPERATING EXPENSES	**3,512,956**	**2,157,211**	**1,355,745**	**15,567,379**
TOTAL EXPENSES	**8,735,359**	**6,522,739**	**2,212,620**	**37,148,579**
REVENUES OVER EXPENSES	**240,169**	**2,513,635**	**2,273,466**	**490,077**

Guarantee Program Portfolio

(as of March 31, 2024)

	Property Name / Location	Developer	Issuer / Closing Date	Total Units	1st Mortgage: Current Bal.	1st Mortgage: Debt/Unit	HUD Risk-Share?	GF exposure ($) share of mtg guarantee	SAIL	SMI	SAIL ELI	Projected refinance closing date	Comments / Refi Status
1)	**Vista Palms** Lehigh Acres	Creative Choice	Lee Cnty 6/20/2001	229	$4,728,833	$20,650	N	$4,728,833	$2,000,000	$392,788	$3,450,000		July 2013: initiated 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 TEFRA 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 submitted. Updated due diligence list was sent to Creative Choice on 10/16. No updated items have been received. June 2020: Borrower anticipates selling or 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 TEFRA 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. 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 8/8/23. An acknowledgement resolution was approved at the 9/8/23 Board meeting. As of 10/9/23, Applicant has not remitted funds in order for underwriter to engage 3rd party reports (appraisal, capital needs assessment, property condition assessment, etc.). As of 11/29/23, funds were received to engage 3rd party report providers (except for the Plan and Cost Review) on 11/17/23. No other underwriting due diligence has been provided since submission of the application. As of 1/18/24, the CNA has been received and reviewed, market study and appraisal were very recently received but have not yet been reviewed. GC contract has not been received. As of 3/5/24, the underwriter has received the Market Study, Appraisal, and CNA. GC Contract and updated Phase I are still outstanding. At 3/31/24, the GC Contract and updated Phase I are still outstanding.
							GF Total Commitments:	**$4,728,833**					

FIRST HOUSING
SERVICE • FINANCE • COMPLIANCE

March 12, 2024

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

Re: Meadow Park ("Development") – HOME RFA 2020-206 (2021-280H) / Viability HOME

Credit Underwriting Report Update Letter 2 ("CUL") – Changes to the final Credit Underwriting Report, dated June 7, 2022 ("CUR") and CUR Update Letter, dated August 2, 2022 ("CUR Update Letter") to include additional Subordinate Debt of Affordable Housing Program ("AHP") Subsidy

Dear Ms. Gibson,

First Housing Development Corporation of Florida ("FHDC", "First Housing", or "Servicer") reviewed a request letter, dated January 12, 2024, from a representative of Meadow Park Apartments, LLC ("Borrower" or "Applicant"), requesting Florida Housing Finance Corporation ("FHFC" or "Florida Housing") approve additional funding in the amount of $750,000 in AHP Subsidy from San Pedro Housing, which will be subordinate to the HOME and Viability HOME 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 CUL For the purposes of this analysis, First Housing has reviewed the following:

- Final CUR and CUR Update Letter.

- Servicer Closing Letter and Final Sources & Uses / Construction Draw Schedule dated August 4, 2022.

- Request email dated January 12, 2024, from a representative of the Borrower.

- Construction Loan Agreement dated August 4, 2022, between Borrower and FHFC.
- Promissory Note dated August 4, 2022, between Borrower and FHFC.
- Multifamily Note dated August 4, 2022, between Neighborhood Lending Partners of Florida, Inc. ("NLP") and Borrower.
- AHP Agreement dated August 25, 2023, from Federal Home Loan Bank of Atlanta ("FHLB").
- Draft Promissory Note between Borrower and National Development of America, Inc. ("NDA") and draft Promissory Note between NDA and NLP.
- Change Orders numbers 1 through 12, which have collectively increased the Guaranteed Maximum Price by $121,842.10 from $5,872,574.00 to $5,994,416.10.
- Report #17 from On Solid Ground, LLC ("OSG"), dated December 31, 2023.
- Appraisal from Integra Realty Resources, dated January 30, 2024.
- Draw Schedule #17 prepared by First Housing.
- FHFC Past Due Report, dated February 15, 2024.
- FHFC Noncompliance Report, dated October 18, 2023.

Background

The Development is located at 1200 NE Turner Avenue, Building 1, Arcadia, Florida, 34266 and 1210 NE Turner Avenue, Building 2, Arcadia, Florida 34266. The Development will consist of 23 units within two Garden style apartment buildings. The Development's demographic is family.

First Housing reviewed an email from FHLB, dated January 25, 2024, which includes the AHP rents. The 50% area median income ("AMI") AHP rents are higher than the 60% AMI HOME rents. As such, First Housing has utilized the applicable HOME rents. Below are the set-asides:

Program	% of Units	# of Units	% AMI	Term (Years)
HOME Assited Units	20%	5	50%	50
HOME Assited Units	80%	18	60%	50
AHP	60%	14	50%	15
AHP	40%	9	60%	15

The Development Team was not reported on Florida Housing's February 15, 2024 Past Due Report. The Development Team was not reported on Florida Housing's October 18, 2023 Noncompliance Report.

On August 4, 2022, the Borrower closed on the below financing, which is based on the Final Sources & Uses / Construction Draw Schedule. According to Report #17, OSG found the overall work-in-place to be approximately 99+% complete.

CONSTRUCTION/PERMANENT SOURCES PENDING ENVIRONMENTAL REVIEW:			
Source	**Lender**	**Construction**	**Permanent**
Regulated Mortgage Lender	NLP	$975,000	$975,000
FHFC - HOME	FHFC	$5,350,000	$5,350,000
FHFC - Viability	FHFC	$1,270,000	$1,270,000
Deferred Developer Fee	National Development of America, Inc. & San Pedro Housing, Inc.	$928,326	$928,326
TOTAL		$8,523,326	$8,523,326

Sources Overview

CONSTRUCTION/PERMANENT SOURCES:				
Source	Lender	Construction	Permanent	Perm Loan/Unit
Regulated Mortgage	NLP	$625,000	$625,000	$27,174
FHFC - HOME	FHFC	$5,350,000	$5,350,000	$232,609
FHFC - Viability	FHFC	$1,270,000	$1,270,000	$55,217
Affiliate / Principal	FHLBA/NLP/San Pedro Housing	$750,000	$750,000	$32,609
Deferred Developer Fee	NDA/San Pedro Housing	$535,346	$535,346	$23,276
TOTAL		$8,530,346	$8,530,346	$370,885

First Mortgage

First Housing reviewed a Multifamily Note, dated August 4, 2022, where Borrower promises to pay to the order of NLP in the amount of $975,000. The construction loan maturity date is August 4, 2024, with an option of one extension, to February 4, 2025. During construction, interest only payments will be required. The construction period loan shall bear interest at a rate equal to the greater of 1) the Prime Rate plus 0.75% per annum, or 2) 4.25% per annum. The permanent loan maturity date is August 4, 2040, unless the construction loan maturity date is extended, at which point the permanent loan maturity date will be extended to February 4, 2041. The permanent period loan shall bear interest at 5.25%, based on a 35-year amortization schedule.

FHFC – HOME – HOME Viability

First Housing received a Promissory Note, dated August 4, 2022, where Borrower promises to pay to the order of FHFC in the amount of $6,620,000. The original HOME Loan ($5,350,000) and Viability Loan ($1,270,000) were combined into one loan. The interest rate is 0% per annum plus permanent loan servicing and compliance monitoring fees. The loan is non-amortizing over the life of the loan. The loan has a total term of 20 years (including the construction/stabilization period), with a maturity date of August 4, 2042. The principal will be due at maturity. Annual payments of all applicable fees are required.

AHP:

First Housing received an AHP Agreement, dated August 25, 2023, where Borrower has applied for $750,000 in AHP Subsidy. The subsidy will be made to NLP, who will then provide the funds to San Pedro Housing, who will then provide the funds to the Borrower.

First Housing reviewed a draft Promissory Note stating the principal sum of $750,000. The interest rate is 0% and has a term of 15 years from the Project Completion Date. NLP has stated via email, dated February 7, 2024, that the note will be forgiven at the end of the term, provided the Development stays in compliance for the entire term.

Deferred Developer Fee:

In order to balance the sources and uses during the permanent period, the Developer must defer $535,346 or 48.32% of the total Developer Fee of $1,107,997. This meets the Viability requirement that the Applicant must defer at least 25% of the Developer Fee.

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 Borrower.

CONSTRUCTION COSTS:	Applicant Costs	Revised Applicant Costs	Underwriters Total Costs - CUR	Cost Per Unit	HOME Ineligible Costs - CUR
Accessory Buildings	$5,080,325	$5,080,325	$5,202,167	$226,181	$0
Constr. Contr. Costs subject to GC Fee	$5,080,325	$5,080,325	$5,202,167	$226,181	$0
General Conditions	$304,819	$304,819	$304,819	$13,253	$0
Overhead	$101,606	$101,606	$101,606	$4,418	$0
Profit	$304,819	$304,819	$304,819	$13,253	$0
General Liability Insurance	$22,861	$22,861	$22,861	$994	$0
Payment and Performance Bonds	$58,144	$58,144	$58,144	$2,528	$0
Total Construction Contract/Costs	$5,872,574	$5,872,574	$5,994,416	$260,627	$0
Hard Cost Contingency	$293,628	$164,675	$171,786	$7,469	$171,786
FF&E paid outside Constr. Contr.	$20,000	$20,000	$20,000	$870	$20,000
Total Construction Costs:	**$6,186,202**	**$6,057,249**	**$6,186,202**	**$268,965**	**$191,786**

Notes to the Total Construction Costs:

1. The Applicant has provided an executed construction contract, dated April 21, 2022, in the amount of $5,872,574. This is a Guaranteed Maximum Price ("GMP") Agreement between Meadow Park Apartments, LLC ("Owner") and Marmer Construction, Inc. A minimum of 10% retainage holdback on all construction draws until the Development is 50% complete. At the time Contractor achieves 50% completion of the Work, and only if Applicant's lender(s) approve(s), the retainage shall be reduced to 0%. No retainage is to be held on premiums paid for insurance or payment and performance bonds. The construction contract includes a substantial completion date 377 calendar days from commencement.

2. First Housing received Change Order numbers 1 through 12, which increased the GMP to $5,994,416.10.

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. First Housing has reallocated Hard Cost Contingency by ($121,842) for a total hard cost contingency of $171,786 .

5. The GC Contract includes $40,200 in allowances, which is approximately 0.68% of the GMP. On Solid Ground, LLC ("OSG") indicates the allowances are in an acceptable reasonable for the Development.

Entrance Signage	$10,000
Building Signage	$4,000
Mailboxes	$6,500
Bike Racks	$2,700
Door Hardware	$17,000
Total	$40,200

6. The General Contractor 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	HOME Ineligible Costs - CUR
Accounting Fees	$15,000	$15,000	$15,000	$652	$0
Appraisal	$11,400	$11,400	$11,400	$496	$0
Architect's Fee - Site/Building Design	$54,000	$54,000	$57,645	$2,506	$0
Architect's Fee - Supervision	$12,000	$12,000	$12,000	$522	$0
Building Permits	$36,433	$36,480	$36,649	$1,593	$0
Builder's Risk Insurance	$13,594	$19,051	$13,594	$591	$0
Engineering Fees	$100,000	$100,000	$100,000	$4,348	$0
Environmental Report	$14,300	$10,000	$14,300	$622	$14,300
FHFC Application Fee	$3,000	$3,000	$3,000	$130	$3,000
FHFC Credit Underwriting Fee	$18,979	$15,000	$23,479	$1,021	$23,479
FHFC Compliance Fee	$0	$18,979	$0	$0	$0
Lender Inspection Fees / Const Admin	$45,000	$45,000	$34,609	$1,505	$0
Green Building Cert. (LEED, FGBC, NAHB)	$15,000	$15,000	$15,000	$652	$0
Insurance	$19,215	$19,215	$25,961	$1,129	$0
Legal Fees - Organizational Costs	$85,000	$85,000	$78,925	$3,432	$0
Market Study	$4,500	$4,500	$4,500	$196	$0
Marketing and Advertising	$21,130	$21,300	$21,130	$919	$21,130
Plan and Cost Review Analysis	$2,400	$0	$2,400	$104	$0
Property Taxes	$15,000	$15,000	$15,000	$652	$0
Soil Test	$8,970	$4,470	$15,045	$654	$0
Survey	$30,000	$30,000	$30,000	$1,304	$3,000
Title Insurance and Recording Fees	$35,543	$30,000	$35,543	$1,545	$0
Utility Connection Fees	$40,236	$40,236	$40,236	$1,749	$0
Soft Cost Contingency	$29,805	$35,000	$29,589	$1,286	$29,589
Other: Utility Allowance	$0	$2,500	$2,500	$109	$0
Total General Development Costs:	**$630,506**	**$642,131**	**$637,506**	**$27,718**	**$94,498**

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 $14,479, an update letter underwriting fee of $4,500, and this CUL underwriting fee of $4,500.

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.

4. FHFC compliance fees are not included in the above chart as they are paid annually by the Applicant.

FINANCIAL COSTS:	Applicant Costs	Revised Applicant Costs	Underwriters Total Costs - CUR	Cost Per Unit	HOME Ineligible Costs - CUR
Construction Loan Application Fee	$9,000	$0	$0	$0	$0
Construction Loan Origination Fee	$9,750	$18,750	$18,750	$815	$0
Construction Loan Interest	$76,740	$76,440	$76,740	$3,337	$0
Permanent Loan Origination Fee	$9,750	$0	$0	$0	$0
Permanent Loan Closing Costs	$3,000	$12,750	$12,750	$554	$0
Total Financial Costs:	**$108,240**	**$107,940**	**$108,240**	**$4,706**	**$0**
Dev. Costs before Acq., Dev. Fee & Reserves	**$6,924,948**	**$6,807,320**	**$6,931,948**	**$301,389**	**$286,284**

Notes to the Financial Costs:

1. The Financial Costs are based on an updated draw schedule.

NON-LAND ACQUISITION COSTS	Applicant Costs	Revised Applicant Costs	Underwriters Total Costs - CUR	Cost Per Unit	HOME 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-ACQUISTION COSTS	Applicant Costs	Revised Applicant Costs	Underwriters Total Costs - CUR	Cost Per Unit	HOME Ineligible Costs - CUR
Developer Fee - Unapportioned	$1,107,977	$1,107,997	$1,032,997	$44,913	$0
DF to Consultant Fees	$0	$75,000	$75,000	$3,261	$0
Total Other Development Costs:	**$1,107,977**	**$1,182,997**	**$1,107,997**	**$48,174**	**$0**

Notes to the Other Development Costs:

1. The recommended Developer's Fee does not exceed 16% of Total Development Cost ("TDC") before Developer Fee and Operating Deficit Reserve ("ODR") as allowed by the RFA and Rule Chapter 67-48.

2. The DF to Consultant Fees is for AHP consulting.

LAND ACQUISITION COSTS	Applicant Costs	Revised Applicant Costs	Underwriters Total Costs - CUR	Cost Per Unit	HOME Ineligible Costs - CUR
Land	$424,914	$424,914	$424,914	$18,475	$0
Total Acquisition Costs:	**$424,914**	**$424,914**	**$424,914**	**$18,475**	**$0**

Notes to Acquisition Costs:

1. The purchase price is based on the closing draw, dated September 2, 2022.

RESERVE ACCOUNTS	Applicant Costs	Revised Applicant Costs	Underwriters Total Costs - CUR	Cost Per Unit	HOME Ineligible Costs - CUR
Operating Deficit Reserve (Lender)	$65,487	$65,487	$65,487	$2,847	$65,487
Total Reserve Accounts:	**$65,487**	**$65,487**	**$65,487**	**$2,847**	**$65,487**

Notes to Reserve Accounts:

1. 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	HOME Ineligible Costs - CUR
TOTAL DEVELOPMENT COSTS:	$8,523,326	$8,480,718	$8,530,346	$370,885	$351,771

Notes to Total Development Costs:

1. The TDC has increased by a total of $7,020 or 0.08% from $8,523,326 to $8,530,346 since the Closing.

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 and ODR, to no more than $403,725 per unit for a new construction Garden Enhanced Structural Systems Construction structure in DeSoto County. The Development TDC per unit before land and ODR is $349,563 which meets the requirements.

Operating Pro Forma: Meadow Park

FINANCIAL COSTS:				Year 1	Year 1 Per Unit
OPERATING PRO FORMA					
INCOME:	Gross Potential Rental Income			$228,204	$9,922
	Other Income				
	Miscellaneous			$4,564	$198
	Gross Potential Income			$232,768	$10,120
	Less:				
	Physical Vac. Loss	Percentage:	5.00%	$11,638	$506
	Collection Loss	Percentage:	2.00%	$4,655	$202
Total Effective Gross Income				$216,474	$9,412
EXPENSES:	Fixed:				
	Real Estate Taxes			$13,395	$582
	Insurance			$39,100	$1,700
	Variable:				
	Management Fee	Percentage:	5.00%	$10,824	$471
	General and Administrative			$19,550	$850
	Payroll Expenses			$32,200	$1,400
	Utilities			$8,625	$375
	Marketing and Advertising			$1,150	$50
	Maintenance and Repairs/Pest Control			$10,810	$470
	Grounds Maintenance and Landscaping			$17,250	$750
	Reserve for Replacements			$6,900	$300
Total Expenses				$159,804	$6,948
Net Operating Income				$56,671	$2,464
Debt Service Payments					
	First Mortgage - NLP			$39,056	$1,698
	Second Mortgage - FHFC HOME & Viability Loan			$0	$0
	Third Mortgage - FHLB/NLP/San Pedro Housing			$0	$0
	First Mortgage Fees - NLP			$0	$0
	Second Mortgage Fees - FHFC HOME & Viability Loan			$14,244	$619
	Third Mortgage Fees - FHLB/NLP/San Pedro Housing			$0	$0
Total Debt Service Payments				$53,300	$2,317
Cash Flow after Debt Service				$3,371	$147
Debt Service Coverage Ratios					
	DSC - First Mortgage plus Fees			1.45x	
	DSC - Second Mortgage plus Fees			1.06x	
	DSC - Third Mortgage plus Fees			1.06x	
	DSC - All Mortgages and Fees			1.06x	
Financial Ratios					
	Operating Expense Ratio			73.82%	
	Break-even Economic Occupancy Ratio (all debt)			91.90%	

Notes to the Operating Pro Forma and Ratios:

1. The Development will be utilizing HOME funds, which will impose rent restrictions. The Applicant committed to set aside 20% of the HOME-Assisted Units (5 units) at or below 50% AMI and 80% of the HOME-Assisted Units (18 units) at or below 60% AMI. The 50% Low HOME and 60% High HOME rents are based on the 2023 rents published on

Florida Housing's website for DeSoto County less utility allowances. The utility allowances are based on a Utility Allowance Schedule approved for Lease-up by FHFC on August 7, 2023. The 50% AMI AHP rents are higher than the 60% AMI HOME rents. As such, First Housing has utilized the applicable HOME rents. Below is the rent roll for the Development:

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	5	1,148	50%	$ 835		$ 1,078	$178	$ 657		$ 657	$ 657	$ 657	$ 39,420
3	2.0	18	1,148	60%		$ 1,052	$ 1,402	$178	$ 874		$ 874	$ 874	$ 874	$ 188,784
		23	26,404											$ 228,204

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 includes any other income from the property, including revenues from the laundry facility, vending machines, late charges, forfeited security deposits and other miscellaneous sources.

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 Management Agreement, dated June 14, 2022, between NDC Asset Management, LLC and the Applicant. The management agreement reflects a management fee equal to 5% of total gross monthly collections.

6. The landlord is responsible for common area utility expenses. The residents will be responsible for water/sewer, cable, internet, and electricity expenses. The Appraisal estimated utilities at $350 per unit.

7. Replacement Reserves of $300 per unit per year are required per Rule Chapter 67-48.

8. The Debt Service Coverage ("DSC") ratio for the first mortgage and HOME Loan reflects a ratio lower than 1.10 to 1.00. Per Rule 67-48 the minimum DSC ratio shall be 1.10x for the HOME Loan, including all superior mortgages. However, per Rule 67-48, if the applicant defers 35% of its Developer Fee following the last disbursement of all permanent sources of funding identified in the final credit underwriting report and when the primary expected source of repayment has been identified as projected cash flow, the

minimum DSC shall be 1.00x for the HOME Loan, including all superior mortgages. The Applicant will be required to defer at least 35% of its Developer Fee as the HOME Loan DSC is 1.06x.

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%.

Recommendation:

First Housing's review indicates the additional subordinate debt in the amount of $750,000 in AHP Subsidy from San Pedro Housing and subordination of the loan to the HOME and Viability HOME 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 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. Satisfactory resolution of any outstanding past due and/or noncompliance items.

7. All other due diligence required by FHFC, its Legal Counsel, and Servicer.

Prepared by:	Reviewed by:
Thomas Wright	Ed Busansky
Thomas Wright	Ed Busansky
Credit Underwriter	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
	OPERATING PRO FORMA																
	Gross Potential Rental Income			**$228,204**	**$232,768**	**$237,423**	**$242,172**	**$247,015**	**$251,956**	**$256,995**	**$262,135**	**$267,377**	**$272,725**	**$278,179**	**$283,743**	**$289,418**	**$295,20**
	Other Income																
	Miscellaneous			$4,564	$4,655	$4,748	$4,843	$4,940	$5,039	$5,140	$5,243	$5,347	$5,454	$5,563	$5,675	$5,788	$5,90
INCOME:	Gross Potential Income			**$232,768**	**$237,423**	**$242,172**	**$247,015**	**$251,956**	**$256,995**	**$262,135**	**$267,377**	**$272,725**	**$278,179**	**$283,743**	**$289,418**	**$295,206**	**$301,11**
	Less:																
	Physical Vac. Loss	Percentage:	5.00%	$11,638	$11,871	$12,109	$12,351	$12,598	$12,850	$13,107	$13,369	$13,636	$13,909	$14,187	$14,471	$14,760	$15,05
	Collection Loss	Percentage:	2.00%	$4,655	$4,748	$4,843	$4,940	$5,039	$5,140	$5,243	$5,348	$5,455	$5,564	$5,675	$5,788	$5,904	$6,02
	Total Effective Gross Income			**$216,474**	**$220,804**	**$225,220**	**$229,724**	**$234,319**	**$239,005**	**$243,785**	**$248,661**	**$253,634**	**$258,707**	**$263,881**	**$269,159**	**$274,542**	**$280,03**
	Fixed:																
	Real Estate Taxes			$13,395	$13,797	$14,211	$14,637	$15,076	$15,528	$15,994	$16,474	$16,968	$17,477	$18,002	$18,542	$19,098	$19,67
	Insurance			$39,100	$40,273	$41,481	$42,726	$44,007	$45,328	$46,687	$48,088	$49,531	$51,017	$52,547	$54,124	$55,747	$57,42
	Variable:																
EXPENSES:	Management Fee	Percentage:	5.00%	$10,824	$11,040	$11,261	$11,486	$11,716	$11,950	$12,189	$12,433	$12,682	$12,935	$13,194	$13,458	$13,727	$14,00
	General and Administrative			$19,550	$20,137	$20,741	$21,363	$22,004	$22,664	$23,344	$24,044	$24,765	$25,508	$26,274	$27,062	$27,874	$28,71
	Payroll Expenses			$32,200	$33,166	$34,161	$35,186	$36,241	$37,329	$38,448	$39,602	$40,790	$42,014	$43,274	$44,572	$45,910	$47,28
	Utilities			$8,625	$8,884	$9,150	$9,425	$9,708	$9,999	$10,299	$10,608	$10,926	$11,254	$11,591	$11,939	$12,297	$12,66
	Marketing and Advertising			$1,150	$1,185	$1,220	$1,257	$1,294	$1,333	$1,373	$1,414	$1,457	$1,500	$1,546	$1,592	$1,640	$1,68
	Maintenance and Repairs/Pest Control			$10,810	$11,134	$11,468	$11,812	$12,167	$12,532	$12,908	$13,295	$13,694	$14,105	$14,528	$14,964	$15,412	$15,87
	Grounds Maintenance and Landscaping			$17,250	$17,768	$18,301	$18,850	$19,415	$19,997	$20,597	$21,215	$21,852	$22,507	$23,183	$23,878	$24,594	$25,33
	Reserve for Replacements			$6,900	$6,900	$6,900	$6,900	$6,900	$6,900	$6,900	$6,900	$6,900	$6,900	$7,107	$7,320	$7,540	$7,76
	Total Expenses			**$159,804**	**$164,283**	**$168,894**	**$173,641**	**$178,528**	**$183,560**	**$188,740**	**$194,074**	**$199,564**	**$205,218**	**$211,245**	**$217,450**	**$223,839**	**$230,41**
	Net Operating Income			**$56,671**	**$56,521**	**$56,326**	**$56,083**	**$55,790**	**$55,445**	**$55,045**	**$54,587**	**$54,070**	**$53,489**	**$52,636**	**$51,708**	**$50,703**	**$49,61**
	Debt Service Payments																
	First Mortgage - NLP			$39,056	$39,056	$39,056	$39,056	$39,056	$39,056	$39,056	$39,056	$39,056	$39,056	$39,056	$39,056	$39,056	$39,05
	Second Mortgage - FHFC HOME & Viability Loan			$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$
	Third Mortgage - FHLB/NLP/San Pedro Housing			$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	$
	Second Mortgage Fees - FHFC HOME & Viability Loan			$14,244	$14,344	$14,447	$14,553	$14,663	$14,775	$14,891	$15,011	$15,134	$15,261	$15,391	$15,526	$15,664	$15,80
	Third Mortgage Fees - FHLB/NLP/San Pedro Housing			$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$
	Total Debt Service Payments			**$53,300**	**$53,400**	**$53,503**	**$53,609**	**$53,718**	**$53,831**	**$53,947**	**$54,067**	**$54,190**	**$54,316**	**$54,447**	**$54,582**	**$54,720**	**$54,86**
	Cash Flow after Debt Service			**$3,371**	**$3,121**	**$2,823**	**$2,474**	**$2,072**	**$1,614**	**$1,098**	**$521**	**-$120**	**-$827**	**-$1,811**	**-$2,873**	**-$4,017**	**-$5,24**
	Debt Service Coverage Ratios																
	DSC - First Mortgage plus Fees			**1.45**	**1.45**	**1.44**	**1.44**	**1.43**	**1.42**	**1.41**	**1.40**	**1.38**	**1.37**	**1.35**	**1.32**	**1.30**	**1.27**
	DSC - Second Mortgage plus Fees			**1.06**	**1.06**	**1.05**	**1.05**	**1.04**	**1.03**	**1.02**	**1.01**	**1.00**	**0.98**	**0.97**	**0.95**	**0.93**	**0.90**
	DSC - Third Mortgage plus Fees			**1.06**	**1.06**	**1.05**	**1.05**	**1.04**	**1.03**	**1.02**	**1.01**	**1.00**	**0.98**	**0.97**	**0.95**	**0.93**	**0.90**
	DSC - All Mortgages and Fees			**1.06**	**1.06**	**1.05**	**1.05**	**1.04**	**1.03**	**1.02**	**1.01**	**1.00**	**0.98**	**0.97**	**0.95**	**0.93**	**0.90**
	Financial Ratios																
	Operating Expense Ratio			**73.82%**	**74.40%**	**74.99%**	**75.59%**	**76.19%**	**76.80%**	**77.42%**	**78.05%**	**78.68%**	**79.32%**	**80.05%**	**80.79%**	**81.53%**	**82.28%**
	Break-even Economic Occupancy Ratio (all debt)			**91.90%**	**92.04%**	**92.18%**	**92.35%**	**92.53%**	**92.72%**	**92.93%**	**93.16%**	**93.39%**	**93.65%**	**93.99%**	**94.34%**	**94.71%**	**95.09%**

SELTZER MANAGEMENT GROUP, INC.

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

April 25, 2024

Mr. Tim Kennedy
Multifamily Loans and Bonds Director
Florida Housing Finance Corporation
227 North Bronough Street, Suite 5000
Tallahassee, Florida 32301-1329

Re: Orchid Lake – SAIL, ELI, NHTF and 9% HC RFA 2021-103 (2021-293CSN) / ITP 2022-SAIL Construction Housing Inflation Response Program ("CHIRP")

Credit Underwriting Report Updated Letter ("CUR Updated Letter") – Changes to the Final CUR dated September 8, 2022 to approve additional superior debt from Neighborhood Lending Partners of Florida, Inc. ("NLP") which will provide a first mortgage construction bridge loan in the amount of $100,000, while reducing the TD Bank, N.A. ("TD Bank") first mortgage construction loan by the same amount and subordinate debt from Federal Home Loan Bank of Atlanta ("FHLB") and Truist Bank ("Truist") which will fund two grants through the Affordable Housing Program ("AHP") in the amounts of $750,000 and $305,907, respectively, for a total of $1,055,907.

Dear Mr. Kennedy:

Seltzer Management Group, Inc. ("SMG" or "Seltzer") is in receipt of correspondence from HTG Orchid Lake, LTD ("Applicant" or "Borrower"), dated February 8, 2024, requesting Florida Housing Finance Corporation ("FHFC") consent to the addition of an NLP superior debt and a FHLB AHP subordinate subsidy which will be subordinate to the State Apartment Incentive Loan ("SAIL"), Extremely Low Income ("ELI") and National Housing Trust Fund ("NHTF") loans. At your direction, SMG has reviewed the request and formulated a recommendation. Seltzer's findings are presented below.

The CUR for the above referenced transaction was approved at the September 16, 2022 FHFC Board meeting.

Construction Financing Sources

Source	Lender	Applicant	Revised Applicant	Underwriter	Interest Rate	Construction Debt Service
First Mortgage	TD Bank, N.A.	$13,000,000	$12,900,000	$12,900,000	5.10%	$921,803
Second Mortgage	NLP - Bridge Loan		$100,000	$100,000	4.00%	$4,000
Third Mortgage	FHFC -SAIL	$4,751,050	$4,751,050	$4,751,050	0.00%	$0
Third Mortgage	FHFC - CHIRP	$3,073,007	$3,073,007	$3,073,007	0.00%	$0
Fourth Mortgage	FHFC - ELI	$380,000	$380,000	$380,000	0.00%	$0
Fifth Mortgage	FHFC - NHTF	$556,500	$556,500	$556,500	0.00%	$0
HC Equity	RJAHI	$7,853,214	$7,853,214	$7,853,214		
Total		**$29,613,771**	**$29,613,771**	**$29,613,771**		**$925,803**

Please note the Applicant column is based on Seltzer's Final Sources and Uses / Construction Draw Schedule dated December 13, 2022 as approved for closing on December 14, 2022.

Mr. Tim Kennedy
Orchid Lake
April 25, 2024

Notes to Financing:

- As stated above, the Borrower has been awarded an additional $100,000 bridge loan from NLP. NLP is a certified Community Development Financial Institution ("CDFI"), and the proposed loan is offered as a result of NLP's Capital Magnet Fund award from the CDFI fund division of the United States Treasury Department. The NLP loan will be in a second lien position, superior to the FHFC loans. NLP provided a February 7, 2024 Commitment Letter to provide the construction bridge loan for Orchid Lake. Terms include monthly interest only payments based on a fixed interest rate of 4.00%, with a term of 12 months and two conditional, six-month maturity extensions available (with a fee equal to 0.50% of the outstanding balance of the bridge loan). The debt will be secured by a second mortgage on the Property, a second lien assignment of all leases, rents, and other income or profits of the Property, and a UCC filing on all Borrower's tangible and intangible personal property.

- Applicant states the additional bridge loan funding of $100,000 will reduce the existing first mortgage from TD Bank by the same amount.

Permanent Financing Sources

Source	Lender	Applicant	Revised Applicant	Underwriter	Interest Rate	Amort. Yrs.	Term Yrs.	Annual Debt
First Mortgage	RJB	$2,684,000	$1,628,093	$1,628,093	6.00%	30	15	$117,135
Second Mortgage	FHFC -SAIL	$4,751,050	$4,751,050	$4,751,050	0.50%	N/A	15	$23,755
Second Mortgage	FHFC - CHIRP	$4,300,000	$4,300,000	$4,300,000	0.50%	N/A	15	$21,500
Third Mortgage	FHFC - ELI	$380,000	$380,000	$380,000	0.00%	N/A	15	$0
Fourth Mortgage	FHFC - NHTF	$556,500	$556,500	$556,500	0.00%	N/A	30	$0
Fifth Mortgage	HfH - AHP	$0	$1,055,907	$1,055,907	2.20%	30	15	$23,230
HC Equity	RJAHI	$15,706,429	$15,706,429	$15,706,429				
Def. Developer Fee	Developer	$1,235,792	$1,235,792	$1,235,792				
Total		**$29,613,771**	**$29,613,771**	**$29,613,771**				**$185,620**

Please note the Applicant column is based on Seltzer's Final Sources and Uses / Construction Draw Schedule dated December 13, 2022 as approved for closing on December 14, 2022.

Notes to Financing:

- FHLB provided an August 25, 2023 AHP Agreement to provide a grant to Housing for Homeless ("HfH") in the amount of $750,000 and an additional AHP Agreement on February 20, 2024 to provide a grant to HfH in the amount of $305,907, respectively, totaling $1,055,907. The two AHP grants will be given to HfH and HfH will provide a $1,055,907 loan to the Applicant. Due to the estimated time to close on the AHP funds, the Applicant states the loan will be a permanent source of funds.

- HfH provided a March 1, 2024 Term Sheet to provide an interest only soft loan to the Borrower in the amount of $1,055,907. No interest shall accrue during the construction period. There will be a 30 year permanent loan term with interest accruing until year 16. At year 16, there will be annual payments of interest only if cash flow is available after payment of operating expenses and required debt service on the first mortgage, SAIL second mortgage, ELI third mortgage and NHTF fourth mortgage. All remaining unpaid interest shall accrue and will be paid in full at maturity. The interest rate will be sized during the permanent period, based on 50% of the Applicable Federal Rate ("AFR") Long Term Rate, which is currently 2.20%.

- Applicant states the HfH loan funding of $1,055,907 will reduce the existing first mortgage by Raymond James Bank by the same amount.

Total Development Costs

TOTAL DEVELOPMENT COSTS	Applicant Costs	Revised Applicant Costs	Underwriters Total Costs - CUR
TOTAL DEVELOPMENT COSTS:	**$29,613,771**	**$29,613,771**	**$29,613,771**

Please note that the Applicant Cost column is based on Seltzer's Final Sources and Uses / Construction Draw Schedule as approved for closing on December 16, 2021.

Notes to Total Development Costs:

- According to the Construction Monitoring Report issued by OSG dated January 31, 2024, Orchid Lake is approximately 66% complete and reports one change order in the amount of $271,108.70 for sitework adjustments and rough carpentry materials buyout savings and one change order pending in the amount of $871,597. There is $891,402 in Hard Cost Contingency in the budget. Any remaining change order balance will come from adjustments in other construction line items, any cost savings from approved allowances, or additional Deferred Developer Fee.

Mr. Tim Kennedy
Orchid Lake
April 25, 2024

Operating Pro Forma

	OPERATING PRO FORMA		ANNUAL	PER UNIT
INCOME	Gross Potential Rental Income		$699,480	$7,772
	Rent Subsidy (ODR)		$0	$0
	Other Income:			
	Miscellaneous		$16,200	$180
	Washer/Dryer Rentals		$24,300	$270
	Cable/Satellite Income		$0	$0
	Gross Potential Income		$739,980	$8,222
	Less:			
	Economic Loss - Percentage:	0.0%	$0	$0
	Physical Vacancy Loss - Percentage:	4.0%	($29,599)	($329)
	Collection Loss - Percentage:	1.0%	($7,400)	($82)
Total Effective Gross Revenue			$702,981	$7,811
EXPENSES	Fixed:			
	Real Estate Taxes		$67,632	$751
	Insurance		$45,000	$500
	Other		$0	$0
	Variable:			
	Management Fee - Percentage:	6.0%	$42,000	$467
	General and Administrative		$33,750	$375
	Payroll Expenses		$117,000	$1,300
	Utilities		$44,550	$495
	Marketing and Advertising		$4,500	$50
	Maintenance and Repairs		$36,000	$400
	Grounds Maintenance and Landscaping		$19,350	$215
	Resident Programs		$0	$0
	Contract Services		$2,700	$30
	Security		$0	$0
	Other-Pest Control		$0	$0
	Reserve for Replacements		$27,000	$300
Total Expenses			$439,482	$4,883
Net Operating Income			$263,499	$2,928
Debt Service Payments				
DEBT SERVICE	First Mortgage - RJB		$117,135	$1,301
	Second Mortgage - FHFC SAIL & SAIL CHIRP		$45,255	$503
	Third Mortgage - FHFC - ELI		$0	$0
	Fourth Mortgage - FHFC - NHTF		$0	$0
	All Other Mortgages -		$23,230	$258
	First Mortgage Fees - RJB		$0	$0
	Second Mortgage Fees - FHFC SAIL & SAIL CHIRP		$11,901	$132
	Third Mortgage Fees - FHFC - ELI		$3,741	$42
	Fourth Mortgage Fees - FHFC - NHTF		$3,741	$42
	All Other Mortgages Fees -		$0	$0
Total Debt Service Payments			$205,003	$2,278
Cash Flow After Debt Service			$58,496	$650

Mr. Tim Kennedy
Orchid Lake
April 25, 2024

Debt Service Coverage Ratios	
DSC - First Mortgage plus Fees	2.250
DSC - Second Mortgage plus Fees	1.512
DSC - Third Mortgage plus Fees	1.480
DSC - Fourth Mortgage plus Fees	1.450
DSC - All Mortgages and Fees	1.285
Financial Ratios	
Operating Expense Ratio	62.5%
Break-Even Ratio	87.4%

Notes to the Operating Pro Forma and Ratios:

- Due to the change in unit mix from the FHLB – AHP funding, the reduction of the permanent first mortgage by $1,055,907, the first mortgage Debt Service Coverage ("DSC") improved from 1.719x in the Final CUR, to 2.250x. Note: the DSC is based conservatively on 2022 Maximum Allowable HC Rents published by FHFC. The DSC of the first mortgage plus all FHFC loans, improved from 1.22x to 1.285x. Although the FHLB – AHP set-asides were more stringent than originally underwritten, the reduction in the first mortgage improved the DSC.
- The FHLB-AHP requires the Applicant to set-aside 60% of the units (or 54 units) at 50% of the Average Median Income ("AMI") or below. However, the AMI is calculated by the 2023 FHLB Atlanta AHP Income Limits Calculator, based on Brevard County income limits. Maximum rent for the one, two and three bedroom units are $840, $1,008, and $1,164.80, respectively. The Rent Roll presented below meets the 54 unit at 50% AMI (or below) requirement. Note, the highlighted 50% units are Homeless units and are well below the AHP maximum rent limits. The additional nine units needed to meet the 60% at 50% AMI requirement for AHP, were taken from the 60% AMI HUD rent units.

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	801	22%			$335	$107	$228		$228	$228	$228	$2,736
1	1.0	6	801	33%			$502	$107	$395		$395	$395	$395	$28,440
1	1.0	11	801	50%			$914	$107	$807		$807	$419	$419	$55,308
1	1.0	14	801	60%			$914	$107	$807		$807	$807	$807	$135,576
2	2.0	1	924	22%			$402	$134	$268		$268	$268	$268	$3,216
2	2.0	5	924	33%			$603	$134	$469		$469	$392	$392	$23,520
2	2.0	12	924	50%			$1,096	$134	$962		$962	$392	$392	$56,448
2	2.0	15	924	60%			$1,096	$134	$962		$962	$962	$962	$173,160
3	2.0	1	1,138	22%			$464	$159	$305		$305	$305	$305	$3,660
3	2.0	3	1,138	33%			$696	$159	$537		$537	$367	$367	$13,212
3	2.0	5	1,138	50%			$1,266	$159	$1,107		$1,107	$367	$367	$22,020
3	2.0	7	1,138	60%			$1,266	$159	$1,107		$1,107	$1,107	$1,107	$92,988
1	1.0	4	801	50%			$840	$107	$733		$733		$733	$35,184
2	2.0	4	924	50%			$1,008	$134	$874		$874		$874	$41,952
3	2.0	1	1,138	50%			$1,164	$159	$1,005		$1,005		$1,005	$12,060
		90	82,370											$699,480

<u>Conclusion</u>

SMG concludes that the additional superior NLP first mortgage construction bridge loan and the additional subordinate FHLB – AHP loan, which will be subordinate to the SAIL, ELI and NHTF loans, will not adversely impact the transaction and/or Florida Housing's security position during the construction

Mr. Tim Kennedy
Orchid Lake
April 25, 2024

and permanent periods. The additional funds will be used to paydown the existing first mortgages and are at lower interest rates. Accordingly, SMG recommends that FHFC approve the additional superior and subordinate debt 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 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).
- Payment of all costs and fees to Florida Housing, its Legal Counsel and Servicer, as applicable.
- Satisfactory resolution of any outstanding noncompliance and/or past due items.
- Consent of the HC equity provider, if applicable.
- 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.

Keith Whitaker
Senior Credit Underwriter

SELTZER MANAGEMENT GROUP, INC.

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

March 13, 2024

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: Captiva Cove III ("Subject Development") - SAIL & ELI RFA 2021-205 (2022-204S) / 4% HC (2021-525C)
Credit Underwriting Report Update Letter ("CUL") - Changes to the Final Credit Underwriting Report ("CUR"), dated October 20, 2022 and CUR Update Letter dated March 14, 2023 to include an increase in the existing subordinate debt from City of Pompano Beach

Dear Mr. Kennedy:

Seltzer Management Group, Inc. ("SMG" or "Seltzer") is in receipt of correspondence, dated February 5, 2024, from a representative of Captiva Cove III Associates, Ltd. ("Borrower"), requesting Florida Housing Finance Corporation's ("FHFC" or "Florida Housing") consent to an increase in subsidy to the existing subordinate loan from the City of Pompano Beach ("CPB") by $250,000, from $1,500,000 to $1,750,000 which will be subordinate to the SAIL and ELI loans.

The CUR for the Subject Development was approved at the October 28, 2022 FHFC Board meeting and closed on March 17, 2023. On November 1, 2022, the Borrower accepted a firm commitment letter dated November 1, 2022, for a $7,480,000 State Apartment Incentive Loan ("SAIL"), inclusive of a $3,180,000 SAIL and a $4,300,000 SAIL Construction Housing Inflation Response Program ("CHIRP") loan, and a $600,000 Extremely Low Income ("ELI") loan. Per Chapter 67-48.010(15) ("Rule"), after accepting a preliminary commitment, the Borrower 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 Florida Housing's Board of Directors.

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:

- Rules 67-21 and 67-48 ("Rules")
- Captiva Cove III Final CUR
- SAIL/SAIL CHIRP and ELI Firm Commitment
- Captiva Cove III CUR Update Letter
- Captiva Cove III Closing Letter and Final Sources & Uses/Construction Draw Schedule dated
- FHFC's Past Due Report dated February 15, 2024
- FHFC's Asset Management Noncompliance Report dated October 18, 2023
- Correspondence from the Borrower seeking Florida Housing's consent of the request outlined above

Mr. Tim Kennedy
Captiva Cove III
March 13, 2024

- Draft CPB Notice of Future Advance Agreement
- Draft CPB Future Advance Promissory Note
- Sources and Uses as of February 22, 2024
- Change Order dated October 20, 2023

Please note that subsequent to Closing, the following changes occurred:

- Total Development Costs and Uses have increased $120,224 from $42,877,382 to $42,997,606, primarily due to increase in Construction Costs and General Development Costs.
- The construction and permanent sources changed as follows:

CONSTRUCTION/PERMANENT SOURCES:				
Source	Lender	Construction	Permanent	Perm Loan/Unit
Local HFA Bonds	HFABC / Chase	$21,000,000	$6,500,000	$61,320.75
FHFC - SAIL	FHFC	$3,180,000	$3,180,000	$30,000.00
FHFC - SAIL	FHFC CHIRP	$4,300,000	$4,300,000	$40,566.04
Local Government Subsidy	Broward County	$4,504,000	$5,630,000	$53,113.21
FHFC - SAIL ELI	FHFC	$600,000	$600,000	$5,660.38
Local Government Subsidy	Pompano Beach	$1,750,000	$1,750,000	$16,509.43
HC Equity	NEF	$2,892,153	$17,647,136	$166,482.42
Deferred Developer Fee	Developer	$4,771,353	$3,390,370	$31,984.62
Other	General Partner Contribution	$100	$100	$0.94
TOTAL		$42,997,606	$42,997,606	$405,637.79

  - Increase in subsidy to the existing CPB loan of $250,000 with an interest rate of 1.00% per annum and a 33-year term.
  - The projected amount of Deferred Developer Fee has been updated in the construction and permanent periods based on the additional $250,000 CPB subsidy. Deferred Developer Fee during the construction period has decreased by $129,776, from $4,901,129 to $4,771,353, and the permanent period has decreased by the same amount noted above, from $3,520,146 to $3,390,370.

- Uses have changed as follows:
  - Construction Costs have increased by $215,108.76 as evidenced by the Change Order dated October 20, 2023.
  - General Development Costs have increased by $102,224 due to changes in Construction Costs, Hard Cost Contingency, Architect's Fees, Marketing and Advertising Fees, Title Insurance Fees and Utility Connection Fees.
  - Developer Fee has increased by $18,000 from $5,841,000 to $5,859,000, due to the increase of $120,224 in the development budget.
- The Debt Service Coverage ("DSC") ratio for the superior loans were not affected by the addition of the CPB loan. The DSC ratio for all mortgages and fees decreased from 1.048 to 1.043.

- Florida Housing's Past Due Report, dated February 15, 2024, reflects the following past due item(s):

  The Villages Apartments Phase I – Past Due Invoice: Annual SAIL Compliance Monitoring Fee $882 due 1/28/24.

- Florida Housing's Asset Management Noncompliance Report, dated October 18, 2023, reflects no non-compliant items.

<u>Conclusion</u>

SMG concludes that the increase to the existing subordinate loan from the CPB by $250,000 and subordination of the loan to the SAIL and ELI loans have no material impact on SMG's recommendation and 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, it's Legal Counsel and Servicer.
- 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).
- 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.
- 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.

Frank Sforza

Frank Sforza
Credit Underwriter II

FIRST HOUSING
SERVICE • FINANCE • COMPLIANCE

March 22, 2024

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

Re: 3611/3621 Cleveland Avenue ("Development") – State Apartment Incentive Loan ("SAIL"), Extremely Low-Income ("ELI") Loan, National Housing Trust Fund ("NHTF") Loan RFA 2023-205 (2024-018SN) / 4% Non-Competitive Housing Credits ("HC") 2023-506C

Credit Underwriting Report Update Letter ("CUR Update Letter") – Changes to the Final Credit Underwriting Report, dated January 22, 2024 ("Final CUR")

According to a letter from Bank OZK, dated February 8, 2024, the tax-exempt construction loan amount has increased by $450,000 from $22,550,000 to $23,000,000. Based on the draft Agreement to Enter into a Housing Assistance Payments Contract ("AHAP") from the Housing Authority of the City of Fort Myers ("HACFM"), there has been a change to the Project Based Voucher ("PBV") rents as detailed below. The Syndicator, Enterprise Housing Credit Investments ("Enterprise"), has requested for the loan term of the SAIL loan to be extended to 20 years and for the loan term of the ELI loan to be extended to 30 years. Further, there has been an increase in the annual HC Allocation from $1,806,643 to $1,853,647.

PBV rents utilized in the Final CUR	PBV rents utilized in the CUR Update Letter
(10) 1 bedroom units - $1,210 (40) 2 bedroom units - $1,538 50 units covered	(13) 1 bedroom units - $1,334 (40) 2 bedroom units - $1,666 53 units covered

On behalf of Florida Housing, First Housing Development Corporation of Florida ("FHDC", "First Housing", or "Servicer") 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, First Housing has reviewed the following:

- Final CUR.

- A letter from Bank OZK, dated February 8, 2024, for a tax-exempt construction loan in the amount of $23,000,000.

- Term Sheet from Citibank, N.A. ("Citi"), dated March 11, 2024.

- A draft AHAP from the HACFM.

- Appraisal, dated February 7, 2024, prepared by Colliers International Valuation & Advisory Services ("Colliers").

- Draft First Amendment and Restated Operating Agreement of Fort Myers Redevelopment, LLC ("Operating Agreement").

- Updated Developer Budget, dated February 27, 2024.

PERMANENT FINANCING INFORMATION					
	1st Source	**2nd Source**	**3rd Source**	**4th Source**	**5th Source**
Lien Position	1st	2nd	2nd	3rd	4th
Lender/Grantor	Citi	SAIL Base Loan	ELI Loan	NHTF Loan	HACFM
Amount	$4,877,000	$8,740,000	$662,500	$825,000	$14,985,447
All In Interest Rate	6.26%	1.00%	0.00%	0.00%	3.98%
Loan Term	19	20	30	30	40
Amortization	40	0	0	0	0
Market Rate/Market Financing LTV	26%	74%	77%	82%	163%
Restricted Market Financing LTV	40%	111%	116%	123%	245%
Loan to Cost - Cumulative	10%	28%	30%	32%	63%
Loan to Cost - SAIL Only	N/A	18%	N/A	N/A	N/A
Debt Service Coverage	2.08	1.62	1.62	1.60	0.69
Operating Deficit Reserve	$636,260				
# of Months covered by the Reserves	4.0				

Deferred Developer Fee	$844
As-Is Land Value	$2,250,000
Market Rent/Market Financing Stabilized Value	$18,500,000
Rent Restricted Market Financing Stabilized Value	$12,300,000
Projected Net Operating Income (NOI) - Year 1	$723,723
Projected Net Operating Income (NOI) - 15 Year	$805,687
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	$0.95
HC Annual Allocation - Initial Award	$1,868,611
HC Annual Allocation - Qualified in CUR	$1,853,647
HC Annual Allocation - Equity Letter of Interest	$1,860,291

Construction/Financing Sources:

CONSTRUCTION/PERMANENT SOURCES:				
Source	**Lender**	**Construction**	**Permanent**	**Perm Loan/Unit**
Local HFA Note	HFALC/BankOZK	$23,000,000	$0	$0
Local HFA Note	Citi	$0	$4,877,000	$53,011
SAIL Base Loan	FHFC	$8,740,000	$8,740,000	$95,000
ELI Loan	FHFC	$662,500	$662,500	$7,201
NHTF Loan	FHFC	$825,000	$825,000	$8,967
Local Government Subsidy	HACFM	$7,971,712	$14,985,447	$162,885
Non-FHFC Grant	City of Ft. Myers	$50,000	$50,000	$543
HC Equity / Equity Advanced Note	Enterprise Housing Partners XLI LP	$2,758,154	$17,671,000	$192,076
Deferred Developer Fee	Fort Myers Developer, LLC & SWFAD	$3,168,165	$844	$9
Affiliate / Principal	FMR Manager & SWF Manager	$100	$100	$1
Operating Deficit Reserve	Fort Myers Redevelopment, LLC	$636,260	$0	$0
TOTAL		$47,811,891	$47,811,891	$519,694

Based on the Total Development Cost ("TDC") per unit limitations, FHFC has set the TDC for RFA 2023-205 at $355,100 per unit for a new construction, garden-style (1-3 stories), Enhanced Structural Systems ("ESS") Construction Development located in Lee County. This TDC per unit amount includes the $7,500 add on for Tax-Exempt MMRN, the $7,500 add-on for a PHA ground lease, as well as an escalation factor of 1.06. Based on FHFC's TDC Limitation Template, First Housing has calculated the TDC per unit as $418,533, excluding developer fee, Operating Deficit Reserve ("ODR"), retail space costs, and upfront capitalized ground rent. Since the TDC exceeds the maximum allowed per the RFA, First Housing reduced the Developer Fee by $750,000 – from the maximum $5,880,456 allowed per the RFA down to $5,130,456.

All the remaining funding sources have not changed with the exception of the following:

<u>Construction First Mortgage</u>:

First Housing reviewed a letter from Bank OZK, dated February 8, 2024, which describes the terms of the construction loan. The loan will have a term of 36 months (with one additional period of 6 months) and the amount will be limited to the lesser of (i) $23,000,000, (ii) 55.0% of the sum of the (a) cost to acquire the land, (b) cost to construct the improvements, (c) amount needed to fund closing costs and related expenses, or (iii) 70.0% of the appraised value of the Property "as-stabilized" plus the value of the tax credit equity. The interest rate of the construction loan will be a floating rate based on the One-Month Term Secured Overnight Financing Rate ("SOFR") plus 235 basis points. As of February 9, 2024, One-Month Term

SOFR was 5.31%, plus the spread of 2.35%, plus a 0.75% underwriting cushion results in an overall interest rate of 8.41%.

Permanent First Mortgage:

First Housing reviewed a Term Sheet, dated March 11, 2024, in which Citi agrees to arrange a tax-exempt forward commitment for a permanent-only loan to Housing Finance Authority of Lee County ("HFALC"). The proceeds of the loan to HFALC will be used to fund a permanent mortgage loan from HFALC to the Applicant, and will be secured by a first lien on the leasehold estate of the Development. The loan will be limited to a maximum amount of $5,000,000 or such other amount supported by Citi's underwriting. Citi's conversion requirements for the permanent loan include: i) completion of construction; ii) 90% physical occupancy for 3 consecutive months; iii) Debt Service Coverage ("DSC") of at least 1.15x; and iv) 90% LTV based on restricted rents and the value of below market financing.

The term of the forward commitment is 36 months, plus one 6-month extension option available. If conversion to the permanent phase does not occur within 36 months of closing, 0.05% will be added to the permanent loan interest rate. The term of the loan will be 19 years with a 40-year amortization schedule. The interest rate will be fixed at 19-Year SOFR Swap Index, with a floor rate of 0.75%, plus a spread of 2.50%. As of the date of the Term Sheet, the 19-Year SOFR Swap Index was 3.71%, which would indicate an all-in rate of 6.21%. First Housing has included an interest rate of 6.26% assuming that the 6-month extension will be used.

SAIL, ELI, and NHTF loans:

As required by the syndicator and permitted by Rule Chapter 67-48, the SAIL Loan will have a total term of 23.5 years, of which 3.5 years is for the construction/stabilization period and 20 years is for the permanent period.

As required by the syndicator and permitted by the RFA, the ELI Loan will have a total term of 33.5 years, of which 3.5 years is for the construction/stabilization period and 30 years is for the permanent period.

The NHTF loan will have a total term of 33.5 years, of which 3.5 years is for the construction/stabilization period and 30 years is for the permanent period.

HACFM Loans:

First Housing is estimating the full $14,985,447 will be funded by HACFM.

HC Equity / Equity Advanced Note:

First Housing has updated the equity contributions based on the draft Operating Agreement. The first installment will be provided in a form of an Equity Advanced Note.

Capital Contributions	Amount	Percentage of Total	When Due
1st Installment	$100	0.00%	Addmision Date
2nd Installment	$15,652,561	88.58%	Latest of April 1, 2026, 100% construction completion, final release of lien from GC, draft cost certification prepared by accountant, Housing Assistance Payments Contract, evidence of satisfactory radon testing
3rd Installment	$1,737,339	9.83%	Latest of October 1, 2026, stabilization date, final cost certification, final as-built survey, Extended Use Agreement, permanent CO
4th Installment	$281,000	1.59%	Latest to occur of April 1, 2027, receipt of 8609's, tax returns and audited finacial statements for 2025 and 2026
Total	$17,671,000	100.00%	

Annual Credit Per Syndication Agreement	$1,860,291
Calculated HC Exchange Rate	$0.95
Limited Partner Ownership Percentage	99.99%
Proceeds Available During Construction	$2,758,154

The Proceeds Available During Construction of $2,758,154 includes the Equity Advanced Note. The Equity Advance Note, in the amount of $2,758,054 or 15.61% of the total net equity, will be made available prior to or simultaneous with the closing of construction financing which meets the 15% RFA criteria.

The Annual Housing Credit in the draft Operating Agreement is $1,860,071. However, First Housing has used the calculated Annual Credit of $1,860,291 which corresponds to the total housing credit equity of $17,671,000 and the exchange rate of $0.95.

Deferred Developer Fee:

In order to balance the sources and uses of funds during the construction period, the Developer must defer $3,168,165 or 61.8% of the total Developer Fee of $5,130,456. In order to balance the sources and uses of funds during the permanent period, the Developer must defer $844 or 0.02% of the total Developer Fee of $5,130,456.

Operating Pro Forma: 3611/3621 Cleveland Avenue

FINANCIAL COSTS:				Year 1	Year 1 Per Unit
OPERATING PRO FORMA					
INCOME:	Gross Potential Rental Income			**$1,487,160**	**$16,165**
	Other Income				
	Ancillary Income			$146,216	**$1,589**
	Miscellaneous			$41,400	**$450**
	Gross Potential Income			**$1,674,776**	**$18,204**
	Less:				
	Physical Vac. Loss	Percentage:	5.44%	$91,050	**$990**
	Total Effective Gross Income			**$1,583,726**	**$17,214**
EXPENSES:	Fixed:				
	Real Estate Taxes			$126,755	**$1,378**
	Insurance			$277,200	**$3,013**
	Variable:				
	Management Fee	Percentage:	5.50%	$87,128	**$947**
	General and Administrative			$43,700	**$475**
	Payroll Expenses			$128,800	**$1,400**
	Utilities			$87,860	**$955**
	Marketing and Advertising			$2,760	**$30**
	Maintenance and Repairs/Pest Control			$46,000	**$500**
	Grounds Maintenance and Landscaping			$32,200	**$350**
	Reserve for Replacements			$27,600	**$300**
	Total Expenses			**$860,003**	**$9,348**
	Net Operating Income			**$723,723**	**$7,867**
	Debt Service Payments				
	1st Mortgage - Citi			$332,677	**$3,616**
	2nd Mortgage - SAIL Base Loan			$87,400	**$950**
	2nd Mortgage - ELI Loan			$0	**$0**
	3rd Mortgage - NHTF Loan			$0	**$0**
	4th Mortgage - HACFM			$596,421	**$6,483**
	1st Mortgage Fees - Citi			$14,952	**$163**
	2nd Mortgage Fees - SAIL Base Loan			$12,622	**$137**
	2nd Mortgage Fees - ELI Loan			$0	**$0**
	3rd Mortgage Fees - NHTF Loan			$3,970	**$43**
	4th Mortgage Fees - HACFM			$0	**$0**
	Total Debt Service Payments			**$1,048,041**	**$11,392**
	Cash Flow after Debt Service			**($324,317)**	**($3,525)**
	Debt Service Coverage Ratios				
	DSC - 1st Mortgage plus Fees			**2.08x**	
	DSC - 2nd Mortgage plus Fees			**1.62x**	
	DSC - 2nd Mortgage plus Fees			**1.62x**	
	DSC - 3rd Mortgage plus Fees			**1.60x**	
	DSC - 4th Mortgage plus Fees			**0.69x**	
	Financial Ratios				
	Operating Expense Ratio			**54.30%**	
	Break-even Economic Occupancy Ratio (all debt)			**114.23%**	

Please note, payments on the fourth mortgage are subject to available cash flow. First Housing has included the payment for illustrative purposes.

Notes to the Operating Pro Forma and Ratios:

1. The Development will be utilizing Housing Credits in conjunction with SAIL, ELI, and NHTF, which will impose rent restrictions. The HC rents are based on the 2023 maximum LIHTC rents published on FHFC's website for Lee County less the applicable utility allowance. Additionally, HACFM has awarded 53 total (13 one-bedroom and 40 two-bedroom) Section 8 Project-Based Vouchers for the Development and the subsidy has a term of 20 years. According to the draft AHAP from HACFM the net contract rents for the 53 covered units are shown in the unit mix below.

Lee County, Cape Coral-Ft. Myers 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	3	720	22%			$ 351	$ 130	$ 221	$ 1,334	$ 1,346	$ 1,346	$ 1,334	$ 48,024
1	1.0	5	720	40%			$ 638	$ 130	$ 508	$ 1,334	$ 1,346	$ 1,346	$ 1,334	$ 80,040
1	1.0	3	720	50%			$ 798	$ 130	$ 668	$ 1,334	$ 1,346	$ 1,346	$ 1,334	$ 48,024
1	1.0	16	720	60%			$ 957	$ 130	$ 827		$ 839	$ 839	$ 827	$ 158,784
1	1.0	9	720	Market			$ 1,650	$ -	$ 1,650		$ 1,650	$ 1,650	$ 1,650	$ 178,200
1	1.0	2	700	50%			$ 798	$ 130	$ 668	$ 1,334	$ 1,346	$ 1,346	$ 1,334	$ 32,016
1	1.0	12	700	60%			$ 957	$ 130	$ 827		$ 839	$ 839	$ 827	$ 119,088
2	1.0	3	983	40%			$ 766	$ 178	$ 588	$ 1,666	$ 1,701	$ 1,701	$ 1,666	$ 59,976
2	1.0	32	983	50%			$ 957	$ 178	$ 779	$ 1,666	$ 1,701	$ 1,701	$ 1,666	$ 639,744
2	1.0	1	983	60%			$ 1,149	$ 178	$ 971		$ 1,006	$ 1,006	$ 971	$ 11,652
2	1.0	2	940	40%			$ 766	$ 178	$ 588	$ 1,666	$ 1,701	$ 1,701	$ 1,666	$ 39,984
2	1.0	3	940	50%			$ 957	$ 178	$ 779	$ 1,666	$ 1,701	$ 1,701	$ 1,666	$ 59,976
2	1.0	1	940	60%			$ 1,149	$ 178	$ 971		$ 1,006	$ 1,006	$ 971	$ 11,652
		92	76,748											$ 1,487,160

2. First Housing based the utility allowances on the Utility Allowance Study, dated March 1, 2024, from KN Consultants, LLC. FHFC approved the Utility Allowance Study on March 20, 2024.

3. First Housing received an Appraisal, dated February 7, 2024, prepared by Colliers. The appraisal has differing utility allowances than those shown above. The appraisal has total annual rental income of $1,510,704 which is $23,544 higher than what is shown above. Since the difference is minimal, First Housing has not required an updated appraisal.

4. First Housing calculated a blended, weighted vacancy and collection loss rate of 5.43% for the combined multifamily and retail space. The appraiser concluded to a vacancy and collection loss rate of 4% for the multifamily and 5% for the retail. First Housing's estimate is more conservative with a 5% vacancy and collection loss for the multifamily and 10% for the retail.

5. The appraiser estimated real estate taxes at $126,755, or $1,378/unit.

6. First Housing received an undated draft management agreement between the Applicant and Southwest Florida Housing Management, LLC ("Management Agent"). A final executed agreement in substantially the same form as the draft reviewed by First Housing will be a requirement for closing. The Management Agent is an affiliate of HACFM. The term of the agreement will be for one year from the date of execution, with automatic renewals of up to five years. The Management Agent will earn a monthly fee in the amount of 6% of the gross income collected during the month. The appraiser concluded to a 5% fee; however, First Housing underwrote to the 6% included in the actual agreement. Please note that the fee appears as 5.50% in the pro forma above because First Housing based the calculation on multifamily income and vacancy components only, and excluded the retail portions.

7. Replacement Reserves of $300 per unit per year are required. Based on the draft Operating Agreement from Enterprise, the replacement reserve deposits will be required to increase by 3% each year.

8. Based on the operating pro forma, the Development's estimated Debt Service Coverage on the SAIL loan is 1.62x. Florida Housing's SAIL Program per Rule 67-48.0072(11), F.A.C. has a maximum Debt Service Coverage of 1.50x for the SAIL and all superior mortgages. However, the Development has deep subsidy in the form of 3 NHTF units which serve tenants whose income is 22% or less of AMI and 10 ELI units which serve tenants whose income is 40% or less of AMI. As such, exceeding the maximum threshold of 1.50x is permitted.

9. The Break-Even Economic Occupancy Ratio includes all debt; however, the interest on the second and fourth mortgages are payable based on available cash flow. Thus, this ratio would improve to 73.4% if the interest payments on the second and fourth mortgages were excluded from the calculation.

10. Refer to Exhibit I, 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%.

Recommendation

First Housing recommends that FHFC approve the increase of the tax-exempt construction first mortgage loan amount from $22,550,000 to $23,000,000. The increase of $450,000 to the construction first mortgage, the change to the PBV, change in loan terms, and the increase in HC Allocation have no substantial material impact to the Final CUR. First Housing recommends a total SAIL Loan in the amount of $9,402,500, comprised of a SAIL Base Loan in the amount of $8,740,000 ("SAIL Base Loan") plus an ELI Loan in the amount of $662,500 ("ELI" Loan"). In addition, First Housing recommends a NHTF Loan in the amount of $825,000 and an annual HC Allocation of $1,853,647 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 must be met.

2. All other due diligence required by FHFC, its Legal Counsel and Servicer.

Prepared by:	Reviewed by:
Taylor Arruda	Ed Busansky
Senior Credit Underwriter	Senior Vice President

HC Allocation Calculation

Qualified Basis Calculation

Total Development Costs(including land and ineligible Costs)	$47,811,891
Less Land Costs	$2,250,099
Less Federal Grants and Loans	$0
Less Other Ineligible Costs	$5,953,957
Total Eligible Basis	$39,607,835
Applicable Fraction	90%
DDA/QCT Basis Credit	130%
Qualified Basis	$46,341,167
Housing Credit Percentage	4.00%
Annual Housing Credit Allocation	$1,853,647

Notes to the Qualified Basis Calculation:

1. Other ineligible costs include the cost of retail space, site work, accounting fees, FHFC Fees, insurance, market study, title work, financial costs, and reserves.

2. The Development has a 90% set-aside since 10% of the units will be market rate. Therefore, the Applicable Fraction is 90%.

3. For purposes of this analysis, the Development is located in a Qualified Census Tract ("QCT"); therefore, the 130% basis boost was applied.

4. For purposes of this recommendation, an HC percentage of 4% was applied based on the 4% floor rate, which was established through the Consolidated Appropriations Act of 2021.

GAP Calculation

Total Development Costs(including land and ineligible Costs)	$47,811,891
Less Mortgages	$30,089,947
Less Grants	$50,100
Equity Gap	$17,671,844
HC Syndication Percentage to Investment Partnership	99.99%
HC Syndication Pricing	$0.950
HC Required to meet Equity Gap	$18,603,801
Annual HC Required	$1,860,380

Notes to the Gap Calculation:

1. The pricing and syndication percentage was taken from the draft Operating Agreement.

2. Grants includes a $50,000 grant from the City of Fort Myers plus $50 each from FMR Manager and SWF Manager.

Summary

HC Per Syndication Agreement	$1,860,291
HC Per Qualified Basis	$1,853,647
HC Per GAP Calculation	$1,860,380
Annual HC Recommended	$1,853,647
Syndication Proceeds based upon Syndication Agreement	$17,671,000

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 calculation.

50% Test

Tax-Exempt Note Amount	$23,000,000
Less: Debt Service Reserve Funded with Tax-Exempt Note Proceeds	$0
Other:	$0
Other:	$0
Equals Net Tax-Exempt Note Amount	$23,000,000
Total Depreciable Cost	$39,607,835
Plus Land Cost	$2,250,099
Aggregate Basis	$41,857,934
Net Tax-Exempt Note to Aggregate Basis Ratio	54.95%

1. Based on the budget, the Development appears to meet the 50% test for 4% Housing Credits.

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	**$1,487,160**	**$1,516,903**	**$1,547,241**	**$1,578,186**	**$1,609,750**	**$1,641,945**	**$1,674,784**	**$1,708,279**	**$1,742,445**	**$1,777,294**	**$1,812,840**	**$1,849,097**	**$1,886,078**	**$1,923,800**	**$1,962,276**
	Other Income															
	Ancillary Income	$146,216	$149,140	$152,123	$155,166	$158,269	$161,434	$164,663	$167,956	$171,315	$174,742	$178,236	$181,801	$185,437	$189,146	$192,929
	Miscellaneous	$41,400	$42,228	$43,073	$43,934	$44,813	$45,709	$46,623	$47,556	$48,507	$49,477	$50,466	$51,476	$52,505	$53,555	$54,626
	Gross Potential Income	**$1,674,776**	**$1,708,272**	**$1,742,437**	**$1,777,286**	**$1,812,831**	**$1,849,088**	**$1,886,070**	**$1,923,791**	**$1,962,267**	**$2,001,512**	**$2,041,543**	**$2,082,373**	**$2,124,021**	**$2,166,501**	**$2,209,831**
	Less:															
	Physical Vac. Loss Percentage: 5.44%	$91,050	$92,871	$94,728	$96,623	$98,555	$100,526	$102,537	$104,587	$106,679	$108,813	$110,989	$113,209	$115,473	$117,782	$120,138
	Total Effective Gross Income	**$1,583,726**	**$1,615,401**	**$1,647,709**	**$1,680,663**	**$1,714,276**	**$1,748,562**	**$1,783,533**	**$1,819,204**	**$1,855,588**	**$1,892,700**	**$1,930,554**	**$1,969,165**	**$2,008,548**	**$2,048,719**	**$2,089,693**
EXPENSES:	Fixed:															
	Real Estate Taxes	$126,755	$130,558	$134,474	$138,509	$142,664	$146,944	$151,352	$155,893	$160,569	$165,387	$170,348	$175,459	$180,722	$186,144	$191,728
	Insurance	$277,200	$285,516	$294,081	$302,904	$311,991	$321,351	$330,991	$340,921	$351,149	$361,683	$372,534	$383,710	$395,221	$407,078	$419,290
	Variable:															
	Management Fee Percentage: 5.50%	$87,128	$88,870	$90,648	$92,461	$94,310	$96,196	$98,120	$100,083	$102,084	$104,126	$106,208	$108,333	$110,499	$112,709	$114,963
	General and Administrative	$43,700	$45,011	$46,361	$47,752	$49,185	$50,660	$52,180	$53,745	$55,358	$57,019	$58,729	$60,491	$62,306	$64,175	$66,100
	Payroll Expenses	$128,800	$132,664	$136,644	$140,743	$144,966	$149,315	$153,794	$158,408	$163,160	$168,055	$173,096	$178,289	$183,638	$189,147	$194,822
	Utilities	$87,860	$90,496	$93,211	$96,007	$98,887	$101,854	$104,909	$108,057	$111,298	$114,637	$118,076	$121,619	$125,267	$129,025	$132,896
	Marketing and Advertising	$2,760	$2,843	$2,928	$3,016	$3,106	$3,200	$3,296	$3,394	$3,496	$3,601	$3,709	$3,820	$3,935	$4,053	$4,175
	Maintenance and Repairs/Pest Control	$46,000	$47,380	$48,801	$50,265	$51,773	$53,327	$54,926	$56,574	$58,271	$60,020	$61,820	$63,675	$65,585	$67,553	$69,579
	Grounds Maintenance and Landscaping	$32,200	$33,166	$34,161	$35,186	$36,241	$37,329	$38,448	$39,602	$40,790	$42,014	$43,274	$44,572	$45,910	$47,287	$48,705
	Reserve for Replacements	$27,600	$28,428	$29,281	$30,159	$31,064	$31,996	$32,956	$33,945	$34,963	$36,012	$37,092	$38,205	$39,351	$40,532	$41,747
	Total Expenses	**$860,003**	**$884,932**	**$910,591**	**$937,002**	**$964,188**	**$992,170**	**$1,020,973**	**$1,050,621**	**$1,081,139**	**$1,112,553**	**$1,144,888**	**$1,178,172**	**$1,212,434**	**$1,247,702**	**$1,284,006**
	Net Operating Income	**$723,723**	**$730,469**	**$737,118**	**$743,661**	**$750,089**	**$756,392**	**$762,560**	**$768,582**	**$774,449**	**$780,147**	**$785,666**	**$790,992**	**$796,114**	**$801,017**	**$805,687**
	Debt Service Payments															
	1st Mortgage - Citi	$332,677	$332,677	$332,677	$332,677	$332,677	$332,677	$332,677	$332,677	$332,677	$332,677	$332,677	$332,677	$332,677	$332,677	$332,677
	2nd Mortgage - SAIL Base Loan	$87,400	$87,400	$87,400	$87,400	$87,400	$87,400	$87,400	$87,400	$87,400	$87,400	$87,400	$87,400	$87,400	$87,400	$87,400
	2nd Mortgage - ELI Loan	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
	3rd Mortgage - NHTF Loan	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
	4th Mortgage - HACFM	$596,421	$596,421	$596,421	$596,421	$596,421	$596,421	$596,421	$596,421	$596,421	$596,421	$596,421	$596,421	$596,421	$596,421	$596,421
	1st Mortgage Fees - Citi	$14,952	$14,952	$14,952	$14,952	$14,952	$14,952	$14,952	$14,952	$14,952	$14,952	$14,952	$14,952	$14,952	$14,952	$14,952
	2nd Mortgage Fees - SAIL Base Loan	$12,622	$12,622	$12,622	$12,622	$12,622	$12,622	$12,622	$12,622	$12,622	$12,622	$12,622	$12,622	$12,622	$12,622	$12,622
	2nd Mortgage Fees - ELI Loan	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
	3rd Mortgage Fees - NHTF Loan	$3,970	$3,970	$3,970	$3,970	$3,970	$3,970	$3,970	$3,970	$3,970	$3,970	$3,970	$3,970	$3,970	$3,970	$3,970
	4th Mortgage Fees - HACFM	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
	Total Debt Service Payments	**$1,048,041**	**$1,048,041**	**$1,048,041**	**$1,048,041**	**$1,048,041**	**$1,048,041**	**$1,048,041**	**$1,048,041**	**$1,048,041**	**$1,048,041**	**$1,048,041**	**$1,048,041**	**$1,048,041**	**$1,048,041**	**$1,048,041**
	Cash Flow after Debt Service	**($324,317)**	**($317,572)**	**($310,923)**	**($304,380)**	**($297,952)**	**($291,649)**	**($285,481)**	**($279,458)**	**($273,592)**	**($267,894)**	**($262,375)**	**($257,048)**	**($251,927)**	**($247,024)**	**($242,354)**
	Debt Service Coverage Ratios															
	DSC - 1st Mortgage plus Fees	**2.08**	**2.10**	**2.12**	**2.14**	**2.16**	**2.18**	**2.19**	**2.21**	**2.23**	**2.24**	**2.26**	**2.28**	**2.29**	**2.30**	**2.32**
	DSC - 2nd Mortgage plus Fees	**1.62**	**1.63**	**1.65**	**1.66**	**1.68**	**1.69**	**1.70**	**1.72**	**1.73**	**1.74**	**1.76**	**1.77**	**1.78**	**1.79**	**1.80**
	DSC - 2nd Mortgage plus Fees	**1.62**	**1.63**	**1.65**	**1.66**	**1.68**	**1.69**	**1.70**	**1.72**	**1.73**	**1.74**	**1.76**	**1.77**	**1.78**	**1.79**	**1.80**
	DSC - 3rd Mortgage plus Fees	**1.60**	**1.62**	**1.63**	**1.65**	**1.66**	**1.67**	**1.69**	**1.70**	**1.71**	**1.73**	**1.74**	**1.75**	**1.76**	**1.77**	**1.78**
	DSC - 4th Mortgage plus Fees	**0.69**	**0.70**	**0.70**	**0.71**	**0.72**	**0.72**	**0.73**	**0.73**	**0.74**	**0.74**	**0.75**	**0.75**	**0.76**	**0.76**	**0.77**
	Financial Ratios															
	Operating Expense Ratio	**54.30%**	**54.78%**	**55.26%**	**55.75%**	**56.24%**	**56.74%**	**57.24%**	**57.75%**	**58.26%**	**58.78%**	**59.30%**	**59.83%**	**60.36%**	**60.90%**	**61.44%**
	Break-even Economic Occupancy Ratio (all debt)	**114.23%**	**113.45%**	**112.71%**	**111.99%**	**111.30%**	**110.64%**	**110.00%**	**109.39%**	**108.81%**	**108.25%**	**107.71%**	**107.21%**	**106.72%**	**106.26%**	**105.83%**

Based on the draft Operating Agreement from Enterprise, the replacement reserve deposits will be required to increase by 3% each year.

SELTZER MANAGEMENT GROUP, INC.

17633 ASHLEY DRIVE
PANAMA CITY BEACH, FL 32413
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April 25, 2024

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: Falcon Trace II ("Subject Development")
SAIL and ELI RFA 2021-205 (2022-186S) / ITP 2022 – SAIL CHIRP / 4% HC (2021-519C)
Credit Underwriting Report Update Letter ("CUL") - Changes to the Final Credit Underwriting Report ("CUR") dated December 1, 2022 and CUR Update Letter dated February 15, 2023 to include an increase in existing superior debt from Bank of America ("BOA") Tax-Exempt Bonds Construction First Mortgage and an increase in the existing subordinate debt from Osceola County

Dear Mr. Kennedy:

Seltzer Management Group, Inc. ("SMG" or "Seltzer") is in receipt of correspondence, dated February 27, 2024, from Birdsong Housing Partners, a representative for Falcon Trace II, LLC ("Borrower"), requesting Florida Housing Finance Corporation's ("FHFC" or "Florida Housing") consent to an increase in the existing first mortgage BOA tax exempt bonds construction loan by $2,778,817 from $55,000,000 to $57,778,817 and an increase in the subsidy to the existing Osceola County subordinate loan by $7,000,000, from $14,750,000 to $21,750,000 which will be subordinate to the SAIL and ELI loans.

The CUR for the Subject Development was approved at December 9, 2022, FHFC Board meeting and subsequent CUR Update Letter was completed and the loan closed on April 28, 2023. On December 14, 2022, the Borrower accepted a firm commitment letter dated December 14, 2022, for a $10,300,000 State Apartment Incentive Loan ("SAIL"), inclusive of a $6,000,000 SAIL and a $4,300,000 SAIL Construction Housing Inflation Response Program ("CHIRP") loan, and a $600,000 Extremely Low Income ("ELI") loan. Per Chapter 67-48.010(15) ("Rule"), after accepting a preliminary commitment, the Borrower 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 Florida Housing's Board of Directors.

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:

- Rules 67-21 and 67-48 ("Rules")
- Falcon Trace II Final CUR
- Falcon Trace II CUR Update Letter
- SAIL/SAIL CHIRP and ELI Firm Commitment

- Falcon Trace II Closing Letter and Final Sources and Uses/Construction Draw Schedule dated April 28, 2023
- FHFC's Past Due Report dated March 12, 2024
- FHFC's Asset Management Noncompliance Report dated October 18, 2023
- Correspondence from the Borrower seeking Florida Housing's consent of the request outlined above
- Osceola County Commitment dated February 20, 2024
- Email dated March 8, 2024 from Bank of America ("BOA") confirming an increase to the Equity
- Email dated March 12, 2024 from BOA confirming an increase to the Construction Loan first mortgage
- Additional Costs Review provided by On Solid Ground, LLC ("OSG") dated January 15, 2024
- Sources and Uses as of February 27, 2024
- Change Orders 1 through 5

<u>Additional Costs Review</u>

Seltzer has reviewed the Additional Costs Review report performed by OSG dated January 15, 2024. In this report, OSG reviewed Change Orders 4 and 5 which increased the construction costs by $12,717,853. OSG opined that they believe the added increased costs are due to site related revisions and added scope to the property appear to be reasonable.

Please note that subsequent to Closing, the following changes occurred:

- Total Development Costs and Uses have increased by $13,440,163 from $103,641,013 to $117,081,176, primarily due to increase in Construction Costs and General Development Costs.
- Total Construction Costs have increased by $13,843,187 from $59,673,320 to $73,516,507, primarily due to increases in Site Work and an increase to the General Contractor fee detailed in Change Orders 1 - 5.
- Total Equity increased by $4,755,816 or 10% from $48,566,313 to $53,422,944 which was contemplated in the Amended and Restated Operating Agreement dated April 28, 2023. The increase will come in the final installment at 8609.
- Based on Change Orders 1 – 5, the General Contractor fee increased by $138,199, from $7,285,320 to$7,423,519. The total GC Fee of 11.29% of the GC Contract and Change Orders.
- The construction and permanent sources changed as follows:

Mr. Tim Kennedy
Falcon Trace II
April 25, 2024

CONSTRUCTION/PERMANENT SOURCES:				
Source	**Lender**	**Construction**	**Permanent**	**Perm Loan/Unit**
Local HFA Bonds	OCHFA / BOA	$57,778,817	$0	$0.00
Local HFA Bonds	OCHFA / Chase	$0	$22,000,000	$62,146.89
FHFC - SAIL	FHFC SAIL	$6,000,000	$6,000,000	$16,949.15
FHFC - SAIL	FHFC CHIRP	$4,300,000	$4,300,000	$12,146.89
FHFC - SAIL ELI	FHFC SAIL ELI	$600,000	$600,000	$1,694.92
Local Government Subsidy	Osceola County	$21,750,000	$21,750,000	$61,440.68
HC Equity	BOA	$9,694,933	$53,322,129	$150,627.48
Deferred Developer Fee	Developer	$16,957,426	$9,109,047	$25,731.77
TOTAL		$117,081,176	$117,081,176	$330,737.79

- BOA increased the existing first mortgage construction loan by $2,778,817 from $55,000,000 to $57,778,817. Per an email from BOA dated March 12, 2024, they approved an increase in the existing first mortgage construction loan not to exceed $60,000,000, currently estimated at $57,778,817. The other terms on the loan will not change.
- Per an updated commitment letter from Osceola County dated February 20, 2024, the existing loan will increase by $7,000,000, from $14,750,000 to $21,750,000. The other terms on the loan will not change.
- The Applicant is deferring 96.68% of the developer fee during the construction period and 51.94% during the permanent period.

- Uses have changed as follows:
  - Total Construction Costs have increased by 13,843,187 from $59,673,320 to $73,516,507, mainly due to Change Orders 1 -5 and a decrease to the Hard Cost Contingency.
  - Developer Fee has increased by $2,108,327 from $15,430,982 to $17,539,309, due to the increase of $13,440,163 in the development budget.
- Since there is no change to the superior mortgage, the Debt Service Coverage ("DSC") for permanent first mortgage and SAIL/SAIL CHIRP did not change closing.
- Florida Housing's Past Due Report, dated March 12, 2024, reflects no past due items.
- Florida Housing's Asset Management Noncompliance Report, dated October 18, 2023, reflects no noncompliance items.

Conclusion

SMG concludes that the increase in the existing first mortgage BOA tax exempt bonds construction loan and the increase in subsidy to the existing Osceola County subordinate loan which will be subordinate to the SAIL and ELI loans have no material impact on SMG's recommendation and 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, it's Legal Counsel and Servicer.
- Payment of all costs and fees to Florida Housing, its Legal Counsel, and Servicer, as applicable.

- Payment of any outstanding arrearages to Florida Housing, 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 67-21.0025(5) F.A.C. and 67-48.0075(5) F.A.C., of an Applicant or a Developer).
- Consent of the HC equity provider, 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.

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

SELTZER MANAGEMENT GROUP, INC.

Justin Coles
Credit Underwriter

March 28, 2024

Mr. Tim Kennedy
Director of Multifamily Loans & Bonds
Florida Housing Finance Corporation
227 North Bronough Street
Tallahassee, Florida 32301

RE: EKOS Magnolia Oaks (f/k/a Magnolia Oaks) – MMRN 2021 Series F / RRLP & ELI RFA 2019-111 (2020-074BR) / 4% HC 2019-546C
Credit Underwriting Report Update Letter ("CUR Update Letter") – Changes to the Final CUR dated February 12, 2021 ("Final CUR") to approve an additional taxable tail to the existing first mortgage permanent loan from Grandbridge Real Estate Capital LLC ("Grandbridge")

Dear Mr. Kennedy:

AmeriNat® ("AmeriNat") is in receipt of correspondence dated November 1, 2023, from MHP Magnolia Oaks, LLC ("Borrower") requesting Florida Housing Finance Corporation's ("FHFC" or "Florida Housing") consent to an increase of the proposed first mortgage permanent loan with a taxable tail for the above referenced transaction. The CUR dated February 12, 2021, was approved at the March 12, 2021, FHFC Board meeting. The transaction closed on July 14, 2021.

On behalf of Florida Housing, AmeriNat has performed certain due diligence and formulated a recommendation. For the purposes of this analysis, AmeriNat has reviewed the following:

- Final CUR
- Servicer Closing Letter and Final Sources and Uses/Construction Draw Schedule ("Closing Letter") dated July 14, 2021
- Correspondence from Borrower
- Request for Applications ("RFA") 2019-111
- Grandbridge Mortgage Loan Term Sheet dated March 1, 2024
- Rule Chapters 67-21 and 67-48 F.A.C

Overview

EKOS Magnolia Oaks (f/k/a Magnolia Oaks, the "Development") is located at 821 E. Magnolia Drive, Tallahassee, Leon County, FL 32301. The Development provides a total of 110 units, consisting of 30 one-bedroom / one-bathroom units; 65 two-bedroom / two-bathroom units, and 15 three-bedroom / two-bathroom units in five residential garden-style buildings. For a period of 50 years, the Development set aside 100% of the units for tenants at or below 60% of the Area Median Income ("AMI") for the Multifamily Mortgage Revenue Note ("MMRN") and Housing Credit ("HC"); and the Development set aside 10% of its total units (11 units) for tenants at or below 33% of the AMI and 90% of its total units (99 units) for tenants at or below 60% of the AMI for the Rental Recovery Loan Program ("RRLP") and Extremely Low Income ("ELI").

On March 18, 2021, the Borrower accepted the preliminary commitment for a $5,985,000 RRLP loan and an $807,400 ELI loan. Per RFA 2019-111, after accepting a preliminary commitment, the Borrower shall not refinance, increase the principal amount, or alter any terms or conditions of any mortgage superior or inferior to the RRLP mortgage without prior approval of Florida Housing's Board of Directors.

STI Institutional & Government, Inc. ("STI"), a Truist Bank, NA, subsidiary, provided a construction loan in an amount of $12,500,000 per a Promissory Note dated July 14, 2021. Grandbridge provided a Mortgage Loan Commitment dated June 25, 2021, in the amount of $7,500,000 through the Federal Home Loan Mortgage (Freddie Mac") Tax-Exempt Loan Program (the "TEL Program"). The Final CUR and the Closing Letter assumed a permanent mortgage in an amount not to exceed $6,886,000.

Permanent Financing Sources

The Financing Sources for the Development in the Servicer Closing Letter were as follows:

CONSTRUCTION/PERMANENT SOURCES:				
Source	**Lender**	**Construction**	**Permanent**	**Perm Loan/Unit**
FHFC - MMRN	FHFC/STI/Grandbridge	$12,500,000	$6,886,000	$143,458
FHFC - RRLP	FHFC	$5,985,000	$5,985,000	$124,688
FHFC - SAIL ELI	FHFC	$807,400	$807,400	$16,821
HC Equity	RJTC	$3,623,485	$10,352,816	$215,684
Deferred Operating Deficit Reserve	Developer	$232,959	$0	$0
Deferred Developer Fee	Developer	$1,781,982	$899,610	$18,742
		$24,930,826	$24,930,826	$519,392

The Borrower proposes the First Mortgage from Grandbridge be increased by including an additional taxable first mortgage note in the amount of $614,000. The terms of the taxable note are illustrated in a Mortgage Term Sheet ("Term Sheet"), dated March 1, 2024. Per the Term Sheet, the taxable note will be fully funded at permanent loan closing and will require monthly interest only payments for the first three years followed by principal and interest payments based on a 15-year term and 35-year amortization. These terms are consistent with the existing permanent First Mortgage from Grandbridge. However, the interest rate for the taxable note, which will be locked prior to funding, will be based on the current 10-year U.S. Treasury (4.102% as of March 11, 2024), with a floor of 3.93%, plus a spread of 243 basis points ("bps"), for underwriting purposes, AmeriNat assumes an "all in" rate of 6.53%. The minimum debt service coverage ratio is 1.20x on the final underwriting net operating income for the Development and a maximum loan to value of 80% for the combined existing first mortgage plus the additional taxable tail.

If approved, the proposed Financing Sources for Development will be as follows:

Source	Lender	Closing Letter	Applicant's Revised Total	Underwriter's Total	Interest Rate	Amortization Years	Term Years	Annual Debt Service
FHFC - MMRB	FHFC / Granbridge	$6,886,000	$7,500,000	$6,886,000	4.09%	35	15	$370,447
Regulated Mortgage Lender	Grandbridge	$0	$0	$614,000	6.53%	35	15	$44,676
FHFC - RRLP	FHFC	$5,985,000	$5,985,000	$5,985,000	0.90%	n/a	15	$53,865
FHFC - RRLP ELI	FHFC	$807,400	$807,400	$807,400	0.00%	n/a	15	$0
Local Government Subsidy	City of Tallaha	$0	$500,000	$500,000				
HC Equity	RJTCF	$10,352,816	$10,352,817	$10,352,816				
Deferred Developer Fee	Developer	$899,610	$969,914	$509,390				
	Total :	**$24,930,826**	**$26,115,131**	**$25,654,606**				**$468,989**

Notes to the Proposed Financing Sources

1. The Total Development Costs have increased from $24,930,826 to $25,654,606 for an increase of $723,780. The increase is primarily due to thirty-one (31) Change Orders that have increased the Guaranteed Maximum Price of the GC Contract by $1,250,195.84 from $15,860,005.00 to $17,110,200.84.

2. During the Construction Period, the Borrower received an unsecured Community Redevelopment Agency ("CRA") loan from the City of Tallahassee in the amount of $500,000. The CRA loan closed on September 21, 2021. The Developer will be required to permanently defer Developer Fee of $509,390, or 13.6% of the total Developer Fee.

Revised Operating Pro Forma

FINANCIAL COSTS:				Year 1	Year 1 Per Unit
OPERATING PRO FORMA					
INCOME:	Gross Potential Rental Income			**$1,262,448**	**$11,477**
	Other Income				**$0**
	Ancillary Income			$33,850	**$308**
	Washer/Dryer Rentals			$62,400	**$567**
	Gross Potential Income			**$1,358,698**	**$12,352**
	Less:				
	Physical Vac. Loss	Percentage:	4.00%	$54,348	**$494**
	Collection Loss	Percentage:	1.00%	$13,587	**$124**
Total Effective Gross Income				**$1,290,763**	**$11,734**
EXPENSES:	Fixed:				
	Real Estate Taxes			$135,230	**$1,229**
	Insurance			$181,500	**$1,650**
	Variable:				
	Management Fee	Percentage:	4.00%	$51,631	**$469**
	General and Administrative			$27,500	**$250**
	Payroll Expenses			$132,000	**$1,200**
	Utilities			$44,000	**$400**
	Marketing and Advertising			$8,250	**$75**
	Maintenance and Repairs/Pest Control			$71,500	**$650**
	Reserve for Replacements			$33,000	**$300**
Total Expenses				**$684,611**	**$6,224**
Net Operating Income				**$606,153**	**$5,510**
Debt Service Payments					
	First Mortgage - FHFC/Grandbridge			$370,447	**$3,368**
	First Mortgage - Grandbridge Taxible Note			$44,676	**$406**
	Second Mortgage - RRLP			$53,865	**$490**
	Third Mortgage - ELI			$0	**$0**
	First Mortgage Fees - FHFC/Grandbridge			$26,931	**$245**
	First Mortgage Fees - Grandbridge Taxable Tail			$0	**$0**
	Third Mortgage Fees - RRLP			$11,560	**$105**
	Fourth Mortgage Fees - ELI			$3,628	**$33**
Total Debt Service Payments				**$511,108**	**$4,646**
Cash Flow after Debt Service				**$95,045**	**$864**
Debt Service Coverage Ratios					
	DSC - First Mortgage plus Fees			**1.53x**	
	DSC - First Mortgage (incl. Taxable Note) plus Fees			**1.37x**	
	DSC - Second Mortgage plus Fees			**1.19x**	
	DSC - Third Mortgage plus Fee			**1.19x**	
	DSC - All Mortgages and Fees			**1.19x**	
Financial Ratios					
	Operating Expense Ratio			**53.04%**	
	Break-even Economic Occupancy Ratio (all debt)			**88.20%**	

Notes to the Revised Operating Pro Forma:

1. AmeriNat engaged and received an appraisal prepared by Integra Realty Resources – Orlando ("IRRO") dated January 17, 2024. The appraisal was executed by Christopher D. Starkey, a State Certified General Appraiser whose Florida license number is RZ#2886.

2. IRRO concludes that the Development will be able to achieve the maximum allowable 2023 rent for the Tallahassee HMFA as imposed by the HC program rent restrictions.

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

   Leon County (Tallahassee 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
1	1.0	3	683	33%			$532	$108	$424		$350	$342	$424	$15,264
1	1.0	27	683	60%			$967	$108	$859		$718	$710	$859	$278,316
2	2.0	6	985	33%			$638	$128	$510		$425	$414	$510	$36,720
2	2.0	5	985	60%			$1,161	$128	$1,033		$867	$856	$1,033	$61,980
2	2.0	54	965	60%			$1,161	$128	$1,033		$867	$856	$1,033	$669,384
3	2.0	2	1,175	33%			$737	$145	$592		$495	$483	$592	$14,208
3	2.0	13	1,175	60%			$1,341	$145	$1,196		$1,005	$993	$1,196	$186,576
		110	101,060											$1,262,448

3. The Combined First Mortgage plus Fees Debt Service Coverage ("DSC") ratio increased from 1.28x to 1.00 in the Final CUR to 1.37x to 1.00, which is inclusive of the taxable note that is the subject of this request. The Combined DSC for the first mortgage, and RRLP second mortgage, increased from 1.10x to 1.19x to 1.00.

4. All other operating expense estimates are based on comparable developments and are supported by the appraisal.

<u>Conclusion</u>

AmeriNat concludes that increasing the existing first mortgage permanent loan from Grandbridge through adding a taxable loan in the amount of $614,000 from $6,886,000 as concluded in the Final CUR to a combined total amount of $7,500,000 will not adversely impact the transaction and/or FHFC's security position. Accordingly, AmeriNat recommends that Florida Housing approve the Borrower's request to allow for an increase to the existing permanent first mortgage, subject to the following:

1. Review and approval of all loan documents consistent with the terms outlined above by Florida Housing, its Legal Counsel, and Servicer.

2. Payment of all costs and fees to Florida Housing, its Legal Counsel, and Servicer, as applicable.

3. Any other reasonable requirements of the Servicer, Florida Housing or its Legal Counsel.

Please feel free to contact me with any questions or comments.

Sincerely,

Kyle Kuenn
Multifamily Chief Credit Underwriter

Hurricane Idalia- Progress Report on Reconstruction and Re-housing of Displaced Households as of 4/1/2024

HFA#	FEMA IA County	Development Name	City	County	Total Units	Total Bldgs.	Buildings Damaged	Units Damaged	Households Displaced	Estimated Damage	Progress as of 2/15/2024	Households Displaced as of 4/1/2024
1630	Yes	Arbours at Madison	Madison	Madison	72	9	9	2	0	LIMITED	Initial reports of limited roof shingle damage to residential and non-residential buildings (clubhouse, mail kiosk and covered picnic facility). As of 10/31/2023, the insurance adjuster had determined the scope on the roofs and exterior siding. Anticipated completion date was TBD once the adjuster settled the claim. All work was anticipated to be completed 90 days from the proof of loss date. As of 12/31/2023, all breezeway lights had been replaced. Roof and exterior siding repair work was on hold until insurance claim is settled. The development was under contract for sale. The new owner will complete the needed repairs. The property was sold on 1/30/2024. As of 2/15/2024, new owner confirms remainder of the work will be completed, but had no anticipated completion date. As of 4/1/2024, all work has been completed.	0
3128	Yes	Hilltop	Madison	Madison	72	15	2	3	0	MODERATE	Initial reports of moderate roof damage to two (2) residential buildings with three (3) Units in the building damaged. One household was required to move out. As of 10/31/2023, all fallen trees had been removed from the roofs and grounds of the development. Roofs had been tarped to prevent any further damage. Bids had been received by several vendors. Work wwas anticipated to begin once the insurance claim was settled. As of 12/31/2023, roof work was complete. Interior work was scheduled for completion on 2/15/2024. As of 2/15/24, all roofs had been repaired and debris had been removed from each unit in preparation for interior work. Anticipated completion date was 4/10/2024. As of 4/1/2024, repairs are 97% completed. The 3 damaged unis have been repaired except for punch list items and cleaning. Anticipated completion date is 4/15/2024.	0

Exhibit A
Hurricane Idalia- Progress Report on Reconstruction and Re-housing of Displaced Households
as of 4/1/2024

HFA#	FEMA IA County	Development Name	City	County	Total Units	Total Bldgs.	Buildings Damaged	Units Damaged	Households Displaced	Estimated Damage	Progress as of 2/15/2024	Households Displaced as of 4/1/2024
2464	Yes	Live Oak - Meadows	Live Oak	Suwannee	87	18	1		1	MODERATE	Initial Report of extensive damage to non-residential buildings and amenities; moderate roof damage to residential buildings. As of 10/31/2023, owner was waiting on receipt of architect/engineer plans. Everything needed for permitting was expected ti be received no later than 11/30/2023. Roof work was scheduled to begin 1/16/2024 with an anticipated completion date of 3/15/2024. As of 2/15/2024, anticipated completion date was extended to 4/15/2024. As of 4/1/2024, work is 85% complete - anticipated completion date extended to 4/17/2024.	0
2909	Yes	Perrytown	Perry	Taylor	100	11	3	3	3	EXTENSIVE	As of 9/30/2023, owner reported extensive roof damage to two (2) residential buildings resulting in three (3) households being displaced. As of 10/31/2023, owner was negotiating claim with the insurance adjuster. All roofs had been tarped and units dried. No anticipated completion date at that time. As of 12/31/2023, no work had commenced. Owner continued to negotiate with insurer. As of 2/15/24, roof repairs were complete. Unit Interior work had no anticipated start/completion date. As of 4/1/2024, all storm damage has been repaired.	0
3068	Yes	Southern Villas of Perry	Perry	Taylor	36	6	4		3	EXTENSIVE	Initial report of extensive roof damage to four (4) residential buildings and one (1) non-residential building. Three (3) households reported as displaced. As of 9/30/2023, owner was soliciting bids from contractors and coordinating with claims adjusters. As of 10/31/2023, architect/engineer plans were received. All Interior demolition had been completed. One of the displaced households was transferred to another unit on site. All documentation required for permitting was anticipated to be available no later than 11/30/2023. As of 12/31/2023, all roof and exterior repairs were complete. Interior work was complete on one (1) of three (3) units. As of 2/15/2024, interior drywall had been installed and inspections scheduled. Target completion date was 3/31/2024. As of 4/1/2024, all work completed. It is expected that the CO will be issued by end of April.	2

Exhibit A
Hurricane Idalia- Progress Report on Reconstruction and Re-housing of Displaced Households
as of 4/1/2024

HFA#	FEMA IA County	Development Name	City	County	Total Units	Total Bldgs.	Buildings Damaged	Units Damaged	Households Displaced	Estimated Damage	Progress as of 2/15/2024	Households Displaced as of 4/1/2024
3023	Yes	Springhill	Madison	Madison	76	8	2	4	4	MODERATE	Initial report of moderate roof damage to two (2) residential buildings with four (4) households displaced as a result. As of 9/30/2023, all damaged roofs were tarped and owner was soliciting bids from contractors. As of 10/31/2023, owner continued to negotiate claim with insurance adjuster. As of 12/31/2023, owner continued to seek bids from contractors. No anticipated completion date at that time. As of 2/15/2024, roof repairs had been completed. Interior work was still pending with no anticipated start/completion date at that time. As of 4/1/2024, interior work had commenced and is anticipated to be completed by 4/30/2024..	3
											Displaced Households- Total	5

Natural Disaster Recovery Update
Hurricanes Ian and Nicole

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	71	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	
2023-304 (RRLP)	2023-202BR	Oak Park	$10,721,600.00	CORE Oak Park LLLP	CORE Oak Park Developer LLC	Lee	144	E, Non-ALF	Invited into credit underwriting on November 1, 2023.	First Housing	
2023-304 (RRLP)	2023-197BR	Parkside Oaks	$9,227,900.00	Archway Princeton Oaks, LLC	Archway Princeton Oaks Developer, LLC	Orange	90	F	Invited into credit underwriting on November 1, 2023.	AmeriNat	
2023-304 (RRLP)	2023-211R	Amaryllis Park Place III	$11,059,100.00	Amaryllis Park Place III, LLC	Amaryllis III Fortis Developer, LLC; SHA Affordable Development, LLC	Sarasota	108	F	Invited into credit underwriting on November 1, 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. Carryover Allocation Agreement executed October 4, 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. Carryover Allocation Agreement executed October 2, 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. CUR approved by the Board at the December 15, 2023 meeting. **Targeted closing date moved to May 8, 2024.**	First Housing	
2022-206 (HOME)	2023-164H	Phoenix Crossings	$6,250,000.00	Phoenix Crossings, LLC	Rural Neighborhoods, Incoporated	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. **Firm Loan Commitment deadline extension request from 5/26/24 through 11/26/24 to be presented @ the 5/10/24 Board meeting.**	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. **Firm Loan Commitment deadline extension request from 5/26/24 through 11/26/24 to be presented @ the 5/10/24 Board meeting.**	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. CUR approved by Board at October 27, 2023 meeting. **Loan closing extension request from February 29, 2024 through May 29, 2024 to be presented @ the 5/10/2024 Board meeting.**	First Housing	

Hurricane Ian- Progress Report on Reconstruction and Re-housing of Displaced Households as of 4/1/2024

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 4/1/2024	Households Displaced at 4/1/2024
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 was waiting on insurance funds and/or FEMA funding to begin roof replacement. All roofs were tarped. Anticipated completion date was 2024. As of 6/15/2023, owner was still waiting on funds from FEMA and/or insurance carrier to commence work. As of 9/30/2023, the owner continued to negotiate the claim with the insurer. Contract for roof work was anticipated no earlier than December 2023. Anticipated completion date for all work was during the first quarter of 2024. As of 2/15/2024, a contract for roof repairs/replacement had been executed. Work was estimated to begin no later than May 1, 2024, and should be completed by year end. As of 4/1/2024, contractors onboard and all roofs being replaced. Project was recently awarded CDBG-DR funds for multifamily rehab. Contract for funding is expected by May 7th and work will start immediately after. Expected completion time is 3–4 months from start date.	0
2466	Hurricane Ian	Yes	Renaissance Phase III	Ft. Myers	Lee	88	8	11	4	EXTENSIVE	GC Contract and updated Phase I are still outstanding.	0

Exhibit C
Hurricane Ian- Progress Report on Reconstruction and Re-housing of Displaced Households
as of 4/1/2024

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 4/1/2024	Households Displaced at 4/1/2024
2710	Hurricane Ian	Yes	Renaissance Phase IV	Ft. Myers	Lee	88	8	11	3	EXTENSIVE	GC Contract and updated Phase I are still outstanding.	0
2010	Hurricane Ian	Yes	Renaissance Senior	Ft. Myers	Lee	120	1	8	0	EXTENSIVE	GC Contract and updated Phase I are still outstanding.	0

Exhibit C
Hurricane Ian- Progress Report on Reconstruction and Re-housing of Displaced Households
as of 4/1/2024

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 4/1/2024	Households Displaced at 4/1/2024
1608	Hurricane Ian	Yes	Valencia Gardens	Wauchula	DeSoto	104	1	16	16	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 had started. Bids for reconstruction of the building were being reviewed. A contract was anticipated to 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 were working to finalize contracts for reconstruction. As of 7/31/2023, environmental and geotechnical site studies were being conducted along with draft architectural plans and preliminary cost estimates. As of 9/30/2023, full set of construction plans were complete and being reviewed by claims adjuster. Contractor would then provide updated price based on adjuster's review. As of 10/31 2023, plans were submitted to the local governments for permit review. As of 12/31/2023, a contract was executed and building permits were expected by 1/31/2024. As of 2/15/2024, owner was finalizing its building permit request to Hardee County. Permits expected to be issued by 3/31/2024. As of 4/1/2024, architect is currently working on plan revisions recommended by Hardee County.	9
											Total	9

Hurricane Eta (FEMA-3551_FL) Damage Assessment
as of 4/1/2024

Development	City	County	Demographic	# Units	Damage reported	Current Status	# Displaced Households
Glorieta Gardens	Opa Locka	Miami-Dade	Family	330	Flood damage to first floor units of two (2) buildings	According to management, the Local government agreed to issue permits to begin demolition work. However, commencement of work was dependent on a damaged storm drain line that extends from the property to a city-owned canal. As of 2/15/2021, management reported building permits were secured and all households had been relocated. Owners anticipated having the units back online by 4/30/2021. As of 4/9/2021, management reported the households had all been relocated to either a hotel or another unit at the development. As of 5/15/2021, management reported the completion had been extended to 7/31/2021 and there were 28 households displaced. As of 6/30/2021, management reported there were 26 households displaced. As of 7/31/2021, management reported there were 19 households displaced and anticipated completion date was October 31, 2021. As of 9/30/2021, management reported there were 43 units out of service and 15 households displaced. According to management, no work was completed due to a shortage in supplies/materials. Contractors had placed material and supply orders directly through the manufacturers to expedite delivery. Anticipated completion date was March 31, 2022. As of 2/15/2022, management reported 13 households displaced and the anticipated completion date was 3/31/2022. As of 3/31/2022, management reported 13 households were 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. delayed receipt of Certificates of Occupancy. As of 5/31/2022, management reported 24 units out of service and 8 households displaced. However, by Thursday, 6/2 only one tenant was anticipated to remain in a hotel. Pending additional site work, the new anticipated completion date was June 30, 2022. As of 8/31/2022, management reported 16 units out of service with 1 household displaced. As of 3/31/2023, management reported only one (1) unit remained out-of-service from flooding caused by Hurricane Eta and no households were displaced. As of 5/15/2023, management reported one (1) unit remained out-of-service while awaiting air quality testing and final inspection. As of 6/15/2023, management reported the unit had been fully inspected and a new tenant had a scheduled move-in date of June 28th. As of 4/1/2024, management reported the final unit remains unoccupied.	1