

February 2, 2024

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**HOME RENTAL**

*Consent*

**I. HOME RENTAL**

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

Development Name: Apollo Gardens	Location: Brevard County
Applicant/Borrower: Apollo Gardens, LLLP	Set Asides: 20% @ 30% AMI 80% @ 60% AMI
Developer/Principal: Carrfour Supportive Housing, Inc./Stephanie Berman	Demographic/Number of Units: Homeless, Disabled / 84 units
Requested Amounts: 9% Housing Credits: \$1,848,000 HOME-ARP: \$7,200,000 NHTF: \$1,780,200	Development Category/Type: New Construction/Garden Apartments

**1. Background:**

- a) On June 7, 2022, Florida Housing Finance Corporation issued a Request for Applications (RFA) 2022-210 for Permanent Supportive Housing Focusing on Best Practices and Funding for Tenancy Supports and Resident Services Coordination for High Utilizers of Public Behavioral Health Systems.
- b) On August 5, 2022, the Board approved the final scores and recommendations for the RFA and directed staff to proceed with all necessary credit underwriting activities.
- c) On August 16, 2022, the Applicant was invited to enter credit underwriting activities which was accepted on August 22, 2022. The one-year deadline to complete credit underwriting was August 22, 2023.
- d) On September 8, 2023, the Board approved a six-month firm loan commitment deadline extension from August 22, 2023 through February 22, 2024 due to neighborhood opposition of the Development which affected final approval of its site plan.

**2. Present Situation:**

- a) On December 29, 2023, the Applicant requested a second six-month firm loan commitment deadline extension from February 22, 2024 through October 31, 2024 due to past neighborhood opposition of the Development which affected the timely approval of its site plan and was ‘dismissed on December 12, 2023 with prejudice.’ The additional requested time is to complete the requirements outlined in the extension request and timeline provided ([Exhibit A](#)).

**3. Recommendation:**

- a) Approve the second firm loan commitment deadline extension from February 22, 2024 through October 31, 2024, subject to further approvals and verifications by the Credit Underwriter, Counsels, and appropriate Florida Housing Staff.

## HOUSING CREDITS

### Consent

## II. HOUSING CREDITS

### A. Request Approval of Applicant and Developer Entity Organizational Structure Changes for Old Cutler Village Phase 2 (RFA 2022-203/2023-092C)

<b>Development Name: Old Cutler Village Phase 2</b>	<b>Location: Miami-Dade County</b>
<b>Applicant/Borrower: Old Cutler Village Phase 2, LLC</b>	<b>Set-Asides:</b> <b>18 units @ 30% AMI</b> <b>48 units @ 60% AMI</b> <b>54 units @ 70% AMI</b>
<b>Developer/Principal: Pinnacle Communities, LLC / David Deutch</b>	<b>Demographic/Number of Units: Family / 120</b>
<b>Requested Amounts: \$3,458,400 9% Housing Credits</b>	<b>Development Category/Type: New Construction / Mid-Rise (5-6 Stories)</b>

#### 1. Background/Present Situation:

- a) Old Cutler Village Phase 2, LLC applied for and was awarded funding from Request for Applications (RFA) 2022-203 for Housing Credit Financing for Affordable Housing Developments located in Miami-Dade County. The funds are being utilized to finance the construction of a 120-unit Family development in Miami-Dade County. On June 16, 2023, staff issued an invitation to the Applicant to enter credit underwriting and subsequently executed a Carryover Allocation Agreement on November 13, 2023.
- b) On November 21, 2023, Florida Housing received a letter from the Applicant requesting a material change to the Applicant entity ownership structure to accurately reflect the trusts established for the family members of the principals and managed interests in The Estate of Mitchell M. Friedman. In addition, the Applicant requests to add a Non-Investor Managing Member, a non-profit entity, to further enhance the operational and management team to provide development consistency with previous Pinnacle ventures. The submitted request is not intended for the purpose of qualifying the development as a "Non-Profit Application." The request letter also includes a request to change the Principals of the Developer; while the Developer Principal change could be approved by staff, it is being combined with this request for consistency purposes. The letter and the current and proposed principal disclosures are attached as [Exhibit A](#).
- c) Changes requested to the Applicant Structure: Insert Non-Investor Managing Member Old Cutler EHT, LLC (0.0051%) and decrease PC OCV 2, LLC's interest to .0049%. Old Cutler EHT, LLC is made up of Managing Member Everglades Housing Trust, Incorporated (100%). Everglades Housing Trust, Incorporated includes Officers/Directors, Steven Kirk, Fabiola Vidales, Alphonso Townsel, Peter McDougal, Susan Rubio Riviera, and Pinita Alegre. Replace Member of PC OCV 2, LLC, PC GP Holdings, LLC (100%) and Managers Louis Wolfson III, David O. Deutch, and The Estate of Mitchell M. Friedman with Managing Members, DOD Affordable, LLC (33.34%), Wolfpack Affordable, LLC (33.33%), and Member MMF Affordable, LLC (33.33%). DOD Affordable is made up of Manager, David O. Deutch and Members, The 2017 Jennifer L. Deutch Family Trust (50%) and the 2017 Matthew K. Deutch Family Trust (50%). The 2017 Jennifer L. Deutch Family Trust is made up of Trustee, Debra K. Deutch and Beneficiary, Jennifer L. Deutch (100%). The 2017 Matthew K. Deutch Family Trust is made up of Trustee, Debra K. Deutch and Beneficiary, Matthew

## HOUSING CREDITS

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

- d) Changes requested to the Developer Structure: Change Managing Member, The Estate of Mitchell M. Friedman to Member, The Estate of Mitchell M. Friedman.
- e) Regarding the Applicant structure changes, the RFA states that once the Carryover Allocation Agreement has been executed by all parties, (a) replacement of the Applicant or material change in the ownership structure of the named Applicant will require Board Approval prior to the change and (b) any non-material change in the ownership structure of the named Applicant will require Corporation approval prior to the change. Regarding the Developer structure changes, the RFA states the Principals of each Developer identified in the Application, including all co-Developers, may be changed only by written request of an Applicant to Corporation staff and approval of the Corporation after the Applicant has been invited into credit underwriting as outlined in Rule Chapter 67-48, F.A.C.
- f) Staff has reviewed this request and finds that the development meets all other requirements of the RFA/Rule.

### 2. **Recommendation:**

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

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**III. LEGAL**

**A. In Re: Delmar Terrace South, LLC**

**FHFC Case No. 2023-099VW**

<b>Development Name: (“Development”):</b>	<b>Delmar 745</b>
<b>Developer/Principal: (“Developer”):</b>	<b>Delmar Terrace Developers, LLC / Ian McCormack</b>
<b>Number of Units: 65 units</b>	<b>Location: Pinellas County</b>
<b>Type: New Construction/High-Rise</b>	<b>Set-Asides: 15% @ 40% AMI 85% @ 60% AMI</b>
<b>Demographics: Homeless</b>	<b>Funding: 9% HC: \$1,660,000 SAIL: \$3,250,000 Viability: \$540,093</b>

**1. Background:**

- a) Delmar Terrace South, LLC (“Petitioner”) successfully applied for funding to assist in the construction of Delmar 745, a 65-unit development located in Pinellas County, Florida (the “Development”). On November 29, 2023, Florida Housing received a Petition for Rule Waiver and Variance to General Contractor Conditions and Final Cost Certification Process in Rules 67-48.0072(17)(e) and (f), and Rules 67-48.023(5) and (7) (the “Petition”) to waive the rule requirements for General Contractor duties, subcontractor payment, and to vary from the documentation requirements and timing of the Final Cost Certification Application Package. A copy of the Petition is attached as [Exhibit A](#).

**2. Present Situation**

- a) Rules 67-48.0072(17)(e) and 67-48.0072(17)(f), Fla. Admin. Code (2014), state in relevant part:

17) The General Contractor must meet the following conditions:

(e) Ensure that none of the General Contractor duties to manage and control the construction of the Development are subcontracted;

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(f) Ensure that not more than 20 percent of the construction cost is subcontracted to any one entity, with the exception of a subcontractor contracted to deliver the building shell of a building at least five (5) stories which may not have more than 31 percent of the contract cost in a subcontract, unless otherwise approved by the Board for a Specific Development. With regard to said approval, the Board shall consider the facts and circumstances of each Applicant’s request, inclusive on construction costs and the General Contractor’s fees.

- b) Rules 67-48.023(5) and 67-48.023(7), Fla. Admin. Code (2014), state in relevant part:

(5) Each Housing Credit Development shall complete the final cost certification process as required in a competitive solicitation

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(7) Final Cost Certification documentations shall be submitted by an Applicant to itemize all expenses incurred in association with construction or Rehabilitation of a Housing Credit Development, including Developer's and General Contractor's fees as described in Rule 67-48.0072, F.A.C. ...

- c) On May 8, 2017, Petitioner executed a Guaranteed Maximum Price ("GMP") contract with Lynx Construction Management ("Lynx") for the construction of the Development. Over the course of the project, Lynx experienced significant performance issues that ultimately required Petitioner to terminate the GMP contract for cause on August 6, 2020. Petitioner filed a claim with Travelers's Casualty and Surety Company ("Travelers"), the performance bond surety, who, in turn, entered into a takeover agreement with Lynx to complete the construction of the Development. Travelers opted to hire Whiting Turner Construction ("Whiting Turner") to complete the remaining construction on the project. A Temporary Certificate of Occupancy was issued for the Development in December 2021, and the Development was placed in service on December 29, 2021.
- d) Petitioner seeks several waivers, variances, and authorizations by this Petition.
- (1) Petitioner seeks a waiver of Rule 67-48.0072(17)(e) in order to allow the Surety, who technically operated as the General Contractor standing in the shoes of Lynx, to subcontract the duties to manage and control the construction of the development to Whiting-Turner, the completing contractor.
  - (2) Petitioner seeks a waiver of Rule 67-48.0072(17)(f), to allow Whiting-Turner's performance of subcontracted work totaling 26.3% of construction costs, in excess of the 20% of the Construction Cost allowed by the rule.
  - (3) Petitioner seeks a variance of the rule requirement to utilize the Final Cost Certification Package, which includes a General Contractor Cost Certification ("GCCC"). Since the original contractor was terminated, Petitioner is unable to provide a GCCC certified by a single general contractor. Further, Petitioner states that Lynx has not been cooperative in providing a certification that satisfies Florida Housing's requirements; and Whiting Turner is unable to certify the costs incurred prior to its hire.
- e) Petitioner has agreed to complete the GCCC process utilizing Agreed Upon Procedures that will be developed with Florida Housing Staff to provide assurance of the reasonableness and accuracy of costs incurred and allow Florida Housing Staff to determine the acceptability of the content of the Agreed Upon Procedures report when the report is completed.
- f) On December 1, 2023, the Notice of Petition was published in the Florida Administrative Register in Volume 49, Number 232. To date, Florida Housing has received no comments concerning the Petition.
- g) Section 120.542(2), Florida Statutes provides in pertinent part:

Variances and waivers shall be granted when the person subject to the rule demonstrates that the purpose of the underlying statute will be or

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### *Consent*

has been achieved by other means by the person and when the application of a rule would create a substantial hardship or would violate principles of fairness.

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

### 3. **Recommendation:**

- a) Staff recommends the Board GRANT
  - (1) A waiver of Rule 67-48.0072(17)(e), Fla. Admin. Code (2014), to allow Petitioner's General Contractor (in this case the performance bond surety) to subcontract its duty to manage and control construction;
  - (2) A waiver of Rule 67-48.0072(17)(f), Fla. Admin. Code (2014), to allow Petitioner's General Contractor to subcontract greater than 20% of the Construction Cost to a single contractor; and
  - (3) A variance of Rules 67-48.023(5) and 67-48.023(7), Fla. Admin. Code (2014), to allow Petitioner to complete the GCCC process utilizing Agreed Upon Procedures that will be developed with Florida Housing Staff to provide assurance of the reasonableness and accuracy of costs and allow Florida Housing Staff to determine acceptability of the content of the Agreed Upon Procedures report when the report is completed.



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**B. In Re: Miami Beach Housing Initiatives, Inc.**

**FHFC Case No. 2024-001VW**

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

**1. Background:**

- a) Petitioner successfully applied for funding to assist in the construction of The Heron, a 20-unit development located in Miami-Dade County, Florida (the “Development”). On January 17, 2024, Florida Housing received a Petition for Waiver of Rule 67-48.0072(26), F.A.C. (07/11/2019) (the “Petition”) to extend its SAIL and ELI loan closing deadline from February 2, 2024 to May 10, 2024. Contemporaneous with this request, Borrower is requesting that its CHIRP ITP loan closing deadline be extended from February 2, 2024 to May 10, 2024 under a separate Multifamily Programs Consent Board Item. A copy of the Petition is attached as [Exhibit B](#).

**2. Present Situation**

- a) Rule 67-48.0072(26), Fla. Admin. Code (2019), provides in relevant part:
- (1) (26) For SAIL, EHCL, and HOME, unless stated otherwise in a competitive solicitation, these Corporation loans and other mortgage loans related to the Development must close by the date of the Board of Directors meeting immediately following 180 Calendar Days of the firm Loan commitment(s). Unless an extension is approved by the Board, failure to close the loan(s) by the specified deadline outlined above shall result in the firm loan commitment(s) being deemed void and the funds shall be de-obligated. Applicants may request one (1) extension of the loan closing deadline outlined above for a term of up to 90 Calendar Days. All extension requests must be submitted in writing to the program administrator and contain the specific reasons for requesting an extension and shall detail the time frame to close the loan. The Board shall consider the facts and circumstances of each Applicant’s request, inclusive of the Applicant’s ability to close within the extension term and any credit underwriting report, prior to determining whether to grant the requested extension. The Corporation shall charge an extension fee of one (1) percent of each Corporation loan amount if the Board approves the request to extend the loan closing deadline beyond the applicable period outlined above. If an approved extension is utilized, Applicants must pay the extension fee not later than seven (7) Calendar Days after the Board approves the request to extend the original loan closing deadline. In the event the Corporation loan(s) does not close by the end of the extension period, the firm loan commitment(s) shall be deemed void and the funds shall be de-obligated.

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- b) Petitioner accepted an invitation to enter credit underwriting on July 9, 2020, with an initial firm loan commitment issuance deadline of July 9, 2021. On June 18, 2021, the Board granted a six-month extension of the firm loan commitment issuance deadline from July 9, 2021 to January 9, 2022. On December 10, 2021, the Board granted Petitioner's Rule waiver extension request for a six-month extension of the firm loan commitment issuance deadline from January 9, 2022 to July 9, 2022. On June 17, 2022, the Board granted Petitioner's Rule waiver request for a second six-month extension of the firm loan commitment issuance deadline from July 9, 2022 to January 9, 2023. On June 17, 2022, the Board approved an additional Rule waiver request to extend the firm loan commitment issuance deadline from July 9, 2022, to January 9, 2023. On January 27, 2023, the Board approved the final credit underwriting report with a positive recommendation for funding. On January 30, 2023, staff issued a firm commitment to the Applicant giving them a loan closing deadline of May 30, 2023. On June 9, 2023, the Board approved a request for a SAIL/ELI loan closing deadline from May 30, 2023 to September 8, 2023. On September 8, 2023, the Board approved a Rule waiver request for a SAIL/ELI loan closing deadline from September 8, 2023 to December 15, 2023. On December 15, 2023, the Florida Housing Board approved a waiver of the CHIRP ITP to waive the loan closing deadline from December 15, 2023 to February 2, 2024 and a Rule waiver request for a SAIL/ELI loan closing deadline from December 15, 2023 to February 2, 2024. In order to qualify for CHIRP funding, MBHI was required to convert some of the 60% AMI units to 30% AMI units, resulting in a loss of revenue. This required the addition of eight (8) project-based vouchers (PBV) to have sufficient income to support the increased debt, resulting in the need for a Subsidy Layering Review (SLR) to be completed by HUD. MBHI cannot close without HUD approval which is expected to be issued within sixty days. MBHI anticipates that the approval will be granted after the current loan closing deadline of February 2, 2024. The Development sources include substantial funding from the City of Miami Beach and Miami-Dade County. Petitioner has requested draft closing documents from the City and County for legal counsel review in preparation for closing, however they have not yet been provided. The lack of all closing documents has caused a considerable delay in preparing for the loan closing. Additionally, Petitioner has been working diligently to obtain building permits for the Development. The delay in obtaining permit approvals has slowed Petitioner's progress in complying with the terms of the loan closings. Petitioner anticipates that the building permits will be issued within the next ninety days. Due to the referenced delays, Petitioner does not believe that it will be able to satisfy the current closing deadline.
- c) On January 7, 2024, the Notice of Petition was published in the Florida Administrative Register in Volume 50, Number 12. To date, Florida Housing has received no comments concerning the Petition.
- d) Section 120.542(2), Florida Statutes provides in pertinent part:
- Variances and waivers shall be granted when the person subject to the rule demonstrates that the purpose of the underlying statute will be or has been achieved by other means by the person and when the application of a rule would create a substantial hardship or would violate principles of fairness.
- e) Granting the requested waiver would not have any impact on other participants in funding programs administered by Florida Housing, nor would it have a

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### *Consent*

detrimental impact on Florida Housing or the Development. Petitioner has demonstrated that strict application of the above Rules under these circumstances would constitute a substantial hardship. Petitioner has also demonstrated that the purpose of the underlying statute, which is to “encourage development of low-income housing in the state” (§420.5099, Fla. Stat.), would still be achieved if the waiver is granted.

### 3. **Recommendation:**

- a) Staff recommends that the Board GRANT Petitioner’s request for a waiver of 67-48.0072(26), Fla. Admin. Code (7/11/19), to extend Petitioner’s SAIL and ELI loan closing deadline from February 2, 2024 to May 10, 2024.

**MULTIFAMILY BONDS**

*Consent*

**IV. MULTIFAMILY BONDS**

- A. Request Approval of the Credit Underwriting Update Letter and Amended Authorizing Resolutions for Naranja Grand II (RFA 2021-205 / 2022-201BSN / 2021-528C / RFA 2023-211 / 2023-236V)**

<b>Development Name: Naranja Grand II</b>	<b>Location: Miami-Dade County</b>
<b>Applicant/Borrower: Naranja Grand II, LLC</b>	<b>Set-Asides:</b> <b>40% @ 60% AMI (MMRN)</b> <b>92 Units @ 60% AMI (SAIL &amp; 4% HC)</b> <b>81 Units @ 70% AMI (SAIL &amp; 4% HC)</b> <b>27 Units @ 30% AMI (SAIL, ELI, &amp; 4% HC)</b> <b>5 Units @ 22% AMI (NHTF)</b>
<b>Developers/Principals: Naranja Grand II Developer, LLC / Matthew A. Rieger</b>	<b>Demographic/Number of Units:</b> <b>Family / 200 units</b>
<b>Requested Amounts:</b> <b>\$36,475,000 Multifamily Mortgage Revenue Notes (MMRN)</b> <b>\$7,600,000 Construction Inflation Response Viability Loan (Viability)</b> <b>\$5,000,000 State Apartment Incentive Loan (SAIL)</b> <b>\$600,000 Extremely Low Income (ELI)</b> <b>\$1,546,000 National Housing Trust Fund (NHTF)</b> <b>\$3,463,836 Housing Credits (4% HC)</b>	<b>Development Category/Type:</b> <b>New Construction / High Rise</b>

**1. Background/Present Situation:**

- a) On August 17, 2021 Florida Housing issued a Request for Applications (RFA) 2021-205 SAIL Financing of Affordable Multifamily Housing Developments to be Used in Conjunction with Tax-Exempt MMRB Bond Financing and Non-Competitive Housing Credits.
- b) Staff issued a preliminary commitment and invitation to enter credit underwriting on March 1, 2022. The acceptance was acknowledged on March 3, 2022. On March 10, 2023, the Board approved a request to extend the firm loan commitment issuance deadline from March 3, 2023 to September 3, 2023. Subsequently, on September 8, 2023, the Board approved a rule waiver requesting to further extend the firm loan commitment issuance deadline from September 3, 2023 to March 3, 2024.
- c) On October 27, 2023, the Board approved the final credit underwriting report with a positive recommendation for MMRN, Viability, SAIL, ELI, and NHTF funding. On October 30, 2023, staff issued a firm commitment to the Applicant giving them a loan closing deadline of April 29, 2024.
- d) On January 19, 2024, staff received a credit underwriting update letter with a positive recommendation to include TD Bank, NA as an additional construction lender, change to the permanent lender from JP Morgan Chase Bank to Berkadia Commercial Mortgage, LLC/Freddie Mac, and to increase the permanent first

## MULTIFAMILY BONDS

### *Consent*

mortgage loan amount from \$15,445,000 to \$16,386,000 ([Exhibit A](#)). Staff has reviewed this report and finds that the Development meets all requirements of the RFA.

- e) Staff reviewed the amended authorizing resolutions ([Exhibit B](#)) authorizing the sale and issuance of Multifamily Mortgage Revenue Notes to finance this affordable housing Development within the State of Florida. Staff requests approval for the execution of the amended resolutions.

### **2. Recommendation:**

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

**MULTIFAMILY BONDS**

*Consent*

**B. Request Approval of the Method of Bond/Note Sale Recommendation from Florida Housing's Independent Registered Municipal Advisor and Assignment of Recommended Professional**

**1. Background**

- a) Pursuant to staff's request for approval to issue bonds/notes to finance the construction, and acquisition/rehabilitation of the proposed Development referenced below, the final credit underwriting report is being presented to the Board for approval simultaneously with this request to assign the appropriate professional for the transaction and approval of the recommended method of sale. A brief description of the Development is detailed below, along with staff's recommendation.
- b) Pursuant to Rule 67-21.0045, F.A.C., staff has requested a review of the proposed financing structure by the Independent Registered Municipal Advisor (IRMA) in order to make a recommendation to the Board for the method of bond/note sale for the development. Caine Mitter and Associates Incorporated has prepared an analysis and recommendation for the method of bond/note sale for the Development. The recommendation letter is attached as [Exhibit C](#).

**2. Present Situation**

- a) Florida Housing staff, the Credit Underwriter, and the IRMA have reviewed the financial structure for the proposed Development.

**3. Recommendation**

- a) Approve the assignment of the recommended professional and the Independent Registered Municipal Advisor's recommendation for the method of bond/note sale, as shown in the chart below, for the proposed Development.

<b>Development Name</b>	<b>Location of Development</b>	<b>Number of Units</b>	<b>Method of Bond Sale</b>	<b>Recommended Professional</b>	<b>Exhibit</b>
<b>Naranja Grand II</b>	<b>Miami-Dade County</b>	<b>200</b>	<b>Private Placement</b>	<b>RBC Capital Markets, LLC</b>	<a href="#">Exhibit C</a>

**MULTIFAMILY BONDS**

*Consent*

**C. Request Approval to Execute Acknowledgment Resolutions**

**1. Background/Present Situation**

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

**2. Recommendation**

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

<b>Development Name</b>	<b>Name of Applicant</b>	<b>County</b>	<b>Number of Units</b>	<b>RFA / Applicable Application</b>	<b>Exhibit</b>
<b>Hawthorne Heights</b>	<b>CORE Hawthorne Heights LLLP</b>	<b>Alachua County</b>	<b>86</b>	<b>RFA 2023-205 / 2024-001BSN</b>	<a href="#"><u>Exhibit D</u></a>
<b>Arbours at Emerald Springs</b>	<b>Arbours at Emerald Springs, LLC</b>	<b>Walton County</b>	<b>84</b>	<b>RFA 2023-205 / 2024-020BSN</b>	<a href="#"><u>Exhibit E</u></a>
<b>Hermosa North Fort Myers II</b>	<b>Hermosa NFTM 41 II, Ltd.</b>	<b>Lee County</b>	<b>88</b>	<b>RFA 2023-205 / 2024-160BSN</b>	<a href="#"><u>Exhibit F</u></a>
<b>Pine Island Park</b>	<b>Pine Island Park LLC</b>	<b>Broward County</b>	<b>120</b>	<b>RFA 2023-205 / 2024-033BSN</b>	<a href="#"><u>Exhibit G</u></a>
<b>Mariposa Grove</b>	<b>BDG Mariposa Grove, LLC</b>	<b>Orange County</b>	<b>138</b>	<b>RFA 2023-205 / 2024-047BSN</b>	<a href="#"><u>Exhibit H</u></a>
<b>Casa San Juan Diego</b>	<b>Casa San Juan Diego, Ltd.</b>	<b>Collier County</b>	<b>80</b>	<b>RFA 2023-205 / 2024-055BSN</b>	<a href="#"><u>Exhibit I</u></a>
<b>Maison at Solivita Marketplace</b>	<b>Kissimmee Leased Housing Associates III, LLLP</b>	<b>Osceola County</b>	<b>300</b>	<b>Non-Competitive / 2022-104B</b>	<a href="#"><u>Exhibit J</u></a>

**MULTIFAMILY PROGRAMS**

*Consent*

**V. MULTIFAMILY PROGRAMS**

**A. Request Approval of Credit Underwriting Report for Rainbow Village (RFA 2021-208 / 2021-315S / 2020-529C & RFA 2023-211 / 2023-246V)**

<b>Development Name: Rainbow Village</b>	<b>Location: Miami-Dade County</b>
<b>Applicant/Borrower: RGC Phase I, LLC</b>	<b>Set-Asides:</b> 52 Units @ 30% AMI (SAIL & 4% HC) 42 Units @ 50% AMI (SAIL & 4% HC) 60 Units @ 60% AMI (SAIL & 4% HC) 114 Units @ 70% AMI (SAIL, Workforce & 4% HC) 42 Units @ 80% AMI (SAIL, Workforce & 4% HC)
<b>Developer/Principal: RGC Phase I Developer, LLC / Matthew A. Rieger</b>	<b>Demographic/Number of Units: Workforce/310 units</b>
<b>Requested Amounts:</b> \$6,000,000 State Apartment Incentive Loan (SAIL) \$9,000,000 Viability Loan \$8,285,984 Housing Credits (4% HC)	<b>Development Category/Type: New Construction/High-Rise (8 Stories)</b>

**1. Background/Present Situation:**

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



## MULTIFAMILY PROGRAMS

### *Consent*

- f) On June 9, 2023, the Board approved the final scores and recommendations for RFA 2023-211 and directed staff to proceed with all necessary credit underwriting activities. Staff issued a notice of preliminary award to the Applicant on June 14, 2023. The acceptance was acknowledged on June 16, 2023.
- g) On January 22, 2024, staff received final credit underwriting report with a positive recommendation for funding ([Exhibit A](#)). Staff has reviewed this report and finds that the Development meets all requirements of the RFAs.

### 2. Recommendation:

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

MULTIFAMILY PROGRAMS

Consent

B. Request Approval of Credit Underwriting Report for Sandcastle Manor (RFA 2021-206 / 2022-244H & RFA 2023-211 / 2023-237V)

<b>Development Name: Sandcastle Manor</b>	<b>Location: Baker County</b>
<b>Applicant/Borrower: Sandcastles Foundation, Inc.</b>	<b>Set-Aside(s): 20% @ 50% AMI (HOME) 80% @ 65% AMI (HOME) 22 HOME Units</b>
<b>Developer/Principal: Sandcastles Foundation, Inc.; FBC Holdings, LLC/Michael McPhillips</b>	<b>Demographic/Number of Units: Family/22</b>
<b>Requested Amounts: \$5,544,000 HOME Investment Partnerships Program (HOME) \$1,740,000 Viability Loan</b>	<b>Development Category/Type: New Construction/Single Family Homes</b>

1. **Background/Present Situation**

- a) On December 15, 2021, Florida Housing Finance Corporation issued a Request for Applications (RFA) 2021-206 for HOME Financing for the Construction of Small, Rural Developments.
- b) On March 4, 2022, the Board approved the final scores and recommendations for the RFA and directed staff to proceed with all necessary credit underwriting activities. On March 29, 2022, staff issued an invitation to enter credit underwriting to the Applicant for HOME funds giving them a firm loan commitment issuance deadline of April 5, 2023.
- c) On March 10, 2023, the Board approved extending the firm loan commitment issuance deadline from April 5, 2023, to October 5, 2023. On October 13, 2023, the Board approved the Rule waiver extending the firm loan commitment issuance deadline from October 5, 2023 to January 3, 2024.
- d) On May 1, 2023, Florida Housing Finance Corporation issued RFA 2023-211 for Construction Inflation Response Viability Funding (Viability Loan) to assist competitive projects in the development pipeline experiencing cost increases related to market inflation. Viability Loan funding is intended to fill the funding gap experienced due to increased construction costs.
- e) On June 9, 2023, the Board approved the final scores and recommendations for RFA 2023-211 and directed staff to proceed with all necessary credit underwriting activities. Staff issued a notice of preliminary award to the Applicant on June 14, 2023. The acceptance was acknowledged on June 21, 2023.
- f) On January 22, 2024, staff received final credit underwriting report with a positive recommendation for funding ([Exhibit B](#)). Staff has reviewed this report and finds that the Development meets all requirements of the RFAs.

2. **Recommendation:**

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

MULTIFAMILY PROGRAMS

Consent

C. Request Approval of Credit Underwriting Report for Cross Creek Gardens at Quincy (RFA 2021-206 / 2022-247H & RFA 2023-211 / 2023-243V)

<b>Development Name: Cross Creek Gardens at Quincy</b>	<b>Location: Gadsden County</b>
<b>Applicant/Borrower: Cross Creek Gardens at Quincy, LLC</b>	<b>Set-Aside(s): 20% @ 50% AMI (HOME) 80% @ 60% AMI (HOME)</b>
<b>Developer/Principal: ACRUVA Community Developers, LLC; Neighborhood Renaissance, Inc./Terri Murray</b>	<b>Demographic/Number of Units: Family/36</b>
<b>Requested Amounts: \$6,000,000 HOME Investment Partnerships Program (HOME) \$1,223,928 Viability Loan</b>	<b>Development Category/Type: New Construction/Garden Apartments</b>

1. **Background/Present Situation**

- a) On December 15, 2021, Florida Housing Finance Corporation issued a Request for Applications (RFA) 2021-206 for HOME Financing for the Construction of Small, Rural Developments.
- b) On March 4, 2022, the Board approved the final scores and recommendations for the RFA and directed staff to proceed with all necessary credit underwriting activities. On March 29, 2022, staff issued an invitation to enter credit underwriting to the Applicant for HOME funds giving them a firm loan commitment issuance deadline of March 31, 2023.
- c) On March 10, 2023, the Board approved extending the firm loan commitment issuance deadline from March 31, 2023, to October 2, 2023. On October 13, 2023, the Board has approved the Rule waiver extending the firm loan commitment issuance deadline from October 2, 2023 to April 2, 2024.
- d) On May 1, 2023, Florida Housing Finance Corporation issued RFA 2023-211 for Construction Inflation Response Viability Funding (Viability Loan) to assist competitive projects in the development pipeline experiencing cost increases related to market inflation. Viability Loan funding is intended to fill the funding gap experienced due to increased construction costs.
- e) On June 9, 2023, the Board approved the final scores and recommendations for RFA 2023-211 and directed staff to proceed with all necessary credit underwriting activities. Staff issued a notice of preliminary award to the Applicant on June 14, 2023. The acceptance was acknowledged on June 19, 2023.
- f) On January 22, 2024, staff received final credit underwriting report with a positive recommendation for funding ([Exhibit C](#)). Staff has reviewed this report and finds that the Development meets all requirements of the RFAs.

2. **Recommendation:**

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

**MULTIFAMILY PROGRAMS**

*Consent*

**D. Request Approval of Loan Closing Deadline Extension for Citadelle Village (RFA 2017-108 / 2018-033BS / 2016-586C & RFA 2023-211 / 2023-261V)**

<b>Development Name: Citadelle Village</b>	<b>Location: Miami-Dade County</b>
<b>Applicant/Borrower: Citadelle Village, LLC</b>	<b>Set-Asides:</b> 10% @ 28% AMI (MMRN, SAIL, ELI & 4% HC) 90% @ 60% AMI (MMRN, SAIL & 4% HC)
<b>Developer/Principal: Citadelle Village Developer, LLC / Joey Chapman</b>	<b>Demographic/Number of Units:</b> Family/96 units
<b>Requested Amounts:</b> \$23,250,000 Multifamily Mortgage Revenue Notes (MMRN) \$3,600,000 State Apartment Incentive Loan (SAIL) \$600,000 Extremely Low Income (ELI) \$4,300,000 Viability Loan \$754,301 Housing Credits (4% HC)	<b>Development Category/Type:</b> New Construction/High Rise

**1. Background/Present Situation:**

- a) On August 31, 2017, Florida Housing Finance Corporation issued a Request for Applications (RFA) 2017-108 for SAIL Financing of Affordable Multifamily Housing Developments to be used in Conjunction with Tax-Exempt Bond Financing and Non-Competitive Housing Credits.
- b) On December 8, 2017, the Board approved the final scores and recommendations for the RFA and directed staff to proceed with all necessary credit underwriting activities.
- c) On May 4, 2018, the Board approved the Final Order resolving all pending litigation pertaining to the RFA, allowing staff to proceed with all necessary credit underwriting activities. Staff issued an invitation to enter credit underwriting to the Applicant on May 4, 2018, which states that the firm loan commitment must be issued within 9 months of the acceptance to enter credit underwriting. The acceptance was acknowledged on May 4, 2018, giving them a firm loan commitment issuance deadline of February 4, 2019. Applicants may request one (1) extension of up to 6 months to secure a firm loan commitment.
- d) On February 1, 2019, the Board approved the request to extend the firm loan commitment issuance deadline from February 4, 2019 to August 4, 2019. Subsequently, the Board approved Rule waivers extending the firm loan commitment issuance deadline to June 26, 2023.
- e) On May 1, 2023, Florida Housing Finance Corporation issued a Request for Applications (RFA) 2023-211 for Construction Inflation Response Viability Funding (Viability Loan) to assist competitive projects in the development pipeline experiencing cost increases related to market inflation. Viability Loan funding is intended to fill the funding gap experienced due to increased construction costs.

## MULTIFAMILY PROGRAMS

### *Consent*

- f) On June 9, 2023, the Board approved staff's recommendation to offer the Development a Viability Loan under RFA 2023-211 and directed staff to proceed with all necessary credit underwriting activities. Staff issued a notice of preliminary award to the Applicant on June 29, 2023. The acceptance was acknowledged on June 30, 2023.
- g) On July 21, 2023, the Board approved the final credit underwriting report and directed staff to proceed with issuance of a firm commitment and closing activities. On July 24, 2023, staff issued a firm commitment to the Applicant giving them a loan closing deadline of January 22, 2024. A request for an extension of the loan closing deadline may be considered by the Board for an extension term of up to 90 Calendar Days.
- h) On January 17, 2024, the Borrower requested an extension to the loan closing deadline from January 22, 2024 to April 22, 2024 ([Exhibit D](#)) due to the long delay in the plan review and permitting process in Miami. Staff has reviewed this request and finds that the Development meets all requirements of the RFAs.

### 2. **Recommendation:**

- a) Approve the request for a loan closing deadline extension from January 22, 2024 to April 22, 2024, subject to payment of the required non-refundable extension fee of one percent of the loan amount, pursuant to the requirements of the RFAs.

**MULTIFAMILY PROGRAMS**

*Consent*

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

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

**1. Background/Present Situation**

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

## MULTIFAMILY PROGRAMS

### *Consent*

- f) On January 17, 2024, staff received a request from the Borrower requesting a waiver of the CHIRP deadline to close on the loan from February 2, 2024 to May 10, 2024 ([Exhibit E](#)). In order to qualify for CHIRP funding, the Development needed to convert some of the 60% AMI units to 30% AMI units, resulting in a loss of revenue. This required the addition of eight (8) project-based vouchers (PBV) to have sufficient income to support the increased debt, resulting in a Subsidy Layering Review (SLR) to be completed by HUD. The extension request will allow time for HUD to complete its review and approval process for the SLR and it will also allow the HACMB additional time for the approval of the building permit, and for the review and preparation of closing documents from the City of Miami Beach and Miami-Dade County. Staff has reviewed this request and finds that the Development meets all applicable requirements of the RFA and the CHIRP ITP.
- g) Per the CHIRP ITP, Applicants must close on Corporation loan funding by the earlier of the existing closing deadlines for the Active Award (excluding Rule extension requests that require Board approval) or January 31, 2023. On August 5, 2022, the Board approved a Modification of the ITP, whereby the requirement for closing the loan by the “earlier of the existing closing deadline” will not be enforced, and the closing deadline requirement will be March 10, 2023. On March 10, 2023, the Board approved an additional Modification of the ITP, whereby the deadline for loan closing was extended to April 28, 2023. Subsequently, on April 28, 2023, the Board approved the Borrower's request for a waiver of the CHIRP ITP to waive the loan closing deadline from April 28, 2023 to June 9, 2023. On June 9, 2023, the Board approved waiving the CHIRP ITP loan closing deadline and the SAIL/ELI loan closing deadline extension from June 9, 2023 to September 8, 2023. On September 8, 2023, the Board approved waiving the CHIRP ITP loan closing deadline from September 8, 2023 to December 15, 2023. On December 15, 2023, the Board approved waiving the CHIRP ITP loan closing deadline from December 15, 2023 to February 2, 2024. Therefore, a waiver is required.

## 2. **Recommendation**

- a) Approve a waiver of the CHIRP ITP to waive the loan closing deadline from February 2, 2024 to May 10, 2024.

**MULTIFAMILY PROGRAMS**

*Consent*

**F. Request Approval of Credit Underwriting Report for 3611/3621 Cleveland Avenue (RFA 2023-205 / 2024-018SN / 2023-506C)**

<b>Development Name: 3611/3621 Cleveland Avenue</b>	<b>Location: Lee County</b>
<b>Applicant/Borrower: Fort Myers Redevelopment, LLC</b>	<b>Set-Asides:</b> <b>10% @ 40% AMI (SAIL, ELI &amp; 4% HC)</b> <b>44% @ 50% AMI (SAIL &amp; 4% HC)</b> <b>36% @ 60% AMI (SAIL &amp; 4% HC)</b> <b>3% @ 22% AMI (NHTF)</b>
<b>Developer/Principal: Fort Myers Developer, LLC; Southwest Florida Affordable Development, LLC, Vincent R. Bennett</b>	<b>Demographic/Number of Units: Family/92 units</b>
<b>Requested Amounts:</b> <b>\$8,740,000 State Apartment Incentive Loan (SAIL) Base Loan</b> <b>\$662,500 Extremely Low Income (ELI)</b> <b>\$825,000 National Housing Trust Fund (NHTF)</b> <b>\$1,806,643 Housing Credits (4% HC)</b>	<b>Development Category/Type: New Construction/Garden Apartments</b>

**1. Background/Present Situation:**

- a) On July 5, 2023, Florida Housing Finance Corporation issued a Request for Applications (RFA) 2023-205 for SAIL Financing of Affordable Multifamily Housing Developments to be used in Conjunction with Tax-Exempt Bond Financing and Non-Competitive Housing Credits.
- b) On September 8, 2023, the Board approved the final scores and recommendations for the RFA and directed staff to proceed with all necessary credit underwriting activities.
- c) On October 10, 2023, staff issued an at-risk invitation to enter credit underwriting to the Applicant giving them a firm loan commitment issuance deadline of October 10, 2024. On December 15, 2023, the Board approved the Final Order resolving all pending litigation pertaining to the RFA, allowing staff to proceed with all necessary credit underwriting activities.
- d) On January 22, 2024, staff received final credit underwriting report with a positive recommendation for funding ([Exhibit F](#)). Staff has reviewed this report and finds that the Development meets all requirements of the RFA.

**2. Recommendation:**

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



**MULTIFAMILY PROGRAMS**

*Consent*

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

<b>Development Name: The Village of Casa Familia</b>	<b>Location: Miami-Dade County</b>
<b>Applicant/Borrower: The Village of Casa Familia, Ltd.</b>	<b>Set-Asides: 15% @ 28% AMI (Grant &amp; 9% HC) 71% @ 60% AMI (Grant &amp; 9% HC) 10 Units @ 30% AMI (NHTF)</b>
<b>Developer/Principal: Casa Familia Developer, LLC /Howard D. Cohen</b>	<b>Demographic/Number of Units: Persons with Developmental Disabilities/59 units</b>
<b>Requested Amounts: \$4,000,000 Grant \$2,000,000 Viability Loan \$2,950,000 Construction Housing Inflation Response Program (CHIRP) National Housing Trust Fund (NHTF) \$1,500,000 Housing Credits (9% HC)</b>	<b>Development Category/Type: New Construction/Garden Apartments</b>

**1. Background/Present Situation**

- a) On February 26, 2019, Florida Housing Finance Corporation issued Request for Applications (RFA) 2019-107 for Financing for the Development of Housing for Persons with A Disabling Condition or Developmental Disabilities. On May 10, 2019, the Board approved the final scores and recommendations for the RFA and directed staff to proceed with all necessary credit underwriting activities. On May 20, 2019, staff issued an invitation to the Applicant to enter credit underwriting which states that the firm loan commitment must be issued within 12 months of the acceptance to enter credit underwriting.
- b) Subsequently Florida Housing executed a Carryover Allocation Agreement on December 26, 2019, giving the Applicant a credit underwriting deadline of September 30, 2020. On October 13, 2020, staff extended the HC 10% test which also extended the credit underwriting deadline to March 31, 2021. On March 29, 2021, staff extended the deadlines again which extended the credit underwriting deadline to September 30, 2021. At the June 18, 2021 Board meeting, the Board approved a Rule waiver for a credit exchange for The Village of Casa Familia. Florida Housing executed a 2021 Carryover Allocation Agreement on June 25, 2021, which reset the credit underwriting deadline to March 31, 2022. Subsequently staff granted an extension to the credit underwriting deadline to September 30, 2022.
- c) On October 12, 2021, Florida Housing Finance Corporation issued a Request for Applications (RFA) for Development Viability Loan Funding (Viability Loan) to assist Applicants that have received a recent award since 2017 but have not yet started construction or rehabilitation of their proposed Development and are experiencing a financing gap for their Active Award. On December 10, 2021, the Board approved the final scores and recommendations for RFA 2021-211 and directed staff to proceed with all necessary credit underwriting activities. On December 15, 2021, a Notice of Preliminary Award was issued to the Applicant. The acceptance was acknowledged on December 16, 2021.
- d) On May 9, 2022, Florida Housing issued the 2022 Construction Housing Inflation

## MULTIFAMILY PROGRAMS

### *Consent*

Response Program (CHIRP) Invitation to Participate (ITP). Staff received a CHIRP ITP Application from the Applicant on June 18, 2022 requesting NHTF funds. The CHIRP amount was sized and approved during the credit underwriting process.

- e) On December 9, 2022, the Board approved a second Petition for Variance from Florida Administrative Code Rule 67-48.002(96) and the 2018 QAP (the "Petition") to waive the timing requirements found in the 2018 QAP and allow a credit exchange to be approved before the fourth calendar quarter of 2023 which also extended the credit underwriting deadline to September 30, 2023. On January 27, 2023, the Board approved the final credit underwriting report with a positive recommendation for funding. On January 30, 2023, staff issued a firm commitment to the Applicant.
- f) On January 12, 2024, staff received a request from the Borrower requesting a waiver of the CHIRP deadline to close on the loan and Limited Partnership Agreement (LPA) from February 2, 2024 to March 26, 2024 ([Exhibit G](#)). After substantial delays caused by concerns raised by HUD, the Borrower received guidance from HUD that allows all parties to proceed towards a closing. Since the previous extension, the Development team has been actively engaging with several funding parties to complete the underwriting process. Moreover, additional time is needed to receive HUD approval on the project-based voucher subsidy layering review. Staff has reviewed this request and finds that the Development meets all other applicable requirements of the RFAs and the CHIRP ITP.
- g) Per the CHIRP ITP, Applicants must close on the limited partnership agreement and, if applicable, Corporation funding and construction funding by the earlier of the existing closing deadlines for the Active Award (excluding Rule extension requests that require Board approval) or January 31, 2023. On August 5, 2022, the Board approved a Modification of the ITP, whereby the LPA closing deadline would be January 31, 2023; the "earlier of the existing closing deadline" would not be enforced. Additionally, the requirement for closing the loan by the "earlier of the existing closing deadline" will not be enforced, and the closing deadline requirement will be January 31, 2023 or March 10, 2023, as applicable. On January 27, 2023, the Board approved a Modification of the ITP, whereby the deadline for closing the LPA was extended to March 10, 2023. On March 10, 2023, the Board approved a Modification of the ITP, whereby the deadline for loan closing and the LPA was extended to April 28, 2023. On April 28, 2023, the Board approved waiving the CHIRP ITP loan closing deadline and the LPA closing deadline from April 28, 2023 to September 8, 2023. On September 8, 2023, the Board approved waiving the CHIRP ITP loan closing deadline and the LPA closing deadline from September 8, 2023 to October 27, 2023. On October 27, 2023, the Board approved RFA waiver for applicant entity/developer entity change and waiver of CHIRP ITP loan closing deadline and the LPA closing deadline from October 27, 2023 to December 15, 2023. Therefore, a waiver is required. On December 15, 2023, the Board approved waiving the CHIRP ITP loan closing deadline and the LPA closing deadline from December 15, 2023 to February 2, 2024. Therefore, a waiver is required.

## 2. **Recommendation**

- a) Approve a waiver of the CHIRP ITP to waive the loan closing deadline and LPA deadline from February 2, 2024 to March 26, 2024.

## MULTIFAMILY PROGRAMS

### *Consent*

#### **H. Request Approval of Transfer of Ownership Interests for Nine Developments for McDowell Housing Partners**

##### **1. Background**

- a) McDowell Housing Partners, LLC (MHP), and various related entities, received funding from Florida Housing Finance Corporation (FHFC) for the development of nine affordable housing properties from 2018 to 2023. Funding sources from FHFC included Multifamily Mortgage Revenue Bonds (MMRB), State Apartment Incentive Loan (SAIL), SAIL Extremely Low Income (ELI), Community Development Block Grant – Disaster Relief (CDBG-DR), and 4% and 9% Housing Credits (HC). The information for each Development is shown herein on Schedule A ([Exhibit H](#)).
- b) FHFC originally financed five of the Developments with tax-exempt MMRB, SAIL or RRLP or CDBG-DR, and ELI funding and an allocation of 4% HC.
- c) There are three properties in which FHFC issued an allocation of 9% HC for each Development and one Development with an allocation of 4% HC, but FHFC is not the lender.

##### **2. Present Situation**

- a) On January 15, 2024, staff received a request from MHP requesting FHFC's approval for the transfer of ownership and developer interests of nine Developments ([Exhibit I](#)). The requested changes will result in the removal and transfer of ownership and developer interests from Archipelago Housing, LLC, Kenneth P. Lee, and Michael C. Lee to W. Patrick McDowell 2001 Trust. The McDowell Trust is currently a member of each Development's borrower entities and Developer entities with the exception of one Development in which MLP has no ownership interest in the Borrower and McDowell Trust is a member of the Developer entity. AmeriNational has reviewed this request and provided a positive recommendation for the transfer of ownership and Developer interests for the nine Developments ([Exhibit J](#)).

##### **3. Recommendation**

- a) Approve the transfer of ownership and developer interests subject to the conditions outlined in the credit underwriting report with further approvals and verifications by the Credit Underwriter, Bond Counsel, Special Counsel and appropriate FHFC staff; and direct staff to proceed with loan document modification activities as needed.

**PREDEVELOPMENT LOAN PROGRAM (PLP)**

*Consent*

**VI. PREDEVELOPMENT LOAN PROGRAM (PLP)**

- A. Request Approval of Loan Modifications and Loan Maturity Extension for Villas of Solana LLC, a not-for-profit entity, for Villas of Solana (PLP 2021-006P-09).**

<b>DEVELOPMENT NAME (“Development”):</b>	<b>Villas of Solana</b>
<b>APPLICANT/DEVELOPER (“Developer”):</b>	<b>Villas of Solana LLC</b>
<b>CO-DEVELOPER:</b>	<b>N/A</b>
<b>NUMBER OF UNITS:</b>	<b>28 Homeownership units</b>
<b>LOCATION (“County”):</b>	<b>Palm Beach</b>
<b>TYPE:</b>	<b>Family</b>
<b>MINIMUM SET ASIDE:</b>	<b>50% @ 80% AMI and 50% @ 120% AMI</b>
<b>PLP LOAN AMOUNT:</b>	<b>\$250,000</b>
<b>ADDITIONAL COMMENTS: Original Applicant name is Riviera Beach CDC</b>	

**1. Background:**

- a) On June 18, 2021, the Board approved a PLP loan for Villas of Solana in the amount of \$250,000. To date, the Applicant has drawn \$111,700.45.
- b) On April 13, 2022, the Applicant closed on the PLP loan. The maturity date is April 13, 2025.

**2. Present Situation:**

- a) On January 10, 2024, staff received a recommendation ([Exhibit A](#)) from the assigned technical assistance provider recommending a one-year extension to the maturity date to allow the PLP loan to be co-terminus with the construction loan.
- b) Additionally, the applicant has requested that the PLP loan be placed in second lien position to allow the construction loan from LISC to assume first position in order to construct the homeownership units.
- c) The applicant entity moving forward will be Villas of Solana LLC.
- d) Staff has reviewed the recommendation and believes that the loan maturity date and revisions are necessary.

**3. Recommendation:**

- a) Approve the loan maturity extension, entity name change and lien position change for Villas of Solana and allow staff to commence with the loan document amendment process.

**PREDEVELOPMENT LOAN PROGRAM (PLP)**

*Consent*

**B. Request Approval of PLP Loan Modifications and Maturity Date Extension for Abundant Life Ministries-Hope House, Inc., a not-for-profit entity, for Phoenix Crossings (PLP 2019-005P-09).**

<b>DEVELOPMENT NAME (“Development”):</b>	<b>Phoenix Crossings</b>
<b>APPLICANT/DEVELOPER (“Developer”):</b>	<b>Abundant Life Ministries-Hope House, Inc.</b>
<b>CO-DEVELOPER:</b>	<b>N/A</b>
<b>NUMBER OF UNITS:</b>	<b>28 rental units</b>
<b>LOCATION (“County”):</b>	<b>Flagler</b>
<b>TYPE:</b>	<b>Youth Aging out of Foster Care</b>
<b>MINIMUM SET ASIDE:</b>	<b>20% @ 50% AMI</b>
<b>PLP LOAN AMOUNT:</b>	<b>\$464,500</b>
<b>ADDITIONAL COMMENTS: Original application was for 30 units.</b>	

**1. Background:**

- a) On October 31, 2019, the Board approved a PLP loan for Phoenix Crossings in the amount of \$464,500. To date, the Applicant has drawn \$110,712.35.
- b) On June 5, 2020, the Applicant closed on the PLP loan. The original maturity date was June 5, 2023. The Board has approved a one-year extension making the maturity date June 5, 2024.
- c) The Applicant submitted an application under RFA 2022-206.

**2. Present Situation**

- a) On January 10, 2024, staff received a revised development plan and a letter ([Exhibit B](#)) from the assigned technical assistance provider recommending a second one-year extension to the maturity date.
- b) In addition to the maturity extension, the recommendation includes a reduction in the number of units due to the funding award from the RFA which limits the units to 28.
- c) The request also includes a requested revision to the PLP budget to address priority needs in the predevelopment process. This budget revision does not increase the overall loan amount.
- d) Staff has reviewed the development plan and recommendations and believes that all revisions are necessary to complete this development.

**3. Recommendation:**

- a) Approve the one-year maturity extension and loan modifications for the PLP loan for Phoenix Crossings to Abundant Life Ministries-Hope House, Inc. and allow staff to commence with the loan closing process.

**PREDEVELOPMENT LOAN PROGRAM (PLP)**

*Consent*

**C. Request Approval of PLP Loan Maturity Extension for Community Assisted and Supported Living, Inc., a not-for-profit entity, for Independence Place (PLP 2020-005P-09).**

<b>DEVELOPMENT NAME (“Development”):</b>	<b>Independence Place</b>
<b>APPLICANT/DEVELOPER (“Developer”):</b>	<b>Community Assisted and Supported Living, Inc.</b>
<b>CO-DEVELOPER:</b>	N/A
<b>NUMBER OF UNITS:</b>	<b>32 Rental units</b>
<b>LOCATION (“County”):</b>	<b>Pinellas</b>
<b>TYPE:</b>	<b>Persons with Developmental Disabilities</b>
<b>MINIMUM SET ASIDE:</b>	<b>20% @ 50% AMI</b>
<b>PLP LOAN AMOUNT:</b>	<b>\$628,000</b>
<b>ADDITIONAL COMMENTS: N/A</b>	

**1. Background:**

- a) On September 4, 2020, the Board approved a PLP loan for Independence Place in the amount of \$628,000. To date, the Applicant has drawn \$502,844.90.
- b) On April 15, 2021, the Applicant closed on the PLP loan. The maturity date is April 14, 2024.

**2. Present Situation:**

- a) On January 10, 2024, staff received a letter ([Exhibit C](#)) from the assigned technical assistance provider recommending a one-year extension to the maturity date.
- b) Staff has reviewed the recommendation and believe that the maturity extension is necessary to complete this development.

**3. Recommendation:**

Approve the one-year maturity extension for Independence Place to Community Assisted and Supported Living, Inc, and allow staff to commence with the loan closing process.

**PREDEVELOPMENT LOAN PROGRAM (PLP)**

*Consent*

- D. Request Approval of PLP Loan Maturity Extension for Hannibal Square CLT, Inc., a not-for-profit entity, for Promenade at West Lakes (PLP 2019--006P-09).**

<b>DEVELOPMENT NAME (“Development”):</b>	<b>Promenade at West Lakes</b>
<b>APPLICANT/DEVELOPER (“Developer”):</b>	<b>Hannibal Square CLT, Inc.</b>
<b>CO-DEVELOPER:</b>	<b>N/A</b>
<b>NUMBER OF UNITS:</b>	<b>28 Rental units</b>
<b>LOCATION (“County”):</b>	<b>Orange</b>
<b>TYPE:</b>	<b>Family</b>
<b>MINIMUM SET ASIDE:</b>	<b>20% @ 50% AMI</b>
<b>PLP LOAN AMOUNT:</b>	<b>\$750,000</b>
<b>ADDITIONAL COMMENTS: N/A</b>	

**1. Background:**

- a) On December 13, 2019, the Board approved a PLP loan for Promenade at West Lakes in the amount of \$750,000. To date, the Applicant has drawn \$194,188.65.
- b) On March 31, 2020, the Applicant closed on the PLP loan. The maturity date is April 14, 2024. The Board previously approved a one-year loan maturity extension making the current maturity date March 31, 2024.

**2. Present Situation:**

- a) On January 10, 2024, staff received a revised development plan and letter ([Exhibit D](#)) from the assigned technical assistance provider recommending a second one-year extension to the maturity date.
- b) Staff has reviewed the recommendation and believe that the maturity extension is necessary to complete this development.

**3. Recommendation:**

- a) Approve the one-year maturity extension for Promenade at West Lakes to Hannibal Square CLT, Inc, and allow staff to commence with the loan closing process.

**SPECIAL ASSETS**

*Consent*

**VII. SPECIAL ASSETS**

**A. Request Approval for the Refinance of the First Mortgage and Renegotiation of the SAIL for Groves of Delray fka Groves of Delray II (2009 K / 2011-510C / 93S-012 / 94L-007)**

<b>Development Name:</b> Groves of Delray Apartments fka Groves of Delray II	<b>Location:</b> Palm Beach County
<b>Developer/Principal:</b> Groves of Delray II, Ltd. (Dominium affiliate)	<b>Set-Aside:</b> 85%@60% (MMRB); 100%@60% (4% & 9% HC); 100%@60% (SAIL) AMI <b>SAIL LURA:</b> 15yrs <b>MMRB LURA:</b> 50yrs <b>HC 4% EUA:</b> 50yrs <b>HC 9% EUA:</b> perpetuity
<b>Number of Units:</b> 158	<b>Allocated Amount:</b> \$9,350,000 MMRB, \$1,502,000 SAIL, \$738,961 HC 9%, \$536,519 HC 4%
<b>Demographics:</b> Elderly	<b>Servicer:</b> Seltzer Management Group, Inc.

**1. Background:**

- a) Florida Housing originally financed the above referenced Development in 1993 with \$1,502,000 State Apartment Incentive Loan (“SAIL”) Program funds and \$738,961 in competitive Housing Credits (“9% HC”). Florida Housing subsequently financed the acquisition and rehabilitation of the Development in 2009 with \$9,350,000 in tax exempt bonds and \$536,519 in 4% HC.

**2. Present Situation:**

- a) Groves of Delray II, Ltd. (a Dominium affiliate) has requested Florida Housing’s consent to refinancing of the first mortgage redeeming the FHFC bonds and renegotiation of the SAIL loan. The refinancing will require an extension of the SAIL loan term to be coterminous with the new first mortgage, a paydown of the SAIL loan and the subordination of the MMRB LURA, SAIL documents and the ELIHA.
- b) Seltzer Management Group, Inc. has reviewed these requests and provided a positive recommendation ([Exhibit A](#)) for the refinancing of the first mortgage and renegotiation of the SAIL loan, extension of the SAIL loan term and subordination of the MMRB LURA, SAIL documents and the ELIHA.

**3. Recommendation:**

- a) Approve the refinancing of the first mortgage and renegotiation of the SAIL loan, extension of the SAIL loan term and subordination of the MMRB LURA, SAIL documents and the ELIHA, subject to the conditions in the credit underwriting report, further approvals and verifications by the credit underwriter, counsel, and appropriate Florida Housing staff, and direct staff to proceed with loan document modification activities, as needed.



**SPECIAL ASSETS**

*Consent*

**B. Request Approval to Amend Set-Asides and amend the ownership structure of Jordan Bayou Developer, LLC for Jordan Bayou (2019-413H)**

<b>Development Name:</b> Jordan Bayou	<b>Location:</b> Franklin County
<b>Developer/Principal:</b> Jordan Bayou Developer, LLC (Developer); McDowell Housing Partners LLC (Owner)	<b>Set-Aside(s):</b> 20%@50%, 80%@60% <b>HOME</b> <b>LURA: 50 years</b>
<b>Number of Units:</b> 39	<b>Allocated Amount:</b> \$4,998,000 HOME
<b>Demographics:</b> Family	<b>Servicer:</b> First Housing Development Corporation

**1. Background:**

- a) In 2019, Florida Housing Finance Corporation (“Florida Housing”) awarded a HOME Investment Partnership Program Loan (“HOME”) in the amount of \$4,998,000, to MHP Jordan Bayou, LLC (“Borrower”), a Florida limited liability corporation, for the development of a 39-unit property in Franklin County, Florida. The loan closed on September 2, 2020.

**2. Present Situation:**

- a) The Borrower has requested Florida Housing’s consent to amend the set-asides because the Development is unable to find qualified participants since construction completion in April 2022. The Development has not been able to lease up and the construction loan has not been able to convert to permanent.
- b) The Borrower requests to amend the HOME LURA from 20%@50% AMI and 80%@60% AMI to nine (9) Low HOME Assisted Units, and ten (10) High HOME Assisted Units, and the remaining 20 units would be income restricted at or below 120% AMI and rent restricted at 100% AMI. The application was eligible for these amended set-asides at application but chose the higher percentage. The change in set-asides provides much needed workforce housing without creating an advantage that wasn't previously available.
- c) This should allow the Development to rent to income qualified participants and provide the affordable housing needed in this area for service workers, teachers, first responders and others and allow the construction loan to convert to a permanent loan thereby preserving this affordable development.
- d) The Developer also request FHFC to approve an ownership interest transfer from one managing member to the other managing member.
- e) First Housing reviewed these requests and provided a positive recommendation ([Exhibit B](#)) for amending the set-asides in the LURA and the interest transfer.

**3. Recommendation:**

Approve amending the set-asides and the interest transfer, subject to the conditions in the credit underwriting report, further approvals and verifications by the credit underwriter, counsel, and appropriate Florida Housing staff, and direct staff to proceed with loan document modification activities, as needed.



December 29, 2023

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

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MIAMI, FLORIDA 33135

TEL: 305.371.8300

FAX: 305.371.1376

EMAIL: [INFO@CARRFOUR.ORG](mailto:INFO@CARRFOUR.ORG)

RE: Apollo Gardens – Firm Loan Commitment & CUR Deadline Extension

Dear Ms. Franklin,

Apollo Gardens, LLLP is respectfully requesting an extension to the Firm Loan Commitment and the Credit Underwriting deadlines for Apollo Gardens to October 31, 2024.

Unfortunately, the development of Apollo Gardens has been impacted by neighborhood opposition/Legal Complaint. While on December 12, 2023, the Judge did approve our motion to dismiss with prejudice, we lost valuable time. As a result, the plans completion/permit approval & Credit Underwriting have been delayed. Attached is a projected timeline for your review.

We greatly appreciate your consideration & thank you for your support. Should you have any questions or concerns, please reach out to us at [sberman@carrfour.org](mailto:sberman@carrfour.org) or (305) 371-8300, Extension 1303.

Sincerely,

Stephanie Berman  
President & CEO  
Carrfour Supportive Housing

Apollo Gardens, Titusville  
Brevard County

DRAFT Timeline

February 2023	Site Plan submitted to the City
March 21, 2023	Environmental Approval from HUD
May 2023	Melbourne meeting with opposing neighbors
August 31, 2023	DRC approval of parking reduction
September 2023	Legal – filed Motion to Dismiss Lawsuit & a Fair Housing Complaint
November 2023	Site Plan approval by City
December 12, 2023	Motion to Dismiss Hearing
December 13, 2023	Resume Construction Drawings
January 31, 2024	Engage Appraiser, PCR & GC contract review for CU
February 24, 2024 Request 2 <sup>nd</sup> ext	HOME-ARP/NHTF Final Credit Underwriting Report Deadline 8/24/23 (extension approved 9/8/23 - 6 months for a 1% fee on each loan)
March 29, 2024	Submit Construction Drawing to City for permitting
April 12, 2024	Construction Cost bidding
April 2024 (Before LPA/closing)	10% Test Deadline was 10/31/23 (6 month extension approved)
May 2024	GC selected
August 2024	Complete Credit Underwriting Report
October 2024	Master permit is approved by City & closing
Extension Approved October 31, 2024 (from Jan. 31, 2024)	Closing: Notice of Commencement, Credit Underwriting Report, Executed Partnership Agreement Deadline (the above deadlines are usually allowed to be extended by 6 months as seen in previous developments with FHFC)
November 1, 2025	TCO – 13 months after NOC
December 2025	CO & move ins– 14 months after NOC
December 31, 2025	FHFC Placed in Service Deadline

November 21, 2023

Lisa Nickerson  
Multifamily Programs Administrator  
Florida Housing Finance Corporation  
227 N. Bronough Street, Suite 5000  
Tallahassee, Florida 32301

**RE: Old Cutler Village Phase 2 – RFA 2022-203, Application 2023-092C**  
**Change of Owner Principal Disclosure**

Dear Ms. Nickerson:

I submit this request in my capacity as President of the Authorized Member for Old Cutler Village Phase 2, LLC (owner entity).

We are requesting Florida Housing Finance Corporation approval of the change of ownership structure for Old Cutler Village Phase 2, LLC from that was submitted in the application under RFA 2022-203.

There are two components to the change in ownership structure, as follows:

1. We have elected to admit Old Cutler EHT, LLC as Administrative Member with a 0.0051% interest in the owner entity. Old Cutler EHT, LLC is wholly owned by the 501(c)(3) non-profit Everglades Housing Trust, Incorporated (“Everglades”). Everglades is a well-established and highly successful non-profit affordable housing owner and operator and has partnered with Pinnacle on numerous successfully completed affordable communities that have received Florida Housing awards. Admission of Everglades will further enhance the operational and management team for the development consistent with past Pinnacle/Everglades ventures. The structure is further disclosed on the revised Principal Disclosures of the Applicant form.
2. The remaining living natural persons with an ownership interest (Louis Wolfson III and myself) as well as the Estate of Mitchell M. Friedman have revised the ownership structure to accurately reflect the trusts established for our family members and the managed interests in Mr. Friedman’s estate. Therefore, we have created three member entities of the Authorized Member, PC OCV 2, LLC. We disclose these natural persons in the trusts as trustees and beneficiaries on the attached revised Principal Disclosures of the Applicant form.

We respectfully request this matter be placed on the next agenda for consideration and approval by the Board of Directors. Thank you very much for your consideration of this request and please contact us if additional information is required.

Sincerely,



David O. Deutch

President of Authorized Member

cc: Steven Kirk  
Gary J. Cohen  
Timothy P. Wheat  
Coralyn Rodriguez  
Lilybeth De Leon  
Melissa Levy  
Sarah Garner

### Principal Disclosures for the Applicant

**CURRENT APPLICANT**

Select the organizational structure for the Applicant entity:

The Applicant is a: Limited Liability Company

Provide the name of the Applicant Limited Liability Company:

Old Cutler Village Phase 2, LLC

% Ownership input features will not be made available until invitation to credit underwriting

#### First Principal Disclosure Level:

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

First Level Entity #	Select Type of Principal of Applicant	Enter Name of First Level Principal	Select organizational structure of First Level Principal identified	% Ownership of Applicant
1.	<u>Non-Investor Member</u>	<u>PC OCV 2, LLC</u>	<u>Limited Liability Company</u>	<u>0.0100%</u>
2.	<u>Investor Member</u>	<u>Deutch, David O. (placeholder)</u>	<u>Natural Person</u>	<u>99.9900%</u>
3.	<u>Manager</u>	<u>PC OCV 2, LLC</u>	<u>Limited Liability Company</u>	

#### Second Principal Disclosure Level:

Old Cutler Village Phase 2, LLC

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

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

Second Level Entity #	Select the type of Principal being associated with the corresponding First Level Principal Entity	Enter Name of Second Level Principal	Select organizational structure of Second Level Principal identified	Second Level Principal % Ownership of First Level Principal
<u>1. (PC OCV 2, LLC)</u>	<u>Sole Member</u>	<u>PC GP Holdings, LLC</u>	<u>Limited Liability Company</u>	<u>100.0000%</u>
<u>1. (PC OCV 2, LLC)</u>	<u>Manager</u>	<u>Wolfson, Louis III</u>	<u>Natural Person</u>	
<u>1. (PC OCV 2, LLC)</u>	<u>Manager</u>	<u>Deutch, David O.</u>	<u>Natural Person</u>	
<u>1. (PC OCV 2, LLC)</u>	<u>Manager</u>	<u>The Estate of Mitchell M. Friedman</u>	<u>Natural Person</u>	
<u>3. (PC OCV 2, LLC)</u>	<u>Sole Member</u>	<u>PC GP Holdings, LLC</u>	<u>Limited Liability Company</u>	<u>100.0000%</u>
<u>3. (PC OCV 2, LLC)</u>	<u>Manager</u>	<u>Wolfson, Louis III</u>	<u>Natural Person</u>	
<u>3. (PC OCV 2, LLC)</u>	<u>Manager</u>	<u>Deutch, David O.</u>	<u>Natural Person</u>	
<u>3. (PC OCV 2, LLC)</u>	<u>Manager</u>	<u>The Estate of Mitchell M. Friedman</u>	<u>Natural Person</u>	
<u>&lt;Select a #&gt;</u>	<u>&lt;Select an option&gt;</u>		<u>&lt;Select an option&gt;</u>	

#### Third Principal Disclosure Level:

Old Cutler Village Phase 2, LLC

[Click here for Assistance with Completing the Entries for the Third Level Principal Disclosure for the Applicant](#)

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

Third Level Entity #	Select the type of Principal being associated with the corresponding Second Level Principal Entity	Enter Name of Third Level Principal who must be either a Natural Person or a Trust	The organizational structure of Third Level Principal identified Must be either a Natural Person or a Trust	3rd Level Principal % Ownership of 2nd Level Principal
<u>1.A. (PC GP Holdings, LLC)</u>	<u>Member</u>	<u>Wolfson, Louis III</u>	<u>Natural Person</u>	<u>33.3300%</u>
<u>1.A. (PC GP Holdings, LLC)</u>	<u>Member</u>	<u>Deutch, David O.</u>	<u>Natural Person</u>	<u>33.3400%</u>
<u>1.A. (PC GP Holdings, LLC)</u>	<u>Member</u>	<u>The Estate of Mitchell M. Friedman</u>	<u>Natural Person</u>	<u>33.3300%</u>
<u>1.A. (PC GP Holdings, LLC)</u>	<u>Manager</u>	<u>Wolfson, Louis III</u>	<u>Natural Person</u>	
<u>1.A. (PC GP Holdings, LLC)</u>	<u>Manager</u>	<u>Deutch, David O.</u>	<u>Natural Person</u>	
<u>1.A. (PC GP Holdings, LLC)</u>	<u>Manager</u>	<u>The Estate of Mitchell M. Friedman</u>	<u>Natural Person</u>	
<u>3.A. (PC GP Holdings, LLC)</u>	<u>Member</u>	<u>Wolfson, Louis III</u>	<u>Natural Person</u>	<u>33.3300%</u>
<u>3.A. (PC GP Holdings, LLC)</u>	<u>Member</u>	<u>Deutch, David O.</u>	<u>Natural Person</u>	<u>33.3400%</u>
<u>3.A. (PC GP Holdings, LLC)</u>	<u>Member</u>	<u>The Estate of Mitchell M. Friedman</u>	<u>Natural Person</u>	<u>33.3300%</u>
<u>3.A. (PC GP Holdings, LLC)</u>	<u>Manager</u>	<u>Wolfson, Louis III</u>	<u>Natural Person</u>	
<u>3.A. (PC GP Holdings, LLC)</u>	<u>Manager</u>	<u>Deutch, David O.</u>	<u>Natural Person</u>	
<u>3.A. (PC GP Holdings, LLC)</u>	<u>Manager</u>	<u>The Estate of Mitchell M. Friedman</u>	<u>Natural Person</u>	
<u>&lt;Select a #&gt;</u>	<u>&lt;Select an option&gt;</u>		<u>&lt;Select an option&gt;</u>	

**PROPOSED APPLICANT**

**Principal Disclosures for the Applicant**

Select the organizational structure for the Applicant entity:

The Applicant is a: Limited Liability Company

Provide the name of the Applicant Limited Liability Company:

Old Cutler Village Phase 2, LLC

% Ownership input features will not be made available until invitation to credit underwriting

**First Principal Disclosure Level:**

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

First Level Entity #	Select Type of Principal of Applicant	Enter Name of First Level Principal	Select organizational structure of First Level Principal identified	% Ownership of Applicant
1.	<u>Non-Investor Member</u>	<u>PC OCV 2, LLC</u>	<u>Limited Liability Company</u>	<u>0.0049%</u>
2.	<u>Non-Investor Member</u>	<u>Old Cutler EHT, LLC</u>	<u>Limited Liability Company</u>	<u>0.0051%</u>
3.	<u>Manager</u>	<u>PC OCV 2, LLC</u>	<u>Limited Liability Company</u>	
4.	<u>Manager</u>	<u>Old Cutler EHT, LLC</u>	<u>Limited Liability Company</u>	
5.	<u>Investor Member</u>	<u>Deutch, David O. (placeholder)</u>	<u>Natural Person</u>	<u>99.9900%</u>
6.	<u>&lt;Select an option&gt;</u>		<u>&lt;Select an option&gt;</u>	

**Second Principal Disclosure Level:**

Old Cutler Village Phase 2, LLC

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

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

Second Level Entity #	Select the type of Principal being associated with the corresponding First Level Principal Entity	Enter Name of Second Level Principal	Select organizational structure of Second Level Principal identified	Second Level Principal % Ownership of First Level Principal
<u>1. (PC OCV 2, LLC)</u>	<u>1.A. Managing Member</u>	<u>DOD Affordable, LLC</u>	<u>Limited Liability Company</u>	<u>33.3400%</u>
<u>1. (PC OCV 2, LLC)</u>	<u>1.B. Managing Member</u>	<u>Wolfpack Affordable, LLC</u>	<u>Limited Liability Company</u>	<u>33.3300%</u>
<u>1. (PC OCV 2, LLC)</u>	<u>1.C. Member</u>	<u>MMF Affordable, LLC</u>	<u>Limited Liability Company</u>	<u>33.3300%</u>
<u>2. (Old Cutler EHT, LLC)</u>	<u>2.A. Sole Member</u>	<u>Everglades Housing Trust, Incorporated</u>	<u>Non-Profit Corporation</u>	<u>100.0000%</u>
<u>2. (Old Cutler EHT, LLC)</u>	<u>2.B. Manager</u>	<u>Everglades Housing Trust, Incorporated</u>	<u>Non-Profit Corporation</u>	
<u>3. (PC OCV 2, LLC)</u>	<u>3.A. Managing Member</u>	<u>DOD Affordable, LLC</u>	<u>Limited Liability Company</u>	<u>33.3400%</u>
<u>3. (PC OCV 2, LLC)</u>	<u>3.B. Managing Member</u>	<u>Wolfpack Affordable, LLC</u>	<u>Limited Liability Company</u>	<u>33.3300%</u>
<u>3. (PC OCV 2, LLC)</u>	<u>3.C. Member</u>	<u>MMF Affordable, LLC</u>	<u>Limited Liability Company</u>	<u>33.3300%</u>
<u>4. (Old Cutler EHT, LLC)</u>	<u>4.A. Sole Member</u>	<u>Everglades Housing Trust, Incorporated</u>	<u>Non-Profit Corporation</u>	<u>100.0000%</u>
<u>4. (Old Cutler EHT, LLC)</u>	<u>4.B. Manager</u>	<u>Everglades Housing Trust, Incorporated</u>	<u>Non-Profit Corporation</u>	
<u>&lt;Select a #&gt;</u>	<u>&lt;Select an option&gt;</u>		<u>&lt;Select an option&gt;</u>	

**Third Principal Disclosure Level:**

Old Cutler Village Phase 2, LLC

[Click here for Assistance with Completing the Entries for the Third Level Principal Disclosure for the Applicant](#)

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

Third Level Entity #	Select the type of Principal being associated with the corresponding Second Level Principal Entity	Enter Name of Third Level Principal who must be either a Natural Person or a Trust	The organizational structure of Third Level Principal identified Must be either a Natural Person or a Trust	3rd Level Principal % Ownership of 2nd Level Principal
<u>1.A. (DOD Affordable, LLC)</u>	<u>1.A.(1) Manager</u>	<u>Deutch, David O.</u>	<u>Natural Person</u>	
<u>1.A. (DOD Affordable, LLC)</u>	<u>1.A.(2) Member</u>	<u>The 2017 Jennifer L. Deutch Family Trust</u>	<u>Trust</u>	<u>50.0000%</u>
<u>1.A. (DOD Affordable, LLC)</u>	<u>1.A.(3) Member</u>	<u>The 2017 Matthew K. Deutch Family Trust</u>	<u>Trust</u>	<u>50.0000%</u>
<u>1.B. (Wolfpack Affordable, LLC)</u>	<u>1.B.(1) Manager</u>	<u>Wolfson, Louis III</u>	<u>Natural Person</u>	
<u>1.B. (Wolfpack Affordable, LLC)</u>	<u>1.B.(2) Member</u>	<u>Trust for Randi Faith Wolfson</u>	<u>Trust</u>	<u>33.3400%</u>
<u>1.B. (Wolfpack Affordable, LLC)</u>	<u>1.B.(3) Member</u>	<u>Trust for Lindsey Paige Wolfson</u>	<u>Trust</u>	<u>33.3300%</u>
<u>1.B. (Wolfpack Affordable, LLC)</u>	<u>1.B.(4) Member</u>	<u>Trust for Louis Wolfson IV</u>	<u>Trust</u>	<u>33.3300%</u>
<u>1.C. (MMF Affordable, LLC)</u>	<u>1.C.(1) Manager</u>	<u>Friedman, Chad</u>	<u>Natural Person</u>	
<u>1.C. (MMF Affordable, LLC)</u>	<u>1.C.(2) Manager</u>	<u>Schumacher, Robyn</u>	<u>Natural Person</u>	
<u>1.C. (MMF Affordable, LLC)</u>	<u>1.C.(3) Member</u>	<u>The Estate of Mitchell M. Friedman</u>	<u>Natural Person</u>	<u>100.0000%</u>
<u>2.A. (Everglades Housing Trust, Incorp</u>	<u>2.A.(1) Executive Director</u>	<u>Kirk, Steven</u>	<u>Natural Person</u>	
<u>2.A. (Everglades Housing Trust, Incorp</u>	<u>2.A.(2) Officer/Director</u>	<u>Kirk, Steven</u>	<u>Natural Person</u>	
<u>2.A. (Everglades Housing Trust, Incorp</u>	<u>2.A.(3) Officer/Director</u>	<u>Vidales, Fabiola</u>	<u>Natural Person</u>	
<u>2.A. (Everglades Housing Trust, Incorp</u>	<u>2.A.(4) Officer/Director</u>	<u>Townsel, Alphonso</u>	<u>Natural Person</u>	
<u>2.A. (Everglades Housing Trust, Incorp</u>	<u>2.A.(5) Officer/Director</u>	<u>McDougal, Peter</u>	<u>Natural Person</u>	
<u>2.A. (Everglades Housing Trust, Incorp</u>	<u>2.A.(6) Officer/Director</u>	<u>Rubio-Riviera, Susan</u>	<u>Natural Person</u>	
<u>2.A. (Everglades Housing Trust, Incorp</u>	<u>2.A.(7) Officer/Director</u>	<u>Alegre, Pinita</u>	<u>Natural Person</u>	
<u>2.B. (Everglades Housing Trust, Incorp</u>	<u>2.B.(1) Executive Director</u>	<u>Kirk, Steven</u>	<u>Natural Person</u>	
<u>2.B. (Everglades Housing Trust, Incorp</u>	<u>2.B.(2) Officer/Director</u>	<u>Kirk, Steven</u>	<u>Natural Person</u>	
<u>2.B. (Everglades Housing Trust, Incorp</u>	<u>2.B.(3) Officer/Director</u>	<u>Vidales, Fabiola</u>	<u>Natural Person</u>	
<u>2.B. (Everglades Housing Trust, Incorp</u>	<u>2.B.(4) Officer/Director</u>	<u>Townsel, Alphonso</u>	<u>Natural Person</u>	
<u>2.B. (Everglades Housing Trust, Incorp</u>	<u>2.B.(5) Officer/Director</u>	<u>McDougal, Peter</u>	<u>Natural Person</u>	
<u>2.B. (Everglades Housing Trust, Incorp</u>	<u>2.B.(6) Officer/Director</u>	<u>Rubio-Riviera, Susan</u>	<u>Natural Person</u>	
<u>2.B. (Everglades Housing Trust, Incorp</u>	<u>2.B.(7) Officer/Director</u>	<u>Alegre, Pinita</u>	<u>Natural Person</u>	
<u>3.A. (DOD Affordable, LLC)</u>	<u>3.A.(1) Manager</u>	<u>Deutch, David O.</u>	<u>Natural Person</u>	

**Principal Disclosures for the Applicant**

<a href="#">3.A. (DOD Affordable, LLC)</a>	<a href="#">3.A.(2)</a>	<a href="#">Member</a>	<a href="#">The 2017 Jennifer L. Deutch Family Trust</a>	<a href="#">Trust</a>	<a href="#">50.0000%</a>
<a href="#">3.A. (DOD Affordable, LLC)</a>	<a href="#">3.A.(3)</a>	<a href="#">Member</a>	<a href="#">The 2017 Matthew K. Deutch Family Trust</a>	<a href="#">Trust</a>	<a href="#">50.0000%</a>
<a href="#">3.B. (Wolfpack Affordable, LLC)</a>	<a href="#">3.B.(1)</a>	<a href="#">Manager</a>	<a href="#">Wolfson, Louis III</a>	<a href="#">Natural Person</a>	
<a href="#">3.B. (Wolfpack Affordable, LLC)</a>	<a href="#">3.B.(2)</a>	<a href="#">Member</a>	<a href="#">Trust for Randi Faith Wolfson</a>	<a href="#">Trust</a>	<a href="#">33.3400%</a>
<a href="#">3.B. (Wolfpack Affordable, LLC)</a>	<a href="#">3.B.(3)</a>	<a href="#">Member</a>	<a href="#">Trust for Lindsey Paige Wolfson</a>	<a href="#">Trust</a>	<a href="#">33.3300%</a>
<a href="#">3.B. (Wolfpack Affordable, LLC)</a>	<a href="#">3.B.(4)</a>	<a href="#">Member</a>	<a href="#">Trust for Louis Wolfson IV</a>	<a href="#">Trust</a>	<a href="#">33.3300%</a>
<a href="#">3.C. (MMF Affordable, LLC)</a>	<a href="#">3.C.(1)</a>	<a href="#">Manager</a>	<a href="#">Friedman, Chad</a>	<a href="#">Natural Person</a>	
<a href="#">3.C. (MMF Affordable, LLC)</a>	<a href="#">3.C.(2)</a>	<a href="#">Manager</a>	<a href="#">Schumacher, Robyn</a>	<a href="#">Natural Person</a>	
<a href="#">3.C. (MMF Affordable, LLC)</a>	<a href="#">3.C.(3)</a>	<a href="#">Member</a>	<a href="#">The Estate of Mitchell M. Friedman</a>	<a href="#">Natural Person</a>	<a href="#">100.0000%</a>
<a href="#">4.A. (Everglades Housing Trust, Incorp</a>	<a href="#">4.A.(1)</a>	<a href="#">Executive Director</a>	<a href="#">Kirk, Steven</a>	<a href="#">Natural Person</a>	
<a href="#">4.A. (Everglades Housing Trust, Incorp</a>	<a href="#">4.A.(2)</a>	<a href="#">Officer/Director</a>	<a href="#">Kirk, Steven</a>	<a href="#">Natural Person</a>	
<a href="#">4.A. (Everglades Housing Trust, Incorp</a>	<a href="#">4.A.(3)</a>	<a href="#">Officer/Director</a>	<a href="#">Vidales, Fabiola</a>	<a href="#">Natural Person</a>	
<a href="#">4.A. (Everglades Housing Trust, Incorp</a>	<a href="#">4.A.(4)</a>	<a href="#">Officer/Director</a>	<a href="#">Townsel, Alphonso</a>	<a href="#">Natural Person</a>	
<a href="#">4.A. (Everglades Housing Trust, Incorp</a>	<a href="#">4.A.(5)</a>	<a href="#">Officer/Director</a>	<a href="#">McDougal, Peter</a>	<a href="#">Natural Person</a>	
<a href="#">4.A. (Everglades Housing Trust, Incorp</a>	<a href="#">4.A.(6)</a>	<a href="#">Officer/Director</a>	<a href="#">Rubio-Riviera, Susan</a>	<a href="#">Natural Person</a>	
<a href="#">4.A. (Everglades Housing Trust, Incorp</a>	<a href="#">4.A.(7)</a>	<a href="#">Officer/Director</a>	<a href="#">Alegre, Pinita</a>	<a href="#">Natural Person</a>	
<a href="#">4.B. (Everglades Housing Trust, Incorp</a>	<a href="#">4.B.(1)</a>	<a href="#">Executive Director</a>	<a href="#">Kirk, Steven</a>	<a href="#">Natural Person</a>	
<a href="#">4.B. (Everglades Housing Trust, Incorp</a>	<a href="#">4.B.(2)</a>	<a href="#">Officer/Director</a>	<a href="#">Kirk, Steven</a>	<a href="#">Natural Person</a>	
<a href="#">4.B. (Everglades Housing Trust, Incorp</a>	<a href="#">4.B.(3)</a>	<a href="#">Officer/Director</a>	<a href="#">Vidales, Fabiola</a>	<a href="#">Natural Person</a>	
<a href="#">4.B. (Everglades Housing Trust, Incorp</a>	<a href="#">4.B.(4)</a>	<a href="#">Officer/Director</a>	<a href="#">Townsel, Alphonso</a>	<a href="#">Natural Person</a>	
<a href="#">4.B. (Everglades Housing Trust, Incorp</a>	<a href="#">4.B.(5)</a>	<a href="#">Officer/Director</a>	<a href="#">McDougal, Peter</a>	<a href="#">Natural Person</a>	
<a href="#">4.B. (Everglades Housing Trust, Incorp</a>	<a href="#">4.B.(6)</a>	<a href="#">Officer/Director</a>	<a href="#">Rubio-Riviera, Susan</a>	<a href="#">Natural Person</a>	
<a href="#">4.B. (Everglades Housing Trust, Incorp</a>	<a href="#">4.B.(7)</a>	<a href="#">Officer/Director</a>	<a href="#">Alegre, Pinita</a>	<a href="#">Natural Person</a>	
<a href="#">&lt;Select a #&gt;</a>		<a href="#">&lt;Select an option&gt;</a>		<a href="#">&lt;Select an option&gt;</a>	

**Fourth Principal Disclosure Level:**

Old Cutler Village Phase 2, LLC

[Click here for Assistance with Completing the Entries for the Fourth Level Principal Disclosure for the Applicant](#)

<a href="#">Select the corresponding Third Level Principal Entity # from above for which the Fourth Level Principal is being Identified</a>	<a href="#">Select the type of Principal being associated with the corresponding Third Level Principal Entity</a>	<a href="#">Enter Name of Fourth Level Principal who must be a Natural Person</a>	<a href="#">The organizational structure of Fourth Level Principal identified Must Be a Natural Person</a>	<a href="#">4th Level Principal % Ownership of 3rd Level Principal</a>
<a href="#">1.A.(2) (The 2017 Jennifer L. Deutch Family Trust</a>	<a href="#">Trustee</a>	<a href="#">Deutch, Debra K.</a>	<a href="#">Natural Person</a>	
<a href="#">1.A.(2) (The 2017 Jennifer L. Deutch Family Trust</a>	<a href="#">Beneficiary</a>	<a href="#">Deutch, Jennifer L.</a>	<a href="#">Natural Person</a>	<a href="#">100.0000%</a>
<a href="#">1.A.(3) (The 2017 Matthew K. Deutch Family Tru</a>	<a href="#">Trustee</a>	<a href="#">Deutch, Debra K.</a>	<a href="#">Natural Person</a>	
<a href="#">1.A.(3) (The 2017 Matthew K. Deutch Family Tru</a>	<a href="#">Beneficiary</a>	<a href="#">Deutch, Matthew K.</a>	<a href="#">Natural Person</a>	<a href="#">100.0000%</a>
<a href="#">1.B.(2) (Trust for Randi Faith Wolfson)</a>	<a href="#">Trustee</a>	<a href="#">Wolfson, Ellen D.</a>	<a href="#">Natural Person</a>	
<a href="#">1.B.(2) (Trust for Randi Faith Wolfson)</a>	<a href="#">Trustee</a>	<a href="#">Wolfson, Randi Faith</a>	<a href="#">Natural Person</a>	
<a href="#">1.B.(2) (Trust for Randi Faith Wolfson)</a>	<a href="#">Beneficiary</a>	<a href="#">Wolfson, Randi Faith</a>	<a href="#">Natural Person</a>	<a href="#">100.0000%</a>
<a href="#">1.B.(3) (Trust for Lindsey Paige Wolfson)</a>	<a href="#">Trustee</a>	<a href="#">Wolfson, Ellen D.</a>	<a href="#">Natural Person</a>	
<a href="#">1.B.(3) (Trust for Lindsey Paige Wolfson)</a>	<a href="#">Trustee</a>	<a href="#">Wolfson, Lindsey Paige</a>	<a href="#">Natural Person</a>	
<a href="#">1.B.(3) (Trust for Lindsey Paige Wolfson)</a>	<a href="#">Beneficiary</a>	<a href="#">Wolfson, Lindsey Paige</a>	<a href="#">Natural Person</a>	<a href="#">100.0000%</a>
<a href="#">1.B.(4) (Trust for Louis Wolfson IV)</a>	<a href="#">Trustee</a>	<a href="#">Wolfson, Ellen D.</a>	<a href="#">Natural Person</a>	
<a href="#">1.B.(4) (Trust for Louis Wolfson IV)</a>	<a href="#">Trustee</a>	<a href="#">Wolfson, Louis IV</a>	<a href="#">Natural Person</a>	
<a href="#">1.B.(4) (Trust for Louis Wolfson IV)</a>	<a href="#">Beneficiary</a>	<a href="#">Wolfson, Louis IV</a>	<a href="#">Natural Person</a>	<a href="#">100.0000%</a>
<a href="#">3.A.(2) (The 2017 Jennifer L. Deutch Family Trust</a>	<a href="#">Trustee</a>	<a href="#">Deutch, Debra K.</a>	<a href="#">Natural Person</a>	
<a href="#">3.A.(2) (The 2017 Jennifer L. Deutch Family Trust</a>	<a href="#">Beneficiary</a>	<a href="#">Deutch, Jennifer L.</a>	<a href="#">Natural Person</a>	<a href="#">100.0000%</a>
<a href="#">3.A.(3) (The 2017 Matthew K. Deutch Family Tru</a>	<a href="#">Trustee</a>	<a href="#">Deutch, Debra K.</a>	<a href="#">Natural Person</a>	
<a href="#">3.A.(3) (The 2017 Matthew K. Deutch Family Tru</a>	<a href="#">Beneficiary</a>	<a href="#">Deutch, Matthew K.</a>	<a href="#">Natural Person</a>	<a href="#">100.0000%</a>
<a href="#">3.B.(2) (Trust for Randi Faith Wolfson)</a>	<a href="#">Trustee</a>	<a href="#">Wolfson, Ellen D.</a>	<a href="#">Natural Person</a>	
<a href="#">3.B.(2) (Trust for Randi Faith Wolfson)</a>	<a href="#">Trustee</a>	<a href="#">Wolfson, Randi Faith</a>	<a href="#">Natural Person</a>	
<a href="#">3.B.(2) (Trust for Randi Faith Wolfson)</a>	<a href="#">Beneficiary</a>	<a href="#">Wolfson, Randi Faith</a>	<a href="#">Natural Person</a>	<a href="#">100.0000%</a>
<a href="#">3.B.(3) (Trust for Lindsey Paige Wolfson)</a>	<a href="#">Trustee</a>	<a href="#">Wolfson, Ellen D.</a>	<a href="#">Natural Person</a>	
<a href="#">3.B.(3) (Trust for Lindsey Paige Wolfson)</a>	<a href="#">Trustee</a>	<a href="#">Wolfson, Lindsey Paige</a>	<a href="#">Natural Person</a>	
<a href="#">3.B.(3) (Trust for Lindsey Paige Wolfson)</a>	<a href="#">Beneficiary</a>	<a href="#">Wolfson, Lindsey Paige</a>	<a href="#">Natural Person</a>	<a href="#">100.0000%</a>
<a href="#">3.B.(4) (Trust for Louis Wolfson IV)</a>	<a href="#">Trustee</a>	<a href="#">Wolfson, Ellen D.</a>	<a href="#">Natural Person</a>	
<a href="#">3.B.(4) (Trust for Louis Wolfson IV)</a>	<a href="#">Trustee</a>	<a href="#">Wolfson, Louis IV</a>	<a href="#">Natural Person</a>	
<a href="#">3.B.(4) (Trust for Louis Wolfson IV)</a>	<a href="#">Beneficiary</a>	<a href="#">Wolfson, Louis IV</a>	<a href="#">Natural Person</a>	<a href="#">100.0000%</a>
<a href="#">&lt;Select a #&gt;</a>	<a href="#">&lt;Select an option&gt;</a>		<a href="#">Natural Person</a>	



**Principal Disclosures for the Developer**

**CURRENT DEVELOPER**

How many Developers are part of this Application structure?

1

Select the organizational structure for the Developer entity:

The Developer is a: Limited Liability Company

Provide the name of the Developer Limited Liability Company:

Pinnacle Communities, LLC

**First Principal Disclosure Level:**

Pinnacle Communities, LLC

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

<u>First Level Entity #</u>	<u>Select Type of Principal of Developer</u>	<u>Enter Name of First Level Principal</u>	<u>Select organizational structure of First Level Principal identified</u>
1.	<u>Managing Member</u>	<u>Wolfson, Louis III</u>	<u>Natural Person</u>
2.	<u>Managing Member</u>	<u>Deutch, David O.</u>	<u>Natural Person</u>
3.	<u>Managing Member</u>	<u>The Estate of Mitchell M. Friedman</u>	<u>Natural Person</u>
4.	<u>&lt;Select an option&gt;</u>	<u></u>	<u>&lt;Select an option&gt;</u>

**Principal Disclosures for the Developer**

**PROPOSED DEVELOPER**

How many Developers are part of this Application structure?

1

Select the organizational structure for the Developer entity:

The Developer is a: Limited Liability Company

Provide the name of the Developer Limited Liability Company:

Pinnacle Communities, LLC

**First Principal Disclosure Level:**

Pinnacle Communities, LLC

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

<u>First Level Entity #</u>	<u>Select Type of Principal of Developer</u>	<u>Enter Name of First Level Principal</u>	<u>Select organizational structure of First Level Principal identified</u>
1.	<u>Member</u>	<u>Wolfson, Louis III</u>	<u>Natural Person</u>
2.	<u>Member</u>	<u>Deutch, David O.</u>	<u>Natural Person</u>
3.	<u>Member</u>	<u>The Estate of Mitchell M. Friedman</u>	<u>Natural Person</u>
4.	<u>Manager</u>	<u>Wolfson, Louis III</u>	<u>Natural Person</u>
5.	<u>Manager</u>	<u>Deutch, David O.</u>	<u>Natural Person</u>
6.	<u>&lt;Select an option&gt;</u>	<u></u>	<u>&lt;Select an option&gt;</u>

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**STATE OF FLORIDA  
FLORIDA HOUSING FINANCE CORPORATION**

FLORIDA HOUSING  
FINANCE CORPORATION

**In re: Delmar Terrace South, LLC**

FHFC Case No. 2023-099VW

**FHFC File No: 2015-158CS/2017-253CS/  
2017-285V/2019-434CS**

**Petitioner.**  
\_\_\_\_\_ /

**PETITION FOR RULE WAIVER AND VARIANCE TO GENERAL CONTRACTOR  
CONDITIONS AND FINAL COST CERTIFICATION PROCESS IN  
RULES 67-48.0072(17)(e) AND (f), AND RULES 67-48.023(5) AND (7)**

Pursuant to Section 120.542, Fla. Stat., Petitioner, DELMAR TERRACE SOUTH, LLC, a Florida limited liability company (“Delmar Terrace”), hereby submits this Petition to the Florida Housing Finance Corporation (“FHFC”) for a waivers of or variances from Rule 67-48.0072(17)(e) and (f), and Rule 67-48.023(5) and (7), Fla. Admin. Code (2014), and provisions of the Final Cost Certification Package and RFA 2014-115. As explained more fully in this Petition, in the construction of Delmar Terrace South’s development (now known as Delmar 745), the original General Contractor was terminated for non-performance, and the Surety Company on the Performance Bond was required to step in as General Contractor. The Surety, performing as the General Contractor, retained a Completing Contractor as a subcontractor; the Completing Contractor performed the role that a General Contractor would have performed, in the absence of the Surety. As a result, Delmar Terrace must seek waivers of rule requirements for General Contractor duties and subcontractor payment, and on documentation requirements and timing of the Final Cost Certification Application Package.

In support of this petition, Petitioner states as follows:

**NATURE OF REQUEST**

1. Pursuant to Section 120.542, Fla. Stat. (2017), and Rules 28-104.001 through 28-104.006, Fla. Admin. Code, Petitioner requests a waiver of or variance from the following rules:

- a. Rule 67-48.0072(17)(e), prohibiting the General Contractor from subcontracting the GC's duties to manage and control construction;
- b. Rule 67-48.0072(17)(f) (2014 version), prohibiting more than 20 percent of the construction cost to be subcontracted to any one entity;
- c. Rule 67-48.023(5), requiring completion of the final cost certification process "as required in a competitive solicitation" (i.e., completion of the Final Cost Certification Application Package); Delmar Terrace seeks an alternative means of providing some of the assurances that are part of the Final Cost Certification Application; and
- d. Rule 67-48.023(7), requiring the final cost certification documentation to itemize all expenses incurred in the construction of the development, which requires a General Contractor Cost Certification that includes confirmation of amounts for the three largest dollar subcontractors.

2. The competitive solicitation in which Delmar Terrace was initially awarded funding was RFA 2014-115.

### **THE PETITIONER**

3. As explained in this Petition, Petitioner was the recipient of Housing Credits and a SAIL loan from FHFC for a homeless development in Pinellas County. Petitioner was also the recipient of a Development Viability Loan for this development in RFA 2017-109. For purposes of this petition, Petitioner's address is that of its undersigned attorney, M. Christopher Bryant, Oertel, Fernandez, Bryant & Atkinson, P.A., 2060 Delta Way, Tallahassee, Florida 32303 (telephone (850) 521-0700, fax (850) 521-0720, E-mail: [cbryant@ohfc.com](mailto:cbryant@ohfc.com))

**FUNDING AWARDED**

4. Through Request for Applications (RFA) number 2014-115, FHFC sought to allocate federal low income housing tax credits ("Housing Credits") to applicants for the development of affordable housing in the six large counties of Broward, Duval, Hillsborough, Orange, Palm Beach, and Pinellas. FHFC also sought to fund at least one Homeless development in one of those counties, utilizing both Housing Credits and State Apartment Incentive Loan ("SAIL") financing. The awards of SAIL and Housing Credit funding are subject to FHFC Rule Chapter 67-48, Fla. Admin. Code.

5. Delmar Terrace successfully applied in RFA 2014-115 for an award of Housing Credits and a SAIL loan for the construction of a 65 unit high-rise development for homeless tenants in Pinellas County. Delmar Terrace received an award of Housing Credits in the amount of \$1.66 million and a SAIL loan of \$3.25 million. Subsequently, Delmar Terrace applied for and was awarded Development Viability Loan funding in RFA 2017-109.

6. For purposes of Section 42 of the Internal Revenue Code, Delmar Terrace proposed to set aside 40% of the units for residents earning 60% or less of Area Median Income. In the Total Set-Aside Breakdown Chart included in the Delmar Terrace application, Delmar Terrace committed to set aside 15% of the units for tenants at or below 40% of AMI (the Extremely Low Income level for Pinellas County in RFA 2014-115) and the remaining 85% of the units for tenants at or below 60% of AMI.

**PRINCIPALS INVOLVED**

7. The Applicant entity is Delmar Terrace South, LLC, a Florida limited liability company. The Member/Manager of Delmar Terrace South, LLC, is Delmar Terrace MBS Member, Inc., a Missouri Corporation, which has two shareholders, both of which are corporate

entities. The principal disclosure provisions of RFA 2014-115 did not require disclosure to the level of all natural persons; Delmar Terrace complied with such applicable disclosure requirements.

8. The Developer Entity for Delmar Terrace is Delmar Terrace Developers, LLC, whose Member/Manager is McCormack Baron Salazar, Inc. The Co-Developer is Boley Centers, Inc. The natural person principal of Delmar Terrace Developers whose prior general development experience was relied upon to satisfy the RFA 2014-115 requirements was Vincent R. Bennett, who is an officer of McCormack Baron Salazar, Inc.

#### **PROGRESS OF THE DEVELOPMENT AND CONSTRUCTION OF DELMAR**

9. On May 8, 2017, Delmar executed a Guaranteed Maximum Price (“GMP”) General Contract with Lynx Construction Management, LLC, in the amount of \$13,989,843.51 for construction of the proposed development. With subsequent change orders, the GMP contract price increased to \$15,249,159.64. As explained below, additional construction costs were incurred that were paid for by a Surety Company pursuant to a performance bond when the Original General Contractor was terminated; those additional costs exceeded the amended GMP contract by \$3,523,471, and the Owner does not seek funding from Florida Housing based on that exceedance amount.

10. Due to significant performance issues with Lynx Construction that could not be resolved despite repeated efforts, Delmar issued written notice to Lynx on July 27, 2020 declaring the contractor in default, and Delmar exercised its right to terminate the contract. Delmar also notified Traveler’s Casualty and Surety Company, which had issued the Performance bond for Lynx, of the default. Delmar terminated the Contract with Lynx on August 6, 2020.

11. Travelers and Lynx subsequently entered into a Takeover Agreement. The

remaining balance of the GMP Contract at that time was \$3,632,429.63.

12. A Temporary Certificate of Occupancy was issued for Delmar Terrace in December 2021 and recorded on December 29, 2021. The building was placed in service on December 29, 2021.

13. Delmar has prepared its Final Cost Certification documentation, including the documentation of all expenses. However, Delmar is unable to provide a General Contractor's Cost Certification ("GCCC"). The original GC for the development, Lynx, was terminated before construction was complete. Neither the surety (acting as the GC) nor the completing contractor, Whitney Turner, can certify the costs of construction that occurred during Lynx's tenure as GC.

#### **RULE PROVISIONS**

14. The SAIL and Housing Credit programs are governed in part by portions of Rule Chapter 67-48, Fla. Admin. Code. Of relevance to this request are the 2014 versions of Rules 67-48.0072(17)(e) and (f), and 67-48.023(5) and (7), Fla. Admin. Code. Rule 67-48.0072(17)(e) and (f) read, in pertinent part:

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

(e) Ensure that none of the General Contractor duties to manage and control the construction of the Development are subcontracted;

\*\*\*

(f) Ensure that not more than 20 percent of the construction cost is subcontracted to any one entity, with the exception of a subcontractor contracted to deliver the building shell of a building at least five (5) stories which may not have more than 31 percent of the contract cost in a subcontract, unless otherwise approved by the Board for a Specific Development. With regard to said approval, the Board shall consider the facts and circumstances of each Applicant's request, inclusive on construction costs and the General Contractor's fees.

15. Rules 67-48.023(5) and (7) (2014 versions) read, in pertinent part, as follows:

(5) Each Housing Credit Development shall complete the final cost certification process as required in a competitive solicitation

\*\*\*

(7) Final Cost Certification documentations shall be submitted by an Applicant to itemize all expenses incurred in association with construction or Rehabilitation of a Housing Credit Development, including Developer's and General Contractor's fees as described in Rule 67-48.0072, F.A.C. ...

16. The initial funding for this Development was awarded pursuant to RFA 2014-115. That RFA, at Exhibit C, Item 12(c), required the successful applicant to complete the Final Cost Certification Application Package. The Final Cost Certification Application Package includes a General Contractor Cost Certification ("GCCC") and the GCCC instructions require a Certified Public Accountant's Audit of the GCCC to send confirmation requests to the three largest dollar subcontractors, confirming the construction contract amount, any change orders, any additional costs incurred outside of the contract, the type of services provided, and amounts paid to date and balances to be paid. As explained more fully in this Petition, Petitioner is unable to provide a General Contractor's Cost Certification ("GCCC") due to the unique circumstances of the original general contractor's default, the surety company that provided the performance bond stepping in as the new GC, and the surety's use of another licensed general contractor in the role of a "Completing Contractor" through a subcontractor arrangement. Petitioner and its independent CPA have also only been able to obtain the required information from two of the three largest dollar subcontractors, and a waiver of that requirement is also requested.

17. Petitioner and Florida Housing staff have discussed the use of an Agreed Upon Procedures report to substitute for the GCCC, subject to the Florida Housing Board of Directors approving this alternative means of compliance.



18. With the close cooperation and input from Florida Housing staff, Petitioner and its accountants have prepared a set of Agreed Upon Procedures that would produce a detailed report of the costs incurred in developing and constructing Delmar 745. The AUP would be of equivalent detail and reliability as a GCCC, and would satisfy Florida Housing's duty to administer the housing credit program to insure the proper accountable use of housing credit resources. As part of the AUP process, Petitioner has made repeated attempts to obtain confirmation from each of the 24 subcontractors who worked on the development of the contracted amounts, paid amounts, additional costs incurred, balance due, and lack of identity between the subcontractor and either the original General Contractor or the Surety, and to date has obtained such confirmation from 9 of the 24 subcontractors.

**JUSTIFICATION FOR REQUESTED WAIVER**

19. As explained in paragraph 11 above, the original General Contractor on the Delmar Terrace development was terminated for cause due to non-performance. The Owner served the original General Contractor's surety company with notice of the termination, and filed a claim on the performance bond. Under the terms of the performance bond, the surety had several options as to how to proceed. The surety could have:

- Arranged for the existing Contractor to complete the contract, with Delmar's consent (Section 5.1 of the Performance Bond);
- Undertaken to perform and complete the contract itself, through agents or independent contractors (Section 5.2 of Performance Bond);
- Obtain bids from qualified contractors acceptable to the Owner for a contract to complete the work (Section 5.4 of the Performance Bond); or
- Waive its right to perform, and either make payment to the Owner or deny

liability (Section 5.4 of the Performance Bond).

Travelers opted for the second option – to complete the contract itself, through agents or independent contractors. Travelers and Delmar thus entered into a Takeover Agreement on December 1, 2020, which designated Whiting Turner Construction as the Completing Contractor.

20. Although designated in the Takeover Agreement as the “Completing Contractor,” Whiting-Turner was technically a subcontractor to Travelers. The work to be performed by Whiting-Turner totaled \$4,009,494.56, which is 26.3% of the total adjusted contract price of \$15,249,159.64.

### **RELIEF REQUESTED**

21. Delmar Terrace seeks several waivers, variances, and authorizations by this Petition.

a. First, Delmar Terrace seeks a waiver of Rule 67-48.0072(17)(e) in order to allow the Surety, who is technically the General Contractor, to subcontract the duties to manage and control the construction of the development to Whiting-Turner, the Completing Contractor.

b. Second, Delmar Terrace seeks a waiver of Rule 67-48.0072(17)(f), to allow Whiting-Turner, as the Completing Contractor serving as a subcontractor to the Surety Company under the Takeover Agreement, to perform work for compensation that is in excess of twenty percent (20%) of the Construction Cost, and allow up to 26.3% of the Construction Cost.

c. Third, Delmar Terrace seeks a waiver of the rule requirement to utilize the Final Cost Certification Package, which includes a General Contractor Cost Certification. Due to the unique circumstances under which this development was

completed, with an original General Contractor, then a Surety acting as a General Contractor, utilizing a Completing Contractor as a subcontractor to the Surety, Delmar Terrace is unable to provide a Cost Certification certified to by a single General Contractor. Lynx Construction, the original General Contractor, has not been cooperative in providing a certification that satisfies Florida Housing's requirements for work completed before its termination; and Whiting Turner, as the Completing Contractor, is unable to certify those costs incurred during the period of time Lynx was the General Contractor. Instead, Delmar Terrace, with guidance from Florida Housing staff, proposes the use of an Agreed Upon Procedures report to provide assurances as to the reasonableness of the costs incurred in the development of this housing.

22. Granting the requested waivers and variance would not adversely affect any required set-asides or points considered by Florida Housing in the scoring of the Delmar Terrace, and would not alter the scoring by Florida Housing that qualified Delmar Terrace for Housing Credits and SAIL funding. The change would also not provide Delmar Terrace with an unfair competitive advantage over other applicants. All scoring of competing applications would have been the same.

23. The requested Rule waivers or variances will not adversely impact the Delmar Terrace development or the Florida Housing funding processes, and will serve the statutory purposes of the Florida Housing process. A denial of this Petition, however, would result in substantial economic hardship to Delmar Terrace., and essentially would result in Delmar Terrace losing its investor funding.

**STATUTORY PURPOSE SERVED**

24. Section 420.5087, Fla. Stat., created the State Apartment Incentive Loan program to provide loans to provide affordable housing to very low income persons. The SAIL statute specifies certain tenant groups which are to be considered in the allocation of SAIL funding, and one of those tenant groups is “persons who are homeless.” Section 420.5087(3)(c), Fla. Stat.

25. Section 420.5099, Fla. Stat., designates Florida Housing as the housing credit agency, pursuant to the Internal Revenue Code, and assigns Florida Housing the responsibility to allocate and distribute low-income housing tax credits. The statute also instructs Florida Housing to adopt procedures to ensure the maximum use of housing credits to encourage the development of low-income housing.

26. In furtherance of these statutory purposes, Florida Housing established the competitive Request for Application process to allocate various forms of funding to satisfy various geographic and demographic affordable housing goals. The RFA in which Delmar Terrace applied included a funding goal for developments to house Homeless persons, and Delmar Terrace applied in and was selected for that funding goal.

27. Florida Housing’s rule limiting the amount of a contract that can be awarded to one subcontractor or group of related contractors has a valid purpose to ensure that subcontractor services are efficiently and competitively provided. However, this very uncommon set of circumstances, where an entity performing the work of General Contractor is technically occupying the position of a subcontractor, that valid purpose is not served. Florida Housing’s statutory purpose of financing the development of affordable housing for low income and very low income persons, including persons who are homeless, will still be served by approving alternative means of assuring costs incurred in the development of Delmar 745.

28. Further, under the unique circumstances present here, allowing the Surety, acting as the General Contractor, to subcontract the duty to manage and control construction to an experienced licensed General Contractor who is occupying the role of a subcontractor would satisfy the statutory purpose of ensuring that construction is managed and controlled by a qualified, experienced, responsible party.

29. Finally, allowing the use of an Agreed Upon Procedures process in lieu of a General Contract Cost Certification would serve the statutory purpose by insuring that the costs presented were a reasonably accurate statement of the total actual costs incurred by the General Contractor. This in turn assists in the determination of development costs and the amount of subsidy to be allocated. Although the atypical and protracted term of the Development process, the termination of the original contractor, and the use of a Surety and Completing Contractor resulted in construction costs that exceeded the Guaranteed Maximum Price contract, as adjusted through change orders, that exceedance was paid for by the Surety and is not included in the Total Adjusted Maximum Contract Price upon which subsidy is based.

**PRINCIPLES OF FAIRNESS VIOLATED OR SUBSTANTIAL HARDSHIP**

30. Principles of fairness would be violated if the Completing Contractor could not be paid for its services which exceed 20% of the Construction Cost. If the Completing Contractor had been the original General Contractor, there would be no question of its entitlement to be paid \$4,009,494.56 for its services. However, because of the default by the original General Contractor, and the surety company having to step in and complete the development using Whiting-Turner as a subcontractor, the 20% limitation applies. Principles of fairness are violated when the literal application of a rule affects one person in a manner specifically different from other similarly situated persons. Section 120.542(2), Fla. Stat.

31. Further, principals of fairness would be violated if the Surety, acting as Delmar Terrace's General Contractor, could not subcontract its duty to manage and control construction to a licensed, experienced general contractor who is acting as a subcontractor in this situation. But for the default by the original General Contractor, the Surety would not have had to step into the role of General Contractor, which a Surety is typically not well-positioned to do, and the management and control of construction would have been performed by a General Contractor.

32. Finally, requiring strict adherence to the Final Cost Certification Application requirements would impose a substantial economic hardship on Delmar Terrace. Without a Final Cost Certification, Form 8609 for the development cannot be issued, and Delmar Terrace's limited partners would not receive the benefit of their investment. This would potentially expose the partnership to substantial liability to its investors.

33. The waiver being sought is permanent in nature, to the extent that, now that construction has been completed and the Completing Contractor is paid, the Completing Contractor's role in the development is concluded, subject to any warranty that may exist.

**WHEREFORE**, Petitioner Delmar Terrace South, LLC respectfully requests that the Florida Housing Finance Corporation provide the following relief:

- A. Grant the Petition for Waiver and Variance and all the relief requested herein;
- B. Grant a waiver of the provisions of Rule 67-48.0072(17)(e) prohibiting a General Contract (in this case the Surety) from subcontracting its duty to manage and control construction;
- C. Grant a waiver of the provisions of Rule 67-48.0072(17)(f) limiting a subcontractor to 20% of the Construction Cost, in order to allow the Completing Contractor to be paid the remaining contract price of \$4,009,494.56;
- D. Grant a variance to requirements of Rules 67-48.023(5) and (7) to complete the

Cost Certification process utilizing the Final Cost Certification Package, that a General Contractor Cost Certification be included, and that confirmation be obtained from the three largest dollar subcontractors in order to allow Delmar Terrace and Florida Housing staff to develop Agreed Upon Procedures to provide assurance of the reasonableness and accuracy of costs; and to allow staff to determine acceptability of the content of the AUP report when completed; and

E. Grant such further relief as may be deemed appropriate.

**RESPECTFULLY SUBMITTED** this 29th day of November, 2023.

*/s/ M. Christopher Bryant*

---

M. Christopher Bryant  
OERTEL, FERNANDEZ,  
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Secondary: [bpetty@ohfc.com](mailto:bpetty@ohfc.com)

*Counsel for Delmar Terrace South, LLC*

**CERTIFICATE OF SERVICE**

I HEREBY CERTIFY that the foregoing Petition is being filed by electronic filing with the Corporation Clerk for the Florida Housing Finance Corporation, 227 North Bronough Street, Fifth Floor, Tallahassee, Florida 32301, [CorporationClerk@floridahousing.org](mailto:CorporationClerk@floridahousing.org), with copies served by U.S. Mail on the Joint Administrative Procedures Committee, 680 Pepper Building, 111 W. Madison Street, Tallahassee, Florida 32399-1400, and by electronic transmission to Ethan Katz, Assistant General Counsel, 227 N. Bronough Street, Suite 5000, Tallahassee, FL 32301, [ethan.katz@floridahousing.org](mailto:ethan.katz@floridahousing.org) this 29th day of November, 2023.

*/s/ M. Christopher Bryant*  
\_\_\_\_\_  
Attorney



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FLORIDA HOUSING  
FINANCE CORPORATION

**STATE OF FLORIDA**  
**FLORIDA HOUSING FINANCE CORPORATION**

MIAMI BEACH HOUSING INITIATIVES, INC.,

Petitioner,

FHFC Case # 2024-001VW

vs.

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

FLORIDA HOUSING FINANCE  
CORPORATION,

Respondent.

\_\_\_\_\_ /

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

Petitioner Miami Beach Housing Initiatives, Inc. (“MBHI”) a Florida non-profit corporation and an instrumentality of the Housing Authority of the City of Miami Beach, hereby petitions Respondent, Florida Housing Finance Corporation (“Florida Housing”), for a waiver of Rule 67-48.0072(26) F.A.C. (July 11, 2019) (the “Rule”) so that it may extend the SAIL/ELI closing deadline of February 2, 2024. MBHI experienced a series of delays beyond its control, as outlined in more detail below. Accordingly, MBHI is requesting an extension of the loan closing deadline to the May 10, 2024 Florida Housing Board meeting to be consistent with the requested CHIRP closing deadline extension which is being requested contemporaneous with this request .

In support, MBHI states as follows:

**A. THE PETITIONER**

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

Miguell Del Campillo, Executive Director  
Miami Beach Housing Initiatives, Inc.  
200 Alton Road, Miami Beach, FL 33139

Telephone: (305) 532-6401, extension 3020  
Email: miguell@hacmb.org

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

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

**B. DEVELOPMENT BACKGROUND**

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

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

**C. WAIVER IS PERMANENT**

The waiver being sought is permanent.

**D. THE RULE FROM WHICH WAIVER IS REQUESTED**

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

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

**E. STATUTES IMPLEMENTED BY THE RULE**

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

**F. JUSTIFICATION FOR GRANTING WAIVER OF THE RULE**

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

the acceptance to enter credit underwriting. The acceptance was acknowledged on July 9, 2020, giving MBHI a firm loan commitment issuance deadline of July 9, 2021.

3. On June 18, 2021, the Florida Housing Board approved the request for a firm loan commitment issuance deadline extension from July 9, 2021, to January 9, 2022. On December 10, 2021, the Board approved the Rule waiver request for an additional firm loan commitment issuance deadline extension from January 9, 2022, to July 9, 2022.

4. On May 9, 2022, Florida Housing issued the 2022 Construction Housing Inflation Response Program (CHIRP) Invitation to Participate (ITP). Florida Housing received a CHIRP ITP Application from MBHI on July 1, 2022, requesting HOME-ARP funds.

5. On June 17, 2022, the Florida Housing Board approved an additional Rule waiver request to extend firm loan commitment issuance deadline from July 9, 2022, to January 9, 2023.

6. On January 27, 2023, the Florida Housing Board approved the final credit underwriting report with a positive recommendation for funding. On January 30, 2023, staff issued a firm commitment to the Applicant giving them a loan closing deadline of May 30, 2023.

7. On June 9, 2023, the Florida Housing Board approved a waiver of the CHIRP ITP to waive the loan closing deadline from June 9, 2023 to September 8, 2023 and a request for a SAIL/ELI loan closing deadline from May 30, 2023 to September 8, 2023, subject to payment of the required non-refundable extension fee of one percent of the SAIL/ELI loan amounts, pursuant to the requirements of the RFA.

8. On August 18, 2023, MBHI submitted a check to Florida Housing in the amount of \$43,891.80 for payment of the required non-refundable extension fee of one percent of the SAIL/ELI loan amounts.

9. On September 8, 2023, the Florida Housing Board approved a waiver of the CHIRP ITP to waive the loan closing deadline from September 8, 2023 to December 15, 2023 and a Rule waiver request for a SAIL/ELI loan closing deadline from September 8, 2023 to December 15, 2023.

10. On December 15, 2023, the Florida Housing Board approved a waiver of the CHIRP ITP to waive the loan closing deadline from December 15, 2023 to February 2, 2024 and a Rule waiver request for a SAIL/ELI loan closing deadline from December 15, 2023 to February 2, 2024.

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

12. In order to qualify for CHIRP funding, MBHI was required to convert some of the 60% AMI units to 30% AMI units, resulting in a loss of revenue. This required the addition of eight (8) project-based vouchers (PBV) to have sufficient income to support the increased debt, resulting in the need for a Subsidy Layering Review (SLR) to be completed by HUD. MBHI cannot close without HUD approval which is expected to be issued within sixty days. MBHI anticipates that the approval will be granted after the current loan closing deadline of February 2, 2024.

13. The Development sources include substantial funding from the City of Miami Beach and Miami-Dade County. MBHI has requested draft closing documents from the

City and County for legal counsel review in preparation for closing, however they have not yet been provided. The lack of all closing documents has caused a considerable delay in preparing for the loan closing.

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

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

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

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

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

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

20. Under Section 120.542(1), Florida Statutes and Chapter 28-104 F.A.C., Florida Housing has the authority to grant waivers to its rule requirements when strict application

of the rules would lead to unreasonable, unfair, and unintended consequences, in particular instances. Waivers shall be granted when the person who is subject to the rule demonstrates that the application of the rule would: (1) create a substantial hardship or, violate principals of fairness, and (2) the purpose of the underlying statute has been or will be achieved by other means by the person. *See* § 120.542(2), Florida Statutes.

21. In this instance, MBHI meets the standards for a waiver of the Rule. The requested waiver will not adversely impact the Development or Florida Housing and will ensure that twenty permanent supportive housing units for elderly persons with special needs will be made available in Miami-Dade County. The strict application of the Rule would cause the funding commitment to be withdrawn. Further, the waiver will serve the purposes of the Act, because one of the Act's primary purposes is to facilitate the availability of decent, safe, and sanitary housing in the State. By granting this waiver, and further ensuring the development of twenty affordable housing unit in Miami-Dade County, Florida Housing would recognize the goal of increasing the supply of affordable housing through private investment in persons of low-income, and recognizing the economic realities and principles of fundamental fairness in developing affordable housing. *See* § 420.5099(2), Fla. Stat.

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

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

**G. ACTION REQUESTED**

For the reasons set forth herein, MBHI respectfully requests Florida Housing: (i) grant the requested waiver to extend the loan closing deadline to the May 10, 2024 Florida Housing Board meeting to be consistent with the requested CHIRP closing deadline extension; (ii) grant this Petition and all of the relief requested herein; and (iii) grant such further relief as it may deem appropriate.

Respectfully submitted,

*/s/ Alexander L. Palenzuela*

**ALEXANDER L. PALENZUELA**

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

Florida Bar No. 946095

1200 Brickell Avenue, Suite 1950

Miami, FL 33131-3298

Telephone: (305) 333-0467

Email: alp@alp-law.com

*Attorney for Miami Beach Housing Initiatives, Inc.*

**CERTIFICATE OF SERVICE**

I hereby certify that the foregoing Petition for Waiver has been furnished to the Corporation Clerk whose address is Clerk, Housing Finance Corporation, 227 N. Bronough Street, Suite 5000, Tallahassee, FL 32301-1329, email: [CorporationClerk@floridahousing.org](mailto:CorporationClerk@floridahousing.org); and to the Joint Administrative Procedures Committee, 680 Pepper Building, 111 W. Madison Street, Tallahassee, FL 32399; email address: [japc@leg.state.fl.us](mailto:japc@leg.state.fl.us); via electronic email on this 17th day of January, 2024.

*/s/ Alexander L. Palenzuela*

Alexander L. Palenzuela





January 19, 2024

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

RE: Naranja Grand II ("Development") – Multifamily Mortgage Revenue Notes ("MMRN") / State Apartment Incentive Loan ("SAIL") / Extremely Low-Income Loan ("ELI") / National Housing Trust Fund Loan ("NHTF") RFA 2021-205 (2022-201BSN) / 4% Non-Competitive Housing Credits ("HC") (2021-528C) / Construction Inflation Response Viability Funding ("Viability") RFA 2023-211 (2023-236V)

Credit Underwriting Report Update Letter ("CUR Update Letter") – Changes to the Final Credit Underwriting Report ("Final CUR") dated October 12, 2023, to include the addition of a second first mortgage construction lender, reduce the construction MMRN first mortgage loan amount, change the permanent MMRN first mortgage lender, increase the permanent MMRN first mortgage loan amount, change the syndicator, reduce HC equity provided and reduce the HC allocation recommendation.

Dear Mr. Kennedy:

Florida Housing Finance Corporation ("Florida Housing" or "FHFC") has requested that AmeriNat® ("AmeriNat" or "Servicer") review correspondence dated December 14, 2023 as submitted by Naranja Grand II, LLC ("Applicant" or "Borrower") requesting the inclusion of TD Bank, NA ("TD Bank") as an additional construction first mortgage loan lender, reduce the construction MMRN first mortgage loan amount, change the permanent MMRN first mortgage lender to Berkadia Commercial Mortgage, LLC ("Berkadia"), increase the permanent MMRN first mortgage loan amount, change the syndicator to US Bancorp Community Development Corporation ("USBCDC") and reduce the HC equity.

AmeriNat reviewed the request, performed certain due diligence, and formulated a recommendation and closing conditions which are contained at the end of the CUR Update Letter. For purposes of this analysis, AmeriNat reviewed the following due diligence:

1. Final CUR
2. Correspondence from the Borrower
3. Letter of Interest/Proposal from USBCDC dated December 21, 2023
4. Letter of Interest/Proposed from TD Bank dated December 21, 2023
5. Letter of Interest/Proposed from JPMorgan Chase Bank ("Chase") dated December 8, 2023
6. Letter of Interest/Proposed from Berkadia dated October 25, 2023
7. Index Lock Agreement from Berkadia dated November 22, 2023

Mr. Tim Kennedy  
Naranja Grand II  
January 19, 2024  
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**Background:**

The Development will be located at Waldin Drive, at the intersection of Waldin Drive and SW 147<sup>th</sup> Avenue, Leisure City, Miami-Dade County, FL 33032. The Development will be new construction consisting of a high-rise apartment building, 200 units, with a Family demographic.

Per the Final CUR, AmeriNat recommended an issuance of MMRN in the amount of \$41,000,000, a Viability loan in the amount of \$7,600,000, a SAIL loan in the amount of \$5,000,000, an ELI Loan in the amount of \$600,000, a NHTF loan in the amount of \$1,546,000 and an annual 4% HC allocation in the amount of \$3,524,617 to the Applicant for the construction and permanent financing of the Development.

**Original Construction and Permanent Sources in the Final CUR were as follows:**

CONSTRUCTION/PERMANENT SOURCES:				
Source	Lender	Construction	Permanent	Perm Loan/Unit
FHFC - MMRN	FHFC/Chase	\$41,000,000	\$15,445,000	\$77,225
FHFC - Viability	FHFC	\$7,600,000	\$7,600,000	\$38,000
FHFC - SAIL	FHFC	\$1,790,340	\$5,000,000	\$25,000
FHFC - SAIL ELI	FHFC	\$600,000	\$600,000	\$3,000
FHFC - NHTF	FHFC	\$1,546,000	\$1,546,000	\$7,730
Local Government Subsidy	Surtax	\$4,000,000	\$4,000,000	\$20,000
Self-Sourced: Bond Financing	Housing Trust Group, LLC, or its affiliates & Elite Equity Development, Inc., or its affiliates	\$2,500,000	\$2,500,000	\$12,500
HC Equity	RJAH	\$9,574,433	\$31,914,773	\$159,574
Deferred Developer Fee	Developer	\$4,959,397	\$4,964,397	\$24,822
<b>TOTAL</b>		\$73,570,170	\$73,570,170	\$367,851

Mr. Tim Kennedy  
Naranja Grand II  
January 19, 2024  
Page 3 of 17

**Proposed Construction and Permanent Sources are as follows:**

CONSTRUCTION/PERMANENT SOURCES:				
Source	Lender	Construction	Permanent	Perm Loan/Unit
FHFC - MMRN	FHFC/Chase & TD Bank (const) FHFC/Berkadia/Freddie (perm)	\$36,475,000	\$16,386,000	\$81,930
FHFC - Viability	FHFC	\$7,600,000	\$7,600,000	\$38,000
FHFC - SAIL	FHFC	\$5,000,000	\$5,000,000	\$25,000
FHFC - SAIL ELI	FHFC	\$600,000	\$600,000	\$3,000
FHFC - NHTF	FHFC	\$1,546,000	\$1,546,000	\$7,730
Local Government Subsidy	PHCD -Surtax	\$4,000,000	\$4,000,000	\$20,000
Self-Sourced: Non-Bond Financing	Housing Trust Group, LLC, or its affiliates & Elite Equity Development, Inc., or its affiliates	\$2,500,000	\$2,500,000	\$12,500
HC Equity	USBCDC	\$7,286,727	\$29,146,907	\$145,735
Deferred Developer Fee	Developer	\$7,408,681	\$5,637,501	\$28,188
<b>TOTAL</b>		<b>\$72,416,408</b>	<b>\$72,416,408</b>	<b>\$362,082</b>

**Proposed Permanent Sources:**

PERMANENT FINANCING INFORMATION						
	1st Source	2nd Source	3rd Source	4th Source	5th Source	Other
Lien Position	1	2	3	4	5	6&7
Lender/Grantor	FHFC/Berkadia /Freddie	FHFC-Viability	FHFC-SAIL	FHFC-ELI	FHFC-NHTF	Surtax/ Self Sourced
Amount	\$16,386,000	\$7,600,000	\$5,000,000	\$600,000	\$1,546,000	\$4,000,000/ \$2,500,000
Underwritten Interest Rate	6.60%	1.00%	1.00%	0.00%	0.00%	1.00%/6.00%
All In Interest Rate	6.60%	1.00%	1.00%	0.00%	0.00%	1.00%/6.00%
Loan Term	15	15	15	15	30	30/20
Amortization	40	0	0	0	0	0/0
Market Rate/Market Financing LTV	37%	54%	65%	66%	70%	79%/84%
Restricted Market Financing LTV	64%	94%	113%	116%	122%	137%/147%
Loan to Cost - Cumulative	23%	33%	40%	41%	43%	49%/52%
Loan to Cost - SAIL Only			6.90%			
Debt Service Coverage	1.18	1.10	1.05	1.04	1.04	1.01/1.01
Operating Deficit & Debt Service Reserves	\$909,167					
# of Months covered by the Reserves	3.8					

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**Proposed Overview:**

Deferred Developer Fee	\$5,637,501
As-Is Land Value	\$5,500,000
Market Rent/Market Financing Stabilized Value	\$44,700,000
Rent Restricted Market Financing Stabilized Value	\$25,600,000
Projected Net Operating Income (NOI) - Year 1	\$1,432,401
Projected Net Operating Income (NOI) - 15 Year	\$1,539,967
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	\$0.868
HC Annual Allocation - Initial Award	\$2,300,000
HC Annual Allocation - Qualified in CUR	\$3,463,836
HC Annual Allocation - Equity Letter of Interest	\$3,359,874

**Note:** Terms and conditions of the FHFC Viability, SAIL, SAIL ELI, and NHTF loans, as well as the PHCD Surtax and Self-Sourced loans, have remained the same since the time of the Final CUR. The Viability Loan amount is unchanged. See Exhibit 2 – Viability Calculation. The Self-Sourced Financing changed from Self-Sourced Bond Financing to Self-Sourced Non-Bond Financing.

**Proposed Construction Sources:**

Source	Lender	Final CUR	Applicant's Revised Total	Underwriter's Total	Interest Rate	Debt Service During Construction
FHFC - MMRN	FHFC/Chase Bank	\$41,000,000	\$19,975,000	\$19,975,000	6.50%	\$2,049,783
FHFC - MMRN	FHFC/TD Bank	\$0	\$16,500,000	\$16,500,000	8.04%	\$2,215,341
FHFC - Viability	FHFC	\$7,600,000	\$7,600,000	\$7,600,000	1.00%	\$0
FHFC - SAIL	FHFC	\$1,790,340	\$5,000,000	\$5,000,000	1.00%	\$0
FHFC - SAIL ELI	FHFC	\$600,000	\$600,000	\$600,000	0.00%	\$0
FHFC - NHTF	FHFC	\$1,546,000	\$1,546,000	\$1,546,000	0.00%	\$0
Local Government Subsidy	PHCD -Surtax	\$4,000,000	\$4,000,000	\$4,000,000	1.00%	\$0
Self-Sourced: Non-Bond Financing	Housing Trust Group, LLC, or its affiliates & Elite Equity Development, Inc., or its affiliates	\$2,500,000	\$2,500,000	\$2,500,000	6.00%	\$0
HC Equity	USBCDC	\$9,574,433	\$7,286,727	\$7,286,727		
Deferred Developer Fee	Developer	\$4,959,397	\$5,624,465	\$7,408,681		
<b>Total :</b>		<b>\$73,570,170</b>	<b>\$70,632,192</b>	<b>\$72,416,408</b>		<b>\$4,265,124</b>

Since the Final CUR, TD Bank has been added as a second MMRN construction lender. Chase will continue as a construction lender. The total MMRN construction loan amount has been reduced by \$4,525,000 from \$41,000,000 to \$36,475,000. See below.

**Proposed MMRN Construction Source – Chase:**

At the time of the Final CUR, Chase was providing a tax-exempt bond facility in the amount of \$41,000,000 for the construction financing of the Development. However, per a letter of intent (“LOI”) dated

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December 8, 2023, Chase will now provide a tax-exempt bond facility in the amount \$19,975,000 in construction funding.

The loan will be interest-only during the construction period with payments due monthly. The loan shall bear interest at a fixed rate based on the 3-Year Secured Overnight Financing Rate (“SOFR”) (currently 3.80%) plus 195 basis points (“bps”) with a floor of 3.00%. AmeriNat included a 75 bps cushion for rate volatility for an all-in interest rate of 6.50%. The interest only period is for up to 30-months, with a one-time six-month extension with a fee of 12.5 bps of the sum of the loan balance and the amount remaining of the original commitment. A loan commitment fee of 75 bps will be due at loan closing.

**Proposed MMRN Construction Source – TD Bank:**

Since the time of the Final CUR, an additional construction lender will be providing construction financing to the Development. According to a LOI dated December 21, 2023, TD Bank will provide a tax-exempt Note in the amount of \$16,500,000 in construction financing to the Development. The loan will be interest-only during the construction period with payments due monthly. The loan shall bear interest at a variable per annum rate equal to 195 bps above the greater of zero (0%) percent and the forward-looking SOFR (currently 5.34%) for a one-month period as published by CME Group Benchmark Administration Ltd. AmeriNat included a 75 bps cushion for rate volatility for an all-in interest rate of 8.04%. The interest only period is for 30-months, with a one-time six-month extension with a fee of 12.5 bps of the sum of the loan balance. A loan origination fee of 75 bps will be due at loan closing.

**Proposed Permanent Sources:**

Source	Lender	Final CUR	Applicant's Revised Total	Underwriter's Total	Interest Rate	Amortization Years	Term Years	Annual Debt Service
FHFC - MMRN	FHFC/Berkadia/Freddie	\$15,445,000	\$16,386,000	\$16,386,000	6.60%	40	15	\$1,165,232
FHFC - Viability	FHFC	\$7,600,000	\$7,600,000	\$7,600,000	1.00%	0	15	\$76,000
FHFC - SAIL	FHFC	\$5,000,000	\$5,000,000	\$5,000,000	1.00%	0	15	\$50,000
FHFC - SAIL ELI	FHFC	\$600,000	\$600,000	\$600,000	0.00%	0	15	\$0
FHFC - NHTF	FHFC	\$1,546,000	\$1,546,000	\$1,546,000	0.00%	0	30	\$0
Local Government Subsidy	PHCD -Surtax	\$4,000,000	\$4,000,000	\$4,000,000	1.00%	0	30	\$40,000
Self-Sourced: Non-Bond Financing	Housing Trust Group, LLC, or its affiliates & Elite Equity Development, Inc., or its affiliates	\$2,500,000	\$2,500,000	\$2,500,000	6.00%	0	20	\$0
HC Equity	USBCDC	\$31,914,773	\$29,140,192	\$29,146,907				
Deferred Developer Fee	Developer	\$4,964,397	\$3,860,001	\$5,637,501				
<b>Total :</b>		<b>\$73,570,170</b>	<b>\$70,632,193</b>	<b>\$72,416,408</b>				<b>\$1,331,232</b>

Since the Final CUR, the permanent MMRN first mortgage lender has changed from Chase to Berkadia, and the permanent MMRN first mortgage loan amount has increased by \$941,000 from \$15,445,000 to \$16,386,000. See below.

Proposed MMRN Permanent Source – Berkadia:

The \$36,475,000 construction loan(s) will be paid down with equity and loan proceeds at conversion. The Applicant provided a LOI dated October 25, 2023, whereby Berkadia will provide a tax-exempt bond facility in the amount of \$15,731,000 for the permanent loan through the Federal Home Loan Mortgage (“Freddie Mac”) Multifamily Direct Purchase of Tax-Exempt Loan (“TEL”) Program. According to the Berkadia Index Lock Confirmation Sheet, dated November 22, 2023, the Index-Locked Mortgage Amount is \$16,520,000, with a 15-year term commencing on the Conversion Date at an Index-Locked Yield Rate of 4.48%. The Index Lock expiration date is April 1, 2024. According to the LOI, the locked interest rate will include a 212 bps spread, for an all-in interest rate of 6.60%. Based on the Applicant’s budget and for underwriting purposes, the loan amount is \$16,386,000.

Upon the satisfaction of the Conditions to Conversion to be described in the Loan Commitment and the Construction Phase Financing Agreement to be delivered on the Origination Date among Freddie Mac, the Funding Lender, the Construction Lender and the Borrower, the Project Loan will convert to the permanent phase and the Funding Lender will purchase the Funding Loan from the Construction Lender. Thereafter, the Funding Lender will deliver the Funding Loan to Freddie Mac for purchase pursuant to the TEL Program. The date on which the Conditions to Conversion are satisfied and the Seller purchases the Funding Loan is referred to as the Conversion Date.

Berkadia will size the Permanent Loan based on the Freddie Mac requirements at Permanent Loan conversion. However, approval of FHFC’s Board will be required if the permanent loan is sized to an amount greater than the current recommended amount of \$16,386,000. The loan will have a term of 15-years with a 40-year amortization. Monthly payments of principal and interest will be due and payable on the first day of each month through the loan term. The permanent loan conversion is subject to a 1.15x debt service coverage ratio based upon the final underwritten net operating income for the Development, as determined by Funding Lender and Freddie Mac. A loan origination fee of 1.00% will be due at closing and a \$10,000 conversion fee will be due at permanent loan conversion.

The Permanent Loan will mature fifteen (15) years following conversion to the permanent financing. At maturity, Borrower may satisfy the MMRN via refinance or sale of the Development pending market feasibility. In the event the Borrower is unable to refinance or effectuate a sale to fund payoff of the MMRN, such event would not cause an event of default under the loan documents. Rather, should this situation occur, it would trigger a "Mortgage Assignment Event" whereby Freddie Mac agrees to cancel the MMRN in exchange for an assignment by the Fiscal Agent of the mortgage and all other related documents and accounts. The Fiscal Agent would cancel the MMRN and discharge the lien of the Funding Loan Agreement, and it would then assign the mortgage loan (Project loan) and any other related documents and collateral to Freddie Mac, effectively ending the transaction. Under this scenario, the MMRN will have been redeemed/cancelled not by payment of cash but by the assignment of the mortgage loan documents and there is no default. As the new direct mortgagee, Freddie Mac would then be in position to work with the Borrower to arrive at a resolution without involvement of either FHFC or the Fiscal Agent (as the MMRN would have been cancelled and would no longer be outstanding).

Annual payments of all applicable fees will be required and are included in the DSC analysis. Fees include Permanent Loan Servicing Fees to be paid annually based on 2.3 basis points of the outstanding MMRN

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balance, subject to a minimum monthly fee of \$243, and an hourly fee of \$204 for extraordinary services; Compliance Monitoring Fees based on \$188 per month plus an additional fee per set-aside unit of \$11.58, subject to a minimum monthly fee of \$295; a Fiscal Agent Fee of \$4,500 and an Issuer Fee to be paid annually based on 24 basis points on the outstanding MMRN balance, subject to a minimum fee of \$10,000.

Viability, SAIL, SAIL ELI and NHTF:

Viability loan fees include an annual Permanent Loan Servicing Fee of 25 bps on the outstanding loan amount, with a maximum of \$964 per month, subject to a minimum of \$243 per month.

For each of the SAIL, SAIL ELI and NHTF loans, fees include an annual multiple program Compliance Monitoring Fee of \$1,054 and an annual Permanent Loan Servicing Fee of 25 bps of the outstanding loan amount up to a maximum of \$964 per month, subject to a minimum of \$243 per month.

HC Equity:

Since the Final CUR, the total equity investment has decreased from \$31,914,773 (\$0.92/HC) to \$29,146,907 (\$0.8676/HC) for a difference of \$2,767,866. This change does not negatively affect the Development (See below).

The Applicant provided a letter of intent/proposal dated December 21, 2023 from US Bancorp Community Development Corporation ("USBCDC") that outlines the terms and conditions of the purchase of the HC. USBCDC will provide a net equity investment of \$29,146,907 in exchange for a 99.99% limited partnership ownership interest. The HC allocation will be syndicated at a rate of approximately \$0.8676 per \$1.00 of delivered tax credits. An initial HC equity installment of \$7,286,727 will be available at construction loan closing, which satisfies the 15.00% RFA 2021-205 requirement. Additional installments will be paid as follows:

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Capital Contributions	Amount	Percent of Total	Due upon
1st Installment	\$7,286,727	25.00%	Paid prior to or simultaneously with closing
2nd Installment	\$15,947,975	54.72%	Paid at the later of Permanent Certificate of Occupancy or 1/1/26
3rd Installment	\$4,903,032	16.82%	Paid at the later of Stabilization, 3 months 1.15x DSCR or 7/1/26
4th Installment	\$100,000	0.34%	Paid at the later of Receipt of 8609s or 7/1/26
5th Installment	\$909,173	3.12%	Funding of Operating Reserve 7/1/29
<b>Total:</b>	<b>\$29,146,907</b>	<b>100%</b>	

Annual Credits Per Syndication Agreement	\$3,359,874
Total Credits Per Syndication Agreement	\$33,598,740
Calculated HC Rate:	\$0.87
Limited Partner Ownership Percentage	99.99%
Proceeds During Construction	\$7,286,727

**Deferred Developer Fee:**

Since the time of the Final CUR and based on the changes in the Sources and Uses, Deferred Developer Fee during the construction phase has increased by \$2,449,284 from \$4,959,397 to \$7,408,681 or 69.95% of total Developer Fee. Deferred Developer Fee during the permanent phase has increased by \$673,104 from \$4,964,397 to \$5,637,501 or 53.23% of total Developer Fee, which meets the RFA 2021-205 and Viability requirements.

**Debt Service Coverage:**

Due to an increase in the estimated permanent MMRN first mortgage interest rate from 5.75% to 6.60%, an increase in the amortization of the loan from 35 years to 40 years, and the increase in the loan amount by \$941,000, the Debt Service Coverage ("DSC") for the permanent MMRN first mortgage loan has changed from 1.25x to 1.18x. The combined permanent MMRN first mortgage loan and the Viability loan DSC has changed from 1.15x to 1.10x. An ODR has been included in the first six years to provide for a minimum DSC of 1.10x for the Viability Loan. See below for the one-year Operating Proforma and Exhibit 1 for the 15-year Operating Proforma.

The combined permanent MMRN first mortgage loan, Viability loan and SAIL loan DSC has changed from 1.10x to 1.05x. According to Rule 67-48.0072 (11), the minimum Debt Service Coverage ("DSC") shall be 1.10 to 1.00 for the SAIL, including superior mortgages. However, if the Applicant defers at least 35 percent of its Developer Fee following the last disbursement of all permanent sources of funding identified in the final credit underwriting report, and in the case of a Housing Credit Development, the final cost certification documentation, and when the primary expected source of repayment has been identified as projected cash flow, the minimum DSC shall be 1.00 for the SAIL, including all superior mortgages. The Applicant will be required to defer at least 35% of its Developer Fee as the HOME Loan DSC is 1.05x.



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**OPERATING PRO FORM**

FINANCIAL COSTS:		Year 1	Year 1 Per Unit
<b>OPERATING PRO FORMA</b>			
INCOME:	Gross Potential Rental Income	\$2,863,164	\$14,316
	Rent Subsidy (ODR)	\$95,000	\$475
	Other Income		\$0
	Miscellaneous	\$18,000	\$90
	Washer/Dryer Rentals	\$86,000	\$430
	Gross Potential Income	\$3,062,164	\$15,311
	Less:		
	Physical Vac. Loss      Percentage: 4.00%	\$122,487	\$612
	Collection Loss      Percentage: 1.00%	\$30,622	\$153
	<b>Total Effective Gross Income</b>	<b>\$2,909,056</b>	<b>\$14,545</b>
EXPENSES:	Fixed:		
	Real Estate Taxes	\$254,315	\$1,272
	Insurance	\$380,000	\$1,900
	Variable:		
	Management Fee      Percentage: 4.84%	\$140,940	\$705
	General and Administrative	\$85,000	\$425
	Payroll Expenses	\$266,400	\$1,332
	Utilities	\$120,000	\$600
	Maintenance and Repairs/Pest Control	\$170,000	\$850
	Reserve for Replacements	\$60,000	\$300
<b>Total Expenses</b>	<b>\$1,476,655</b>	<b>\$7,383</b>	
<b>Net Operating Income</b>	<b>\$1,432,401</b>	<b>\$7,162</b>	
<b>Debt Service Payments</b>			
First Mortgage - FHFC/Berkadia/Freddie	\$1,165,232	\$5,826	
Second Mortgage - FHFC Viability	\$76,000	\$380	
Third Mortgage - FHFC SAIL	\$50,000	\$250	
Fourth Mortgage - FHFC SAIL ELI	\$0	\$0	
Fifth Mortgage - FHFC NHTF	\$0	\$0	
All Other Mortgages - Surtax + Self Sourced	\$40,000	\$200	
First Mortgage Fees - FHFC/Berkadia/Freddie	\$52,167	\$261	
Second Mortgage Fees - FHFC Viability	\$11,568	\$58	
Third Mortgage Fees - FHFC SAIL	\$12,622	\$63	
Fourth Mortgage Fees - FHFC SAIL ELI	\$3,970	\$20	
Fifth Mortgage Fees - FHFC NHTF	\$4,919	\$25	
All Other Mortgages Fees - Surtax + Self Sourced	\$0	\$0	
Total Debt Service Payments	\$1,416,478	\$7,082	
Cash Flow after Debt Service	\$15,923	\$80	
<b>Debt Service Coverage Ratios</b>			
DSC - First Mortgage plus Fees	1.18x		
DSC - Second Mortgage plus Fees	1.10x		
DSC - Third Mortgage plus Fees	1.05x		
DSC - Fourth Mortgage plus Fee	1.04x		
DSC - Fifth Mortgage plus Fees	1.04x		
DSC - All Mortgages and Fees	1.01x		
<b>Financial Ratios</b>			
Operating Expense Ratio	50.76%		
Break-even Economic Occupancy Ratio (all debt)	94.72%		

Note: An ODR has been included to ensure the overall DSC for all mortgages and fees is not less than 1.00x.

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**Proposed Changes in the Uses:**

Since the Final CUR, the Uses have decreased by \$1,153,762 from \$73,570,170 to \$72,416,408. The decrease is primary due to a decrease in the Construction Loan Interest, Impact Fees, and Developer Fee. Impact Fees are net fees based on the Impact Fee Waiver Form and an executed Affordable Housing Covenant.

Note: The Applicant's Costs column is based on the Underwriter's Total Costs column conclusions in the Final CUR.

CONSTRUCTION COSTS:	Applicant Costs	Revised Applicant Costs	Underwriters Total Costs - CUR	Cost Per Unit	HC Ineligible Costs - CUR
	New Rental Units	\$34,783,439	\$39,327,747	\$34,783,440	\$173,917
Recreational Amenities	\$368,650	\$0	\$368,650	\$1,843	\$0
Site Work	\$3,480,700	\$0	\$3,480,700	\$17,404	\$0
Furniture, Fixture, & Equipment	\$694,958	\$0	\$694,958	\$3,475	\$393,277
Constr. Contr. Costs subject to GC Fee	\$39,327,747	\$39,327,747	\$39,327,748	\$196,639	\$393,277
General Conditions	\$2,359,665	\$2,359,665	\$2,359,665	\$11,798	\$0
Overhead	\$786,554	\$786,555	\$786,554	\$3,933	\$0
Profit	\$2,359,665	\$2,359,665	\$2,359,665	\$11,798	\$0
General Liability Insurance	\$358,669	\$358,669	\$358,669	\$1,793	\$0
Payment and Performance Bonds	\$448,336	\$448,336	\$448,336	\$2,242	\$0
Total Construction Contract/Costs	\$45,640,636	\$45,640,637	\$45,640,637	\$228,203	\$393,277
Hard Cost Contingency	\$2,282,031	\$2,282,032	\$2,282,031	\$11,410	\$0
FF&E paid outside Constr. Contr.	\$550,000	\$550,000	\$550,000	\$2,750	\$0
Other: <u>Offsite Construction</u>	\$0	\$150,000	\$150,000	\$750	\$150,000
<b>Total Construction Costs:</b>	<b>\$48,472,667</b>	<b>\$48,622,669</b>	<b>\$48,622,668</b>	<b>\$243,113</b>	<b>\$543,277</b>

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GENERAL DEVELOPMENT COSTS:	Applicant Costs	Revised Applicant Costs	Underwriters Total Costs - CUR	Cost Per Unit	HC Ineligible Costs - CUR
	Accounting Fees	\$40,000	\$40,000	\$40,000	\$200
Appraisal	\$6,000	\$10,000	\$6,000	\$30	\$0
Architect's and Planning Fees	\$410,000	\$410,000	\$410,000	\$2,050	\$0
Architect's Fee - Landscape	\$20,000	\$20,000	\$20,000	\$100	\$0
Architect's Fee - Supervision	\$60,000	\$60,000	\$60,000	\$300	\$0
Building Permits	\$391,600	\$391,600	\$391,600	\$1,958	\$0
Builder's Risk Insurance	\$589,916	\$594,234	\$594,234	\$2,971	\$0
Engineering Fees	\$80,750	\$182,750	\$182,750	\$914	\$0
Environmental Report	\$10,000	\$10,000	\$10,000	\$50	\$0
FHFC Administrative Fees	\$317,254	\$302,349	\$311,745	\$1,559	\$311,745
FHFC Application Fee	\$3,500	\$4,000	\$3,500	\$18	\$3,500
FHFC Credit Underwriting Fee	\$36,443	\$21,845	\$38,819	\$194	\$38,819
FHFC Compliance Fee	\$0	\$212,332	\$0	\$0	\$0
Impact Fee	\$315,373	\$315,373	\$315,373	\$1,577	\$0
Lender Inspection Fees / Const Admin	\$75,000	\$75,000	\$75,000	\$375	\$0
Green Building Cert. (LEED, FGBC, NAHB)	\$36,700	\$36,700	\$36,700	\$184	\$0
Insurance	\$380,000	\$380,000	\$380,000	\$1,900	\$0
Legal Fees - Organizational Costs	\$350,000	\$350,000	\$350,000	\$1,750	\$50,000
Market Study	\$5,500	\$10,000	\$5,500	\$28	\$5,500
Marketing and Advertising	\$25,000	\$25,000	\$25,000	\$125	\$25,000
Plan and Cost Review Analysis	\$3,600	\$5,000	\$3,600	\$18	\$0
Property Taxes	\$72,272	\$72,272	\$72,272	\$361	\$0
Soil Test	\$10,000	\$10,000	\$10,000	\$50	\$0
Survey	\$25,000	\$25,000	\$25,000	\$125	\$0
Title Insurance and Recording Fees	\$293,352	\$282,529	\$282,529	\$1,413	\$47,367
Traffic Study	\$10,000	\$10,000	\$10,000	\$50	\$0
Utility Connection Fees	\$250,000	\$250,000	\$250,000	\$1,250	\$0
Soft Cost Contingency	\$193,138	\$211,324	\$197,756	\$989	\$0
Other: <a href="#">Organization Costs</a>	\$10,000	\$10,000	\$10,000	\$50	\$10,000
Other: <a href="#">Site Preparation Costs</a>	\$35,500	\$35,500	\$35,500	\$178	\$35,500
<b>Total General Development Costs:</b>	<b>\$4,055,898</b>	<b>\$4,362,808</b>	<b>\$4,152,878</b>	<b>\$20,764</b>	<b>\$537,431</b>

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FINANCIAL COSTS:	Applicant Costs	Revised Applicant Costs	Underwriters Total Costs - CUR	Cost Per Unit	HC Ineligible Costs - CUR
	Construction Loan Commitment Fee	\$410,000	\$273,563	\$273,563	\$1,368
Construction Loan Closing Costs	\$82,000	\$163,700	\$163,700	\$819	\$0
Construction Loan Interest	\$5,474,270	\$2,782,124	\$4,273,624	\$21,368	656,318
Permanent Loan Commitment Fee	\$154,500	\$163,860	\$163,860	\$819	\$163,860
Permanent Loan Closing Costs	\$25,000	\$25,000	\$25,000	\$125	\$25,000
FHFC Note Fiscal Agent Fee	\$9,000	\$9,000	\$11,250	\$56	\$11,250
FHFC Note Cost of Issuance	\$420,898	\$364,750	\$391,030	\$1,955	\$391,030
SAIL Commitment Fee	\$50,000	\$127,920	\$50,000	\$250	\$50,000
SAIL-ELI Commitment Fee	\$6,000	\$6,000	\$6,000	\$30	\$6,000
Misc Loan Underwriting Fee	\$8,750	\$0	\$0	\$0	\$0
Misc Loan Origination Fee	\$40,000	\$40,000	\$40,000	\$200	\$40,000
Legal Fees - Financing Costs	\$200,000	\$200,000	\$200,000	\$1,000	\$0
Placement Agent/Underwriter Fee	\$40,000	\$40,000	\$40,000	\$200	\$40,000
Initial TEFRA Fee	\$1,000	\$0	\$1,000	\$5	\$1,000
Other: <a href="#">Syndication Fees</a>	\$60,000	\$60,000	\$60,000	\$300	\$60,000
Other: <a href="#">FHFC Extension Fees</a>	\$71,460	\$0	\$71,460	\$357	\$0
Other: <a href="#">FHFC Note Issuer Fee</a>	\$196,800	\$0	\$218,850	\$1,094	\$218,850
Other: <a href="#">Viability Commitment Fee</a>	\$76,000	\$76,000	\$76,000	\$380	\$76,000
<b>Total Financial Costs:</b>	<b>\$7,325,678</b>	<b>\$4,331,917</b>	<b>\$6,065,337</b>	<b>\$30,327</b>	<b>\$1,739,308</b>
<b>Dev. Costs before Acq., Dev. Fee &amp; Reserves</b>	<b>\$59,854,243</b>	<b>\$57,317,394</b>	<b>\$58,840,883</b>	<b>\$294,204</b>	<b>\$2,820,016</b>

DEVELOPER FEE ON NON-ACQUISITION COSTS	Applicant Costs	Revised Applicant Costs	Underwriters Total Costs - CUR	Cost Per Unit	HC Ineligible Costs - CUR
	Developer Fee - Unapportioned	\$9,523,556	\$10,330,631	\$10,591,358	\$52,957
Other: <a href="#">Impact Fee Waiver</a>	\$1,250,207	\$0	\$0	\$0	\$0
<b>Total Other Development Costs:</b>	<b>\$10,773,763</b>	<b>\$10,330,631</b>	<b>\$10,591,358</b>	<b>\$52,957</b>	<b>\$0</b>

LAND ACQUISITION COSTS	Applicant Costs	Revised Applicant Costs	Underwriters Total Costs - CUR	Cost Per Unit	HC Ineligible Costs - CUR
	Land Acquisition Cost	\$2,000,000	\$2,000,000	\$2,000,000	\$10,000
<b>Total Acquisition Costs:</b>	<b>\$2,000,000</b>	<b>\$2,000,000</b>	<b>\$2,000,000</b>	<b>\$10,000</b>	<b>\$2,000,000</b>

RESERVE ACCOUNTS	Applicant Costs	Revised Applicant Costs	Underwriters Total Costs - CUR	Cost Per Unit	HC Ineligible Costs - CUR
	Operating Deficit Reserve (Syndicator)	\$867,164	\$909,167	\$909,167	\$4,546
Reserves - Start-Up/Lease-up Expenses	\$75,000	\$75,000	\$75,000	\$375	\$75,000
<b>Total Reserve Accounts:</b>	<b>\$942,164</b>	<b>\$984,167</b>	<b>\$984,167</b>	<b>\$4,921</b>	<b>\$984,167</b>

TOTAL DEVELOPMENT COSTS	Applicant Costs	Revised Applicant Costs	Underwriters Total Costs - CUR	Cost Per Unit	HC Ineligible Costs - CUR
	<b>TOTAL DEVELOPMENT COSTS:</b>	<b>\$73,570,170</b>	<b>\$70,632,192</b>	<b>\$72,416,408</b>	<b>\$362,082</b>

In accordance with RFA 2021-205, FHFC limits the Total Development Cost ("TDC") per unit for all Developments categorized by the construction type of the units as indicated by the Applicant in the RFA. The maximum TDC per unit for the construction specified by the Applicant (new construction, High-

Mr. Tim Kennedy  
Naranja Grand II  
January 19, 2024  
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Rise-ESSC), inclusive of a \$7,500/unit add-on for using tax-exempt bonds and an 8.00% weighted average upward escalation adjustment applied to the base \$449,640 per unit allowable ratified at the April 1, 2022 Telephonic FHFC Board meeting, is \$493,711.20 per unit. The TDC as underwritten equals \$347,161.21 which is less than the maximum TDC per unit.

Since the time of the Final CUR, Developer Fee has been reduced by \$182,405 from \$10,773,763 to \$10,591,358.

**Recommendation:**

AmeriNat's review indicates that the addition of a second first mortgage construction lender, reduction of the construction MMRN first mortgage loan amount, change in the permanent MMRN first mortgage lender, increase in the permanent MMRN first mortgage loan amount, change in the syndicator, reduction of the HC equity provided and reduction of the HC allocation recommendation do not adversely impact the transaction as previously underwritten. Accordingly, AmeriNat recommends that FHFC consent to and approve these changes to the Final CUR, subject to the following:

1. Review and approval of all loan documents consistent with the terms outlined above by the Servicer, Florida Housing and its Legal Counsel.
2. All of the closing conditions in the Final CUR are to be met.
3. Any other requirement of Florida Housing, its Legal Counsel and Servicer.

Please contact AmeriNat if you have any questions or if we can provide further assistance.

Sincerely,



Kimberly A. Thorne  
Senior Credit Underwriter

Exhibit 1  
Naranja Grand II  
15-Year Operating Pro Forma

FINANCIAL COSTS:		Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11	Year 12	Year 13	Year 14	Year 15	
<b>OPERATING PRO FORMA</b>																	
<b>INCOME:</b>	Gross Potential Rental Income	\$2,863,164	\$2,920,427	\$2,978,836	\$3,038,413	\$3,099,181	\$3,161,164	\$3,224,388	\$3,288,875	\$3,354,653	\$3,421,746	\$3,490,181	\$3,559,985	\$3,631,184	\$3,703,808	\$3,777,884	
	Rent Subsidy (ODR)	\$95,000	\$75,000	\$58,000	\$41,000	\$24,000	\$6,900										
	Other Income																
	Miscellaneous	\$18,000	\$18,360	\$18,727	\$19,102	\$19,484	\$19,873	\$20,271	\$20,676	\$21,090	\$21,512	\$21,942	\$22,381	\$22,828	\$23,285	\$23,751	
	Washer/Dryer Rentals	\$86,000	\$87,720	\$89,474	\$91,264	\$93,089	\$94,951	\$96,850	\$98,787	\$100,763	\$102,778	\$104,834	\$106,930	\$109,069	\$111,250	\$113,475	
	Gross Potential Income	\$3,062,164	\$3,101,507	\$3,145,037	\$3,189,778	\$3,235,754	\$3,282,889	\$3,341,509	\$3,408,339	\$3,476,506	\$3,546,036	\$3,616,956	\$3,689,295	\$3,763,081	\$3,838,343	\$3,915,110	
	Less:																
	Physical Vac. Loss Percentage: 4.00%	\$122,487	\$124,060	\$125,802	\$127,591	\$129,430	\$131,316	\$133,660	\$136,334	\$139,060	\$141,841	\$144,678	\$147,572	\$150,523	\$153,534	\$156,604	
	Collection Loss Percentage: 1.00%	\$30,622	\$31,015	\$31,450	\$31,898	\$32,358	\$32,829	\$33,415	\$34,083	\$34,765	\$35,460	\$36,170	\$36,893	\$37,631	\$38,383	\$39,151	
	Total Effective Gross Income	\$2,909,056	\$2,946,432	\$2,987,786	\$3,030,289	\$3,073,966	\$3,118,744	\$3,174,433	\$3,237,922	\$3,302,680	\$3,368,734	\$3,436,109	\$3,504,831	\$3,574,927	\$3,646,426	\$3,719,354	
	<b>EXPENSES:</b>	Fixed:															
Real Estate Taxes		\$254,315	\$261,944	\$269,803	\$277,897	\$286,234	\$294,821	\$303,665	\$312,775	\$322,159	\$331,823	\$341,778	\$352,031	\$362,592	\$373,470	\$384,674	
Insurance		\$380,000	\$391,400	\$403,142	\$415,236	\$427,693	\$440,524	\$453,740	\$467,352	\$481,373	\$495,814	\$510,688	\$526,009	\$541,789	\$558,043	\$574,784	
Variable:																	
Management Fee Percentage: 4.84%		\$140,940	\$142,751	\$144,754	\$146,834	\$148,930	\$151,099	\$153,797	\$156,873	\$160,011	\$163,211	\$166,475	\$169,805	\$173,201	\$176,665	\$180,198	
General and Administrative		\$85,000	\$87,550	\$90,177	\$92,882	\$95,668	\$98,538	\$101,494	\$104,539	\$107,675	\$110,906	\$114,233	\$117,660	\$121,190	\$124,825	\$128,570	
Payroll Expenses		\$266,400	\$274,392	\$282,624	\$291,102	\$299,836	\$308,831	\$318,096	\$327,638	\$337,468	\$347,592	\$358,019	\$368,760	\$379,823	\$391,217	\$402,954	
Utilities		\$120,000	\$123,600	\$127,308	\$131,127	\$135,061	\$139,113	\$143,286	\$147,585	\$152,012	\$156,573	\$161,270	\$166,108	\$171,091	\$176,224	\$181,511	
Maintenance and Repairs/Pest Control		\$170,000	\$175,100	\$180,353	\$185,764	\$191,336	\$197,077	\$202,989	\$209,079	\$215,351	\$221,811	\$228,466	\$235,320	\$242,379	\$249,651	\$257,140	
Reserve for Replacements		\$60,000	\$60,000	\$60,000	\$60,000	\$60,000	\$60,000	\$60,000	\$60,000	\$60,000	\$60,000	\$60,000	\$61,800	\$63,654	\$65,564	\$67,531	
Total Expenses		\$1,476,655	\$1,516,737	\$1,558,160	\$1,600,822	\$1,644,758	\$1,690,002	\$1,737,068	\$1,785,842	\$1,836,048	\$1,887,730	\$1,942,729	\$1,999,346	\$2,057,629	\$2,117,626	\$2,179,388	
Net Operating Income	\$1,432,401	\$1,429,695	\$1,429,625	\$1,429,467	\$1,429,208	\$1,428,742	\$1,437,366	\$1,452,080	\$1,466,632	\$1,481,004	\$1,493,379	\$1,505,484	\$1,517,299	\$1,528,800	\$1,539,967		
<b>Debt Service Payments</b>																	
First Mortgage - FHFC/Berkadia/Freddie	\$1,165,232	\$1,165,232	\$1,165,232	\$1,165,232	\$1,165,232	\$1,165,232	\$1,165,232	\$1,165,232	\$1,165,232	\$1,165,232	\$1,165,232	\$1,165,232	\$1,165,232	\$1,165,232	\$1,165,232	\$1,165,232	
Second Mortgage - FHFC Viability	\$76,000	\$76,000	\$76,000	\$76,000	\$76,000	\$76,000	\$76,000	\$76,000	\$76,000	\$76,000	\$76,000	\$76,000	\$76,000	\$76,000	\$76,000	\$76,000	
Third Mortgage - FHFC SAIL	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	
Fourth Mortgage - FHFC SAIL ELI	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Fifth Mortgage - FHFC NHTF	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
All Other Mortgages - Surtax + Self Sourced	\$40,000	\$40,000	\$40,000	\$40,000	\$40,000	\$40,000	\$40,000	\$40,000	\$40,000	\$40,000	\$40,000	\$40,000	\$40,000	\$40,000	\$40,000	\$40,000	
First Mortgage Fees - FHFC/Berkadia/Freddie	\$52,167	\$52,077	\$51,976	\$51,863	\$51,736	\$51,595	\$51,438	\$51,265	\$51,074	\$50,863	\$50,631	\$50,377	\$50,099	\$49,794	\$49,461		
Second Mortgage Fees - FHFC Viability	\$11,568	\$11,568	\$11,568	\$11,568	\$11,568	\$11,568	\$11,568	\$11,568	\$11,568	\$11,568	\$11,568	\$11,568	\$11,568	\$11,568	\$11,568		
Third Mortgage Fees - FHFC SAIL	\$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		
Fourth Mortgage Fees - FHFC SAIL ELI	\$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		
Fifth Mortgage Fees - FHFC NHTF	\$4,919	\$4,919	\$4,919	\$4,919	\$4,919	\$4,919	\$4,919	\$4,919	\$4,919	\$4,919	\$4,919	\$4,919	\$4,919	\$4,919	\$4,919		
All Other Mortgages Fees - Surtax + Self Sourced	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0		
Total Debt Service Payments	\$1,416,478	\$1,416,388	\$1,416,287	\$1,416,174	\$1,416,047	\$1,415,906	\$1,415,749	\$1,415,576	\$1,415,385	\$1,415,174	\$1,414,942	\$1,414,688	\$1,414,410	\$1,414,105	\$1,413,772		
Cash Flow after Debt Service	\$15,923	\$13,306	\$13,338	\$13,294	\$13,161	\$12,836	\$12,616	\$12,616	\$36,504	\$51,247	\$65,830	\$78,437	\$90,796	\$102,889	\$114,695	\$126,194	
<b>Debt Service Coverage Ratios</b>																	
DSC - First Mortgage plus Fees	1.18x	1.17x	1.17x	1.17x	1.17x	1.17x	1.17x	1.18x	1.19x	1.21x	1.22x	1.23x	1.24x	1.25x	1.26x	1.27x	
DSC - Second Mortgage plus Fees	1.10x	1.10x	1.10x	1.10x	1.10x	1.10x	1.10x	1.10x	1.11x	1.12x	1.14x	1.15x	1.16x	1.16x	1.17x	1.18x	
DSC - Third Mortgage plus Fees	1.05x	1.05x	1.05x	1.05x	1.05x	1.05x	1.05x	1.05x	1.06x	1.07x	1.08x	1.09x	1.10x	1.11x	1.12x	1.13x	
DSC - Fourth Mortgage plus Fee	1.04x	1.04x	1.04x	1.04x	1.04x	1.04x	1.04x	1.05x	1.06x	1.07x	1.08x	1.09x	1.10x	1.11x	1.12x	1.13x	
DSC - Fifth Mortgage plus Fees	1.04x	1.04x	1.04x	1.04x	1.04x	1.04x	1.04x	1.04x	1.06x	1.07x	1.08x	1.09x	1.10x	1.10x	1.11x	1.12x	
DSC - All Mortgages and Fees	1.01x	1.01x	1.01x	1.01x	1.01x	1.01x	1.02x	1.03x	1.04x	1.05x	1.06x	1.06x	1.07x	1.08x	1.09x		
<b>Financial Ratios</b>																	
Operating Expense Ratio	50.76%	51.48%	52.15%	52.83%	53.51%	54.19%	54.72%	55.15%	55.59%	56.04%	56.54%	57.05%	57.56%	58.07%	58.60%		
Break-even Economic Occupancy Ratio (all debt)	94.72%	94.81%	94.82%	94.83%	94.84%	94.85%	94.60%	94.17%	93.77%	93.39%	93.07%	92.78%	92.51%	92.25%	92.02%		

**Exhibit 2**  
**Naranja Grand II**  
**Viability Calculation**

**Viability Loan Sizing Parameters and Metrics**

Select the Development	Naranja Grand II	
RFA of Active Award	RFA 2021-205	
Demographic Commitment	Family	
Total Number of Units	200	
<b>Existing Competitive Active Awards:</b>	<b>Set-Aside Units</b>	
9% HC Allocation	NA	NA
SAIL	\$ 5,000,000	200
ELI	\$ 600,000	10
NHTF	\$ 1,546,000	5
HOME	NA	NA
<b>Tax Exempt Bond Financing:</b>		
If MMRB, how much is the Perm Amount?	\$ 16,386,000	200*
<b>Viability Funding Limits:</b>		
Gross Per Development Limit	\$ 15,000,000	
Maximum Per Unit Limit	\$ 38,000	
Net Per Development Limit (\$15,000,000, less \$7,146,000)	\$ 7,854,000	
Maximum Limit from PU Limit (200 units x \$38,000 PU)	\$ 7,600,000	
<b>Lesser of Net Per Development or PU Limit</b>	<b>\$ 7,600,000</b>	

**Viability Loan Sizing Parameters**

a. Eligible Request Amount:	No	
Applicant's Request Amount	\$ 7,600,000	If so, how much should
Per Development/PU Limit	\$ 7,600,000	be deducted?
<b>Eligible Request Amount:</b>	<b>\$ 7,600,000</b>	

b. Gap Analysis for Viability Sizing Purposes Only:

Permanent Funding Sources:		DS w/ Fees	DSCR	NCF
Traditional First Mortgage	\$ 16,386,000.00	\$ 1,217,271	1.1767x	\$ 215,130
Viability	\$ 7,600,000.00	\$ 87,232	1.0980x	\$ 127,898
SAIL	\$ 5,000,000.00	\$ 62,255	1.0480x	\$ 65,643
ELI	\$ 600,000.00	\$ 3,855	1.0451x	\$ 61,788
NHTF	\$ 1,546,000.00	\$ 4,888	1.0414x	\$ 56,900
PHCD - Surtax	\$ 4,000,000.00	\$ -	1.0414x	\$ 56,900
Self Sourced	\$ 2,500,000.00	\$ -	1.0414x	\$ 56,900
<additional source>	\$ -	\$ -	1.0414x	\$ 56,900
<additional source>	\$ -	\$ -	1.0414x	\$ 56,900
<additional source>	\$ -	\$ -	1.0414x	\$ 56,900
HC Equity	\$ 29,146,907.00			
Deferred Developer Fee (53.23%)	\$ 5,637,501.00			
<b>Total Sources</b>	<b>\$ 72,416,408.00</b>	<b>\$ 1,375,501</b>	<b>1.0414x</b>	<b>\$ 56,900</b>
Additional First Mortgage (Min 1st Sizing)	\$ -	\$ -		
Additional First Mortgage (DCR Sizing)	\$ -	\$ -		

Total Development Costs	\$72,416,408
Maximum Developer Fee Percentage	18%
Total Developer Fee	\$10,591,358
Minimum 30% Deferred Developer Fee	\$ 3,177,407.40

\*Set-Asides for MMRB are expressed as the greater of MMRB Set-Asides or 4%HC Set-Asides for purposes of calculating Compliance Monitoring Fees on the MMRB loan.

**Cash Flow Assumptions**

<b>Net Operating Income:</b>	
Total Effective Gross Income in CUR Yr 1	\$2,909,056
Total Operating Expenses in CUR Yr 1	\$1,476,655
Net Operating Income in CUR Yr 1	\$ 1,432,400.80

**Actual Traditional 1st Mortgage:**

<b>Proposed Amount of Traditional 1st Mortgage</b>	<b>\$ 16,386,000.00</b>
Traditional 1st Mtg Amortization (Years)	40.00
Traditional 1st Mtg Interest Rate	6.600%
Traditional 1st Mtg Mortgage Constant	7.11114%
Local HFA Bond Fees, if applicable	
Traditional 1st Mtg DSCR (w/ fees)	1.18x
Net Cash Flow (NCF) after 1st Mtg Debt Service	\$ 215,129.51
Debt Service (DS) on FHFC Subsidy Loans (w/ fees)	\$ 70,998.00
NCF after FHFC Subsidy Loans DS & Fees	\$ 144,131.51

**RFA 2023-211 Minimum 1st Mortgage:**

Maximum 1st Mtg DSCR from Viability RFA	1.25x
Sized Debt Service from maximum DSCR	\$ 1,145,920.64
MMRB Fees to be included in Sized Debt Service	\$ 52,039.18
Sized Debt Service to be incorporated, net of fees	\$ 1,093,881.46
Mortgage Constant to be incorporated	7.11114%
<b>Resulting minimum 1st Mtg</b>	<b>\$ 15,382,636.23</b>
NCF after resulting minimum 1st Mtg	\$ 286,480.16
NCF after FHFC Subsidy Loans DS & Fees	\$ 215,482.16

**Rule Chapter 67-48.0072(28)(g)2. Variables and Process:**

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

**Exhibit 3**  
**Naranja Grand II**  
**HC Allocation Calculation**

**Qualified Basis Calculation**

Total Development Cost	\$72,416,408
Less Land Costs	\$2,000,000
Less Other Ineligible Costs	\$3,804,183
Total Eligible Basis	\$66,612,225
Applicable Fraction	100%
DDA/QCT Basis Credit, if applicable	130%
Qualified Basis	\$86,595,892
Housing Credit Percentage (Federal allocation)	4.00%
Annual Housing Credit Allocation	\$3,463,836

**GAP Calculation**

Total Development Cost (including land and ineligible costs)	\$72,416,408
Less Mortgages	\$37,632,000
Equity Gap	\$34,784,408
HC Percentage to Investment Partnership	99.99%
HC Syndication Pricing	\$0.87
HC Required to meet Equity Gap	\$40,097,300
Annual HC Required	\$4,009,730

Note: The actual HC Syndication Pricing is \$0.86758676016.

**Summary**

HC Per Qualified Basis	\$3,463,836
HC Per GAP Calculation	\$4,009,730
<b>Annual HC Recommended</b>	<b>\$3,463,836</b>
HC Proceeds Recommended	\$30,048,777

Note: Since the Final CUR, the Annual HC Recommendation has been reduced by \$60,781 from \$3,524,617 to \$3,463,836.



**Exhibit 3**  
**Naranja Grand II**  
**HC Allocation Calculation**

**Tax Credit 50% Test**

Total DEPRECIABLE Cost	\$66,612,225
Plus: Land Cost	\$2,000,000
Equals Aggregate Basis	\$68,612,225
Tax Exempt Note Amount	\$36,475,000
Tax Exempt Proceeds Used for Building and Land	\$36,475,000
Tax Exempt Proceeds as a Percentage of Aggregate Basis	53.16%

**FLORIDA HOUSING FINANCE CORPORATION  
AMENDED AND RESTATED  
AUTHORIZATION RESOLUTION  
NARANJA GRAND II**

**RESOLUTION NO. \_\_\_\_\_**

**A RESOLUTION AUTHORIZING THE ISSUANCE OF A MULTIFAMILY MORTGAGE REVENUE NOTE, 2024 SERIES \_\_\_ [ONE OR MORE SERIES OR SUBSERIES TO BE DESIGNATED] (NARANJA GRAND II), OR SUCH OTHER DESIGNATION FOR EACH SERIES OR SUBSERIES AS SHALL BE DETERMINED, OF THE FLORIDA HOUSING FINANCE CORPORATION; PROVIDING FOR A MAXIMUM AGGREGATE PRINCIPAL AMOUNT OF SUCH NOTE; APPROVING THE PREPARATION, EXECUTION AND DELIVERY OF A FUNDING LOAN AGREEMENT AND ANY PROJECT OR BORROWER LOAN AGREEMENT OR FINANCING AGREEMENT RELATING TO SUCH NOTE; AUTHORIZING THE PURCHASE OF SUCH NOTE PURSUANT TO SUCH FUNDING LOAN AGREEMENT OR A NOTE PURCHASE AGREEMENT APPROVED BY FLORIDA HOUSING IN ACCORDANCE WITH THE TERMS HEREOF, AND A LOAN MADE PURSUANT TO ANY PROJECT OR BORROWER LOAN AGREEMENT OR FINANCING AGREEMENT TO THE BORROWER NAMED THEREIN; AUTHORIZING THE PREPARATION, EXECUTION AND DELIVERY OF ALL DOCUMENTS NECESSARY OR DESIRED IN CONNECTION WITH THE ISSUANCE AND SALE OF SUCH NOTE, INCLUDING, BUT NOT LIMITED TO, A PRIVATE PLACEMENT MEMORANDUM OR TRANSACTION SUMMARY; AUTHORIZING ALL ACTIONS NECESSARY FOR FINAL APPROVAL OF THE ISSUANCE AND SALE OF SUCH NOTE AND MAKING OTHER PROVISIONS IN CONNECTION THEREWITH; AND PROVIDING AN EFFECTIVE DATE.**

WHEREAS, the Florida Housing Finance Corporation (“Florida Housing”) is a public corporation within the Department of Commerce of the State of Florida (the “State”) and a public body corporate and politic, duly organized under the Florida Housing Finance Corporation Act, Sections 420.501 *et seq.*, Florida Statutes, as amended (the “Act”), and is authorized by the Act to issue bonds, notes and other evidences of financial indebtedness from time to time to fulfill its

public purposes, which include the financing and refinancing of multifamily residential housing developments for rental to persons and families of low, moderate or middle income; and

WHEREAS, pursuant to the Act, Florida Housing has now determined to authorize the issuance of its Multifamily Mortgage Revenue Note, 2024 Series \_\_\_ [one or more series or subseries to be designated] (Naranja Grand II), or such other designation for each series or subseries as shall be determined by Florida Housing (collectively, the “Note”), as tax-exempt or taxable obligations, for the purpose of making a loan to Naranja Grand II, LLC, together with its predecessors, successors, assigns, affiliates and/or related entities (the “Borrower”), to finance the acquisition, construction and equipping of an approximately 200 unit multifamily residential rental development for persons of low, moderate and middle income, named Naranja Grand II, located in the Leisure City area of unincorporated Miami-Dade County, Florida (the “Property”); provided that the aggregate principal amount of the Note shall not exceed (a) \$36,475,000 or (b) such greater aggregate principal amount of the Note which at the time of issuance does not exceed an aggregate principal amount that would result in a debt service coverage ratio for the Note, as reflected in the Credit Underwriter Confirmation (as defined below) for the Property, of less than 1.00, subject to private activity bond allocation being made available for the tax-exempt Note and compliance with Section 147(f) of the Internal Revenue Code of 1986, as amended (the “Code”); and

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

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

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

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

WHEREAS, Florida Housing desires to take all action necessary to give final approval to make moneys available for the financing of the Property and to issue the Note in compliance with the Act and other applicable provisions of law;

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

1. The Property is given final approval for financing on the terms and conditions described in the Credit Underwriting Report presented to and approved by the Board on October 27, 2023, as such Credit Underwriting Report has been revised by the terms and conditions described in the Credit Underwriting Report Update Letter for the Property presented to the Board on this date (collectively, the “Credit Underwriting Report”), with such deviations as the Executive Director of Florida Housing, in consultation with staff of Florida Housing and Special Counsel to Florida Housing, may approve. Execution of any loan agreement or financing agreement described below by an Authorized Signatory (as defined below) shall be conclusive evidence of such approval.

2. Florida Housing hereby authorizes the issuance and sale of the Note as tax-exempt or taxable “Bonds” (as such term is defined in and within the meaning of the Act), in such series

or subseries as Florida Housing shall designate, in an aggregate principal amount of not to exceed (a) \$36,475,000 or (b) such greater aggregate principal amount of the Note which, at the time of issuance, does not exceed an aggregate principal amount that would result in a debt service coverage ratio for the Note, as reflected in the Credit Underwriter Confirmation, of less than 1.00, subject to receipt of private activity bond allocation being made available for the tax-exempt Note and compliance with Section 147(f) of the Code. Subject to the immediately preceding sentence, the maximum amount of the Note that may be issued shall be determined by an Authorized Signatory after receipt of the Credit Underwriter Confirmation. Conclusive evidence of the approval of any such increased aggregate principal amount of the Note shall be established by a certificate of an Authorized Signatory reflecting such increased aggregate principal amount.

The “Credit Underwriter Confirmation” is the written confirmation, delivered prior to the issuance of the Note, from the Florida Housing Credit Underwriter with respect to the Property that, taking into account any increased aggregate principal amount of the Note, the conditions set forth in and the requirements of the Credit Underwriting Report presented to the Board at this meeting have been satisfied.

3. A funding loan agreement between Florida Housing and a corporate fiscal agent, or among Florida Housing, a corporate fiscal agent and the initial funding lender or lenders set forth therein, setting forth the terms and conditions of the Note is hereby authorized to be prepared and delivered, in such form as may be approved by any member of the Board, the Executive Director of Florida Housing, the Chief Financial Officer of Florida Housing, the Comptroller of Florida Housing, or any other person designated by separate resolution of the Board, or any person or persons acting in such capacities (collectively, or each individually, an “Authorized Signatory”),

which form shall set forth as to the Note such maturities, interest rates and purchase price as shall be determined in accordance with the Act, including Section 420.509, Florida Statutes; the execution of such funding loan agreement by an Authorized Signatory, and the attestation thereof by the Secretary or any Assistant Secretary of Florida Housing, is hereby authorized and the execution thereof by such persons shall be conclusive evidence of such approval.

4. Any project or borrower loan agreement or financing agreement between Florida Housing and the Borrower, or among Florida Housing, the Borrower and a corporate fiscal agent, setting forth the terms of the loan of the proceeds of the Note by Florida Housing to the Borrower (the “Loan”), and the payment and other obligations of the Borrower in respect of the Loan, including the note made by the Borrower to Florida Housing evidencing the Loan, is hereby authorized to be prepared and delivered in such form as may be approved by an Authorized Signatory; the execution of any such loan agreement or financing agreement by an Authorized Signatory, and the attestation thereof by the Secretary or any Assistant Secretary of Florida Housing, is hereby authorized, and the execution thereof by such persons shall be conclusive evidence of such approval.

5. A note purchase agreement or similar agreement among Florida Housing, the initial funding lender or lenders set forth therein (collectively, the “Initial Purchaser”), and the Borrower, setting forth the terms and conditions of the initial purchase of the Note from Florida Housing by the Initial Purchaser, is hereby authorized to be prepared and delivered in such form as may be approved by an Authorized Signatory; the execution of such note purchase agreement or similar agreement by an Authorized Signatory, and the attestation thereof by the Secretary or any Assistant

Secretary of Florida Housing, is hereby authorized, and the execution thereof by such persons shall be conclusive evidence of such approval.

6. A private placement memorandum or transaction summary is hereby authorized to be prepared and delivered in connection with the sale of the Note, in such form as shall be approved by an Authorized Signatory, and the execution of such private placement memorandum by an Authorized Signatory, or delivery of such transaction summary, shall be conclusive evidence of such approval; provided, however, that such approval shall not be construed to be a representation as to the accuracy, completeness or sufficiency of such document with respect to information not provided by Florida Housing.

7. The Note shall be sold in accordance with the requirements of the Act, including Section 420.509(12), Florida Statutes. In the event the Note shall be sold by a negotiated sale through a private placement pursuant to a note placement agreement or similar agreement, an Authorized Signatory is authorized to acknowledge and endorse such note placement agreement or similar agreement upon approval of the terms thereof by the staff of Florida Housing and Special Counsel to Florida Housing, and the execution and delivery of such note placement agreement or similar agreement by an Authorized Signatory shall be conclusive evidence of such approval.

8. An Authorized Signatory is authorized to cause to be prepared and to execute and deliver any additional documents necessary for the issuance of the Note, the making of the Loan, upon the approval of the terms of any credit enhancement, if applicable, and the security therefor, by the staff of Florida Housing and Special Counsel to Florida Housing. All other actions by Florida Housing necessary for final approval to finance the acquisition, construction and equipping

of the Property, the issuance of the Note, the making of the Loan, upon the approval of the terms of any credit enhancement, if applicable, and the security therefor, in accordance with the requirements of the Credit Underwriting Report, are hereby authorized.

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

10. The Note may be executed either manually or by facsimile signature by any officer of Florida Housing.

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

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

[Remainder of page intentionally left blank]



13. This Resolution shall take effect immediately upon adoption.

ADOPTED this 2<sup>nd</sup> day of February, 2024.

(SEAL)

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

ATTEST:

\_\_\_\_\_  
Melissa Levy, Assistant Secretary  
Florida Housing Finance Corporation’s  
Board of Directors

\_\_\_\_\_  
Ryan Benson, Chair  
Florida Housing Finance Corporation’s  
Board of Directors

STATE OF FLORIDA  
COUNTY OF LEON

I hereby certify that the above and foregoing is a true and correct copy of an Amended and Restated Resolution adopted at a duly noticed public meeting of the Florida Housing Finance Corporation, legally called and held on the 2<sup>nd</sup> day of February, 2024, at which a quorum was present, all as will appear by reference to the original Amended and Restated Resolution incorporated in the official records of the Florida Housing Finance Corporation.

\_\_\_\_\_  
Tim Kennedy, Multifamily  
Loans and Bonds Director  
Florida Housing Finance Corporation

STATE OF FLORIDA  
COUNTY OF LEON

The foregoing instrument was acknowledged before me by means of  physical presence or  online notarization, this \_\_\_\_\_ day of \_\_\_\_\_, 2024 by Tim Kennedy, as Multifamily Loans and Bonds Director of the Florida Housing Finance Corporation, a public corporation and a public body corporate and politic duly created and existing under the laws of the State of Florida, on behalf of the corporation. He is personally known to me.

NOTARY SEAL

\_\_\_\_\_  
Notary Public

\_\_\_\_\_  
Name typed, printed or stamped

My Commission Expires: \_\_\_\_\_

**FLORIDA HOUSING FINANCE CORPORATION  
AMENDED AND RESTATED  
SALE RESOLUTION  
NARANJA GRAND II**

**RESOLUTION NO. \_\_\_\_\_**

**A RESOLUTION AUTHORIZING AND APPROVING THE NEGOTIATED SALE THROUGH A PRIVATE PLACEMENT OF A MULTIFAMILY MORTGAGE REVENUE NOTE, 2024 SERIES \_\_\_ [ONE OR MORE SERIES OR SUBSERIES TO BE DESIGNATED] (NARANJA GRAND II), OR SUCH OTHER DESIGNATION FOR EACH SERIES OR SUBSERIES AS SHALL BE DETERMINED, OF THE FLORIDA HOUSING FINANCE CORPORATION; AUTHORIZING THE NEGOTIATION, EXECUTION AND DELIVERY OF A NOTE PLACEMENT AGREEMENT OR SIMILAR AGREEMENT, AND SUCH OTHER DOCUMENTS AS ARE NECESSARY FOR THE NEGOTIATED SALE THROUGH A PRIVATE PLACEMENT OF SUCH NOTE; AUTHORIZING THE EXECUTIVE DIRECTOR, CHIEF FINANCIAL OFFICER, COMPTROLLER, OR ANY MEMBER OF THE BOARD OF DIRECTORS OF THE FLORIDA HOUSING FINANCE CORPORATION, OR ANY OTHER AUTHORIZED SIGNATORY, TO TAKE ANY OTHER ACTIONS NECESSARY TO NEGOTIATE THE SALE OF SUCH NOTE THROUGH A PRIVATE PLACEMENT AND MAKING OTHER PROVISIONS IN CONNECTION THEREWITH; AND PROVIDING AN EFFECTIVE DATE.**

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

WHEREAS, Florida Housing adopted an amended and restated resolution authorizing the issuance of its Multifamily Mortgage Revenue Note, 2024 Series \_\_\_\_ [one or more series or subseries to be designated] (Naranja Grand II), or such other designation for each series or subseries as shall be determined by Florida Housing (collectively, the “Note”), as tax-exempt or taxable obligations, for the purpose of making funds available to finance the acquisition, construction and equipping of an approximately 200 unit multifamily residential rental development for persons of low, moderate and middle income, named Naranja Grand II, located in the Leisure City area of unincorporated Miami-Dade County, Florida; provided that the aggregate principal amount of the Note shall not exceed (a) \$36,475,000 or (b) such greater aggregate principal amount of the Note which, at the time of issuance, does not exceed an aggregate principal amount that would result in a debt service coverage ratio for the Note of less than 1.00 (subject to private activity bond allocation being made available for the tax-exempt Note and compliance with Section 147(f) of the Internal Revenue Code of 1986, as amended); and

WHEREAS, the Act authorizes Florida Housing to negotiate with the (i) purchaser or purchasers designated by Florida Housing for a negotiated sale or private placement of the Note with such purchaser or purchasers or (ii) placement agent or placement agents designated by Florida Housing for a negotiated sale or private placement of the Note through such placement agent or placement agents, in each case, if Florida Housing by official action at a public meeting determines that such negotiated sale or private placement of the Note is in the best interest of Florida Housing; and

WHEREAS, Florida Housing has reviewed the market conditions and trends affecting the negotiated sale through a private placement of the Note; and

WHEREAS, Florida Housing has received a recommendation from its independent registered municipal advisor relating to the method of sale of the Note and reviewed the relative advantages of a negotiated sale of the Note through a private placement in light of current and anticipated market conditions; and

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

WHEREAS, the nature and structure of the Note renders the Note a candidate for a negotiated sale through a private placement; and

WHEREAS, based on the foregoing, the Board hereby finds that a negotiated sale of the Note through a private placement is in the public’s and Florida Housing’s best interest, based on current market conditions and the structure of the issue. Existing and projected market conditions and any lack of flexibility in the sale of the Note could be prejudicial to Florida Housing and to the public. Additionally, the structure of the issue and the current demand for these types of obligations support a negotiated sale of the Note through a private placement.

NOW, THEREFORE, the Board hereby ascertains, determines and resolves that:

1. A negotiated sale of the Note through a private placement is in the best interest of Florida Housing and the public for the reasons herein described.
2. The negotiated sale of the Note through a private placement is to be negotiated by Florida Housing with or through Stifel, Nicolaus & Company, Incorporated, or any other placement agent selected by Florida Housing (hereinafter referred to as the “Placement Agent”), and the initial funding lender or lenders to serve as the initial purchaser(s) or holder(s) of the Note (collectively, the “Initial Purchaser”).

3. The Note is to be generally described as follows:

Florida Housing Finance Corporation  
Multifamily Mortgage Revenue Note, 2024 Series \_\_\_\_ [one or more series or subseries to be designated] (Naranja Grand II)  
[or such other designation for each series or subseries as shall be determined by Florida Housing].

4. Florida Housing shall negotiate directly or through the Placement Agent with the Initial Purchaser and execute such documents as are necessary to sell the Note to the Initial Purchaser pursuant to this Resolution. Any member of the Board, the Executive Director of Florida Housing, the Chief Financial Officer of Florida Housing, the Comptroller of Florida Housing, or any other person designated by separate resolution of the Board (or any person or persons acting in such capacities) (collectively, or each individually, an “Authorized Signatory”) is authorized to negotiate the terms of a negotiated sale of the Note through a private placement and to execute and deliver a note placement agreement or similar agreement to facilitate such private placement (the “Note Placement Agreement”) upon approval of the terms of such agreement, and the execution and delivery of the Note Placement Agreement by an Authorized Signatory shall be conclusive evidence of such approval.

5. The authority to execute the Note Placement Agreement is predicated upon the Note Placement Agreement providing for an interest rate on the Note that would facilitate an interest rate on the mortgage or mortgages securing payment of the Note not to exceed the lesser of ten percent (10%) and the maximum rate authorized under Florida law and would provide for a sale of the Note in conformance with the program documents.

6. An Authorized Signatory, the attorneys for Florida Housing and other consultants, agents, or employees thereof, are hereby authorized to execute all necessary documents and to take

whatever action is necessary to finalize the issuance and negotiated sale of the Note through a private placement pursuant to this Resolution and to provide for the use of the proceeds of the Note contemplated by this Resolution.

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

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

9. This Resolution shall take effect immediately upon adoption.

ADOPTED this 2<sup>nd</sup> day of February, 2024.

(SEAL)

ATTEST:

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

---

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

---

Ryan Benson, Chair  
Florida Housing Finance Corporation's  
Board of Directors

STATE OF FLORIDA  
COUNTY OF LEON

I hereby certify that the above and foregoing is a true and correct copy of an Amended and Restated Resolution adopted at a duly noticed public meeting of the Florida Housing Finance Corporation, legally called and held on the 2<sup>nd</sup> day of February, 2024, at which a quorum was present, all as will appear by reference to the original Amended and Restated Resolution incorporated in the official records of the Florida Housing Finance Corporation.

\_\_\_\_\_  
Tim Kennedy, Multifamily  
Loans and Bonds Director  
Florida Housing Finance Corporation

STATE OF FLORIDA  
COUNTY OF LEON

The foregoing instrument was acknowledged before me by means of  physical presence or  online notarization, this \_\_\_\_\_ day of \_\_\_\_\_, 2024 by Tim Kennedy, as Multifamily Loans and Bonds Director of the Florida Housing Finance Corporation, a public corporation and a public body corporate and politic duly created and existing under the laws of the State of Florida, on behalf of the corporation. He is personally known to me.

NOTARY SEAL

\_\_\_\_\_  
Notary Public

\_\_\_\_\_  
Name typed, printed or stamped

My Commission Expires: \_\_\_\_\_





**Caine Mitter**

Caine Mitter & Associates Incorporated \*\*\*.cainemitter.com

225 West 35th Street, Suite 900  
New York, NY 10001  
t 212 686 8820 | f 212 686 2155

January 17, 2024

Angie Sellers, Chief Financial Officer  
Florida Housing Finance Corporation  
227 North Bronough Street, Suite 5000  
Tallahassee, Florida 32301-1329

**Re: Naranja Grand II, 2024 Multifamily Mortgage Revenue Notes Method of Sale Recommendation**

Dear Angie,

At the request of the staff of the Florida Housing Finance Corporation ("Florida Housing") and pursuant to our Contract for Independent Registered Municipal Advisor Services with Florida Housing, I have reviewed the Credit Underwriting Report dated as of August 15, 2023 and the Recommendation Letter dated January 2, 2024, relating to Naranja Grand II (the "Credit Underwriting Report"), and herein provide my recommendation for a negotiated private placement method of sale.

This recommendation is consistent with the procedures established for evaluating proposed multifamily transactions and is based upon the project information contained in the Credit Underwriting Report. The required factors considered in my evaluation of the proposed project are:

- Prevailing interest rates and financing costs for multifamily notes,
- The anticipated credit and security structure,
- The proposed financing and issue structure,
- The experience of the developer in financing affordable housing,
- Florida Housing's known programmatic objectives,
- Probable near term market conditions,
- The timing of the transaction, and
- Other information provided by Florida Housing staff and the working group for this transaction, as applicable

The Credit Underwriting Report outlines a plan of finance for affordable multifamily housing involving tax-exempt notes that are privately placed with a bank. During the construction phase one note will bear interest at a variable rate, and one note will bear interest at a fixed rate. During the permanent phase, one note will bear interest at a fixed rate.

The Credit Underwriting Report proposes a negotiated private placement to be an effective method of sale for the tax-exempt notes.

The following is a summary concerning this project and financing:

**Project Name:** Naranja Grand II

**Construction Note Purchasers:** JPMorgan Chase Bank, N.A. and TD Bank, NA

**Permanent Note Purchaser:** Berkadia Commercial Mortgage LLC / Freddie Mac

**Developer / Key Representative:** Naranja Grand II Developer, LLC / Matthew A. Rieger

**Recommended Method of Sale:** Negotiated private placement

Based on the structure of the note issue and prevailing market conditions, a negotiated private placement will be an effective method of sale for the tax-exempt notes. Based on Florida Housing's experience with similar offerings, current market conditions, and other recent housing finance agency multifamily transactions, this method can be expected to achieve the borrower's objectives based on the facts presented.

Should there be any substantial changes in the market, the proposed credit structure, or development team, a further review of the above recommendation should be undertaken. It is expected, consistent with Chapter 67-21.0045 of Florida Administrative Code that a final term sheet for the project will be provided to Caine Mitter & Associates Incorporated at the appropriate time to allow for any required final recommendation if necessary. If you have any questions or require any discussion please feel free to contact me.

Sincerely,

*Victor Chiang*

**Caine Mitter & Associates Incorporated**

Victor Chiang  
Vice President

cc: Tim Kennedy, Multifamily Loans & Bonds Director

**RESOLUTION**  
*of the*  
**Board of Directors of**  
**Florida Housing Finance Corporation**  
*pertaining to*  
**the Acknowledgement Resolution for**  
**Hawthorne Heights**

A RESOLUTION OF THE FLORIDA HOUSING FINANCE CORPORATION ESTABLISHING ITS INTENT TO REIMBURSE CERTAIN DEVELOPMENT COSTS INCURRED WITH THE PROCEEDS OF FUTURE TAX-EXEMPT FINANCING ON BEHALF OF CORE HAWTHORNE HEIGHTS, LLLP, OR AN AFFILIATE THEREOF OR ANY ENTITY IN WHICH CORE HAWTHORNE HEIGHTS, LLLP IS A GENERAL PARTNER OR MANAGING MEMBER, RELATING TO A MULTIFAMILY RESIDENTIAL RENTAL DEVELOPMENT, SUBJECT TO THE SATISFACTION OF CERTAIN CONDITIONS PRECEDENT TO PROVIDING ANY TAX-EXEMPT FINANCING, MAKING CERTAIN FINDINGS AND AUTHORIZING THE DEVELOPMENT OF A PLAN OF FINANCING FOR OBTAINING NOT TO EXCEED \$15,400,000 IN TAX-EXEMPT FINANCING FOR THE DEVELOPMENT, AND PROVIDING FOR AN EFFECTIVE DATE.

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

**Section 1.** It is hereby found, ascertained, determined and resolved that:

- (a) There is a shortage of available, affordable rental housing in the State of Florida;
- (b) A significant number of low, moderate or middle income persons in the local government in which the development referred to herein is to be located, or in an area reasonably accessible thereto, are subject to hardship in finding adequate, safe, and sanitary housing;
- (c) This shortage of housing cannot be relieved except through the encouragement of investment by private enterprise. Private enterprise, unaided, is not meeting, and cannot reasonably be expected to meet, the need for such housing;
- (d) The financing, acquisition and construction of rental housing for low, moderate and middle income persons and families in the State of Florida constitutes a public purpose; and
- (e) An apartment community to be developed by Core Hawthorne Heights, LLLP, or an affiliate thereof or any entity in which Core Hawthorne Heights, LLLP, is a general partner or managing member (the "Developer"), on a site located in Alachua County, Florida, and known as Hawthorne Heights, is a multifamily residential

rental development, which will assist in alleviating the shortage of rental housing for low, moderate and middle income residents of the State of Florida.

**Section 2.** The Florida Housing Finance Corporation (“Florida Housing”) hereby authorizes its staff to negotiate and prepare a plan for financing, and to commence the structuring of a debt instrument or instruments, to provide up to \$15,400,000 in tax-exempt financing for a portion of the cost of acquiring, constructing and equipping approximately 86 residential rental units for the aforementioned development in order to provide apartment units to low, moderate or middle income persons and families in a qualifying multifamily residential rental development. Such plan for financing shall provide for the payment of such costs and expenditures from a mortgage loan account (or similarly named account).

**Section 3.** Florida Housing finds that the Developer has shown that this development is appropriate to the needs and circumstances of Alachua County, Florida and will make a significant contribution to alleviate the housing shortage.

**Section 4.** This Resolution is intended to and shall constitute a declaration of official intent of Florida Housing for the purposes of the Internal Revenue Code of 1986 and Section 1.150-2 of the United States Treasury Regulations in order to provide for the reimbursement of allowable project costs.

**Section 5.** This Resolution is also intended to and shall constitute an “Acknowledgment Resolution” as defined in Rule Chapter 67-21 of the Florida Administrative Code (the “Rule”), which means the official action taken by Florida Housing to reflect its intent to finance the proposed development provided that the requirements of Florida Housing, the terms of the MMRB Loan Commitment and the terms of the Credit Underwriting Report (as such terms are defined in the Rule) are met.

**Section 6.** The Developer has agreed to comply with all land use restrictions relating to tax-exempt financing, including, but not limited to, those promulgated pursuant to Section 142(d) of the Internal Revenue Code of 1986 and those committed to by the Developer in its 2023 Application filed with Florida Housing.

**Section 7.** This Resolution is not intended to be a binding commitment to finance or an obligation to finance the proposed development by Florida Housing through tax-exempt financing or in any other way. The tax-exempt financing is subject, in all respects, to (a) the approval by Florida Housing and its counsel, if applicable, of (i) all program documents and elements, (ii) the development plans, (iii) all necessary approvals from all governmental units having jurisdiction over the development, and (iv) the tax-exempt financing with respect to the acquisition, construction and equipping of the development, (b) the issuance and sale by Florida Housing of the tax-exempt debt instrument or instruments for the financing, and (c) the availability of private activity bond allocation.

**Section 8.** This Resolution shall take effect immediately upon its adoption.

ADOPTED THIS \_\_\_\_ day of \_\_\_\_\_, 2024.

(SEAL)

ATTEST:

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

---

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

---

Ryan Benson, Chair, Florida Housing  
Finance Corporation Board of Directors

STATE OF FLORIDA  
COUNTY OF LEON

I hereby certify that the above and foregoing is a true and correct copy of a resolution adopted at a duly noticed public meeting of the Florida Housing Finance Corporation, legally called and held on the \_\_\_ day of February 2024, at which a quorum was present, all as will appear by reference to the original Resolution incorporated in the official records of the Florida Housing Finance Corporation.

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

**STATE OF FLORIDA**  
**COUNTY OF LEON**

The foregoing instrument was acknowledged before me by means of  physical presence or  online notarization, this \_\_ day of \_\_\_\_\_, 2024 by Tim Kennedy, as Multifamily Loans and Bonds Director of the Florida Housing Finance Corporation, a public corporation and a public body corporate and politic duly created and existing under the laws of the State of Florida, on behalf of the corporation. He is personally known to me.

NOTARY SEAL

\_\_\_\_\_  
Notary Public

\_\_\_\_\_  
Name typed, printed or stamped

My Commission Expires: \_\_\_\_\_

**RESOLUTION**  
*of the*  
**Board of Directors of**  
**Florida Housing Finance Corporation**  
*pertaining to*  
**the Acknowledgement Resolution for**  
**Arbours at Emerald Springs**

A RESOLUTION OF THE FLORIDA HOUSING FINANCE CORPORATION ESTABLISHING ITS INTENT TO REIMBURSE CERTAIN DEVELOPMENT COSTS INCURRED WITH THE PROCEEDS OF FUTURE TAX-EXEMPT FINANCING ON BEHALF OF ARBOURS AT EMERALD SPRINGS, LLC, OR AN AFFILIATE THEREOF OR ANY ENTITY IN WHICH ARBOURS AT EMERALD SPRINGS, LLC IS A GENERAL PARTNER OR MANAGING MEMBER, RELATING TO A MULTIFAMILY RESIDENTIAL RENTAL DEVELOPMENT, SUBJECT TO THE SATISFACTION OF CERTAIN CONDITIONS PRECEDENT TO PROVIDING ANY TAX-EXEMPT FINANCING, MAKING CERTAIN FINDINGS AND AUTHORIZING THE DEVELOPMENT OF A PLAN OF FINANCING FOR OBTAINING NOT TO EXCEED \$15,840,000 IN TAX-EXEMPT FINANCING FOR THE DEVELOPMENT, AND PROVIDING FOR AN EFFECTIVE DATE.

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

**Section 1.** It is hereby found, ascertained, determined and resolved that:

- (a) There is a shortage of available, affordable rental housing in the State of Florida;
- (b) A significant number of low, moderate or middle income persons in the local government in which the development referred to herein is to be located, or in an area reasonably accessible thereto, are subject to hardship in finding adequate, safe, and sanitary housing;
- (c) This shortage of housing cannot be relieved except through the encouragement of investment by private enterprise. Private enterprise, unaided, is not meeting, and cannot reasonably be expected to meet, the need for such housing;
- (d) The financing, acquisition and construction of rental housing for low, moderate and middle income persons and families in the State of Florida constitutes a public purpose; and
- (e) An apartment community to be developed by Arbours at Emerald Springs, LLC, or an affiliate thereof or any entity in which Arbours at Emerald Springs, LLC is a general partner or managing member (the "Developer"), on a site located in Walton County, Florida, and known as Arbours at Emerald Springs, is a multifamily residential

rental development, which will assist in alleviating the shortage of rental housing for low, moderate and middle income residents of the State of Florida.

**Section 2.** The Florida Housing Finance Corporation (“Florida Housing”) hereby authorizes its staff to negotiate and prepare a plan for financing, and to commence the structuring of a debt instrument or instruments, to provide up to \$15,840,000 in tax-exempt financing for a portion of the cost of acquiring, constructing and equipping approximately 84 residential rental units for the aforementioned development in order to provide apartment units to low, moderate or middle income persons and families in a qualifying multifamily residential rental development. Such plan for financing shall provide for the payment of such costs and expenditures from a mortgage loan account (or similarly named account).

**Section 3.** Florida Housing finds that the Developer has shown that this development is appropriate to the needs and circumstances of Walton County, Florida and will make a significant contribution to alleviate the housing shortage.

**Section 4.** This Resolution is intended to and shall constitute a declaration of official intent of Florida Housing for the purposes of the Internal Revenue Code of 1986 and Section 1.150-2 of the United States Treasury Regulations in order to provide for the reimbursement of allowable project costs.

**Section 5.** This Resolution is also intended to and shall constitute an “Acknowledgment Resolution” as defined in Rule Chapter 67-21 of the Florida Administrative Code (the “Rule”), which means the official action taken by Florida Housing to reflect its intent to finance the proposed development provided that the requirements of Florida Housing, the terms of the MMRB Loan Commitment and the terms of the Credit Underwriting Report (as such terms are defined in the Rule) are met.

**Section 6.** The Developer has agreed to comply with all land use restrictions relating to tax-exempt financing, including, but not limited to, those promulgated pursuant to Section 142(d) of the Internal Revenue Code of 1986 and those committed to by the Developer in its 2023 Application filed with Florida Housing.

**Section 7.** This Resolution is not intended to be a binding commitment to finance or an obligation to finance the proposed development by Florida Housing through tax-exempt financing or in any other way. The tax-exempt financing is subject, in all respects, to (a) the approval by Florida Housing and its counsel, if applicable, of (i) all program documents and elements, (ii) the development plans, (iii) all necessary approvals from all governmental units having jurisdiction over the development, and (iv) the tax-exempt financing with respect to the acquisition, construction and equipping of the development, (b) the issuance and sale by Florida Housing of the tax-exempt debt instrument or instruments for the financing, and (c) the availability of private activity bond allocation.

**Section 8.** This Resolution shall take effect immediately upon its adoption.



ADOPTED THIS \_\_\_\_ day of \_\_\_\_\_, 2024.

(SEAL)

ATTEST:

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

---

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

---

Ryan Benson, Chair, Florida Housing  
Finance Corporation Board of  
Directors

STATE OF FLORIDA  
COUNTY OF LEON

I hereby certify that the above and foregoing is a true and correct copy of a resolution adopted at a duly noticed public meeting of the Florida Housing Finance Corporation, legally called and held on the \_\_\_ day of February, 2024, at which a quorum was present, all as will appear by reference to the original Resolution incorporated in the official records of the Florida Housing Finance Corporation.

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

**STATE OF FLORIDA**  
**COUNTY OF LEON**

The foregoing instrument was acknowledged before me by means of  physical presence or  online notarization, this \_\_ day of \_\_\_\_\_, 2024 by Tim Kennedy, as Multifamily Loans and Bonds Director of the Florida Housing Finance Corporation, a public corporation and a public body corporate and politic duly created and existing under the laws of the State of Florida, on behalf of the corporation. He is personally known to me.

NOTARY SEAL

\_\_\_\_\_  
Notary Public

\_\_\_\_\_  
Name typed, printed or stamped

My Commission Expires: \_\_\_\_\_

**RESOLUTION**  
*of the*  
**Board of Directors of**  
**Florida Housing Finance Corporation**  
*pertaining to*  
**the Acknowledgement Resolution for**  
**Hermosa North Fort Myers II**

A RESOLUTION OF THE FLORIDA HOUSING FINANCE CORPORATION ESTABLISHING ITS INTENT TO REIMBURSE CERTAIN DEVELOPMENT COSTS INCURRED WITH THE PROCEEDS OF FUTURE TAX-EXEMPT FINANCING ON BEHALF OF HERMOSA NFTM 41 II, LTD., OR AN AFFILIATE THEREOF OR ANY ENTITY IN WHICH HERMOSA NFTM 41 II, LTD., IS A GENERAL PARTNER OR MANAGING MEMBER, RELATING TO A MULTIFAMILY RESIDENTIAL RENTAL DEVELOPMENT, SUBJECT TO THE SATISFACTION OF CERTAIN CONDITIONS PRECEDENT TO PROVIDING ANY TAX-EXEMPT FINANCING, MAKING CERTAIN FINDINGS AND AUTHORIZING THE DEVELOPMENT OF A PLAN OF FINANCING FOR OBTAINING NOT TO EXCEED \$15,400,000 IN TAX-EXEMPT FINANCING FOR THE DEVELOPMENT, AND PROVIDING FOR AN EFFECTIVE DATE.

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

**Section 1.** It is hereby found, ascertained, determined and resolved that:

- (a) There is a shortage of available, affordable rental housing in the State of Florida;
- (b) A significant number of low, moderate or middle income persons in the local government in which the development referred to herein is to be located, or in an area reasonably accessible thereto, are subject to hardship in finding adequate, safe, and sanitary housing;
- (c) This shortage of housing cannot be relieved except through the encouragement of investment by private enterprise. Private enterprise, unaided, is not meeting, and cannot reasonably be expected to meet, the need for such housing;
- (d) The financing, acquisition and construction of rental housing for low, moderate and middle income persons and families in the State of Florida constitutes a public purpose; and
- (e) An apartment community to be developed by Hermosa NFTM 41 II, Ltd., or an affiliate thereof or any entity in which Hermosa NFTM 41 II, Ltd., is a general partner or managing member (the "Developer"), on a site located in Lee County, Florida, and known as Hermosa North Fort Myers II, is a multifamily residential

rental development, which will assist in alleviating the shortage of rental housing for low, moderate and middle income residents of the State of Florida.

**Section 2.** The Florida Housing Finance Corporation (“Florida Housing”) hereby authorizes its staff to negotiate and prepare a plan for financing, and to commence the structuring of a debt instrument or instruments, to provide up to \$15,400,000 in tax-exempt financing for a portion of the cost of acquiring, constructing and equipping approximately 88 residential rental units for the aforementioned development in order to provide apartment units to low, moderate or middle income persons and families in a qualifying multifamily residential rental development. Such plan for financing shall provide for the payment of such costs and expenditures from a mortgage loan account (or similarly named account).

**Section 3.** Florida Housing finds that the Developer has shown that this development is appropriate to the needs and circumstances of Lee County, Florida and will make a significant contribution to alleviate the housing shortage.

**Section 4.** This Resolution is intended to and shall constitute a declaration of official intent of Florida Housing for the purposes of the Internal Revenue Code of 1986 and Section 1.150-2 of the United States Treasury Regulations in order to provide for the reimbursement of allowable project costs.

**Section 5.** This Resolution is also intended to and shall constitute an “Acknowledgment Resolution” as defined in Rule Chapter 67-21 of the Florida Administrative Code (the “Rule”), which means the official action taken by Florida Housing to reflect its intent to finance the proposed development provided that the requirements of Florida Housing, the terms of the MMRB Loan Commitment and the terms of the Credit Underwriting Report (as such terms are defined in the Rule) are met.

**Section 6.** The Developer has agreed to comply with all land use restrictions relating to tax-exempt financing, including, but not limited to, those promulgated pursuant to Section 142(d) of the Internal Revenue Code of 1986 and those committed to by the Developer in its 2023 Application filed with Florida Housing.

**Section 7.** This Resolution is not intended to be a binding commitment to finance or an obligation to finance the proposed development by Florida Housing through tax-exempt financing or in any other way. The tax-exempt financing is subject, in all respects, to (a) the approval by Florida Housing and its counsel, if applicable, of (i) all program documents and elements, (ii) the development plans, (iii) all necessary approvals from all governmental units having jurisdiction over the development, and (iv) the tax-exempt financing with respect to the acquisition, construction and equipping of the development, (b) the issuance and sale by Florida Housing of the tax-exempt debt instrument or instruments for the financing, and (c) the availability of private activity bond allocation.

**Section 8.** This Resolution shall take effect immediately upon its adoption.

ADOPTED THIS \_\_\_\_ day of \_\_\_\_\_, 2024.

(SEAL)

ATTEST:

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

---

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

---

Ryan Benson, Chair, Florida Housing  
Finance Corporation Board of  
Directors

STATE OF FLORIDA  
COUNTY OF LEON

I hereby certify that the above and foregoing is a true and correct copy of a resolution adopted at a duly noticed public meeting of the Florida Housing Finance Corporation, legally called and held on the \_\_\_ day of February, 2024, at which a quorum was present, all as will appear by reference to the original Resolution incorporated in the official records of the Florida Housing Finance Corporation.

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

**STATE OF FLORIDA**  
**COUNTY OF LEON**

The foregoing instrument was acknowledged before me by means of  physical presence or  online notarization, this \_\_ day of \_\_\_\_\_, 2024 by Tim Kennedy, as Multifamily Loans and Bonds Director of the Florida Housing Finance Corporation, a public corporation and a public body corporate and politic duly created and existing under the laws of the State of Florida, on behalf of the corporation. He is personally known to me.

NOTARY SEAL

\_\_\_\_\_  
Notary Public

\_\_\_\_\_  
Name typed, printed or stamped

My Commission Expires: \_\_\_\_\_

**RESOLUTION**  
*of the*  
**Board of Directors of**  
**Florida Housing Finance Corporation**  
*pertaining to*  
**the Acknowledgement Resolution for**  
**Pine Island Park**

A RESOLUTION OF THE FLORIDA HOUSING FINANCE CORPORATION ESTABLISHING ITS INTENT TO REIMBURSE CERTAIN DEVELOPMENT COSTS INCURRED WITH THE PROCEEDS OF FUTURE TAX-EXEMPT FINANCING ON BEHALF OF PINE ISLAND PARK LLC, OR AN AFFILIATE THEREOF OR ANY ENTITY IN WHICH PINE ISLAND PARK LLC IS A GENERAL PARTNER OR MANAGING MEMBER, RELATING TO A MULTIFAMILY RESIDENTIAL RENTAL DEVELOPMENT, SUBJECT TO THE SATISFACTION OF CERTAIN CONDITIONS PRECEDENT TO PROVIDING ANY TAX-EXEMPT FINANCING, MAKING CERTAIN FINDINGS AND AUTHORIZING THE DEVELOPMENT OF A PLAN OF FINANCING FOR OBTAINING NOT TO EXCEED \$26,400,000 IN TAX-EXEMPT FINANCING FOR THE DEVELOPMENT, AND PROVIDING FOR AN EFFECTIVE DATE.

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

**Section 1.** It is hereby found, ascertained, determined, and resolved that:

- (a) There is a shortage of available, affordable rental housing in the State of Florida;
- (b) A significant number of low, moderate or middle income persons in the local government in which the development referred to herein is to be located, or in an area reasonably accessible thereto, are subject to hardship in finding adequate, safe, and sanitary housing;
- (c) This shortage of housing cannot be relieved except through the encouragement of investment by private enterprise. Private enterprise, unaided, is not meeting, and cannot reasonably be expected to meet, the need for such housing;
- (d) The financing, acquisition and construction of rental housing for low, moderate and middle income persons and families in the State of Florida constitutes a public purpose; and
- (e) An apartment community to be developed by Pine Island Park LLC, or an affiliate thereof or any entity in which Pine Island Park LLC is a general partner or managing member (the "Developer"), on a site located in Broward County, Florida, and known as Pine Island Park, is a multifamily residential

rental development, which will assist in alleviating the shortage of rental housing for low, moderate and middle income residents of the State of Florida.

**Section 2.** The Florida Housing Finance Corporation (“Florida Housing”) hereby authorizes its staff to negotiate and prepare a plan for financing, and to commence the structuring of a debt instrument or instruments, to provide up to \$26,400,000 in tax-exempt financing for a portion of the cost of acquiring, constructing and equipping approximately 120 residential rental units for the aforementioned development in order to provide apartment units to low, moderate or middle income persons and families in a qualifying multifamily residential rental development. Such plan for financing shall provide for the payment of such costs and expenditures from a mortgage loan account (or similarly named account).

**Section 3.** Florida Housing finds that the Developer has shown that this development is appropriate to the needs and circumstances of Broward County, Florida and will make a significant contribution to alleviate the housing shortage.

**Section 4.** This Resolution is intended to and shall constitute a declaration of official intent of Florida Housing for the purposes of the Internal Revenue Code of 1986 and Section 1.150-2 of the United States Treasury Regulations in order to provide for the reimbursement of allowable project costs.

**Section 5.** This Resolution is also intended to and shall constitute an “Acknowledgment Resolution” as defined in Rule Chapter 67-21 of the Florida Administrative Code (the “Rule”), which means the official action taken by Florida Housing to reflect its intent to finance the proposed development provided that the requirements of Florida Housing, the terms of the MMRB Loan Commitment and the terms of the Credit Underwriting Report (as such terms are defined in the Rule) are met.

**Section 6.** The Developer has agreed to comply with all land use restrictions relating to tax-exempt financing, including, but not limited to, those promulgated pursuant to Section 142(d) of the Internal Revenue Code of 1986 and those committed to by the Developer in its 2023 Application filed with Florida Housing.

**Section 7.** This Resolution is not intended to be a binding commitment to finance or an obligation to finance the proposed development by Florida Housing through tax-exempt financing or in any other way. The tax-exempt financing is subject, in all respects, to (a) the approval by Florida Housing and its counsel, if applicable, of (i) all program documents and elements, (ii) the development plans, (iii) all necessary approvals from all governmental units having jurisdiction over the development, and (iv) the tax-exempt financing with respect to the acquisition, construction and equipping of the development, (b) the issuance and sale by Florida Housing of the tax-exempt debt instrument or instruments for the financing, and (c) the availability of private activity bond allocation.

**Section 8.** This Resolution shall take effect immediately upon its adoption.



ADOPTED THIS \_\_\_\_ day of \_\_\_\_\_, 2024.

(SEAL)

ATTEST:

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

---

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

---

Ryan Benson, Chair, Florida  
Housing Finance Corporation Board of  
Directors

STATE OF FLORIDA  
COUNTY OF LEON

I hereby certify that the above and foregoing is a true and correct copy of a resolution adopted at a duly noticed public meeting of the Florida Housing Finance Corporation, legally called and held on the \_\_\_ day of February, 2024, at which a quorum was present, all as will appear by reference to the original Resolution incorporated in the official records of the Florida Housing Finance Corporation.

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

**STATE OF FLORIDA**  
**COUNTY OF LEON**

The foregoing instrument was acknowledged before me by means of  physical presence or  online notarization, this \_\_ day of \_\_\_\_\_, 2024 by Tim Kennedy, as Multifamily Loans and Bonds Director of the Florida Housing Finance Corporation, a public corporation and a public body corporate and politic duly created and existing under the laws of the State of Florida, on behalf of the corporation. He is personally known to me.

NOTARY SEAL

\_\_\_\_\_  
Notary Public

\_\_\_\_\_  
Name typed, printed or stamped

My Commission Expires: \_\_\_\_\_

**RESOLUTION**  
*of the*  
**Board of Directors of**  
**Florida Housing Finance Corporation**  
*pertaining to*  
**the Acknowledgement Resolution for**  
**Mariposa Grove**

A RESOLUTION OF THE FLORIDA HOUSING FINANCE CORPORATION ESTABLISHING ITS INTENT TO REIMBURSE CERTAIN DEVELOPMENT COSTS INCURRED WITH THE PROCEEDS OF FUTURE TAX-EXEMPT FINANCING ON BEHALF OF BDG MARIPOSA GROVE, LLC, OR AN AFFILIATE THEREOF OR ANY ENTITY IN WHICH BDG MARIPOSA GROVE, LLC IS A GENERAL PARTNER OR MANAGING MEMBER, RELATING TO A MULTIFAMILY RESIDENTIAL RENTAL DEVELOPMENT, SUBJECT TO THE SATISFACTION OF CERTAIN CONDITIONS PRECEDENT TO PROVIDING ANY TAX-EXEMPT FINANCING, MAKING CERTAIN FINDINGS AND AUTHORIZING THE DEVELOPMENT OF A PLAN OF FINANCING FOR OBTAINING NOT TO EXCEED \$36,300,000 IN TAX-EXEMPT FINANCING FOR THE DEVELOPMENT, AND PROVIDING FOR AN EFFECTIVE DATE.

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

**Section 1.** It is hereby found, ascertained, determined and resolved that:

- (a) There is a shortage of available, affordable rental housing in the State of Florida;
- (b) A significant number of low, moderate or middle income persons in the local government in which the development referred to herein is to be located, or in an area reasonably accessible thereto, are subject to hardship in finding adequate, safe, and sanitary housing;
- (c) This shortage of housing cannot be relieved except through the encouragement of investment by private enterprise. Private enterprise, unaided, is not meeting, and cannot reasonably be expected to meet, the need for such housing;
- (d) The financing, acquisition and construction of rental housing for low, moderate and middle income persons and families in the State of Florida constitutes a public purpose; and
- (e) An apartment community to be developed by BDG Mariposa Grove, LLC, or an affiliate thereof or any entity in which BDG Mariposa Grove, LLC is a general partner or managing member (the "Developer"), on a site located in Orange County, Florida, and known as Mariposa Grove, is a multifamily residential

rental development, which will assist in alleviating the shortage of rental housing for low, moderate and middle income residents of the State of Florida.

**Section 2.** The Florida Housing Finance Corporation (“Florida Housing”) hereby authorizes its staff to negotiate and prepare a plan for financing, and to commence the structuring of a debt instrument or instruments, to provide up to \$36,300,000 in tax-exempt financing for a portion of the cost of acquiring, constructing and equipping approximately 138 residential rental units for the aforementioned development in order to provide apartment units to low, moderate or middle income persons and families in a qualifying multifamily residential rental development. Such plan for financing shall provide for the payment of such costs and expenditures from a mortgage loan account (or similarly named account).

**Section 3.** Florida Housing finds that the Developer has shown that this development is appropriate to the needs and circumstances of Orange County, Florida and will make a significant contribution to alleviate the housing shortage.

**Section 4.** This Resolution is intended to and shall constitute a declaration of official intent of Florida Housing for the purposes of the Internal Revenue Code of 1986 and Section 1.150-2 of the United States Treasury Regulations in order to provide for the reimbursement of allowable project costs.

**Section 5.** This Resolution is also intended to and shall constitute an “Acknowledgment Resolution” as defined in Rule Chapter 67-21 of the Florida Administrative Code (the “Rule”), which means the official action taken by Florida Housing to reflect its intent to finance the proposed development provided that the requirements of Florida Housing, the terms of the MMRB Loan Commitment and the terms of the Credit Underwriting Report (as such terms are defined in the Rule) are met.

**Section 6.** The Developer has agreed to comply with all land use restrictions relating to tax-exempt financing, including, but not limited to, those promulgated pursuant to Section 142(d) of the Internal Revenue Code of 1986 and those committed to by the Developer in its 2023 Application filed with Florida Housing.

**Section 7.** This Resolution is not intended to be a binding commitment to finance or an obligation to finance the proposed development by Florida Housing through tax-exempt financing or in any other way. The tax-exempt financing is subject, in all respects, to (a) the approval by Florida Housing and its counsel, if applicable, of (i) all program documents and elements, (ii) the development plans, (iii) all necessary approvals from all governmental units having jurisdiction over the development, and (iv) the tax-exempt financing with respect to the acquisition, construction and equipping of the development, (b) the issuance and sale by Florida Housing of the tax-exempt debt instrument or instruments for the financing, and (c) the availability of private activity bond allocation.

**Section 8.** This Resolution shall take effect immediately upon its adoption.

ADOPTED THIS \_\_\_\_ day of \_\_\_\_\_, 2024.

(SEAL)

ATTEST:

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

---

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

---

Ryan Benson Chair, Florida Housing  
Finance Corporation Board of Directors

STATE OF FLORIDA  
COUNTY OF LEON

I hereby certify that the above and foregoing is a true and correct copy of a resolution adopted at a duly noticed public meeting of the Florida Housing Finance Corporation, legally called and held on the \_\_ day of February, 2024, at which a quorum was present, all as will appear by reference to the original Resolution incorporated in the official records of the Florida Housing Finance Corporation.

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

**STATE OF FLORIDA**  
**COUNTY OF LEON**

The foregoing instrument was acknowledged before me by means of  physical presence or  online notarization, this \_\_ day of \_\_\_\_\_, 2024 by Tim Kennedy, as Multifamily Loans and Bonds Director of the Florida Housing Finance Corporation, a public corporation and a public body corporate and politic duly created and existing under the laws of the State of Florida, on behalf of the corporation. He is personally known to me.

NOTARY SEAL

\_\_\_\_\_  
Notary Public

\_\_\_\_\_  
Name typed, printed or stamped

My Commission Expires: \_\_\_\_\_

**RESOLUTION**  
*of the*  
**Board of Directors of**  
**Florida Housing Finance Corporation**  
*pertaining to*  
**the Acknowledgement Resolution for**  
**Casa San Juan Diego**

A RESOLUTION OF THE FLORIDA HOUSING FINANCE CORPORATION ESTABLISHING ITS INTENT TO REIMBURSE CERTAIN DEVELOPMENT COSTS INCURRED WITH THE PROCEEDS OF FUTURE TAX-EXEMPT FINANCING ON BEHALF OF CASA SAN JUAN DIEGO, LTD., OR AN AFFILIATE THEREOF OR ANY ENTITY IN WHICH CASA SAN JUAN DIEGO, LTD., IS A GENERAL PARTNER OR MANAGING MEMBER, RELATING TO A MULTIFAMILY RESIDENTIAL RENTAL DEVELOPMENT, SUBJECT TO THE SATISFACTION OF CERTAIN CONDITIONS PRECEDENT TO PROVIDING ANY TAX-EXEMPT FINANCING, MAKING CERTAIN FINDINGS AND AUTHORIZING THE DEVELOPMENT OF A PLAN OF FINANCING FOR OBTAINING NOT TO EXCEED \$14,520,000 IN TAX-EXEMPT FINANCING FOR THE DEVELOPMENT, AND PROVIDING FOR AN EFFECTIVE DATE.

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

**Section 1.** It is hereby found, ascertained, determined and resolved that:

- (a) There is a shortage of available, affordable rental housing in the State of Florida;
- (b) A significant number of low, moderate or middle income persons in the local government in which the development referred to herein is to be located, or in an area reasonably accessible thereto, are subject to hardship in finding adequate, safe, and sanitary housing;
- (c) This shortage of housing cannot be relieved except through the encouragement of investment by private enterprise. Private enterprise, unaided, is not meeting, and cannot reasonably be expected to meet, the need for such housing;
- (d) The financing, acquisition and construction of rental housing for low, moderate and middle income persons and families in the State of Florida constitutes a public purpose; and
- (e) An apartment community to be developed by Casa San Juan Diego, Ltd., or an affiliate thereof or any entity in which Casa San Juan Diego, Ltd. is a general partner or managing member (the "Developer"), on a site located in Collier County, Florida, and known as Casa San Juan Diego, is a multifamily residential

rental development, which will assist in alleviating the shortage of rental housing for low, moderate and middle income residents of the State of Florida.

**Section 2.** The Florida Housing Finance Corporation (“Florida Housing”) hereby authorizes its staff to negotiate and prepare a plan for financing, and to commence the structuring of a debt instrument or instruments, to provide up to \$14,520,000 in tax-exempt financing for a portion of the cost of acquiring, constructing and equipping approximately 80 residential rental units for the aforementioned development in order to provide apartment units to low, moderate or middle income persons and families in a qualifying multifamily residential rental development. Such plan for financing shall provide for the payment of such costs and expenditures from a mortgage loan account (or similarly named account).

**Section 3.** Florida Housing finds that the Developer has shown that this development is appropriate to the needs and circumstances of Collier County, Florida and will make a significant contribution to alleviate the housing shortage.

**Section 4.** This Resolution is intended to and shall constitute a declaration of official intent of Florida Housing for the purposes of the Internal Revenue Code of 1986 and Section 1.150-2 of the United States Treasury Regulations in order to provide for the reimbursement of allowable project costs.

**Section 5.** This Resolution is also intended to and shall constitute an “Acknowledgment Resolution” as defined in Rule Chapter 67-21 of the Florida Administrative Code (the “Rule”), which means the official action taken by Florida Housing to reflect its intent to finance the proposed development provided that the requirements of Florida Housing, the terms of the MMRB Loan Commitment and the terms of the Credit Underwriting Report (as such terms are defined in the Rule) are met.

**Section 6.** The Developer has agreed to comply with all land use restrictions relating to tax-exempt financing, including, but not limited to, those promulgated pursuant to Section 142(d) of the Internal Revenue Code of 1986 and those committed to by the Developer in its 2023 Application filed with Florida Housing.

**Section 7.** This Resolution is not intended to be a binding commitment to finance or an obligation to finance the proposed development by Florida Housing through tax-exempt financing or in any other way. The tax-exempt financing is subject, in all respects, to (a) the approval by Florida Housing and its counsel, if applicable, of (i) all program documents and elements, (ii) the development plans, (iii) all necessary approvals from all governmental units having jurisdiction over the development, and (iv) the tax-exempt financing with respect to the acquisition, construction and equipping of the development, (b) the issuance and sale by Florida Housing of the tax-exempt debt instrument or instruments for the financing, and (c) the availability of private activity bond allocation.

**Section 8.** This Resolution shall take effect immediately upon its adoption.



ADOPTED THIS \_\_\_\_ day of \_\_\_\_\_, 2024.

(SEAL)

ATTEST:

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

---

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

---

Ryan Benson, Chair, Florida Housing  
Finance Corporation Board of  
Directors

STATE OF FLORIDA  
COUNTY OF LEON

I hereby certify that the above and foregoing is a true and correct copy of a resolution adopted at a duly noticed public meeting of the Florida Housing Finance Corporation, legally called and held on the \_\_ day of February, 2024, at which a quorum was present, all as will appear by reference to the original Resolution incorporated in the official records of the Florida Housing Finance Corporation.

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

**STATE OF FLORIDA**  
**COUNTY OF LEON**

The foregoing instrument was acknowledged before me by means of  physical presence or  online notarization, this \_\_ day of \_\_\_\_\_, 2024 by Tim Kennedy, as Multifamily Loans and Bonds Director of the Florida Housing Finance Corporation, a public corporation and a public body corporate and politic duly created and existing under the laws of the State of Florida, on behalf of the corporation. He is personally known to me.

NOTARY SEAL

\_\_\_\_\_  
Notary Public

\_\_\_\_\_  
Name typed, printed or stamped

My Commission Expires: \_\_\_\_\_

**RESOLUTION**  
*of the*  
**Board of Directors of**  
**Florida Housing Finance Corporation**  
*pertaining to*  
**the Acknowledgement Resolution for**  
**Maison at Solivita Marketplace**

A RESOLUTION OF THE FLORIDA HOUSING FINANCE CORPORATION ESTABLISHING ITS INTENT TO REIMBURSE CERTAIN DEVELOPMENT COSTS INCURRED WITH THE PROCEEDS OF FUTURE TAX-EXEMPT FINANCING ON BEHALF OF KISSIMMEE LEASED HOUSING ASSOCIATES III, LLLP, OR AN AFFILIATE THEREOF OR ANY ENTITY IN WHICH KISSIMMEE LEASED HOUSING ASSOCIATES III, LLLP IS A GENERAL PARTNER OR MANAGING MEMBER, RELATING TO A MULTIFAMILY RESIDENTIAL RENTAL DEVELOPMENT, SUBJECT TO THE SATISFACTION OF CERTAIN CONDITIONS PRECEDENT TO PROVIDING ANY TAX-EXEMPT FINANCING, MAKING CERTAIN FINDINGS AND AUTHORIZING THE DEVELOPMENT OF A PLAN OF FINANCING FOR OBTAINING NOT TO EXCEED \$90,684,000 IN TAX-EXEMPT FINANCING FOR THE DEVELOPMENT, AND PROVIDING FOR AN EFFECTIVE DATE.

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

**Section 1.** It is hereby found, ascertained, determined and resolved that:

- (a) There is a shortage of available, affordable rental housing in the State of Florida;
- (b) A significant number of low, moderate or middle income persons in the local government in which the development referred to herein is to be located, or in an area reasonably accessible thereto, are subject to hardship in finding adequate, safe, and sanitary housing;
- (c) This shortage of housing cannot be relieved except through the encouragement of investment by private enterprise. Private enterprise, unaided, is not meeting, and cannot reasonably be expected to meet, the need for such housing;
- (d) The financing, acquisition and construction of rental housing for low, moderate and middle income persons and families in the State of Florida constitutes a public purpose; and
- (e) An apartment community to be developed by Kissimmee Leased Housing Associates III, LLLP, or an affiliate thereof or any entity in which Kissimmee Leased Housing Associates III, LLLP is a general partner or managing member (the "Developer"), on a site located in Osceola County, Florida, and known as Maison at Solivita Marketplace, is a multifamily residential

rental development, which will assist in alleviating the shortage of rental housing for low, moderate and middle income residents of the State of Florida.

**Section 2.** The Florida Housing Finance Corporation (“Florida Housing”) hereby authorizes its staff to negotiate and prepare a plan for financing, and to commence the structuring of a debt instrument or instruments, to provide up to \$90,684,000 in tax-exempt financing for a portion of the cost of acquiring, constructing and equipping approximately 300 residential rental units for the aforementioned development in order to provide apartment units to low, moderate or middle income persons and families in a qualifying multifamily residential rental development. Such plan for financing shall provide for the payment of such costs and expenditures from a mortgage loan account (or similarly named account).

**Section 3.** Florida Housing finds that the Developer has shown that this development is appropriate to the needs and circumstances of Osceola County, Florida and will make a significant contribution to alleviate the housing shortage.

**Section 4.** This Resolution is intended to and shall constitute a declaration of official intent of Florida Housing for the purposes of the Internal Revenue Code of 1986 and Section 1.150-2 of the United States Treasury Regulations in order to provide for the reimbursement of allowable project costs.

**Section 5.** This Resolution is also intended to and shall constitute an “Acknowledgment Resolution” as defined in Rule Chapter 67-21 of the Florida Administrative Code (the “Rule”), which means the official action taken by Florida Housing to reflect its intent to finance the proposed development provided that the requirements of Florida Housing, the terms of the MMRB Loan Commitment and the terms of the Credit Underwriting Report (as such terms are defined in the Rule) are met.

**Section 6.** The Developer has agreed to comply with all land use restrictions relating to tax-exempt financing, including, but not limited to, those promulgated pursuant to Section 142(d) of the Internal Revenue Code of 1986 and those committed to by the Developer in its 2022 Application filed with Florida Housing.

**Section 7.** This Resolution is not intended to be a binding commitment to finance or an obligation to finance the proposed development by Florida Housing through tax-exempt financing or in any other way. The tax-exempt financing is subject, in all respects, to (a) the approval by Florida Housing and its counsel, if applicable, of (i) all program documents and elements, (ii) the development plans, (iii) all necessary approvals from all governmental units having jurisdiction over the development, and (iv) the tax-exempt financing with respect to the acquisition, construction and equipping of the development, (b) the issuance and sale by Florida Housing of the tax-exempt debt instrument or instruments for the financing, and (c) the availability of private activity bond allocation.

**Section 8.** This Resolution shall take effect immediately upon its adoption.

ADOPTED THIS \_\_\_\_ day of \_\_\_\_\_, 2024.

(SEAL)

ATTEST:

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

---

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

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Ryan Benson, Chair, Florida Housing  
Finance Corporation Board of  
Directors

STATE OF FLORIDA  
COUNTY OF LEON

I hereby certify that the above and foregoing is a true and correct copy of a resolution adopted at a duly noticed public meeting of the Florida Housing Finance Corporation, legally called and held on the \_\_\_ day of February, 2024, at which a quorum was present, all as will appear by reference to the original Resolution incorporated in the official records of the Florida Housing Finance Corporation.

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

**STATE OF FLORIDA**  
**COUNTY OF LEON**

The foregoing instrument was acknowledged before me by means of  physical presence or  online notarization, this \_\_ day of \_\_\_\_\_, 2024 by Tim Kennedy, as Multifamily Loans and Bonds Director of the Florida Housing Finance Corporation, a public corporation and a public body corporate and politic duly created and existing under the laws of the State of Florida, on behalf of the corporation. He is personally known to me.

NOTARY SEAL

\_\_\_\_\_  
Notary Public

\_\_\_\_\_  
Name typed, printed or stamped

My Commission Expires: \_\_\_\_\_

# **Florida Housing Finance Corporation**

*Credit Underwriting Report*

## **Rainbow Village**

**SAIL and Housing Credit Financing for the Construction of Workforce Housing**

**SAIL and 4% HC**

**RFA 2021-208 / 2021-315S / 2020-529C**

**Construction Inflation Response Viability Funding**

**RFA 2023-211 / 2023-246V**

**Section A      Report Summary**

**Section B      Loan Conditions and HC Allocation Recommendation and Contingencies**

**Section C      Supporting Information and Schedules**

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*Prepared by*

***Seltzer Management Group, Inc.***

*Final Report*

*January 22, 2024*

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**RAINBOW VILLAGE**

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SMG

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**Section A**  
**Report Summary**

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**JANUARY 22, 2024**

**VIABILITY, SAIL AND HC CREDIT UNDERWRITING REPORT**

**SMG**

**Recommendation**

Seltzer Management Group, Inc. ("SMG" or "Seltzer" or "Servicer") recommends the issuance of Florida Housing Finance Corporation ("FHFC" or "Florida Housing" or "Corporation") a Construction Inflation Response Viability Loan ("Viability") Second Mortgage of \$9,000,000 and a State Apartment Incentive Loan ("SAIL") Third Mortgage of \$6,000,000. SMG also recommends an annual Housing Credit ("HC") allocation of \$8,285,984 to Rainbow Village ("Development") for construction and permanent financing.

**DEVELOPMENT & SET-ASIDES**

Development Name: Rainbow Village

RFA/Program Numbers: RFA 2021-208 / 2021-3155 2020-529C RFA 2023-211 (2023-246V)

Address: 2000 NW 3rd Ave

City: Miami Zip Code: 33125 County: Miami-Dade County Size: Large

Development Category: New Construction Development Type: High Rise

Construction Type: Masonry

**Unit Composition:**

# of ELI Units: 52 ELI Units Are Restricted to 30% AMI, or less. Total # of units with PBRA? 161

# of Link Units: 26 Are the Link Units Demographically Restricted? Yes # of NHTF Units: 0

Bed Rooms	Bath Rooms	Units	Square Feet	AMI%	Low HOME Rents	High HOME Rents	Gross HC Rent	Utility Allow.	Net Restricted Rents	PBRA Contr Rents	Applicant Rents	Appraiser Rents	CU Rents	Annual Rental Income
0	1.0	30	534	70%			\$1,265	\$58	\$1,207		\$1,207	\$1,207	\$1,207	\$434,520
1	1.0	17	676	30%	\$968		\$580	\$84	\$496	\$1,988	\$754	\$754	\$1,988	\$405,552
1	1.0	12	676	50%		\$1,239	\$968	\$84	\$884	\$1,988	\$1,988	\$754	\$1,988	\$286,272
1	1.0	8	676	50%		\$1,239	\$968	\$84	\$884	\$1,988	\$1,988	\$1,616	\$1,988	\$190,848
1	1.0	42	676	60%		\$1,239	\$1,161	\$84	\$1,077	\$1,988	\$1,988	\$1,616	\$1,988	\$1,001,952
1	1.0	54	676	70%		\$1,239	\$1,355	\$84	\$1,271		\$1,293	\$1,293	\$1,293	\$837,864
1	1.0	30	676	80%		\$1,239	\$1,549	\$84	\$1,465		\$1,487	\$1,487	\$1,487	\$535,320
2	2.0	5	1,043	30%		\$1,488	\$696	\$117	\$579	\$2,439	\$2,439	\$937	\$2,439	\$146,340
2	2.0	18	1,043	30%	\$1,161		\$696	\$117	\$579	\$2,439	\$2,439	\$1,998	\$2,439	\$526,824
2	2.0	2	1,043	50%		\$1,488	\$1,161	\$117	\$1,044	\$2,439	\$2,439	\$1,998	\$2,439	\$58,536
2	2.0	25	1,043	60%		\$1,488	\$1,393	\$117	\$1,276	\$2,439	\$2,439	\$1,998	\$2,439	\$731,700
2	2.0	18	1,043	70%		\$1,488	\$1,625	\$117	\$1,508		\$1,550	\$1,550	\$1,550	\$334,800
2	2.0	17	1,043	80%		\$1,488	\$1,858	\$117	\$1,741		\$1,783	\$1,783	\$1,783	\$363,732
3	2.0	20	1,223	30%	\$1,341		\$805	\$152	\$653	\$3,178	\$3,178	\$2,631	\$3,178	\$762,720
3	2.0	6	1,223	50%		\$1,711	\$1,341	\$152	\$1,189	\$3,178	\$3,178	\$2,631	\$3,178	\$228,816
3	2.0	2	1,223	60%		\$1,711	\$1,610	\$152	\$1,458	\$3,178	\$3,178	\$2,631	\$3,178	\$76,272
4	2.0	3	1,342	30%		\$1,889	\$898	\$189	\$709	\$3,759	\$3,759	\$3,107	\$3,759	\$135,324
4	2.0	1	1,342	60%		\$1,889	\$1,797	\$189	\$1,608	\$3,759	\$3,759	\$3,107	\$3,759	\$45,108
		310	254,475											\$7,102,500

The Demographic is Workforce Housing.

The Applicant selected the Average Income Test; therefore, as required by RFA 2021-208, the Applicant must set-aside at least 15% of the total units (52 units) as Extremely Low Income ("ELI") Set-Aside units at 30% Area Median Income ("AMI"). The proposed Development must set aside 50% of the ELI Set-Aside

**VIABILITY, SAIL AND HC CREDIT UNDERWRITING REPORT**

**SMG**

units (26 units) as Link Units for Persons with Special Needs. In order to meet the commitment to set aside ELI units as Link Units for Persons with Special Needs, the Applicant must develop and execute a Memorandum of Understanding (“MOU”) with at least one designated Special Needs Household Referral Agency that provides supportive services for Persons with Special Needs for the county where the proposed Development will be located (Miami-Dade County). The fully executed MOU was approved by Florida Housing Finance Corporation (“FHFC” or “Florida Housing”) on August 31, 2021.

The Tenant Selection Plan was approved by FHFC on March 23, 2022.

Buildings: Residential - 1 Non-Residential - 1  
 Parking: Parking Spaces - 450 Accessible Spaces - 22

Set Asides:

Program	% of Units	# of Units	% AMI	Term (Years)
SAIL / HC	16.774%	52	30%	50
SAIL / HC	13.548%	42	50%	50
SAIL / HC	19.355%	60	60%	50
SAIL / HC / Workforce	36.774%	114	70%	50
SAIL / HC / Workforce	13.548%	42	80%	50
PHCD HOME	15.000%	47	33%	50
PHCD HOME	84.839%	263	80%	50
HFAMD MMRB	40.000%	124	60%	50

Absorption Rate 50 units per month for 6.0 months.

Occupancy Rate at Stabilization: Physical Occupancy 96.00% Economic Occupancy 95.00%  
 Occupancy Comments \_\_\_\_\_

DDA: No QCT: Yes Multi-Phase Boost: No QAP Boost: No  
 Site Acreage: 3.32 Density: 93.3735 Flood Zone Designation: X  
 Zoning: T5-0, Urban Center Flood Insurance Required?: No

**VIABILITY, SAIL AND HC CREDIT UNDERWRITING REPORT**

**SMG**

DEVELOPMENT TEAM			
Applicant/Borrower:	RGC Phase I, LLC	% Ownership	
Member	RGC Phase I Member, LLC		0.0100%
Member	Raymond James Affordable Housing Investments, Inc. or an affiliate		99.9900%
Special Member	RGC Phase I Manager, LLC		0.0000%
Construction Completion Guarantor(s):			
CC Guarantor 1:	RGC Phase I, LLC		
CC Guarantor 2:	RGC Phase I Member, LLC		
CC Guarantor 3:	HTG Affordable Holdings, LLC		
CC Guarantor 4:	Matthew A. Rieger		
CC Guarantor 5:	RGC Phase I Developer, LLC		
CC Guarantor 6:	Balogh Family Partnership, LLC		
CC Guarantor 7:	Matthew A. Rieger Family Trust		
CC Guarantor 8:	MAR Family Partnership, Ltd. and Randy Rieger, LLC		
Operating Deficit Guarantor(s):			
OD Guarantor 1:	RGC Phase I, LLC		
OD Guarantor 2:	RGC Phase I Member, LLC		
OD Guarantor 3:	HTG Affordable Holdings, LLC		
OD Guarantor 4:	Matthew A. Rieger		
OD Guarantor 5:	RGC Phase I Developer, LLC		
OD Guarantor 6:	Balogh Family Partnership, LLC		
OD Guarantor 7:	Matthew A. Rieger Family Trust		
OD Guarantor 8:	MAR Family Partnership, Ltd. and Randy Rieger, LLC		
Note Purchaser	KeyBank National Association		
Developer:	RGC Phase I Developer, LLC		
Principal 1	HTG Affordable Holdings, LLC		
Principal 2	Matthew A. Rieger		
DEVELOPMENT TEAM (cont)			
General Contractor 1:	ANF Group, Inc.		
Management Company:	HTG Management, LLC		
Syndicator:	Raymond James Affordable Housing Investments, Inc., or an affiliate		
Note Issuer:	Housing Finance Authority of Miami-Dade County ("HFAMD")		
Architect:	Zyscovich Architects		
Market Study Provider:	Integra Realty Resources		
Appraiser:	Integra Realty Resources		

**VIABILITY, SAIL AND HC CREDIT UNDERWRITING REPORT**

**SMG**

<b>PERMANENT FINANCING INFORMATION</b>						
	<b>1st Source</b>	<b>2nd Source</b>	<b>3rd Source</b>	<b>4th Source</b>	<b>5th Source</b>	<b>Other</b>
Lender/Grantor	KeyBank / HFAMD Bonds / Freddie	FHFC Viability	FHFC SAIL	PHCD HOME- ARP	PHCD Seller Loan	CRA and Miami-Dade Grant
Amount	\$62,171,000	\$9,000,000	\$6,000,000	\$3,000,000	\$3,100,000	\$15,000,000 / \$500,000
Underwritten Interest Rate	6.28%	1.00%	1.00%	1.00%	4.18%	2.00%
Loan Term	16.0	16.5	16.5	30.0	30.0	18.0 / N/A
Amortization	40.0	N/A	N/A	N/A	N/A	N/A
Market Rate/Market Financing LTV	54.5%	62.4%	67.7%	70.3%	73%	86% / 131%
Restricted Market Financing LTV	82.9%	94.9%	102.9%	106.9%	111.0%	132% / 131%
Loan to Cost - Cumulative	34.9%	39.9%	43.3%	45.0%	46.7%	56.0%
Loan to Cost - SAIL Only			3.4%			
Debt Service Coverage	1.111	1.086	1.068	1.062	1.033	0.971
Operating Deficit & Debt Service Reserves	\$2,647,238					
# of Months covered by the Reserves	12.3					

Deferred Developer Fee	\$8,236,205
As-Is Land Value	\$13,300,000
Market Rent/Market Financing Stabilized Value	\$114,000,000
Rent Restricted Market Financing Stabilized Value	\$75,000,000
Projected Net Operating Income (NOI) - Year 1	\$4,897,416
Projected Net Operating Income (NOI) - 15 Year	\$6,019,610
Year 15 Pro Forma Income Escalation Rate	2.00%
Year 15 Pro Forma Expense Escalation Rate	3.00%
Note Structure	Private Placement via Freddie Mac TEL
Housing Credit (HC) Syndication Price	\$0.8569
HC Annual Allocation - Qualified in CUR	\$8,285,984
HC Annual Allocation - Equity Letter of Interest	\$8,319,446

**VIABILITY, SAIL AND HC CREDIT UNDERWRITING REPORT**

**SMG**

<b>CONSTRUCTION/PERMANENT SOURCES:</b>				
<b>Source</b>	<b>Lender</b>	<b>Construction</b>	<b>Permanent</b>	<b>Perm Loan/Unit</b>
Local HFA Bonds	Chase / HFAMD Bonds / Fannie	\$75,000,000	\$0	\$0
Local HFA Bonds	KeyBank / HFAMD Bonds / Freddie	\$0	\$62,171,000	\$200,552
Bridge Loan	KeyBank Tax Exempt Bridge Loan	\$13,000,000	\$0	\$0
Bridge Loan	KeyBank Taxable Bridge Loan	\$10,000,000	\$0	\$0
FHFC - Viability	FHFC Viability	\$9,000,000	\$9,000,000	\$29,032
FHFC - SAIL	FHFC SAIL	\$6,000,000	\$6,000,000	\$19,355
Local Government Subsidy	PHCD HOME-ARP	\$3,000,000	\$3,000,000	\$9,677
Local Government Subsidy	PHCD Seller Loan	\$3,100,000	\$3,100,000	\$10,000
Local Government Subsidy	CRA	\$15,000,000	\$15,000,000	\$48,387
Non-FHFC Grant	Miami-Dade County Grant	\$500,000	\$500,000	\$1,613
HC Equity	RJAH	\$35,645,262	\$71,290,522	\$229,969
Def. Developer Fee	Developer	\$8,052,465	\$8,236,205	\$26,568
<b>TOTAL</b>		\$178,297,727	\$178,297,727	\$575,153.96

**Financing Structure:**

The Applicant provided a copy of the Housing Finance Authority of Miami-Dade County (“HFAMD”) resolution (No. HFA 2023-12), dated March 27, 2023, expressing the intent of the HFAMD to proceed with the issuance of a Multifamily Revenue Debt Obligation in an amount not to exceed \$88,000,000. In addition, the Applicant submitted a Multifamily Revenue Bond Program application to HFAMD. JPMorgan Chase Bank, N.A. (“Chase”) through a Freddie Mac Tax-Exempt Loan (“TEL”) will provide a construction loan up to \$75,000,000 to the HFAMD in connection with the financing of the Subject Development. Per a KeyBank National Association (“KeyBank”), LOI dated December 21, 2023, the Applicant applied for a tax-exempt bridge loan in an amount up to \$13,000,000, currently estimated to be \$13,000,000, for a total tax-exempt note amount of \$88,000,000.

At conversion to permanent financing, KeyBank and/or its affiliates/assigns, will provide a loan pursuant to the Federal Home Loan Mortgage (“Freddie Mac”) Direct Purchase of Tax-Exempt Loan (“TEL”) Program and the Chase loan will be satisfied.

Payments on the Tax-Exempt Loan will include principal reduction payments as well as interest commencing at the time of closing.

Changes from the Application:

COMPARISON CRITERIA	YES	NO
Does the level of experience of the current team equal or exceed that of the team described in the application?	X	
Are all funding sources the same as shown in the Application?		1
Are all local government recommendations/contributions still in place at the level described in the Application?		2
Is the Development feasible with all amenities/features listed in the Application?	X	

**VIABILITY, SAIL AND HC CREDIT UNDERWRITING REPORT**

**SMG**

Do the site plans/architectural drawings account for all amenities/features listed in the Application?	X	
Does the Applicant have site control at or above the level indicated in the Application?	X	
Does the Applicant have adequate zoning as indicated in the Application?	X	
Has the Development been evaluated for feasibility using the total length of set-aside committed to in the Application?	X	
Have the Development costs remained equal to or less than those listed in the Application?		3
Is the Development feasible using the set-asides committed to in the Application?		4
If the Development has committed to serve a special target group (e.g. elderly, large family, etc.), do the development and operating plans contain specific provisions for implementation?	X	
HOME ONLY: If points were given for match funds, is the match percentage the same as or greater than that indicated in the Application?	N/A	
HC ONLY: Is the rate of syndication the same as or greater than that shown in the Application?		5
Is the Development in all other material respects the same as presented in the Application?		6

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

1. See the below changes in the source of funds:

- The Application did not include a Letter of Intent (“LOI”) for first mortgage financing for construction or permanent financing. Subsequently, the Applicant provided a LOI from Chase for first mortgage construction financing in the amount up to \$75,000,000. The Applicant also provided a LOI from KeyBank for permanent period financing in an amount of \$62,171,000.
- The Application did not include a LOI for bridge financing during the construction period. Subsequently, the Applicant provided a term sheet from KeyBank for bridge financing in an amount up to \$23,000,000, which includes \$13,000,000 Tax Exempt financing and \$10,000,000 in taxable financing.
- The Application included a LOI for Housing Credit equity from Raymond James Tax Credit Funds in the amount of \$0.93 per tax credit and total equity of \$36,238,700. Subsequently, the Applicant provided a LOI from Raymond James Affordable Housing Investments, Inc. (“RJAHI”) reflecting an amount of \$0.857 per tax credit and total equity of \$71,290,522.
- A Viability Loan in the amount of \$9,000,000 from Florida Housing has been added to the financial structure in both the construction and permanent period.
- Miami-Dade County’s Public Housing and Community Development (“PHCD”) Home Funds in the amount of \$3,000,000 were added as a source in both the construction and permanent periods.

**VIABILITY, SAIL AND HC CREDIT UNDERWRITING REPORT**

**SMG**

- PHCD Seller Loan of \$3,100,000 has been added as both a construction and permanent source.
  - The Southeast Overtown/Park West Community Redevelopment Agency (“CRA”) has provided a loan of \$15,000,000, which is both a construction and permanent source.
  - Grant Funds from Miami-Dade County of \$500,000 have been added as both a construction and permanent source.
2. There were no local contributions listed in the application, see above for what has been added.
  3. Total Development Costs (“TDC”) as stated in the application were \$86,729,931. TDC have increased to \$178,297,727, an increase of \$91,567,796. This increase is primarily due to increases in construction, general development costs, financial costs, Developer Fee and Operating Deficit Reserve.
  4. On July 14 2022, the Applicant submitted a request to change the following:
    - a. Number of units from 299 to 310
    - b. Development type from Garden Apartments to a 8 Story Highrise
    - c. Set-Asides and Unit Mix changed as followed

<b>For SAIL and 4% Housing Credits:</b>	
<b>Current (299 total units)</b>	<b>Proposed (310 total units)</b>
45 units (15%) @ or below 30%	52 units (16.774%) @ or below 30%
29 units (10%) @ or below 50%	42 units (13.548%) @ or below 50%
61 units (20%) @ or below 60%	60 units (19.355%) @ or below 60%
	114 units (36.774%) @ or below 70%
164 units (55%) @ or below 70%	42 units (13.548%) @ or below 80%
<b>Total Set-Aside: 100%</b>	<b>Total Set-Aside: 100%</b>

**For ELI:**

<b>Number of Bedrooms/Bathrooms per Unit</b>	<b>Current (299 total units)</b>	<b>Proposed (310 total units)</b>
0 Bed/1 Bathroom	4 ELI Set-Aside (of 22)	0 ELI Set-Aside (of 30)
1 Bed/1 Bathroom	24 ELI Set-Aside (of 162)	6 ELI Set-Aside (of 163)
2 Bed/2 Bathrooms	13 ELI Set-Aside (of 83)	23 ELI Set-Aside (of 85)
3 Bed/2 Bathrooms	3 ELI Set-Aside (of 24)	20 ELI Set-Aside (of 28)
4 Bed/2 Bathrooms	1 ELI Set-Aside (of 8)	3 ELI Set-Aside (of 4)
<b>Total</b>	<b>45 units (15%)</b>	<b>52 units (16.7%)</b>

On August 5, 2022, FHFC staff approved these changes.

5. As stated above, the rate of syndication decreased from \$0.93 to \$0.857.
6. The following also have changed since the Application



**VIABILITY, SAIL AND HC CREDIT UNDERWRITING REPORT**

**SMG**

- a. The General Contractor has changed since the Application from Gomez Construction Company to ANF Group, Inc., the Prior Experience Chart and the General Contractor Certification of Requirements for ANF Group, Inc. have been received.
- b. The legal description of the property was changed, and was approved by FHFC staff on October 13, 2021.

These changes have no substantial material impact to the Viability, SAIL and HC recommendations for this Development.

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

Florida Housing's Past Due Report dated November 29, 2023, reflects the following past due item(s): None

Florida Housing's Asset Management Noncompliance Report dated October 18, 2023, reflects the following noncompliance items: None

This recommendation is subject to satisfactory resolution of any outstanding past due and/or noncompliance items prior to loan closing and the issuance of the annual HC Allocation Recommendation herein.

Strengths:

1. Per the Market Study, Integra Realty Resources ("Integra") states the capture rates are low and indicate that there is sufficient demand for the subject units. The average occupancy for the comparables within the Subject's Primary Market Area ("PMA") is 99.1%.
2. Although the Borrower and General Partners are newly formed, the Developer, General Contractor, and the Management Company all have sufficient experience and financial resources to develop, construct and operate the proposed Development.

Other Considerations: None

Waiver Requests/Special Conditions:

1. According to the RFA, the Corporation will review the limited partnership agreement or limited liability company operating agreement language on reserves for compliance with the RFA requirement. If the limited partnership agreement or limited liability company operating agreement does not specifically state that the parties will comply with the Corporation's RFA requirements, the Corporation will require an amendment of the agreement and will not issue IRS form(s) 8609 until the amendment is executed and provided to the Corporation. The RFA includes language restricting the disposition of any funds remaining in any operating deficit reserve(s) after the term of the reserve's original purpose has terminated or is near termination.

The RFA also requires the Corporation to review the limited partnership agreement or limited liability company operating agreement language on reserves for compliance with the RFA requirement. While Florida Housing will continue to require the Applicant to adhere to all requirements in the RFA including the restrictions on the disposition of any funds in an operating deficit reserve account, Florida Housing will not monitor the limited partnership agreement or limited liability company operating agreement language for compliance with these requirements, as this would require analysis

**VIABILITY, SAIL AND HC CREDIT UNDERWRITING REPORT**

**SMG**

of a legal contract. This deviation in process will be included as an Information Item in the April 29, 2022 FHFC Board Meeting.

Additional Information:

1. Per RFA 2021-208, TDC is limited on a per unit basis based on the construction type of the units as indicated by the Applicant. The Applicant has indicated a construction type of High-Rise, which had a maximum allowable per unit cost of \$475,398. Based on changes to TDC limits as approved at previous FHFC Board meetings, most recently the April 1, 2022, Telephonic FHFC Board meeting, the maximum allowable per unit cost is \$521,529.84. Rainbow Villages' final TDC per unit is \$562,829.68, which does exceed the maximum allowable TDC per the RFA. As a result the Developer Fee was reduced by \$1,924,453. At the time of the final cost certification the Developer Fee will be recalculated based on the final TDC.
2. The PHCD will require all 32 ELI units listed in the PHCD RFA Application that are set aside for HOME ARP, to be designated for homeless or those at risk of homelessness. Per Integra, the addition of this set-aside will not affect details provided in the Market Study, as all ELI units will be receiving Project Based Vouchers.
3. According to Rule 67-48.0072 (11), the minimum Debt Service Coverage ("DSC") shall be 1.10 to 1.00 for the SAIL, including superior mortgages. The combined permanent first mortgage, Viability loan and SAIL loan debt service coverage is 1.068x. However, if the Applicant defers at least 35 percent of its Developer Fee following the last disbursement of all permanent sources of funding identified in the final credit underwriting report, and in the case of a Housing Credit Development, the final cost certification documentation, and when the primary expected source of repayment has been identified as projected cash flow, the minimum DSC shall be 1.00 for the SAIL, including all superior mortgages. The Development meets the preceding guidelines.

Issues and Concerns:

1. The PCA identifies that not all required features and amenities as committed to in the Application, including ADA deficiencies are included in the plans and specs.

Mitigating Factors:

1. A Final PCA that confirms all pending items identified in the PCA report have been satisfied is a condition to close

Recommendation:

SMG recommends FHFC approve a Viability Second Mortgage in the amount of \$9,000,000 and a SAIL Third Mortgage in the amount of \$6,000,000. SMG also recommends an Annual HC allocation of \$8,285,984 be awarded to Rainbow Village for construction and permanent financing.

This recommendation is based upon the assumptions detailed in the Report Summary (Section A) and Supporting Information and Schedules (Section C). In addition, this recommendation is subject to the, SAIL Loan Conditions and HC Allocation Recommendation and Contingencies (Section B). The reader is cautioned to refer to these sections for complete information.

**VIABILITY, SAIL AND HC CREDIT UNDERWRITING REPORT**

**SMG**

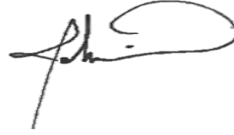
This recommendation is only valid for six months from the date of the report.

Prepared by:



Justin Coles  
Credit Underwriter

Reviewed by:



Joshua Scribner  
Credit Underwriting Manager

**Overview**

**Construction Financing Sources**

Source	Lender	Applicant	Revised Applicant	Underwriter	Interest Rate	Construction Debt Service
First Mortgage	Chase / HFAMD Bonds / Fannie	\$68,870,000	\$75,000,000	\$75,000,000	6.55%	\$8,051,580
Co-Second Mortgage	KeyBank Tax Exempt Bridge	\$0	\$0	\$13,000,000	8.06%	\$1,718,392
Co-Second Mortgage	KeyBank Taxable Bridge Loan	\$0	\$23,000,000	\$10,000,000	8.56%	\$1,403,840
Third Mortgage	FHFC Viability	\$0	\$9,000,000	\$9,000,000	1.00%	\$147,600
Fourth Mortgage	FHFC SAIL	\$6,000,000	\$6,000,000	\$6,000,000	1.00%	\$98,400
Fifth Mortgage	PHCD HOME-ARP	\$0	\$3,000,000	\$3,000,000	0.00%	\$0
Sixth Mortgage	PHCD Seller Loan	\$0	\$3,100,000	\$3,100,000	4.18%	\$212,511
Seventh Mortgage	CRA	\$0	\$15,000,000	\$15,000,000	2.00%	\$492,000
Eighth Mortgage	Miami-Dade County Grant	\$0	\$500,000	\$500,000	0.00%	\$0
HC Equity	RJAH	\$18,119,350	\$35,643,217	\$35,645,262		
Deferred Developer Fee	Developer	\$12,767,873	\$9,964,060	\$8,052,465		
<b>Total</b>		<b>\$105,757,223</b>	<b>\$180,207,277</b>	<b>\$178,297,727</b>		<b>\$12,124,323</b>

First Mortgage Financing:

Applicant submitted a term sheet from Chase dated January 4, 2024, for a first mortgage construction loan in the amount of \$75,000,000. The initial construction term shall be thirty-six (36) months from the closing date, subject to one six-month extension and will require monthly interest only payments with all principal and interest due at maturity. The interest rate will be based upon the Three-Year Term Secured Overnight Financing Rate (“SOFR”) plus 200 basis points (“bps”). As of January 16, 2024, the Three-Year Term SOFR was 3.80%. Seltzer has included an underwriting cushion of 75 bps (0.75%), for an “all-in” rate of 6.55%. There is an commitment fee of 75 bps of the loan amount.

Bridge Loan:

Applicant submitted a term sheet from KeyBank dated December 21, 2023, for a bridge construction loan in an amount up to \$23,000,000. SMG currently estimates the total amount to be \$23,000,000 which includes a tax exempt amount of \$13,000,000 and the remaining \$10,000,000 is taxable. The initial construction term shall be thirty-six (36) months from the closing date, subject to one six-month extension and will require monthly interest only payments with all principal and interest due at maturity. The interest rate for the tax exempt amount will be based upon the daily SOFR plus 200 bps. As of January 16, 2024, the daily SOFR was 5.31%, Seltzer has included an underwriting cushion of 75 basis points (0.75%), for an “all-in” rate of 8.06%. The interest rate for the taxable amount will be based upon the daily SOFR plus 250 bps. As of January 16, 2024, the daily SOFR was 5.31%, Seltzer has included an underwriting cushion of 75 basis points (0.75%), for an “all-in” rate of 8.56%. There is an origination fee of 75 bps of the loan amount.

Other Construction Sources of Funds:

Additional sources of funds for this Development during construction consist of a Viability loan in the amount of \$9,000,000, a SAIL loan in the amount of \$6,000,000, PHCD HOME-ARP funds in the amount of \$3,000,000, a PHCD Seller Loan of \$3,100,000, a CRA loan of \$15,000,000, a Miami-Dade County Grant for \$500,000, HC Equity of \$35,645,262 and deferred Developer Fees in the amount of \$8,052,465. See the Permanent Financing section below for details.

**VIABILITY, SAIL AND HC CREDIT UNDERWRITING REPORT**

**SMG**

**Permanent Financing Sources**

Source	Lender	Applicant	Revised Applicant	Underwriter	Interest Rate	Amort. Yrs.	Term Yrs.	Annual Debt
First Mortgage	KeyBank / HFAMD Bonds / Freddie	\$45,750,000	\$62,171,000	\$62,171,000	6.28%	40	16	\$4,248,787
Second Mortgage	FHFC Viability	\$0	\$9,000,000	\$9,000,000	1.00%	N/A	16.5	\$90,000
Third Mortgage	FHFC SAIL	\$6,000,000	\$6,000,000	\$6,000,000	1.00%	N/A	16.5	\$60,000
Fourth Mortgage	PHCD HOME-ARP	\$0	\$3,000,000	\$3,000,000	1.00%	N/A	30	\$30,000
Fifth Mortgage	PHCD Seller Loan	\$0	\$3,100,000	\$3,100,000	4.18%	N/A	30	\$129,580
Sixth Mortgage	CRA	\$0	\$15,000,000	\$15,000,000	2.00%	N/A	18	\$300,000
Seventh Mortgage	Miami-Dade County Grant	\$0	\$500,000	\$500,000	0.00%	N/A	N/A	\$0
HC Equity	RJAH	\$36,238,700	\$71,286,434	\$71,290,522				
Def. Developer Fee	Developer	\$12,767,873	\$10,149,843	\$8,236,205				
<b>Total</b>		<b>\$100,756,573</b>	<b>\$180,207,277</b>	<b>\$178,297,727</b>				<b>\$4,858,367</b>

First Mortgage Financing:

Per the unexecuted LOI dated December 14, 2023, KeyBank will provide a \$62,171,000 permanent loan for the Development. The permanent loan will have a term of 16 years and will amortize over a 40-year schedule with monthly principal and interest payments due. The interest rate will be fixed at closing based upon the 10-Year Treasury Rate plus a spread of 220 bps. As of January 16, 2024, the 10-Year Treasury was 4.08%, for an “all-in” rate of 6.28%. There is an permanent commitment fee of 60 bps of the loan amount. HFAMD has an on-going Issuer fee of 25 basis points based on the outstanding Note balance, and an on-going annual Fiscal Agent fee of \$4,000. The on-going fees have been incorporated into the First Mortgage Fees listed in the Operating Pro forma.

Viability

Borrower applied to FHFC under RFA 2023-211 for Viability funds in the amount of \$9,000,000. The Viability loan shall be non-amortizing with an interest rate of 1% over the life of the loan with annual payments based upon available cash flow. The Viability loan will have a total term of 20 years, of which 3.5 years is for the construction/stabilization period and 16.5 years is for the permanent period. As required by Freddie Mac and permitted by RFA 2023-211, the Viability Loan will be coterminous with the first mortgage plus six months (total term of 20 years). Closing of the Viability loan funding will be simultaneous with the closing of other Corporation funding. Annual payments of all applicable fees will be required. The Applicant shall not be obligated to pay more than 75% of surplus cash flow on an annual basis as required by Freddie Mac. Any unpaid interest will be deferred until cash flow is available. However, at maturity of the Viability Loan, all principal and unpaid interest will be due. The Annual Permanent Loan Servicing Fee is based on 25 bps of the outstanding loan amount with a maximum of \$964 per month, subject to a minimum of \$243 per month.

SAIL

Borrower applied to FHFC under RFA 2021-208 for SAIL funds in the amount of \$6,000,000. SAIL will have a total term of 20 years, of which 3.5 years is for the construction/stabilization period and 16.5 years is for the permanent period. As required by Freddie Mac and permitted by Rule 67-48, the SAIL Loan will be coterminous with the first mortgage plus six months (total term of 20 years). The Applicant shall not be

obligated to pay more than 75% of surplus cash flow on an annual basis as required by Freddie Mac The SAIL will be non-amortizing with an interest rate of 1.00% over the life of the loan with annual payments based upon available cash flow. Any unpaid interest will be deferred until cash flow is available. At the maturity of the SAIL, however, all principal and unpaid interest is due. Annual payments of all applicable fees will be required. The Annual Permanent Loan Servicing Fee is based on 25 bps of the outstanding loan amount with a maximum of \$964 per month, subject to a minimum of \$243 per month. The Compliance Monitoring Fee is based on an annual multiple program fee of \$1,054.

Miami-Dade PHCD HOME ARP Loan

Per a Memorandum dated February 21, 2023, the Miami-Dade County Board of Commissioners approved an extension of the Conditional Loan Commitment for a Miami-Dade County FY 2021 HOME ARP funding in the amount of \$3,000,000. The loan is conditionally committed for the payment of hard construction costs. The loan term is 30 years. In the case where PHCD's encumbrance is subordinate to the lien of another mortgagee, the term may be made coterminous with the longest term of the superior loan. The Applicant selected 100% of the units for HOME. The financing option selected is zero (0%) interest rate during the construction period of 2 years. Thereafter, in years 3-30, a 1.00% interest rate, with interest only payments from available Development Cash Flow with another 1.00% accruing and due at maturity. Miami-Dade also requires the overall debt service ratio to be 1.10 minimum and 1.60 maximum applicable to the first 15 years (subject to their discretion), and that 10% of the Developer fee be deferred, provided it can be paid back in 10 years.

Miami-Dade PHCD Seller Loan

Applicant provided a LOI dated February 9, 2023, from the PHCD which agrees to loan \$3,100,000 as a Seller Loan. The interest rate is equal to the long-term, annual compounding Applicable Federal Rate, which is currently 4.18% for February, 2024. Principal and accrued interest shall be due and payable at maturity. The loan has a 30-year term.

CRA Loan

Applicant provided a LOI dated July 28, 2023, from the CRA which agrees to loan \$15,000,000 to the Applicant. The interest rate is set at 2%, interest accrues and is payable from net cash flow commencing at final closing with no principal and interest payments due until maturity. The loan has an 18-year permanent period term with a 3.5 year construction/stabilization period for a total term of 21.5 years.

Miami-Dade Grant

Applicant provided a draft Grant Agreement in accordance with Resolution No R-1040-20 from Miami-Dade County. Miami-Dade County will fund \$500,000 to the development in grant funds.

Housing Credits Equity Investment:

The Applicant has applied to Florida Housing to receive 4% Housing Credits.

Based upon a December 16, 2023, Letter of Intent, RJAHI or an affiliate will purchase a 99.99% membership interest in the Applicant and provide HC equity as follows:

**VIABILITY, SAIL AND HC CREDIT UNDERWRITING REPORT**

**SMG**

Capital Contributions	Amount	Percent of Total	When Due
1st Installment	\$10,693,579	15.00%	Closing
2nd Installment	\$7,129,052	10.00%	50% completion
3rd Installment	\$17,822,631	25.00%	98% completion
4th Installment	\$35,645,260	50.00%	Later of 8609s or Stabilized Operations
<b>Total</b>	<b>\$71,290,522</b>	<b>100.00%</b>	

Annual Tax Credits per Syndication Agreement: \$8,319,446

Total HC Available to Syndicator (10 years): \$83,186,141

Syndication Percentage (investor member interest): 99.990%

Calculated HC Exchange Rate (per dollar): \$0.857

Proceeds Available During Construction: \$35,645,262

At least 15% of the total equity will be provided prior to or simultaneously with the closing of the construction / permanent financing which meets the RFA requirement.

Other Permanent Sources of Funds:

In order to balance the sources and uses of funds after all loan proceeds and capital contributions payable under the RJAHI LOI have been received, the Developer will have to defer \$8,236,205 or 30.95% of the Developer Fee of \$26,612,548. Therefore, the Applicant is meeting the Viability requirement of deferring at least 30% of the Developer Fee.



**VIABILITY, SAIL AND HC CREDIT UNDERWRITING REPORT**

**SMG**

**Uses of Funds**

<b>CONSTRUCTION COSTS:</b>	<b>Applicant Costs</b>	<b>Revised Applicant Costs</b>	<b>Underwriters Total Costs - CUR</b>	<b>Cost Per Unit</b>	<b>HC Ineligible Costs - CUR</b>
Accessory Buildings				\$0	
Demolition	\$400,000		\$468,782	\$1,512	\$468,782
Installation of Pre Fab Units				\$0	
New Rental Units	\$46,648,138	\$98,353,094	\$89,458,856	\$288,577	\$2,839,032
Off-Site Work				\$0	\$0
Recreational Amenities	\$1,063,637		\$170,000	\$548	
Rehab of Existing Common Areas				\$0	
Rehab of Existing Rental Units				\$0	
Site Work			\$6,599,897	\$21,290	\$989,985
Swimming Pool			\$487,700	\$1,573	\$487,700
Furniture, Fixture, & Equipment			\$1,168,588	\$3,770	
Hard Cost Contingency - in Constr. Cont.				\$0	
Constr. Contr. Costs subject to GC Fee	\$48,111,775	\$98,353,094	\$98,353,823	\$317,270	\$4,785,499
General Conditions	\$6,711,593	\$5,901,186	\$5,901,229	\$19,036	
Overhead		\$1,967,062	\$1,967,076	\$6,345	
Profit		\$5,901,185	\$5,901,229	\$19,036	
Builder's Risk Insurance				\$0	
General Liability Insurance		\$1,585,009	\$1,585,021	\$5,113	
Payment and Performance Bonds		\$1,987,435	\$1,986,590	\$6,408	
Contract Costs not subject to GC Fee				\$0	
<b>Total Construction Contract/Costs</b>	<b>\$54,823,368</b>	<b>\$115,694,971</b>	<b>\$115,694,968</b>	<b>\$373,210</b>	<b>\$4,785,499</b>
Hard Cost Contingency	\$2,713,757	\$5,784,749	\$5,784,748	\$18,660	
PnP Bond paid outside Constr. Contr.	\$531,788			\$0	
Fees for LOC used as Constr. Surety				\$0	
Demolition paid outside Constr. Contr.				\$0	
FF&E paid outside Constr. Contr.		\$2,243,044	\$2,243,044	\$7,236	
Other:				\$0	
<b>Total Construction Costs:</b>	<b>\$58,068,913</b>	<b>\$123,722,764</b>	<b>\$123,722,760</b>	<b>\$399,106</b>	<b>\$4,785,499</b>

*Notes to the Construction Costs:*

- The Applicant has provided an executed AIA Document A102-2017 Standard Form of Agreement between Owner and Contractor where the basis of payment is the Cost of the Work plus a Fee with a Guaranteed Maximum Price dated April 4, 2023, in the amount of \$115,694,971. Subsequently, the Applicant provided an Amendment to the Contract dated July 26, 2023, which decreases the contract amount to \$115,694,968 and updated the retainage language. The contract states the Date of Commencement is three (3) calendar days after the date of which a notice to proceed has been issued by the Owner; provided the owner does not issue a notice to proceed until after the latest of the following: shall be the later of (1) the date the Contract is executed, (2) all permits issued, (3) Lender's set aside letter or other evidence of financing satisfactory to Contractor or Contractor's surety. (Substantial Completion is expected to occur not later than 720 days (approximately 23.4 months) from the Date of Commencement. Ten (10%) percent retainage will be withheld on all work performed up to 50% completion and no retainage thereafter.

*Allowances in the GMP Agreement*

- Irrigation - \$85,000

**VIABILITY, SAIL AND HC CREDIT UNDERWRITING REPORT**

**SMG**

- Common Area Cabinetry - \$100,000
- Plumbing Fixtures (Units and Common Areas) - \$244,650
- Light Fixtures - \$400,000
- Units LVT - \$1.84/SF
- Units Porcelain Tile at Bathroom Floors - \$1.73/SF
- Units Shower floor Mosaic tile - \$3.45/SF
- Common Areas LVT - \$2.19/SF
- Common Areas Tile at Bathroom Floors - \$1.55/SF
- Common Areas Carpet at offices - \$30.40/SF
- Pool water-line tile - \$6.00/SF
- Total Allowances - \$829,650

On Solid Ground, LLC (“OSG”) is of the opinion that the allowances are within an acceptable range for the scope of work indicated.

2. The Development will include the construction of a 11,908 square foot retail space. The cost of constructing the “cold dark shell” for the retail space was estimated by the GC at \$2,839,032 (\$238.41/square foot), which is shown as an HC ineligible expense.
3. SMG received the General Contractor’s Certification of Requirements, whereby the General Contractor acknowledges and commits to adhere to all requirements related to a General Contractor as published within Rule 67-48, Florida Administrative Code.
4. General Contractor fees as stated are within the 14% maximum per RFA 2021-208 and Rules 67-21 and 67-48. Payment and Performance Bond costs reflected in the schedule of values are excluded from construction hard costs in the General Contractor fee calculation.
5. The hard cost contingency is within the 5.00% allowed by the RFA 2021-208 and Rules 67-21 and 67-48 and is not included within the GC Contract or schedule of values.
6. SMG engaged and received a Plan and Cost Analysis (“PCA”) from OSG. Complete results are set forth in Section C of this credit underwriting report.

**VIABILITY, SAIL AND HC CREDIT UNDERWRITING REPORT**

**SMG**

<b>GENERAL DEVELOPMENT COSTS:</b>	<b>Applicant Costs</b>	<b>Revised Applicant Costs</b>	<b>Underwriters Total Costs - CUR</b>	<b>Cost Per Unit</b>	<b>HC Ineligible Costs - CUR</b>
Accounting Fees	\$40,000	\$40,000	\$40,000	\$129	\$20,000
Appraisal	\$10,000	\$20,000	\$20,000	\$65	
Architect's and Planning Fees				\$0	
Architect's Fee - Green Initiative				\$0	
Architect's Fee - Landscape		\$50,000	\$50,000	\$161	
Architect's Fee - Site/Building Design	\$1,249,704	\$1,422,812	\$1,422,812	\$4,590	
Architect's Fee - Supervision	\$200,000	\$250,000	\$250,000	\$806	
Building Permits	\$358,800	\$682,000	\$682,000	\$2,200	
Builder's Risk Insurance	\$536,454	\$1,430,131	\$1,430,131	\$4,613	
Capital Needs Assessment/Rehab				\$0	
Engineering Fees	\$100,000	\$200,000	\$200,000	\$645	
Environmental Report	\$10,000	\$20,000	\$20,000	\$65	
Federal Labor Standards Monitoring				\$0	
FHFC Administrative Fees	\$214,336	\$748,707	\$754,745	\$2,435	\$754,745
FHFC Application Fee	\$350,878	\$4,000	\$8,000	\$26	\$8,000
FHFC Credit Underwriting Fee	\$19,329	\$17,845	\$29,471	\$95	\$29,471
FHFC Compliance Fee			\$368,931	\$1,190	\$368,931
FHFC Other Processing Fee(s)				\$0	
Impact Fee	\$409,967	\$423,150	\$423,150	\$1,365	
Lender Inspection Fees / Const Admin	\$60,000	\$60,000	\$60,000	\$194	
Green Building Cert. (LEED, FGBC, NGBS)	\$25,000	\$25,000	\$25,000	\$81	
Home Energy Rating System (HERS)				\$0	
Insurance	\$215,780	\$542,500	\$542,500	\$1,750	
Legal Fees - Organizational Costs	\$500,000	\$760,000	\$760,000	\$2,452	\$380,000
Local Subsidy Underwriting Fee				\$0	
Market Study	\$10,000	\$20,000	\$5,200	\$17	\$5,200
Marketing and Advertising	\$150,000	\$350,000	\$350,000	\$1,129	\$350,000
Plan and Cost Review Analysis		\$20,000	\$20,000	\$65	
Property Taxes				\$0	
Soil Test	\$10,000	\$20,000	\$20,000	\$65	
Survey	\$50,000	\$50,000	\$50,000	\$161	\$12,500
Tenant Relocation Costs	\$1,164,800	\$1,672,300	\$1,672,300	\$5,395	\$1,672,300
Title Insurance and Recording Fees	\$336,915	\$810,933	\$810,933	\$2,616	\$202,733
Traffic Study		\$15,000	\$15,000	\$48	
Utility Connection Fees	\$627,900	\$651,000	\$651,000	\$2,100	
Soft Cost Contingency	\$355,492	\$515,269	\$515,269	\$1,662	
Other:				\$0	
<b>Total General Development Costs:</b>	<b>\$7,005,355</b>	<b>\$10,820,647</b>	<b>\$11,196,442</b>	<b>\$36,118</b>	<b>\$3,803,880</b>

*Notes to the General Development Costs:*

1. Architect's Fees for Site/Building Design and Supervision are based on the Agreement between Owner and Architect, Zyscovich, Inc. dated June 17, 2020 and revised July 27, 2020.
2. Engineering Fees are based on the Proposal between the Owner and Kimley-Horn and Associates, Inc. dated November 4, 2020.
3. The FHFC Administrative Fee is based on 9% of the recommended annual allocation of HC. The FHFC Application Fee is reflective of the application fees stated in RFA 2021-208 and RFA 2023-211. The total FHFC Credit Underwriting Fees consists of \$19,329 for SAIL and HC credit underwriting, \$4,996

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for CHIRP (applicant withdrew from funding) and \$5,146 for the Viability underwriting. The FHFC Compliance Fee is estimated based upon the 2023 Compliance Fee Calculator Spreadsheet for 310 units set aside for 50 years.

4. Impact Fees and Utility Connection Fees were estimated by the Applicant.
5. Green Building Certification Fees are based on the Proposal by and between the Owner and Abney and Abney Green Solutions dated August 25, 2021, for NGBS Green Building Certification.
6. Tenant relocation costs are attributable to moving the tenant and providing temporary housing, per IRC section 162 these costs are considered eligible.
7. Soft cost contingency is within the 5% limit as allowed per the RFA 2021-208 and Rules 67-21 and 67-48.
8. Other General Development Costs are based on the Applicant's estimates, which appear reasonable.

**VIABILITY, SAIL AND HC CREDIT UNDERWRITING REPORT**

**SMG**

<b>FINANCIAL COSTS:</b>	<b>Applicant Costs</b>	<b>Revised Applicant Costs</b>	<b>Underwriters Total Costs - CUR</b>	<b>Cost Per Unit</b>	<b>HC Ineligible Costs - CUR</b>
Construction Loan Application Fee				\$0	
Construction Loan Underwriting Fee				\$0	
Construction Loan Origination Fee	\$688,700	\$750,000		\$0	
Construction Loan Commitment Fee			\$562,500	\$1,815	
Construction Loan Closing Costs	\$137,740	\$75,000	\$75,000	\$242	
Construction Loan Interest	\$3,600,000	\$8,506,622	\$8,506,622	\$27,441	\$3,481,650
Construction Loan Servicing Fees				\$0	
Permanent Loan Application Fee			\$45,000	\$145	\$45,000
Permanent Loan Underwriting Fee			\$9,000	\$29	\$9,000
Permanent Loan Commitment Fee			\$373,026	\$1,203	\$373,026
Permanent Loan Origination Fee	\$413,300	\$404,112	\$0	\$0	\$0
Permanent Loan Closing Costs	\$25,000	\$377,856	\$18,000	\$58	\$18,000
Permanent Loan Interest				\$0	\$0
Bridge Loan Origination Fee			\$172,500	\$556	
Bridge Loan Commitment Fee				\$0	
Bridge Loan Interest		\$1,935,590	\$1,935,590	\$6,244	
Local HFA Note Application Fee				\$0	\$0
Local HFA Note Underwriting Fee			\$16,009	\$52	\$16,009
Local HFA Note Cost of Issuance	\$1,033,050	\$592,535	\$565,080	\$1,823	\$565,080
Local HFA Note Closing Costs				\$0	\$0
Local HFA Note Interest				\$0	\$0
Local HFA Note Servicing Fee				\$0	\$0
SAIL Commitment Fee		\$181,000	\$60,000	\$194	\$60,000
SAIL Closing Costs			\$12,500	\$40	\$12,500
Misc Loan Underwriting Fee			\$8,500	\$27	
Misc Loan Subsidy Layering Review				\$0	
Misc Loan Origination Fee			\$90,000	\$290	
Misc Loan Closing Costs			\$12,500	\$40	
Misc Loan Interest		\$140,365	\$140,365	\$453	
Misc Loan Servicing Fee		\$56,000	\$56,000	\$181	
Legal Fees - Financing Costs		\$250,000	\$250,000	\$806	
Negative Arbitrage				\$0	
Forward Rate Lock Fee				\$0	
Placement Agent/Underwriter Fee		\$35,000	\$35,000	\$113	\$35,000
<b>Total Financial Costs:</b>	<b>\$5,897,790</b>	<b>\$13,304,080</b>	<b>\$12,943,192</b>	<b>\$41,752</b>	<b>\$4,615,265</b>
<b>Dev. Costs before Acq., Dev. Fee &amp; Reserves</b>	<b>\$70,972,058</b>	<b>\$147,847,491</b>	<b>\$147,862,394</b>	<b>\$476,975</b>	<b>\$13,204,644</b>

*Notes to the Financial Costs:*

1. Construction Local Commitment Fee is based on 0.75% of the construction loan amount per Chase.
2. Construction Loan Interest is based on the Applicants estimates.
3. Permanent Loan Commitment Fee is based on 0.60% of the permanent loan amount per KeyBank.
4. Bridge Loan Origination Fee is based on 0.75% of the bridge loan amount per KeyBank.
5. Bridge Loan Interest is based on the Applicants estimates.
6. Local HFA Note Cost of Issuance includes fees and expenses of the Issuer, Counsel, Trustee Fee, Servicer Fee, Legal, Conversion Fee and other fees.

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7. SAIL Commitment Fee consists of a 1% SAIL commitment fee based on the SAIL amount.
8. Misc Loan Origination Fee consists of a 1% Viability commitment fee based on the Viability loan amount.
9. Misc Loan Interest is a Predevelopment Loan interest from a RJAHI loan in the amount of \$2,375,000 as estimated by the Applicant.
10. The Viability and SAIL closing costs are \$12,500 each, for FHFC legal counsel fees. Viability closing costs are listed in Misc Loan Closing Costs

NON-LAND ACQUISITION COSTS	Applicant Costs	Revised Applicant Costs	Underwriters Total Costs - CUR	Cost Per Unit	HC Ineligible Costs - CUR
Brokerage Fees - Building			\$0	\$0	
Building Acquisition Cost			\$0	\$0	
Developer Fee on Non-Land Acq. Costs	\$0	\$0	\$0	\$0	
Other:				\$0	
<b>Total Non-Land Acquisition Costs:</b>	\$0	\$0	\$0	\$0	\$0

*Notes to the Non-Land Acquisition Costs:*

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

DEVELOPER FEE ON NON-ACQUISITION COSTS	Applicant Costs	Revised Applicant Costs	Underwriters Total Costs - CUR	Cost Per Unit	HC Ineligible Costs - CUR
Developer Fee - Unapportioned	\$12,767,873	\$26,612,548	\$24,688,095	\$79,639	
Other:				\$0	
<b>Total Other Development Costs:</b>	\$12,767,873	\$26,612,548	\$24,688,095	\$79,639	\$0

*Notes to the Other Development Costs:*

1. The Developer Fee as estimated by the Applicant exceeded the TDC calculation per RFA 2021-208. Subsequently the Developer Fee was reduced by \$1,924,453. At the time of final cost certification the Developer Fee will be recalculated based on the final TDC.

LAND ACQUISITION COSTS	Applicant Costs	Revised Applicant Costs	Underwriters Total Costs - CUR	Cost Per Unit	HC Ineligible Costs - CUR
Land Lease Payment	\$2,990,000	\$3,100,000	\$3,100,000	\$10,000	\$3,100,000
Other:				\$0	\$0
<b>Total Acquisition Costs:</b>	\$2,990,000	\$3,100,000	\$3,100,000	\$10,000	\$3,100,000

*Notes to the Land Acquisition Costs:*

1. Applicant provided a Lease dated April 17, 2020, between Miami-Dade County (“Landlord”) and Rainbow Development, LLC (“Tenant”), as well as a Sublease dated October 14, 2021 between Tenant and Applicant. The terms of the Sublease include a 75-year term and a \$3,100,000 lump sum ground lease payment.

The appraised value of the vacant land is \$13,300,000, which supports the lump sum and ground lease payment.

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<b>RESERVE ACCOUNTS</b>	<b>Applicant Costs</b>	<b>Revised Applicant Costs</b>	<b>Underwriters Total Costs - CUR</b>	<b>Cost Per Unit</b>	<b>HC Ineligible Costs - CUR</b>
Operating Deficit Reserve (FHFC)				\$0	\$0
Operating Deficit Reserve (Lender)				\$0	\$0
Operating Deficit Reserve (Syndicator)		\$2,647,238	\$2,647,238	\$8,539	\$2,647,238
Other:				\$0	\$0
<b>Total Reserve Accounts:</b>	\$0	\$2,647,238	\$2,647,238	\$8,539	\$2,647,238

*Notes to Reserve Accounts:*

1. Reserves – The Operating Deficit Reserve (“ODR”) is required by the Syndicator (RJAHI).

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

<b>TOTAL DEVELOPMENT COSTS</b>	<b>Applicant Costs</b>	<b>Revised Applicant Costs</b>	<b>Underwriters Total Costs - CUR</b>	<b>Cost Per Unit</b>	<b>HC Ineligible Costs - CUR</b>
<b>TOTAL DEVELOPMENT COSTS:</b>	\$86,729,931	\$180,207,277	\$178,297,727	\$575,154	\$18,951,882

*Notes to the Total Development Costs:*

1. Per RFA 2021-208, TDC is limited on a per unit basis based on the construction type of the units as indicated by the Applicant. The Applicant has indicated a construction type of High-Rise, which had a maximum allowable per unit cost of \$475,398. Based on changes to TDC limits as approved at previous FHFC Board meetings, most recently the April 1, 2022, Telephonic FHFC Board meeting, the maximum allowable per unit cost is \$521,529.84. Rainbow Villages’ final TDC per unit is \$562,829.68, which does exceed the maximum allowable TDC per the RFA. As a result the Developer Fee was reduced by \$1,924,453.

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Operating Pro forma

OPERATING PRO FORMA		ANNUAL	PER UNIT
INCOME	Gross Potential Rental Income	\$7,102,500	\$22,911
	Other Income:		
	Miscellaneous	\$779,590	\$2,515
	Gross Potential Income	\$7,882,090	\$25,426
	Less:		
	Physical Vacancy Loss - Percentage: 4.0%	(\$315,284)	(\$1,017)
Collection Loss - Percentage: 1.0%	(\$78,821)	(\$254)	
<b>Total Effective Gross Revenue</b>		\$7,487,986	\$24,155
EXPENSES	Fixed:		
	Ground Lease	\$0	\$0
	Real Estate Taxes	\$600,000	\$1,935
	Insurance	\$542,500	\$1,750
	Variable:		
	Management Fee - Percentage: 4.0%	\$299,519	\$966
	General and Administrative	\$108,500	\$350
	Payroll Expenses	\$328,600	\$1,060
	Utilities	\$255,750	\$825
	Marketing and Advertising	\$7,750	\$25
	Maintenance and Repairs	\$155,000	\$500
	Grounds Maintenance and Landscaping	\$52,700	\$170
	Contract Services	\$116,250	\$375
	Security	\$31,000	\$100
Reserve for Replacements	\$93,000	\$300	
<b>Total Expenses</b>		\$2,590,569	\$8,357
<b>Net Operating Income</b>		\$4,897,416	\$15,798
<b>Debt Service Payments</b>			
DEBT SERVICE	First Mortgage - KeyBank / HFAMD Bonds / Freddie	\$4,248,787	\$13,706
	Second Mortgage - FHFC Viability	\$90,000	\$290
	Third Mortgage - FHFC SAIL	\$60,000	\$194
	Fourth Mortgage - PHCD HOME-ARP	\$30,000	\$97
	Fifth Mortgage - PHCD Seller Loan	\$129,580	\$418
	All Other Mortgages -	\$300,000	\$968
	First Mortgage Fees - KeyBank / HFAMD Bonds / Freddie	\$159,428	\$514
	Second Mortgage Fees - FHFC Viability	\$12,622	\$41
	Third Mortgage Fees - FHFC SAIL	\$12,622	\$41
	Fourth Mortgage Fees - PHCD HOME-ARP	\$0	\$0
	Fifth Mortgage Fees - PHCD Seller Loan	\$0	\$0
	All Other Mortgages Fees -	\$0	\$0
	<b>Total Debt Service Payments</b>		\$5,043,039
<b>Cash Flow After Debt Service</b>		(\$145,623)	(\$470)



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<b>Debt Service Coverage Ratios</b>		
DSC - First Mortgage plus Fees		1.111
DSC - Second Mortgage plus Fees		1.086
DSC - Third Mortgage plus Fees		1.068
DSC - Fourth Mortgage plus Fees		1.062
DSC - Fifth Mortgage plus Fees		1.033
DSC - All Mortgages and Fees		0.971
<b>Financial Ratios</b>		
Operating Expense Ratio		34.6%
Break-Even Ratio		97.0%

*Notes to the Operating Pro forma and Ratios:*

1. The Viability and SAIL will be repaid from available cash flow. The Break-Even Ratio would be 95.9% if the Viability interest payments were excluded. If the SAIL interest payments were excluded as well, the Break-Even Ratio would be 95.1%. If you remove all payments that are cash flow dependent, the Break-Even ratio is under 90%.
2. The Development will receive RAD/HAP and Section 8 rents from HUD for 161 units. For the non RAD/HAP and Section 8 units, the Development will be utilizing SAIL and Housing Credits, which will impose rent restrictions. Rainbow Village is projected to achieve 2023 Maximum Allowable HC Rents published by Florida Housing on all units based upon the appraiser’s estimate of achievable rents per comparable properties surveyed. The Applicant engaged Matern Professional Engineering, Inc. to prepare a UA Energy Consumption Model Estimate, which was approved by Florida Housing on October 31, 2022. The model reflects the residents paying for electricity, water and sewer and the Applicant paying for electric, pest control and trash pick-up. No manager/employee units are anticipated at this time.

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

Miami – Miami Beach – Kendall HMFA / Miami-Dade County

Bed Rooms	Bath Rooms	Units	Square Feet	AMI%	Low HOME Rents	High HOME Rents	Gross HC Rent	Utility Allow.	Net Restricted Rents	PBRA Contr Rents	Applicant Rents	Appraiser Rents	CU Rents	Annual Rental Income
0	1.0	30	534	70%			\$1,265	\$58	\$1,207		\$1,207	\$1,207	\$1,207	\$434,520
1	1.0	17	676	30%	\$968		\$580	\$84	\$496	\$1,988	\$754	\$754	\$1,988	\$405,552
1	1.0	12	676	50%		\$1,239	\$968	\$84	\$884	\$1,988	\$1,988	\$754	\$1,988	\$286,272
1	1.0	8	676	50%		\$1,239	\$968	\$84	\$884	\$1,988	\$1,988	\$1,616	\$1,988	\$190,848
1	1.0	42	676	60%		\$1,239	\$1,161	\$84	\$1,077	\$1,988	\$1,988	\$1,616	\$1,988	\$1,001,952
1	1.0	54	676	70%		\$1,239	\$1,355	\$84	\$1,271		\$1,293	\$1,293	\$1,293	\$837,864
1	1.0	30	676	80%		\$1,239	\$1,549	\$84	\$1,465		\$1,487	\$1,487	\$1,487	\$535,320
2	2.0	5	1,043	30%		\$1,488	\$696	\$117	\$579	\$2,439	\$2,439	\$937	\$2,439	\$146,340
2	2.0	18	1,043	30%	\$1,161		\$696	\$117	\$579	\$2,439	\$2,439	\$1,998	\$2,439	\$526,824
2	2.0	2	1,043	50%		\$1,488	\$1,161	\$117	\$1,044	\$2,439	\$2,439	\$1,998	\$2,439	\$58,536
2	2.0	25	1,043	60%		\$1,488	\$1,393	\$117	\$1,276	\$2,439	\$2,439	\$1,998	\$2,439	\$731,700
2	2.0	18	1,043	70%		\$1,488	\$1,625	\$117	\$1,508		\$1,550	\$1,550	\$1,550	\$334,800
2	2.0	17	1,043	80%		\$1,488	\$1,858	\$117	\$1,741		\$1,783	\$1,783	\$1,783	\$363,732
3	2.0	20	1,223	30%	\$1,341		\$805	\$152	\$653	\$3,178	\$3,178	\$2,631	\$3,178	\$762,720
3	2.0	6	1,223	50%		\$1,711	\$1,341	\$152	\$1,189	\$3,178	\$3,178	\$2,631	\$3,178	\$228,816
3	2.0	2	1,223	60%		\$1,711	\$1,610	\$152	\$1,458	\$3,178	\$3,178	\$2,631	\$3,178	\$76,272
4	2.0	3	1,342	30%		\$1,889	\$898	\$189	\$709	\$3,759	\$3,759	\$3,107	\$3,759	\$135,324
4	2.0	1	1,342	60%		\$1,889	\$1,797	\$189	\$1,608	\$3,759	\$3,759	\$3,107	\$3,759	\$45,108
		310	254,475											\$7,102,500

3. Miscellaneous Income is based on “Other Income” of \$779,590 per the Applicant’s estimate.
4. Seltzer estimates a stabilized physical vacancy rate of 4% and a collection loss of 1%, resulting in a physical occupancy of 96% and an economic occupancy of 95%.
5. Real estate tax expense is based on the Appraiser’s estimate.
6. Management Fees are based upon the Management Agreement provided by the Applicant that reflects a management fee in the amount of \$10,000 per month or 4.0% of the gross collections, whichever is greater. The Agreement also includes an Incentive Fee of up to 2.00% of available cash flow. In no case shall the Base Management Fee and Incentive Fee be more than 6% of the year’s gross collections.
7. Other operating expense estimates are based on comparable properties and are supported by the appraisal.
8. Replacement Reserves in the amount of \$300 per unit per year meet RFA 2021-208 and Rules 67-21 and 67-48 requirements. RJAHI requires the replacement reserve to be increased annually by 3.00%.
9. The 15-year income and expense projection reflects a increasing debt service coverage (“DSC”) through year 15. This projection is attached to this report as Exhibit 1.

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**Section B**

**Loan Conditions**

**HC Allocation Recommendation and Contingencies**

Special Conditions

These recommendations are contingent upon the review and approval of the following items by SMG and Florida Housing at least two weeks prior to loan closing. Failure to receive approval of these items within this time frame may result in postponement of the loan closing.

1. Receipt and satisfactory review of an updated Market Study reflecting the addition of the homeless demographic for 32 units.
2. Receipt and satisfactory review of an updated Appraisal reflecting the updated HAP and Section 8 rents.
3. Receipt and satisfactory review of a final PCA that identifies all required features and amenities as committed to in the Application, including ADA deficiencies are included in and confirms all pending items identified in the PCA report have been satisfied.
4. Receipt and satisfactory review of the 2021 and 2022 Tax Returns for MAR Family Partnership, Ltd. and the Matthew A. Rieger Family Trust.
5. Receipt and satisfactory review of the schedule of contingent liabilities for HTG Affordable Holdings, LLC and MAR Family Partnership, Ltd.

General Conditions

This recommendation is contingent upon the review and approval of the following items by SMG and Florida Housing at least two weeks prior to loan closing. Failure to receive approval of these items within this time frame may result in postponement of the loan closing.

1. Borrower to comply with any and all recommendations noted in the Plan and Cost Review.
2. Signed and sealed survey, dated within 90 days of closing, unless otherwise approved by Florida Housing, and its Legal Counsel, based upon the particular circumstances of the transaction. The Survey shall be certified to Florida Housing and its Legal Counsel, as well as the title insurance company, and shall indicate the legal description, exact boundaries of the Development, easements, utilities, roads, and means of access to public streets, total acreage and flood hazard area, and any other requirements of Florida Housing.
3. Final "as permitted" (signed and sealed) site plans, building plans and specifications. The geotechnical report, if any, must be bound within the final plans and specifications.
4. Building permits and any other necessary approvals and permits (e.g., final site plan approval, water management district, Department of Environmental Protection, Army Corps of Engineers, Department of Transportation, etc.). Acceptable alternatives to this requirement are receipt and satisfactory review of a letter from the local permitting and approval authority that the above referenced permits and approvals will be issued upon receipt of applicable fees (with no other conditions), or evidence of 100% lien-free completion, if applicable. If a letter is provided, copies of all permits will be required as a condition of the first post-closing draw.
5. Final sources and uses of funds itemized by source and line item, in a format and in amounts approved by the Servicer. A detailed calculation of the construction interest based on the final draw schedule (see below), documentation of the closing costs, and draft loan closing statement must also be

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

6. A final construction draw schedule showing itemized sources and uses of funds for each monthly draw. Viability and SAIL Loan Proceeds shall be disbursed pro rata with other funding sources during the construction or rehabilitation phase, unless otherwise approved by the Credit Underwriter. The closing draw shall include appropriate backup and ACH wiring instructions.
7. Construction Period Developer Fee shall be the lesser of i) 50% of the Total Developer Fee or ii) the Total Developer Fee less the Deferred Developer Fee listed in the Sources and Uses for the construction period, as calculated by the Servicer. At closing, a maximum of 35% of the Construction Period Developer Fee may be funded. Remaining Construction Period Developer Fee will be disbursed during construction/rehabilitation on a pro rata basis, based on the percentage of completion of the development, as approved and reviewed by FHFC and Servicer.

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

8. Evidence of insurance coverage pursuant to the Request for Application governing this proposed transaction and, if applicable, the FHFC Insurance Guide.
9. The General Contractor shall secure a payment and performance bond equal to 100% of the total construction cost listing FHFC as co-obligee, whose terms do not adversely affect the Corporation's interest, issued in the name of the General Contractor, from a company rated at least "A-" by A.M. Best & Co., or a Corporation-approved alternate security for the General Contractor's performance such as a letter of credit ("LOC") issued by a financial institution with a senior long term (or equivalent) credit rating of at least "Baa3" by Moody's, or at least "BBB-" by Standard & Poor's or Fitch, or a financial rating of at least 175 by IDC Financial Publishing. The LOC must include "evergreen" language and be in a form satisfactory to Florida Housing, its Servicer and its Legal Counsel.
10. Architect, Construction Consultant, and Borrower certifications on forms provided by Florida Housing will be required for both design and as-built with respect to Section 504 of the Rehabilitation Act, the Americans with Disabilities Act ("ADA"), and Federal Fair Housing Act requirements, as applicable.
11. A copy of an Amended and Restated Operating Agreement reflecting purchase of the HC under terms consistent with the assumptions contained within this Credit Underwriting Report. The Amended and Restated Operating Agreement shall be in a form and of financial substance satisfactory to Servicer and to FHFC and its Legal Counsel.
12. Satisfactory resolution of any outstanding past due and/or noncompliance items.
13. Payment of any outstanding arrearages to the Corporation, its Legal Counsel, Servicer or any agent or assignee of the Corporation for past due issues applicable to the Development team (Applicant or Developer or Principal, Affiliate or Financial Beneficiary, as described in 67-21.0025 (5) F.A.C. and 67-48.0075 (5) F.A.C., of an Applicant or a Developer).
14. At all times there will be undisbursed loan funds (collectively held by Florida Housing, the first lender and any other source) sufficient to complete the Development. If at any time there are not sufficient

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

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

This recommendation is contingent upon the review and approval of the following items by Florida Housing and its Legal Counsel at least two weeks prior to loan closing. Failure to receive approval of these items within this time frame may result in postponement of the loan closing.

1. Documentation of the legal formation and current authority to transact business in Florida for the Borrower, the general partner/member(s)/principal(s)/manager(s) of the Borrower, the guarantors, and any limited partners/members of the Borrower.
2. Signed and sealed survey, dated within 90 days of closing, unless otherwise approved by Florida Housing, and its Legal Counsel, based upon the particular circumstances of the transaction. The Survey shall be certified to Florida Housing and its Legal Counsel, as well as the title insurance company, and shall indicate the legal description, exact boundaries of the Development, easements, utilities, roads, and means of access to public streets, total acreage and flood hazard area, and any other requirements of Florida Housing.
3. An acceptable updated Environmental Audit Report, together with a reliance letter to Florida Housing, prepared within 90 days of Viability and SAIL loan closing, unless otherwise approved by Florida Housing, and Legal Counsel, based upon the particular circumstances of the transaction. Borrower to comply with any and all recommendations noted in the Environmental Assessment(s) and Update and the Environmental Review, if applicable.
4. Title insurance pro-forma or commitment for title insurance with copies of all Schedule B exceptions, in the amount of the Viability and SAIL loans naming FHFC as the insured. All endorsements required by Florida Housing shall be provided.
5. Florida Housing and its Legal Counsel shall review and approve all other lenders closing documents and the Partnership Agreement or other applicable agreement. Florida Housing shall be satisfied in its sole discretion that all legal and program requirements for the Loans have been satisfied.
6. Evidence of insurance coverage pursuant to the Request for Application governing this proposed transaction and, if applicable, the FHFC Insurance Guide.

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7. Receipt of a legal opinion from the Borrower's Legal Counsel acceptable to Florida Housing addressing the following matters:
  - a. The legal existence and good standing of the Borrower and of any partnership or limited liability company that is the general partner of the Borrower (the "GP") and of any corporation or partnership that is the managing general partner of the GP, of any corporate guarantor and any manager;
  - b. Authorization, execution, and delivery by the Borrower and the guarantors, of all Loan documents;
  - c. The Loan documents being in full force and effect and enforceable in accordance with their terms, subject to bankruptcy and equitable principles only;
  - d. The Borrower's and the guarantor's execution, delivery and performance of the loan documents shall not result in a violation of, or conflict with, any judgments, orders, contracts, mortgages, security agreements or leases to which the Borrower is a party or to which the Development is subject to the Borrower's Partnership/Operating Agreement and;
  - e. Such other matters as Florida Housing or its Legal Counsel may require.
8. Evidence of compliance with local concurrency laws, as applicable.
9. UCC Searches for the Borrower, its partnerships, as requested by Legal Counsel.
10. Such other assignments, affidavits, certificates, financial statements, closing statements, and other documents as may be reasonably requested by Florida Housing or its Legal Counsel in form and substance acceptable to Florida Housing and its Legal Counsel, in connection with the loan(s).
11. Any other reasonable conditions established by Florida Housing and its Legal Counsel.

Additional Conditions

This recommendation is also contingent upon the following additional conditions:

1. Compliance with all provisions of Sections 420.507 and 420.5087, Florida Statutes, Rule Chapters 67-48, 67-21, 67-53 and 67-60, F.A.C., RFA 2021-208, RFA 2023-211, Section 42 I.R.C., and any other State and Federal requirements.
2. Acceptance by the Borrower and execution of all documents evidencing and securing the Viability and SAIL Loan in form and substance satisfactory to Florida Housing and its Legal Counsel, including, but not limited to, the Promissory Note(s), the Loan Agreement(s), the Mortgage and Security Agreement(s), the Land Use Restriction Agreement(s), and/or Extended Low Income Housing Agreement(s) and Final Cost Certificate.
3. If applicable, receipt and satisfactory review of Financial Statements from all Guarantors dated within 90 days of Real Estate Closing.
4. Guarantors are to provide the standard FHFC Construction Completion Guaranty, to be released upon lien free completion as approved by the Servicer.
5. Guarantors for the Viability Loan are to provide the standard FHFC Operating Deficit Guaranty. If requested in writing by the Applicant, Servicer will consider a recommendation to release the

Operating Deficit Guaranty if all conditions are met, including achievement of a 1.15 DSC on the combined permanent first mortgage and Viability Loan as determined by FHFC or its Servicer, 90% Occupancy and 90% of Gross Potential Rental Income net of utility allowances, if applicable, for a period equal to twelve (12) consecutive months, all certified by an independent Certified Public Accountant ("CPA") and verified by the Servicer. The calculation of the debt service coverage ratio shall be made by Florida Housing or the Servicer. Notwithstanding the above, the Operating Deficit Guaranty shall not terminate earlier than three (3) years following the final certificate of occupancy.

6. For the SAIL, Guarantors are to provide the standard FHFC Operating Deficit Guaranty. If requested in writing by Applicant, the Servicer will consider a recommendation to release the Operating Deficit Guaranty if all conditions are met, including achievement of a 1.15x Debt Service Coverage ("DSC") Ratio on the combined permanent first mortgage, the Viability Loan and SAIL, as determined by FHFC or the Servicer and 90% occupancy and 90% of the Gross Potential Rental Income, net of Utility Allowances, if applicable, for a period of 12 consecutive months, all certified by an independent Certified Public Accountant ("CPA"), and verified by the Servicer. The calculation of the DSC Ratio shall be made by FHFC or the Servicer. Notwithstanding the above, the Operating Deficit Guaranty shall not terminate earlier than three (3) years following the final Certificate of Occupancy ("C/O").
7. Guarantors are to provide the standard FHFC Environmental Indemnity Guaranty.
8. Guarantors are to provide the standard FHFC Guaranty of Recourse Obligations.
9. A mortgagee title insurance lender's policy naming Florida Housing as the insured second, third and fourth mortgage holder in the amount of the Loans is to be issued at closing. Any exceptions to the title insurance policy must be acceptable to Florida Housing or its Legal Counsel. All endorsements that are required by Florida Housing are to be issued and the form of the title policy must be approved prior to closing.
10. Property tax and hazard insurance escrows are to be established and maintained by the First Lender or the Servicer. In the event the reserve account is held by Florida Housing's loan servicing agent, the release of funds shall be at Florida Housing's sole discretion.
11. Replacement Reserves in the minimum amount of \$300 per unit per year are required to be deposited on a monthly basis into a designated escrow account, to be maintained by the First Mortgagee/Credit Enhancer, the Trustee, or Florida Housing's loan servicing agent. However, Applicant has the option to prepay Replacement Reserves, as allowed per RFA, in the amount of \$94,395 (one-half the required Replacement Reserves for Years 1 and 2), in order to meet the applicable DSC loan requirements. Applicant can waive this election, if at closing of the loan(s) the required DSC is met without the need to exercise the option. It is currently estimated that Replacement Reserves will be funded from Operations in the amount of \$300 per unit per year for year 1, then escalating at 3.00% per year thereafter. The initial Replacement Reserve will have limitations on the ability to be drawn. New construction or Redevelopment Developments (with or without acquisition) shall not be allowed to draw during the first five years or until the establishment of a minimum balance equal to the accumulation of five years of replacement reserves per unit.

The amount established as a Replacement Reserve shall be adjusted based on a Capital Needs Assessment ("CNA") to be received by the Corporation or its servicers, prepared by an independent third party and acceptable to the Corporation and its servicers at the time the CNA is required,



beginning no later than the 10<sup>th</sup> year after the first residential building in the Development receives a certificate of occupancy, a temporary certificate of occupancy, or is placed in service, whichever is earlier (“Initial Replacement Reserve Date”). A subsequent CNA is required no later than the 15<sup>th</sup> year after the Initial Replacement Reserve Date and subsequently every five (5) years thereafter.

12. On Solid Ground, LLC (“OSG”) or other construction inspector acceptable for Florida Housing is to act as Florida Housing’s inspector during the construction period.
13. Under the Rainbow Village construction contract, a minimum of 10% retainage holdback on all construction draws will be withheld until construction is 50% complete and thereafter no additional retainage is withheld. Retainage will not be released until successful lien free completion of construction and issuance of all certificates of occupancy, which satisfies RFA 2021-208 and Rules 67-21 and 67-48 minimum requirement.
14. Satisfactory completion of a pre-loan closing compliance audit conducted by Florida Housing or its Servicer, if applicable.
15. Closing of all funding sources prior to or simultaneous with the closing of the Viability and SAIL loans.
16. Any other reasonable requirements of the Servicer, Florida Housing or its Legal Counsel.

**Exhibit 1  
Rainbow Village  
15 Year Income and Expense Projection**

FINANCIAL COSTS:		Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11	Year 12	Year 13	Year 14	Year 15	
<b>OPERATING PRO FORMA</b>																	
INCOME	Gross Potential Rental Income	\$7,102,500	\$7,244,550	\$7,389,441	\$7,537,230	\$7,687,974	\$7,841,734	\$7,998,569	\$8,158,540	\$8,321,711	\$8,488,145	\$8,657,908	\$8,831,066	\$9,007,687	\$9,187,841	\$9,371,598	
	Rent Subsidy (ODR)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
	Other Income:																
	Ancillary Income-Parking	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
	Miscellaneous	\$779,590	\$795,182	\$811,085	\$827,307	\$843,853	\$860,730	\$877,945	\$895,504	\$913,414	\$931,682	\$950,316	\$969,322	\$988,709	\$1,008,483	\$1,028,652	
	Washer/Dryer Rentals	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
	Cable/Satellite Income	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
	Rent Concessions	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
	Alarm Income	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
	Gross Potential Income	\$7,882,090	\$8,039,732	\$8,200,526	\$8,364,537	\$8,531,828	\$8,702,464	\$8,876,514	\$9,054,044	\$9,235,125	\$9,419,827	\$9,608,224	\$9,800,388	\$9,996,396	\$10,196,324	\$10,400,250	
Less:																	
Economic Loss - Percentage:																	
Physical Vacancy Loss - Percentage: 4.0%	(\$315,284)	(\$321,589)	(\$328,021)	(\$334,581)	(\$341,273)	(\$348,099)	(\$355,061)	(\$362,162)	(\$369,405)	(\$376,793)	(\$384,329)	(\$392,016)	(\$399,856)	(\$407,853)	(\$416,010)		
Collection Loss - Percentage: 1.0%	(\$78,821)	(\$80,397)	(\$82,005)	(\$83,645)	(\$85,318)	(\$87,025)	(\$88,765)	(\$90,540)	(\$92,351)	(\$94,198)	(\$96,082)	(\$98,004)	(\$99,964)	(\$101,963)	(\$104,003)		
<b>Total Effective Gross Revenue</b>	\$7,487,986	\$7,637,745	\$7,790,500	\$7,946,310	\$8,105,236	\$8,267,341	\$8,432,688	\$8,601,342	\$8,773,368	\$8,948,836	\$9,127,813	\$9,310,369	\$9,496,576	\$9,686,508	\$9,880,238		
EXPENSES	Fixed:																
	Ground Lease	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
	Sub-Ground Lease	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
	Real Estate Taxes	\$600,000	\$618,000	\$636,540	\$655,636	\$675,305	\$695,564	\$716,431	\$737,924	\$760,062	\$782,864	\$806,350	\$830,540	\$855,457	\$881,120	\$907,554	
	Insurance	\$542,500	\$558,775	\$575,538	\$592,804	\$610,589	\$628,906	\$647,773	\$667,207	\$687,223	\$707,839	\$729,075	\$750,947	\$773,475	\$796,680	\$820,580	
	Other	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
	Variable:																
	Management Fee - Percentage: 4.0%	\$299,519	\$305,510	\$311,620	\$317,852	\$324,209	\$330,694	\$337,308	\$344,054	\$350,935	\$357,953	\$365,113	\$372,415	\$379,863	\$387,460	\$395,210	
	General and Administrative	\$108,500	\$111,755	\$115,108	\$118,561	\$122,118	\$125,781	\$129,555	\$133,441	\$137,445	\$141,568	\$145,815	\$150,189	\$154,695	\$159,336	\$164,116	
	Payroll Expenses	\$328,600	\$338,458	\$348,612	\$359,070	\$369,842	\$380,937	\$392,366	\$404,137	\$416,261	\$428,748	\$441,611	\$454,859	\$468,505	\$482,560	\$497,037	
	Utilities	\$255,750	\$263,423	\$271,325	\$279,465	\$287,849	\$296,484	\$305,379	\$314,540	\$323,976	\$333,696	\$343,707	\$354,018	\$364,638	\$375,577	\$386,845	
	Marketing and Advertising	\$7,750	\$7,983	\$8,222	\$8,469	\$8,723	\$8,984	\$9,254	\$9,532	\$9,817	\$10,112	\$10,415	\$10,728	\$11,050	\$11,381	\$11,723	
	Maintenance and Repairs	\$155,000	\$159,650	\$164,440	\$169,373	\$174,454	\$179,687	\$185,078	\$190,630	\$196,349	\$202,240	\$208,307	\$214,556	\$220,993	\$227,623	\$234,451	
	Grounds Maintenance and Landscaping	\$52,700	\$54,281	\$55,909	\$57,587	\$59,314	\$61,094	\$62,927	\$64,814	\$66,759	\$68,762	\$70,824	\$72,949	\$75,138	\$77,392	\$79,713	
	Resident Programs	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
	Contract Services	\$116,250	\$119,738	\$123,330	\$127,030	\$130,840	\$134,766	\$138,809	\$142,973	\$147,262	\$151,680	\$156,230	\$160,917	\$165,745	\$170,717	\$175,839	
	Security	\$31,000	\$31,930	\$32,888	\$33,875	\$34,891	\$35,937	\$37,016	\$38,126	\$39,270	\$40,448	\$41,661	\$42,911	\$44,199	\$45,525	\$46,890	
	Other-Pest Control	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
	Reserve for Replacements	\$93,000	\$95,790	\$98,664	\$101,624	\$104,672	\$107,812	\$111,047	\$114,378	\$117,810	\$121,344	\$124,984	\$128,734	\$132,596	\$136,574	\$140,671	
	<b>Total Expenses</b>	\$2,590,569	\$2,665,291	\$2,742,195	\$2,821,345	\$2,902,806	\$2,986,649	\$3,072,941	\$3,161,756	\$3,253,168	\$3,347,254	\$3,444,092	\$3,543,764	\$3,646,353	\$3,751,944	\$3,860,628	
<b>Net Operating Income</b>	\$4,897,416	\$4,972,454	\$5,048,305	\$5,124,966	\$5,202,430	\$5,280,693	\$5,359,747	\$5,439,585	\$5,520,200	\$5,601,582	\$5,683,720	\$5,766,605	\$5,850,224	\$5,934,563	\$6,019,610		
<b>Debt Service Payments</b>																	
DEBT SERVICE	First Mortgage - KeyBank / HFAMD Bonds / Freddie	\$4,248,787	\$4,248,787	\$4,248,787	\$4,248,787	\$4,248,787	\$4,248,787	\$4,248,787	\$4,248,787	\$4,248,787	\$4,248,787	\$4,248,787	\$4,248,787	\$4,248,787	\$4,248,787	\$4,248,787	
	Second Mortgage - FHFC Viability	\$90,000	\$90,000	\$90,000	\$90,000	\$90,000	\$90,000	\$90,000	\$90,000	\$90,000	\$90,000	\$90,000	\$90,000	\$90,000	\$90,000	\$90,000	
	Third Mortgage - FHFC SAIL	\$60,000	\$60,000	\$60,000	\$60,000	\$60,000	\$60,000	\$60,000	\$60,000	\$60,000	\$60,000	\$60,000	\$60,000	\$60,000	\$60,000	\$60,000	
	Fourth Mortgage - PHCD HOME-ARP	\$30,000	\$30,000	\$30,000	\$30,000	\$30,000	\$30,000	\$30,000	\$30,000	\$30,000	\$30,000	\$30,000	\$30,000	\$30,000	\$30,000	\$30,000	
	Fifth Mortgage - PHCD Seller Loan	\$129,580	\$129,580	\$129,580	\$129,580	\$129,580	\$129,580	\$129,580	\$129,580	\$129,580	\$129,580	\$129,580	\$129,580	\$129,580	\$129,580	\$129,580	
	All Other Mortgages -	\$300,000	\$300,000	\$300,000	\$300,000	\$300,000	\$300,000	\$300,000	\$300,000	\$300,000	\$300,000	\$300,000	\$300,000	\$300,000	\$300,000	\$300,000	
	First Mortgage Fees - KeyBank / HFAMD Bonds / Freddie	\$159,428	\$158,533	\$157,581	\$156,568	\$155,488	\$154,340	\$153,117	\$151,815	\$150,429	\$148,953	\$147,383	\$145,710	\$143,930	\$142,035	\$140,017	
	Second Mortgage Fees - FHFC Viability	\$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	
	Third Mortgage Fees - FHFC SAIL	\$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	
	Fourth Mortgage Fees - PHCD HOME-ARP	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
	Fifth Mortgage Fees - PHCD Seller Loan	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
	All Other Mortgages Fees -	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
	<b>Total Debt Service Payments</b>	\$5,043,039	\$5,042,144	\$5,041,192	\$5,040,179	\$5,039,100	\$5,037,951	\$5,036,728	\$5,035,426	\$5,034,040	\$5,032,565	\$5,030,994	\$5,029,322	\$5,027,541	\$5,025,646	\$5,023,628	
	<b>Cash Flow After Debt Service</b>	(\$145,623)	(\$69,691)	\$7,113	\$84,787	\$163,330	\$242,742	\$323,019	\$404,159	\$486,160	\$569,017	\$652,727	\$737,283	\$822,682	\$908,917	\$995,981	
<b>Debt Service Coverage Ratios</b>																	
DSC - First Mortgage plus Fees	1.111	1.128	1.146	1.163	1.181	1.199	1.218	1.236	1.255	1.274	1.293	1.312	1.332	1.352	1.372		
DSC - Second Mortgage plus Fees	1.086	1.103	1.120	1.137	1.154	1.172	1.190	1.208	1.226	1.245	1.263	1.282	1.301	1.321	1.340		
DSC - Third Mortgage plus Fees	1.068	1.085	1.102	1.119	1.136	1.153	1.171	1.189	1.207	1.225	1.243	1.262	1.281	1.300	1.319		
DSC - Fourth Mortgage plus Fees	1.062	1.078	1.095	1.112	1.129	1.146	1.163	1.181	1.199	1.217	1.235	1.254	1.272	1.291	1.310		
DSC - Fifth Mortgage plus Fees	1.033	1.049	1.065	1.081	1.098	1.115	1.132	1.149	1.166	1.184	1.201	1.219	1.237	1.256	1.274		
DSC - All Mortgages and Fees	0.971	0.986	1.001	1.017	1.032	1.048	1.064	1.080	1.097	1.113	1.130	1.147	1.164	1.181	1.198		
<b>Financial Ratios</b>																	
Operating Expense Ratio	34.6%	34.9%	35.2%	35.5%	35.8%	36.1%	36.4%	36.8%	37.1%	37.4%	37.7%	38.1%	38.4%	38.7%	39.1%		
Break-Even Ratio	97.0%	96.1%	95.1%	94.2%	93.3%	92.4%	91.6%	90.7%	89.9%	89.2%	88.4%	87.7%	87.0%	86.3%	85.6%		

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DESCRIPTION OF FEATURES AND AMENITIES

**A.** The Development will consist of:

310 Units located in 1 High-Rise residential building

Unit Mix:

Thirty (30) zero bedroom/one bath units;

One hundred sixty-three (163) one bedroom/one bath units;

Eighty-five (85) two bedrooms/two bath units;

Twenty-eight (28) three bedrooms/two bath units;

Four (4) four bedrooms/two bath units;

310 Total Units

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

The Development must meet all federal requirements and state building code requirements, including the following, incorporating the most recent amendments, regulations, and rules: The Federal Fair Housing Act as implemented by 24 CFR 100, Florida Accessibility Code for Building Construction as adopted pursuant to Section 553.503, F.S., Section 504 of the Rehabilitation Act of 1973, and Titles II and III of the Americans with Disabilities Act ("ADA") of 1990 as implemented by 28 CFR 35.

All Developments must meet accessibility standards of Section 504. Section 504 accessibility standards require a minimum of 5 percent of the total dwelling units, but not fewer than one unit, to be accessible for individuals with mobility impairments. An additional 2 percent of the total units, but not fewer than one unit, must be accessible for persons with hearing or vision impairments.

**C.** The Development must provide the following General Features:

1. Termite prevention;
2. Pest control;
3. Window covering for each window and glass door inside each unit;
4. Cable or satellite TV hook-up in each unit and, if the Development offers cable or satellite TV service to the residents, the price cannot exceed the market rate for service of similar

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DESCRIPTION OF FEATURES AND AMENITIES

quality available to the Development's residents from a primary provider of cable or satellite TV;

5. Washer and dryer hook ups in each of the Development's units or an on-site laundry facility for resident use. If the proposed Development will have an on-site laundry facility, the following requirements must be met:
  - There must be a minimum of one (1) Energy Star certified washer and one (1) Energy Star certified or commercial grade dryer per every 15 units. To determine the required number of washers and dryers for the on-site laundry facility; divide the total number of the Developments' units by 15, and then round the equation's total up to the nearest whole number;
  - At least one washing machine and one dryer shall be front loading that meets the accessibility standards of Section 504;
  - If the proposed Development consists of Scattered Sites, the laundry facility shall be located on each of the Scattered Sites, or no more than 1/16 mile from the Scattered Site with the most units, or a combination of both.
6. At least two full bathrooms in all 3 bedroom or larger new construction units; and
7. Bathtub with shower in at least one bathroom in at least 90% of the new construction units;
8. All Developments must provide a full-size range and oven in all units.

**D.** Required Accessibility Features, regardless of the age of the Development:

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

**E.** The Development must provide the following Accessibility Features in all units:

1. Primary entrance door on an accessible route shall have a threshold with no more than a ½-inch rise;
2. All door handles on primary entrance door and interior doors must have lever handles;

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DESCRIPTION OF FEATURES AND AMENITIES

3. Lever handles on all bathroom faucets and kitchen sink faucets;
  4. Mid-point on light switches and thermostats shall not be more than 48 inches above finished floor level; and
  5. Cabinet drawer handles and cabinet door handles in bathroom and kitchen shall be lever or D-pull type that operate easily using a single closed fist.
- F.** All Developments must provide reinforced walls for future installation of horizontal grab bars in place around each tub/shower and toilet, or a Corporation-approved alternative approach for grab bar installation. The installation of the grab bars must meet or exceed the 2010 ADA Standards for Accessible Design.

At the request of and at no charge to a resident household, the Development shall purchase and install grab bars around each tub/shower unit and toilet in the dwelling unit. The product specifications and installation must meet or exceed 2010 ADA Standards for Accessible Design. The Development shall inform a prospective resident that the Development, upon a resident household's request and at no charge to the household, will install grab bars around a dwelling unit's tub/shower unit and toilet, pursuant to the 2010 ADA Standards. At a minimum, the Development shall inform each prospective lessee by including language in the Development's written materials listing and describing the unit's features, as well as including the language in each household's lease.

- G.** Green Building Features required in all Developments:

All new construction units must have the features listed below:

- a. Low or No-VOC paint for all interior walls (Low-VOC means 50 grams per liter or less for flat; 150 grams per liter or less for non-flat paint);
- b. Low-flow water fixtures in bathrooms – WaterSense labeled products or the following specifications:
  - i. Toilets: 1.28 gallons/flush or less
  - ii. Urinals: 0.5 gallons/flush,
  - iii. Lavatory Faucets: 1.5 gallons/minute or less at 60 psi flow rate,
  - iv. Showerheads: 2.0 gallons/minute or less at 80 psi flow rate;
- c. Energy Star certified refrigerator;
- d. Energy Star certified dishwasher;
- e. Energy Star certified ventilation fan in all bathrooms;
- f. Water heater minimum efficiency specifications:
  - Residential Electric:

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DESCRIPTION OF FEATURES AND AMENITIES

- i. Up to 55 gallons = .95 EF or .92 UEF; or
  - ii. More than 55 gallons = Energy Star certified; or
  - iii. Tankless = Energy Star certified;
  - Residential Gas (storage or tankless/instantaneous): Energy Star certified
  - Commercial Gas Water Heater: Energy Star certified;
- g. Energy Star certified ceiling fans with lighting fixtures in bedrooms;
- h. Air Conditioning (in-unit or commercial):
- i. Air-Source Heat Pumps – Energy Star certified:
    - a.  $\geq 8.5$  HSPF/  $\geq 15$  SEER/  $\geq 12.5$  EER for split systems
    - b.  $\geq 8.2$  HSPF/  $\geq 15$  SEER/  $\geq 12$  EER for single package equipment including gas/electric package units
  - ii. Central Air Conditioners – Energy Star certified:
    - a.  $\geq 15$  SEER/  $\geq 12.5$  EER\* for split systems
    - b.  $\geq 15$  SEER/  $\geq 12$  EER\* for single package equipment including gas/electric package units.
- NOTE: Window air conditioners and portable air conditioners are not allowed. Package Terminal Air Conditioners (PTACs) / Package Terminal Heat Pumps (PTHPs) are allowed in studio and 1 bedroom units;

In addition to the required Green Building Features outlined above, proposed Developments with a Development Category of New Construction or Redevelopment, with or without acquisition, must commit to achieve one of the following Green Building Certification programs:

\_\_\_\_\_ Leadership in Energy and Environmental Design (LEED); or

\_\_\_\_\_ Florida Green Building Coalition (FGBC); or

  X   ICC 700 National Green Building Standard (NGBS); or

\_\_\_\_\_ Enterprise Green Communities.

**H.** The Applicant must provide the following Resident Programs:

The quality of the Resident Programs committed to by the Applicant is subject to approval of the Board of Directors. The availability of the Resident Programs must be publicized on an ongoing basis such as through community newsletters, bulletin board posts, or flyers.

1. Employment Assistance Program

The Applicant or its Management Company must provide, at no cost to the resident, a minimum of quarterly scheduled Employment Assistance Program workshops/meetings offering employment counseling by a knowledgeable employment counselor. Such a

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DESCRIPTION OF FEATURES AND AMENITIES

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

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

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

2. Financial Management Program

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

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

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

3. Adult Literacy

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The Applicant or its Management Company must make available, at no cost to the resident, literacy tutor(s) who will provide weekly literacy lessons to residents in private space on-site. Various literacy programming can be offered that strengthens participants' reading, writing skills, and comprehension, but at a minimum, these must include English proficiency and basic reading education.

Training must be held between the hours of 8:00 a.m. and 7:00 p.m. and electronic media, if used, must be used in conjunction with live instruction. If the Development consists of Scattered Sites, this resident program must be provided on the Scattered Site with the most units.



## COMPLETENESS AND ISSUES CHECKLIST

DEVELOPMENT NAME: Rainbow Village

DATE: JANUARY 22, 2024

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

CREDIT UNDERWRITING REQUIRED ITEMS:	STATUS	NOTE
	Satis. /Unsatis.	
1. The Development’s final “as submitted for permitting” plans and specifications. Note: Final “signed, sealed, and approved for construction” plans and specifications will be required thirty days before closing.	Satis.	
2. Final site plan and/or status of site plan approval.	Satis.	
3. Permit Status.	Satis.	
4. Pre-construction analysis (“PCA”).	Satis.	1
5. Survey.	Satis.	
6. Complete, thorough soil test reports.	Satis.	
7. Full or self-contained appraisal as defined by the Uniform Standards of Professional Appraisal Practice.	Satis.	2
8. Market Study separate from the Appraisal.	Satis.	3
9. Environmental Site Assessment – Phase I and/or Phase II if applicable (If Phase I and/or II disclosed environmental problems requiring remediation, a plan, including time frame and cost, for the remediation is required). If the report is not dated within one year of the application date, an update from the assessor must be provided indicating the current environmental status.	Satis.	
10. Audited financial statements for the most recent fiscal year ended or acceptable alternative as stated in the Rule for credit enhancers, Borrower, general partner, principals, guarantors and general contractor.	Satis.	

**VIABILITY, SAIL AND HC CREDIT UNDERWRITING REPORT**

**SMG**

11. Resumes and experience of Borrower, general contractor and management agent.	Satis.	
12. Credit authorizations; verifications of deposits and mortgage loans.	Satis.	
13. Management Agreement and Management Plan.	Satis.	
14. Firm commitment from the credit enhancer or private placement purchaser, if any.	Satis.	
15. Firm commitment letter from the syndicator, if any.	Satis.	
16. Firm commitment letter(s) for any other financing sources.	Satis.	
17. Updated sources and uses of funds.	Satis.	
18. Draft construction draw schedule showing sources of funds during each month of the construction and lease-up period.	Satis.	
19. Fifteen-year income, expense, and occupancy projection.	Satis.	
20. Executed general construction contract with “not to exceed” costs.	Satis.	
21. HC ONLY: 15% of the total equity to be provided prior to or simultaneously with the closing of the construction financing.	Satis.	
22. Any additional items required by the credit underwriter.	Satis.	

**NOTES AND APPLICANT’S RESPONSES:**

1. Receipt and satisfactory review of a final PCA that identifies all required features and amenities as committed to in the Application, including ADA deficiencies are included in and confirms all pending items identified in the PCA report have been satisfied.
2. Receipt and satisfactory review of an updated Appraisal reflecting the updated HAP and Section 8 rents.
3. Receipt and satisfactory review of an updated Market Study reflecting the addition of the homeless demographic for 32 units.

**HC Allocation Calculation**

<b>Section I: Qualified Basis Calculation</b>	
Development Cost	\$178,297,727
Less Land Cost	(\$3,100,000)
Less Federal Funds	\$0
Less Other Ineligible Cost	(\$15,851,882)
Less Disproportionate Standard	\$0
<b>Total Eligible Basis</b>	<b>\$159,345,845</b>
Applicable Fraction	100.00%
DDA/QCT Basis Credit	130.00%
Qualified Basis	\$207,149,599
Housing Credit Percentage	4.00%
Annual Housing Credit Allocation	\$8,285,984

*Notes to the Qualified Basis Calculation:*

1. Other Ineligible Costs primarily include a portion of site work, accounting fees, legal fees, a portion of construction loan interest, permanent loan origination, FHFC Loan commitment fees, FHFC administrative, application, and underwriting fees, market study, reserves, retail space, swimming pool, marketing/advertising, survey and title insurance/recording fees.
2. The Borrower committed to a set aside of 100%. Therefore, SMG has utilized an Applicable Fraction of 100.00%.
3. The Development is located within a Qualified Census Tract, 12-086-0031.00. Therefore, the 130% basis credit has been applied to the Eligible Basis
4. Per the FY 2016 Omnibus Spending and Tax Bill passed by Congress as of December 18, 2015, a permanent 4% minimum HC rate was established. For purposes of this report, a total HC percentage of 4.00% has therefore been applied.

**VIABILITY, SAIL AND HC CREDIT UNDERWRITING REPORT**

**SMG**

<b>Section II: Gap Calculation</b>	
Total Development Cost (Including Land and Ineligible Costs)	\$178,297,727
Less Mortgages	(\$98,271,000)
Less Grants	(\$500,000)
Equity Gap	\$79,526,727
Percentage to Investment Partnership	99.99%
HC Syndication Pricing	\$0.8569
HC Required to Meet Gap	\$92,816,759
Annual HC Required	\$9,281,676

*Notes to the Gap Calculation:*

1. Mortgages include the KeyBank first mortgage, FHFC Viability second mortgage, FHFC SAIL third mortgage, Miami-Dade County PHCD HOME fourth mortgage, PHCD Seller Loan fifth mortgage, CRA Loan sixth mortgage.
2. Grants include a grant from Miami-Dade County.
3. HC Syndication Pricing and Percentage to Investment Partnership are based upon the December 16, 2023, LOI from RJAHI.

<b>Section III: Tax-Exempt Bond 50% Test</b>	
Total Depreciable Cost	\$159,345,845
Plus Land Cost	\$3,100,000
Aggregate Basis	\$162,445,845
Tax-Exempt Bond Amount	\$88,000,000
Less Debt Service Reserve	\$0
Less Proceeds Used for Costs of Issuance	\$0
Plus Tax-exempt GIC Earnings	\$0
Tax-Exempt Proceeds Used for Building and Land	\$88,000,000
Proceeds Divided by Aggregate Basis	54.17%

1. SMG estimates the Tax-Exempt MMRB amount to be 54.17% of Depreciable Development Costs plus Land Acquisition Costs. If, at the time of Final Cost Certification, the Tax-Exempt Bond Amount is less than 50%, developer fees will have to be reduced by an amount to ensure compliance with the 50% Test. That may, in turn, result in a reduction to HC Equity.

<b>Section IV: Summary</b>	
HC per Qualified Basis	\$8,285,984
HC per Gap Calculation	\$9,281,676
Annual HC Recommended	\$8,285,984

*Notes to the Summary:*

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

VIABILITY, SAIL AND HC CREDIT UNDERWRITING REPORT

SMG

Viability Loan Sizing Parameters and Metrics				Cash Flow Assumptions			
Select the Development	Rainbow Village			<b>Net Operating Income:</b>			
RFA of Active Award	RFA 2021-208			Total Effective Gross Income in CUR Yr 1	\$ 7,487,985.50		
Demographic Commitment	Workforce			Total Operating Expenses in CUR Yr 1	\$ 2,590,569.42		
Total Number of Units	310			Net Operating Income in CUR Yr 1	\$ 4,897,416.08		
<b>Existing Competitive Active Awards:</b>				<b>Actual Traditional 1st Mortgage:</b>			
<b>Set-Aside Units</b>				<b>Proposed Amount of Traditional 1st Mortgage</b>	\$ 62,171,000.00		
9% HC Allocation	NA	NA		Traditional 1st Mtg Amortization (Years)	40.00		
SAIL	\$ 6,000,000	258		Traditional 1st Mtg Interest Rate	5.500%		
ELI	NA	NA		Traditional 1st Mtg Mortgage Constant	6.18924%		
NHTF	NA	NA		Local HFA Bond Fees, if applicable	\$ 159,427.50		
HOME	NA	NA		Traditional 1st Mtg DSCR	1.22x		
<b>Tax Exempt Bond Financing:</b>				Net Cash Flow (NCF) after 1st Mtg Debt Service	\$ 890,074.08		
If MMRB, how much is the Perm Amount?		NA		Debt Service (DS) on FHFC Subsidy Loans (w/ fees)	\$ 72,255.00		
<b>Viability Funding Limits:</b>				NCF after FHFC Subsidy Loans DS & Fees	\$ 817,819.08		
Gross Per Development Limit	\$ 15,000,000			<b>RFA 2023-211 Minimum 1st Mortgage:</b>			
Maximum Per Unit Limit	\$ 38,000			Maximum 1st Mtg DSCR from Viability RFA	1.25x		
Net Per Development Limit (\$15,000,000, less \$6,000,000)	\$ 9,000,000			Sized Debt Service from maximum DSCR	\$ 3,917,932.86		
Maximum Limit from PU Limit (310 units x \$38,000 PU)	\$ 11,780,000			Local HFA Fees to be included in Sized Debt Service	\$ 159,427.50		
<b>Lesser of Net Per Development or PU Limit</b>	<b>\$ 9,000,000</b>			Sized Debt Service to be incorporated, net of fees	\$ 3,758,505.36		
<b>Viability Loan Sizing Parameters</b>				Mortgage Constant to be incorporated	6.18924%		
a. Eligible Request Amount:				<b>Resulting minimum 1st Mtg</b>	<b>\$ 60,726,410.90</b>		
Applicant's Request Amount	\$ 9,000,000	If so, how much should		NCF after resulting minimum 1st Mtg	\$ 979,483.22		
Per Development/PU Limit	\$ 9,000,000	be deducted?		NCF after FHFC Subsidy Loans DS & Fees	\$ 907,228.22		
<b>Eligible Request Amount:</b>	<b>\$ 9,000,000</b>			<b>Rule Chapter 67-48.0072(28)(g)2. Variables and Process:</b>			
b. Gap Analysis for Viability Sizing Purposes Only:				Total Vacancy & Collection Rate in CUR	5.000%		
<b>Permanent Funding Sources:</b>				Revenue Growth Rate in CUR	2.000%		
		<b>DS w/ Fees</b>	<b>DSCR</b>	Operating Expense Growth Rate in CUR	3.000%		
Traditional First Mortgage	\$ 62,171,000.00	\$ 4,007,342	1.2221x	Amortization to be incorporated (Years)	40.00		
Viability	\$ 9,000,000.00	\$ 101,232	1.1920x	Interest Rate to be incorporated	7.000%		
SAIL	\$ 6,000,000.00	\$ 72,255	1.1714x	Resulting Mortgage Constant for qualifying debt	7.45718%		
FHFC Source 2 - NA	\$ -	\$ -	1.1714x	Revenue Growth Rate to be incorporated	2.000%		
FHFC Source 3 - NA	\$ -	\$ -	1.1714x	Operating Expense Growth Rate to be incorporated	3.000%		
PHCD HOME-ARP	\$ 3,000,000.00	\$ -	1.1714x	Vacancy Rate to be incorporated	7.000%		
PHCD Seller Loan	\$ 3,100,000.00	\$ -	1.1714x	Maximum DSCR for Year 1 NOI	1.50x		
CRA	\$ 15,000,000.00	\$ -	1.1714x	Maximum DSCR for Year 15 NOI	1.25x		
Miami-Dade County Grant	\$ 500,000.00	\$ -	1.1714x	Minimum NCF PU Year 1 (after 1st Mtg DS Only)	\$1,000		
<additional source>	\$ -	\$ -	1.1714x	Net Operating Income Year 1	NA		
HC Equity	\$ 71,290,522.00			Net Operating Income Year 15	NA		
Deferred Developer Fee (30-95%)	\$ 8,236,205.00			(a) Resulting Debt for Year 15 DSCR Limitations	NA		
Total Sources	\$ 178,297,727.00	\$ 4,180,829	1.1714x	(b)(i) Resulting Debt for Year 1 DSCR Limitation	NA		
Additional First Mortgage (Min 1st Sizing)	\$ -	\$ -		(b)(ii) Resulting Debt for Year 1 NCS Limitation	NA		
Additional First Mortgage (DCR Sizing)	\$ -	\$ -		(b) Greater of (b)(i) or (b)(ii)	NA		
				Lesser of (a) or (b)	NA		
				<b>Sized Minimum 1st Mortgage per Rule</b>	<b>NA</b>		
Total Development Costs	\$ 178,297,727.00			Resulting DSCR from Sized Minimum 1st Mortgage per Rule (using actual 1st mortgage debt structure)	NA		
Maximum Developer Fee Percentage	18%			<b>Verification Debt Coverage Ratio is Not Enhanced</b>			
Total Developer Fee	\$ 26,612,548.00			<b>Prior Overall Debt Coverage Ratio</b>			
Minimum 30% Deferred Developer Fee	\$ 7,983,764.40			Did the Proposed Development have a DSCR prior to the RFA 2023-211 Application Deadline?	No		
<i>*Set-Asides for MMRB are expressed as the greater of MMRB Set-Asides or 4%HC Set-Asides for purposes of calculating Compliance Monitoring Fees on the MMRB loan.</i>				If yes, what was the Net Operating Income used in calculating the DSCR?	\$ -		
				If yes, what was the total of all debt service and servicing fees of all applicable Permanent Sources of Funding used in calculating the DSCR?	\$ -		
				If yes, what was the overall Debt Coverage Ratio, inclusive of all applicable Permanent Sources of Funding?			
				The actual overall Debt Coverage Ratio, inclusive of all actual applicable Permanent Sources of Funding (excludes any additional sized 1st Mtg) is:	1.1714x		
				The actual overall Debt Coverage Ratio, inclusive of all applicable Permanent Sources of Funding (inclusive of actual debts and applicable additional gap sized 1st Mtg) is:	1.1714x		
<b>Total FHFC Servicing Fees</b>				Since there was no prior existing debt coverage ratio established or drafted prior to the Application Deadline of RFA 2023-211, there is no methodology available to verify whether the debt coverage ratio was or was not enhanced.			
<b>Permanent Loan Servicing</b>							
MMRB Annual Fee	0.000%	\$ -					
MMRB Annual Minimum	\$0	\$ -					
<b>MMRB Permanent Loan Servicing Fee</b>	<b>\$ -</b>						
Non-MMRB Annual Fee(s)	0.25%	\$ 37,500.00					
Non-MMRB Annual Minimum(s)	\$2,832	\$ 5,664.00					
Non-MMRB Annual Maximum(s)	\$11,232	\$ 22,464.00					
<b>Non-MMRB Permanent Loan Servicing Fee(s)</b>	<b>\$ 22,464.00</b>						
<b>Compliance Monitoring</b>							
MMRB Annual Base Fee	\$0	\$ -					
Additional MMRB PSAU Fee	\$0.00	\$ -					
MMRB Minimum Annual Fee	\$0	\$ -					
<b>MMRB Compliance Monitoring Fee</b>	<b>\$ -</b>						
Non-MMRB Annual Base(s)	\$2,196	\$ -					
Additional Non-MMRB PSAU Fee(s)	\$11.24	\$ -					
Non-MMRB Annual Minimum(s)	\$3,432	\$ -					
Multiple Program Fee(s)	\$1,023	\$ 1,023.00					
<b>Non-MMRB Compliance Monitoring Fee(s)</b>	<b>\$ 1,023.00</b>						
<b>FHFC MMRB Ongoing Issuer Fees</b>							
MMRB Annual Fee	0.00%	\$ -					
MMRB Annual Minimum	\$10,000	\$ -					
<b>FHFC MMRB Trustee Fees</b>							
Flat Rate	\$0	\$ -					

# **Florida Housing Finance Corporation**

*Credit Underwriting Report*

## **Sandcastle Manor**

**HOME Financing for the Construction of Small, Rural Developments**

**HOME**

**RFA 2021-206 (2022-244H)**

**Construction Inflation Response Viability Funding**

**Viability**

**RFA 2023-211 (2023-237V)**

**Section A Report Summary**

**Section B Loan Conditions**

**Section C Supporting Information and Schedules**

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*Prepared by*

***Seltzer Management Group, Inc.***

*Final Report*

*January 22, 2024*

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Sandcastle Manor

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SMG

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**Section A**  
**Report Summary**

**VIABILITY AND HOME CREDIT UNDERWRITING REPORT**

**SMG**

**Recommendation**

Seltzer Management Group, Inc. ("SMG" or "Seltzer") recommends Florida Housing Finance Corporation ("FHFC" or "Florida Housing") issue a Construction Inflation Response Viability Funding loan ("Viability") Second Mortgage of \$1,740,000, and a FHFC HOME loan Third Mortgage in the amount of \$5,544,000 for construction and permanent financing of Sandcastle Manor ("Development").

**DEVELOPMENT & SET-ASIDES**

Development Name: Sandcastle Manor

RFA/Program Numbers: RFA 2021-206 / 2022-244H RFA 2023-211 2023-237V

Address: Woodlawn Road & Mt Herman

City: Macclenny Zip Code: 32063 County: Baker County Size: Small

Development Category: New Construction Development Type: Single Family

Construction Type: Masonry

Demographic Commitment:  
Primary: Family for 100% of the Units

Unit Composition:  
# of ELI Units: 0 ELI Units Are Restricted to      AMI, or less. Total # of units with PBRA? 0  
# of Link Units: 0 Are the Link Units Demographically Restricted? No # of NHTF Units: 0

Bed Rooms	Bath Rooms	Units	Square Feet	AMI%	Low HOME Rents	High HOME Rents	Gross HC Rent	Utility Allow.	Net Restricted Rents	PBRA Contr Rents	Applicant Rents	Appraiser Rents	CU Rents	Annual Rental Income
4	2.0	5	1,750	50%	\$1,247			\$170	\$1,077		\$1,077	\$1,077	\$1,077	\$64,620
4	2.0	17	1,750	60%		\$1,502		\$170	\$1,332		\$1,394	\$1,394	\$1,332	\$271,728
		22	38,500											\$336,348

**HOME Subsidy Limits: Baker County FL HUD Metro FMR Area**

22 4 Bedroom \$273,141 \$6,009,102

Buildings: Residential - 22 Non-Residential - 0

Each Home has  
Concrete Driveway

Parking: Parking Spaces - leading to Garage Accessible Spaces - N/A

Program	% of Units	# of Units	% AMI	Term (Years)
HOME Assisted	20.0%	5	50%	50
HOME Assisted	80.0%	17	60%	50

Absorption Rate 4 units per month for 5 months.

Occupancy Rate at Stabilization: Physical Occupancy 96.00% Economic Occupancy 95.00%  
Occupancy Comments     

DDA: No QCT: Yes Multi-Phase Boost: No QAP Boost: Yes  
Site Acreage: 7.03 Density: 3.1294 Flood Zone Designation: X  
Zoning: RG, Residential General Flood Insurance Required?: No

**VIABILITY AND HOME CREDIT UNDERWRITING REPORT**

**SMG**

DEVELOPMENT TEAM		
Applicant/Borrower:	Sandcastles Foundation, Inc.	% Ownership
Executive Director	Christopher Crowder	
Officer	Jessica Criss	
Officer	Deidre Crowder	
Officer	Christopher Criss	
Officer	Chase McPhillips	
Construction Completion Guarantor(s):		
CC Guarantor 1:	Sandcastles Foundation, Inc.	
CC Guarantor 2:	FBC Holdings, LLC	
CC Guarantor 3:	Michael McPhillips	
Operating Deficit Guarantor(s):		
OD Guarantor 1:	Sandcastles Foundation, Inc.	
OD Guarantor 2:	FBC Holdings, LLC	
OD Guarantor 3:	Michael McPhillips	
Developer:	Sandcastles Foundation, Inc.	
Co-Developer:	FBC Holdings, LLC	
Principal 1	Michael McPhillips	
General Contractor 1:	Just Saying Construction, LLC	
Management Company:	Grail Management Group, LLC	
Architect:	Donnelly Architecture, Inc.	
Market Study Provider:	Walter Duke & Partners	
Appraiser:	Walter Duke & Partners	

PERMANENT FINANCING INFORMATION						
	1st Source	2nd Source	3rd Source	4th Source	5th Source	Other
Lender/Grantor	Florida Community Loan Fund	FHFC - Viability	FHFC - HOME			
Amount	\$825,000	\$1,740,000	\$5,544,000			
Underwritten Interest Rate	7.625%	1.00%	0.00%			
Loan Term	8.0	15.0	20.0			
Amortization	35.0	N/A	N/A			
Market Rate/Market Financing LTV	17.0%	52.9%	167.2%			
Restricted Market Financing LTV	24.2%	75.2%	237.8%			
Loan to Cost - Cumulative	9.7%	30.2%	95.4%			
Debt Service Coverage	1.548	1.172	1.002			

Deferred Developer Fee	\$386,729
As-Is Land Value	\$215,000
Market Rent/Market Financing Stabilized Value	\$4,850,000
Rent Restricted Market Financing Stabilized Value	\$3,410,000
Projected Net Operating Income (NOI) - Year 1	\$104,731
Projected Net Operating Income (NOI) - 15 Year	\$104,835
Year 15 Pro Forma Income Escalation Rate	2.00%
Year 15 Pro Forma Expense Escalation Rate	3.00%

**VIABILITY AND HOME CREDIT UNDERWRITING REPORT**

**SMG**

<b>CONSTRUCTION/PERMANENT SOURCES:</b>				
<b>Source</b>	<b>Lender</b>	<b>Construction</b>	<b>Permanent</b>	<b>Perm Loan/Unit</b>
Regulated Mortgage	Florida Community Loan Fund	\$825,000	\$825,000	\$37,500.00
FHFC - Viability	FHFC - Viability	\$1,740,000	\$1,740,000	\$79,090.91
FHFC - HOME	FHFC - HOME	\$5,544,000	\$5,544,000	\$252,000.00
Deferred Developer Fee	SF Inc FBC Holdings Inc	\$386,729	\$386,729	\$17,578.59
<b>TOTAL</b>		\$8,495,729	\$8,495,729	\$386,169.50

**Changes from the Application:**

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

**VIABILITY AND HOME CREDIT UNDERWRITING REPORT**

**SMG**

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

1. Changes in funding sources since the Application:

- a. A Viability Loan in the amount of \$1,740,000 from Florida Housing has been added to the financial structure as a Second Mortgage in both the construction and permanent period.

2. Changes in Development Costs Listed in Application:

- b. Development costs have increased by \$2,201,186 from \$6,294,543 in the application to \$8,495,729 primarily due to increases in Construction Costs, the addition of Wetland Mitigation Credit Costs, Financing Costs, and the addition of Land Costs.

3. Changes in Other Material Respects Listed in Application:

- a. The Management Company changed from AGPM Inc. to Grail Management Group. The new company provided their prior experience chart.
- b. The General Contractor (“GC”) changed from Bell Construction Company to Just Saying Construction, LLC (“JSC”). Due to the recent passing of the qualifying agent of the GC (Dennis Chambers), David Drenga has been selected and has applied to the Department of Business and Professional Regulation to be the new qualifying agent for JSC’s license. David Drenga’s new contractor’s license will be CBC12504 with an expiration date of August 31, 2024. The Applicant provided a revised GC Certification Form and the GC prior experience chart associated with the new qualifying agent for the GC to Florida Housing on January 3, 2024.
- c. On November 27, 2023, the Applicant submitted an Energy Consumption Model (“ECM”) to Florida Housing for approval which is a condition to close.

These changes have no material impact to the loan recommendations for this Development.

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

Florida Housing’s Past Due Report dated November 29, 2023, reflects the following past due item(s): None

Florida Housing’s Asset Management Noncompliance Report dated October 18, 2023, reflects the following noncompliance item(s): None

This recommendation is subject to satisfactory resolution of any outstanding past due and/or noncompliance items prior to loan closing.

Strengths:

- 1. The Appraiser, Walter Duke & Partners (“WDP”), indicates there is currently strong and consistent demand for low-income affordable housing, with all existing properties holding extensive waiting lists. In addition, WDP indicated the proposed development’s single-family design is unique and considered an attribute and competitive advantage over other affordable housing in the market. WDP stated the proposed development will complement the existing surrounding uses and will serve to enhance the neighborhood’s overall appeal.

**VIABILITY AND HOME CREDIT UNDERWRITING REPORT**

**SMG**

2. The Borrower/Developer, Sandcastles Foundation, Inc., is experienced in affordable multifamily housing.

Other Considerations: None

Waiver Requests/Special Conditions: None

Additional Information:

1. The Debt Service Coverage ("DSC") ratio for the first mortgage, Viability Loan and HOME Loan reflects a ratio lower than 1.10 to 1.00. According to Rule 67-48, the minimum DSC shall be 1.10 to 1.00 for the HOME Loan, including all superior mortgages. However, per Rule 67-48, if the Applicant defers at least 35 percent of its Developer Fee following the last disbursement of all permanent sources of funding identified in the final credit underwriting report, the minimum DSC shall be 1.00 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 1.002.
2. The first mortgage loan from Florida Community Loan Fund ("FCLF") has an eight-year term (8) and will mature 9 years before the Viability Loan and 2 years before the HOME Loan.

Issues and Concerns: None

Mitigating Factors: None

Recommendation:

SMG recommends FHFC approve a Viability second mortgage in the amount of \$1,740,000 and a HOME third mortgage in the amount of \$5,544,000 to be awarded to Sandcastle Manor for construction and permanent financing.

This recommendation is based upon the assumptions detailed in the Report Summary (Section A) and Supporting Information and Schedules (Section C). In addition, this recommendation is subject to the Loan Conditions (Section B). The reader is cautioned to refer to these sections for complete information.

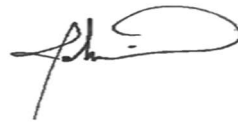
This recommendation is only valid for six months from the date of this report.

Prepared by:



Frank Sforza  
Credit Underwriter II

Reviewed by:



Josh Scribner  
Credit Underwriting Manager

**VIABILITY AND HOME CREDIT UNDERWRITING REPORT**

**SMG**

**Overview**

**Construction Financing Sources**

Source	Lender	Applicant	Revised Applicant	Underwriter	Interest Rate	Construction Debt Service
First Mortgage	Florida Community Loan Fund	\$660,000	\$825,000	\$825,000	7.125%	\$66,374
Second Mortgage	FHFC - Viability	\$0	\$1,740,000	\$1,740,000.00	1.00%	\$19,648
Third Mortgage	FHFC - HOME	\$5,544,000	\$5,544,000	\$5,544,000	0.00%	\$0
Deferred Developer Fee	SF Inc FBC Holdings Inc	\$90,543	\$386,729	\$386,729		
<b>Total</b>		<b>\$6,294,543</b>	<b>\$8,495,729</b>	<b>\$8,495,729</b>		<b>\$86,021</b>

First Mortgage:

See the Permanent Financing section below for details.

Other Construction Sources of Funds:

Additional sources of funds for this Development during construction consist of a Viability Loan in the amount of \$1,740,000.00, a HOME Loan in the amount of \$5,544,000 and deferred Developer Fees of \$386,729. See the Permanent Financing section below for details.

Construction/Stabilization Period:

A December 7, 2023 Market Study Report conducted by WDP reflected average absorption rate of four (4) units per month. WDP indicated the lease-up period will occur as individual single-family homes are completed over a five-month period.

**Permanent Financing Sources**

Source	Lender	Applicant	Revised Applicant	Underwriter	Interest Rate	Amort. Yrs.	Term Yrs.	Annual Debt Service
First Mortgage	Florida Community Loan Fund	\$660,000	\$825,000	\$825,000	7.625%	35	8	\$67,636
Second Mortgage	FHFC - Viability	\$0	\$1,740,000	\$1,740,000	1.00%	N/A	15	\$17,400
Third Mortgage	FHFC - HOME	\$5,544,000	\$5,544,000	\$5,544,000	0.00%	N/A	20	\$0
Def. Developer Fee	SF Inc FBC Holdings Inc	\$90,543	\$386,729	\$386,729				
<b>Total</b>		<b>\$6,294,543</b>	<b>\$8,495,729</b>	<b>\$8,495,729</b>				<b>\$85,036</b>

First Mortgage Financing:

The Applicant submitted a Letter of Interest (“LOI”) from FCLF dated January 2, 2024 for a loan amount up to \$836,000 (currently estimated at \$825,000). The interest rate will be fixed at 7.125% during the construction loan period (up to 2 years) and fixed at 7.625% during the eight-year (8) term of the loan with a 35-year amortization period. Payments during the construction period will be interest only.

There is an Application Fee of \$300 and a Loan Origination Fee of 0.50% of the loan amount.

**VIABILITY AND HOME CREDIT UNDERWRITING REPORT**

**SMG**

Second Mortgage Viability Loan:

Borrower applied to FHFC under RFA 2023-211 for Viability funds in the amount of \$1,740,000. The Viability loan shall be non-amortizing and shall have an interest rate of 1.00% over the life of the loan with annual payments based upon available cash flow. The Viability loan will have a total term of 17 years, of which 2 years is for the construction/stabilization period and 15 years is for the permanent period. Closing of the Viability loan funding will be simultaneous with the closing of other Corporation funding. Annual payments of all applicable fees will be required. Any unpaid interest will be deferred until cash flow is available. However, at maturity of the Viability Loan, all principal and unpaid interest will be due. The Annual Permanent Loan Servicing Fee is based on 25 bps of the outstanding loan amount with a maximum of \$964 per month, subject to a minimum of \$243 per month.

Third Mortgage HOME Loan:

The Applicant applied for a \$5,544,000 HOME loan to be issued by Florida Housing to finance this development. The loan will be non-amortizing and will bear 0% interest per annum with repayment of principal deferred until maturity. The total loan term will be 22 years including a two-year construction/stabilization period and 20 years for the permanent period. Proceeds from the HOME loan will be used to fund construction costs pursuant to Rule 67-48.019(1), F.A.C. and HUD 24 CFR Part 92. Annual payments of all applicable fees will be required. The Annual Permanent Loan Servicing Fee is based on 25 bps of the outstanding HOME loan amount with a maximum of \$964 per month, subject to a minimum of \$243 per month. The annual Compliance Monitoring Fee is comprised of a base fee of \$188 per month plus an additional fee per set-aside unit of \$11.58 per year, subject to a minimum of \$295 per month, and subject to a maximum annual increase of 3% of the prior year's fee.

Other Permanent Sources of Funds:

SMG also estimates that the Developer will have to defer \$386,729, or 35.03% of Developer Fee for payment from development operations during the permanent phase. Therefore, the Applicant is meeting the Viability requirement of deferring at least 30% of the Developer Fee and the minimum requirement of 35% Deferred Developer Fee where the minimum DSC does not meet the 1.10 to 1.00 for the HOME Loan, including all superior mortgages per the Rule (in this case the DSC is 1.002 with the minimum DSC of 1.00 for the HOME Loan, including all superior mortgages).



**VIABILITY AND HOME CREDIT UNDERWRITING REPORT**

**SMG**

**Uses of Funds**

<b>CONSTRUCTION COSTS:</b>	<b>Applicant Costs</b>	<b>Revised Applicant Costs</b>	<b>Underwriters Total Costs - CUR</b>	<b>Cost Per Unit</b>	<b>HOME Ineligible Costs - CUR</b>
Accessory Buildings	\$150,000			\$0	
Demolition				\$0	
Installation of Pre Fab Units				\$0	
New Rental Units	\$2,840,000	\$3,691,794	\$3,691,794	\$167,809	
Off-Site Work	\$160,000	\$90,000	\$90,000	\$4,091	
Recreational Amenities		\$36,786	\$36,786	\$1,672	
Rehab of Existing Common Areas				\$0	
Rehab of Existing Rental Units				\$0	
Site Work	\$600,000	\$1,080,434	\$1,080,434	\$49,111	
Swimming Pool				\$0	
Furniture, Fixture, & Equipment				\$0	
Hard Cost Contingency - in Constr. Cont.				\$0	
Constr. Contr. Costs subject to GC Fee	\$3,750,000	\$4,899,014	\$4,899,014	\$222,682	\$0
General Conditions	\$525,000	\$293,940	\$293,940	\$13,361	
Overhead		\$97,981	\$97,981	\$4,454	
Profit		\$293,940	\$293,940	\$13,361	
Builder's Risk Insurance				\$0	
General Liability Insurance				\$0	
Payment and Performance Bonds				\$0	
Contract Costs not subject to GC Fee				\$0	
<b>Total Construction Contract/Costs</b>	<b>\$4,275,000</b>	<b>\$5,584,875</b>	<b>\$5,584,875</b>	<b>\$253,858</b>	<b>\$0</b>
Hard Cost Contingency	\$213,750	\$278,454	\$278,454	\$12,657	
PnP Bond paid outside Constr. Contr.	\$150,000	\$125,000	\$125,000	\$5,682	
Fees for LOC used as Constr. Surety				\$0	
Demolition paid outside Constr. Contr.				\$0	
FF&E paid outside Constr. Contr.	\$10,000	\$70,000	\$70,000	\$3,182	
<b>Total Construction Costs:</b>	<b>\$4,648,750</b>	<b>\$6,058,329</b>	<b>\$6,058,329</b>	<b>\$275,379</b>	<b>\$0</b>

*Notes to the Actual Construction Costs:*

- The Applicant has provided a Draft AIA A102-2017 Construction Contract dated October 2, 2023, between the Applicant and Just Saying Construction, LLC ("JSC"). The contract is a standard form of Agreement between Owner and Contractor where the basis of payment is the Cost of the Work Plus a Fee with a Guaranteed Maximum Price of \$5,584,875.

The date of commencement will be a date set forth in a notice to proceed issued by the Owner. The contract requires the contractor to achieve substantial completion of the entire work not later than 450 days from the date of commencement. The contract provides for retainage of 10% until 50% completion and 5% thereafter.

Final payment will be made by the Owner to the Contractor when 1) the Contractor has fully performed the contract except for the Contractor's responsibility to correct Work 2) the Contractor has submitted a final accounting for the Cost of the Work and a final application for payment; and 3) a final certificate for payment has been issued by the Architect. The Owner's final payment to the contractor shall be made no later than 30 days after the issuance of the Architect's final certificate for payment. There were no allowances reflected in the Schedule of Values ("SOV").

**VIABILITY AND HOME CREDIT UNDERWRITING REPORT**

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An addendum to the contract will be required to comply with the Federal Labor Standards and Wage Determination requirements pursuant to the Davis-Bacon Act as well as the Section 3 Clause (Condition to Close).

Per Rule, HOME funds may only be used to pay for “non-luxury” expenses which, in the case of this development, there were no luxury items listed in the SOV.

2. SMG received the General Contractor’s Certification of Requirements indicating an understanding of GC Conditions per Rule 67-48, F.A.C.
3. General Contractor fees as stated are within the 14% maximum per the Rule and RFA 2021-206.
4. The hard cost contingency is within the 5.00% allowed by RFA 2021-206 and Rule and is not included within the GC Contract or schedule of values.
5. The estimated cost of the Payment and Performance Bond is outside the construction contract.
6. SMG engaged and received a Plan and Cost Analysis (“PCA”) from On Solid Ground, LLC (“OSG”). Complete results are set forth in Section C of this credit underwriting report.

**VIABILITY AND HOME CREDIT UNDERWRITING REPORT**

**SMG**

<b>GENERAL DEVELOPMENT COSTS:</b>	<b>Applicant Costs</b>	<b>Revised Applicant Costs</b>	<b>Underwriters Total Costs - CUR</b>	<b>Cost Per Unit</b>	<b>HOME Ineligible Costs - CUR</b>
Accounting Fees	\$25,000	\$25,000	\$25,000	\$1,136	
Appraisal	\$10,000	\$6,000	\$6,000	\$273	
Architect's and Planning Fees				\$0	
Architect's Fee - Green Initiative				\$0	
Architect's Fee - Landscape				\$0	
Architect's Fee - Site/Building Design	\$60,000	\$30,000	\$30,000	\$1,364	
Architect's Fee - Supervision	\$20,000	\$30,000	\$30,000	\$1,364	
Building Permits	\$30,000	\$30,000	\$30,000	\$1,364	
Builder's Risk Insurance	\$50,000	\$50,000	\$50,000	\$2,273	
Capital Needs Assessment/Rehab	\$25,000			\$0	
Engineering Fees	\$85,000	\$60,120	\$60,120	\$2,733	
Environmental Report	\$15,000	\$31,990	\$31,990	\$1,454	
Federal Labor Standards Monitoring				\$0	
FHFC Administrative Fees				\$0	
FHFC Application Fee	\$3,000	\$3,000	\$3,000	\$136	
FHFC Credit Underwriting Fee	\$15,000	\$22,559	\$22,559	\$1,025	
FHFC Compliance Fee			\$0	\$0	
FHFC Other Processing Fee(s)				\$0	
Impact Fee	\$56,980	\$50,600	\$50,600	\$2,300	
Lender Inspection Fees / Const Admin	\$20,000	\$22,500	\$22,500	\$1,023	
Green Building Cert. (LEED, FGBC, NGBS)	\$15,000	\$10,260	\$10,260	\$466	
Home Energy Rating System (HERS)				\$0	
Insurance	\$50,000	\$55,335	\$55,335	\$2,515	
Legal Fees - Organizational Costs	\$65,397	\$97,950	\$97,950	\$4,452	
Local Subsidy Underwriting Fee				\$0	
Market Study	\$15,000	\$5,000	\$5,000	\$227	
Marketing and Advertising	\$15,000	\$15,000	\$15,000	\$682	
Plan and Cost Review Analysis		\$2,700	\$2,700	\$123	
Property Taxes	\$20,000	\$20,000	\$20,000	\$909	
Soil Test	\$15,000	\$8,000	\$8,000	\$364	
Survey	\$20,000	\$20,000	\$20,000	\$909	
Tenant Relocation Costs				\$0	
Title Insurance and Recording Fees	\$15,000	\$15,000	\$15,000	\$682	
Traffic Study				\$0	
Utility Connection Fees	\$30,000	\$33,941	\$33,941	\$1,543	
Soft Cost Contingency	\$38,104	\$45,915	\$45,915	\$2,087	
Other: <a href="#">Wetland Mitigation Credit Costs</a>		\$127,200	\$127,200	\$5,782	
<b>Total General Development Costs:</b>	<b>\$713,481</b>	<b>\$818,070</b>	<b>\$818,070</b>	<b>\$37,185</b>	<b>\$0</b>

*Notes to the General Development Costs:*

1. Appraisal, Market Study, and Plan and Cost Review fees reflect the actual cost of the reports engaged by SMG.
2. Architect's Fees for Site/Building Design and Supervision are based on the Agreement between Owner and Architect, Donnelly Architecture, Inc., dated September 9, 2022.
3. Engineering Fees are based on the Agreement between the Owner and Plata Engineering, Inc. dated May 1, 2023.
4. Builder's Risk reflects the Applicant's builder's risk insurance during construction.

**VIABILITY AND HOME CREDIT UNDERWRITING REPORT**

**SMG**

5. There is no Administrative Fee or HC Compliance Fee as the development will not be applying for Housing Credits.
6. FHFC Credit Underwriting Fee includes the HOME underwriting fee (\$14,913), the Viability loan underwriting fee (\$5,146) and a \$2,500 additional underwriting fee charged by Seltzer following an extension filed by the Applicant.
7. The Impact Fee is based on the Applicant's estimate.
8. Applicant committed to Florida Green Building Coalition ("FGBC") and provided an FGBC contract from GreenBuilt Solutions, LLC dated March 30, 2023.
9. Legal Fees – Organizational Costs include costs associated Planned Unit Development.
10. Soft cost contingency is less than the limit of 5% of the General Development Costs (exclusive of the contingency) as required by the RFA 2021-206 and Rule.
11. Wetland Mitigation Credits Fees are based on a Mitigation Reservation and Sales Agreement executed April 4, 2023 for the purchase of \$127,200 credits associated with Sandcastle Manor.
12. Other General Development Costs are the Applicant's estimates, which appear reasonable.

**VIABILITY AND HOME CREDIT UNDERWRITING REPORT**

**SMG**

<b>FINANCIAL COSTS:</b>	<b>Applicant Costs</b>	<b>Revised Applicant Costs</b>	<b>Underwriters Total Costs - CUR</b>	<b>Cost Per Unit</b>	<b>HOME Ineligible Costs - CUR</b>
Construction Loan Application Fee		\$300	\$300	\$14	
Construction Loan Underwriting Fee				\$0	
Construction Loan Origination Fee	\$3,300	\$4,125	\$4,125	\$188	
Construction Loan Commitment Fee				\$0	
Construction Loan Closing Costs	\$7,500	\$10,000	\$10,000	\$455	
Construction Loan Interest	\$50,000	\$86,021	\$86,021	\$3,910	
Construction Loan Servicing Fees				\$0	
Permanent Loan Application Fee				\$0	
Permanent Loan Underwriting Fee				\$0	
Permanent Loan Subsidy Layering Rev.				\$0	
Permanent Loan Commitment Fee				\$0	
Permanent Loan Origination Fee	\$3,300			\$0	
Permanent Loan Closing Costs				\$0	
Permanent Loan Interest				\$0	
Permanent Loan Servicing Fee				\$0	
HOME Subsidy Layering Review				\$0	
HOME Closing Costs				\$0	
HOME Interest				\$0	
HOME Servicing Fee				\$0	
Misc Loan Application Fee				\$0	
Misc Loan Underwriting Fee				\$0	
Misc Loan Subsidy Layering Review				\$0	
Misc Loan Origination Fee				\$0	
Misc Loan Closing Costs		\$12,500	\$12,500	\$568	
Misc Loan Interest				\$0	
Misc Loan Servicing Fee				\$0	
Legal Fees - Financing Costs		\$135,423	\$135,423	\$6,156	
FHA MIP (Prepayment)				\$0	
FHA Exam Fee				\$0	
NIBP Commitment Fee				\$0	
Other: Viability Commitment Fee		\$17,400	\$17,400	\$791	
Other: HOME Extension Fee		\$55,440	\$55,440	\$2,520	
<b>Total Financial Costs:</b>	<b>\$64,100</b>	<b>\$321,209</b>	<b>\$321,209</b>	<b>\$14,600</b>	<b>\$0</b>
<b>Dev. Costs before Acq., Dev. Fee &amp; Reserves</b>	<b>\$5,426,331</b>	<b>\$7,197,608</b>	<b>\$7,197,608</b>	<b>\$327,164</b>	<b>\$0</b>

*Notes to the Financial Costs:*

1. The Construction/Permanent Loan Application is \$300 based on the LOI dated January 2, 2024 from FCLF.
2. The Construction/Permanent Loan Origination Fee is 0.50% of the Loan amount based on the LOI dated January 2, 2024 from FCLF.
3. Closing Costs are based on the Applicant's estimate.
4. Construction Loan Interest is based on the SMG's estimate. Interest is based on the construction completion and absorption estimates included in the construction schedule and Market Study. The estimate assumes a fixed interest rate during construction of 7.125%, a construction/stabilization period of 20 months, and 57% of the loans outstanding (on average) during the construction schedule. Construction Loan Interest includes both the first mortgage and Viability Loan interest calculation.
5. Miscellaneous Loan Closing Costs are the FHFC legal fees for closing associated with the Viability Loan.
6. Legal Fees – Financing Costs are based on the Applicant's estimates.

**VIABILITY AND HOME CREDIT UNDERWRITING REPORT**

**SMG**

7. Other: Viability Commitment Fee – The Viability Commitment Fee is based on 1% of the Viability Loan.
8. Other: HOME Extension Fee – The HOME firm loan commitment issuance deadline extension fee of \$55,440 is 1% of the HOME loan amount.

NON-LAND ACQUISITION COSTS	Applicant Costs	Revised Applicant Costs	Underwriters Total Costs - CUR	Cost Per Unit	HOME Ineligible Costs - CUR
Brokerage Fees - Building			\$0	\$0	
Building Acquisition Cost			\$0	\$0	
Developer Fee on Non-Land Acq. Costs		\$0	\$0	\$0	
<b>Total Non-Land Acquisition Costs:</b>	\$0	\$0	\$0	\$0	\$0

*Notes to the Non-Land Acquisition Costs:*

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

DEVELOPER FEE ON NON-ACQUISITION COSTS	Applicant Costs	Revised Applicant Costs	Underwriters Total Costs - CUR	Cost Per Unit	HOME Ineligible Costs - CUR
Developer Fee - Unapportioned	\$868,212	\$1,104,121	\$1,104,121	\$50,187	
DF to fund Operating Debt Reserve				\$0	
DF to Brokerage Fees - Land			\$0	\$0	
DF to Excess Land Costs				\$0	
DF to Excess Bldg Acquisition Costs				\$0	
DF to Consultant Fees				\$0	
DF to Guaranty Fees				\$0	
<b>Total Other Development Costs:</b>	\$868,212	\$1,104,121	\$1,104,121	\$50,187	\$0

*Notes to Developer Fee on Non-Acquisition Costs:*

1. The Developer Fee does not exceed 16% of total development costs exclusive of land acquisition and reserves as required by RFA 2021-206 and Rule.

LAND ACQUISITION COSTS	Applicant Costs	Revised Applicant Costs	Underwriters Total Costs - CUR	Cost Per Unit	HOME Ineligible Costs - CUR
Brokerage Fees - Land			\$0	\$0	
Land Acquisition Cost				\$0	
Land		\$194,000	\$194,000	\$8,818	
Land Lease Payment				\$0	
Land Carrying Costs				\$0	
<b>Total Acquisition Costs:</b>	\$0	\$194,000	\$194,000	\$8,818	\$0

*Notes to the Land Acquisition Costs:*

1. The Applicant provided a Real Property Purchase and Sale Agreement signed December 30, 2021 between Jeff DesJardins and Alexandra DesJardins (“Sellers”) and Sandcastles Foundation (“Purchaser”) for a purchase price in the amount of \$194,000.

The purchase price of the parcel is supported by the appraised value of \$215,000.

**VIABILITY AND HOME CREDIT UNDERWRITING REPORT**

**SMG**

<b>RESERVE ACCOUNTS</b>	<b>Applicant Costs</b>	<b>Revised Applicant Costs</b>	<b>Underwriters Total Costs - CUR</b>	<b>Cost Per Unit</b>	<b>HOME Ineligible Costs - CUR</b>
ACC Reserve (Lender)				\$0	
ACC Reserve (Syndicator)				\$0	
Operating Deficit Reserve (FHFC)				\$0	
Operating Deficit Reserve (Lender)				\$0	
Operating Deficit Reserve (Syndicator)				\$0	
Debt Service Coverage Reserve (FHFC)				\$0	
Debt Service Coverage Reserve (Lender)				\$0	
Debt Service Coverage Reserve (Syndicator)				\$0	
Replacement Reserves (FHFC)				\$0	
Replacement Reserves (Lender)				\$0	
Replacement Reserves (Syndicator)				\$0	
Reserves - Start-Up/Lease-up Expenses				\$0	
Reserves - Working Capital				\$0	
<b>Total Reserve Accounts:</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

*Notes to Reserve Accounts:*

- None

<b>TOTAL DEVELOPMENT COSTS</b>	<b>Applicant Costs</b>	<b>Revised Applicant Costs</b>	<b>Underwriters Total Costs - CUR</b>	<b>Cost Per Unit</b>	<b>HOME Ineligible Costs - CUR</b>
<b>TOTAL DEVELOPMENT COSTS:</b>	<b>\$6,294,543</b>	<b>\$8,495,729</b>	<b>\$8,495,729</b>	<b>\$386,170</b>	<b>\$0</b>

*Notes to the Total Development Costs:*

- Per RFA 2021-206, Total Development Costs ("TDC") is limited on a per unit basis based on the construction type of the units as indicated by the Applicant. The Applicant has indicated a construction type of new construction, Single Family Homes, ESS construction, which has a base maximum allowable per unit cost of \$311,900. Based on changes to TDC limits as approved at previous FHFC Board meetings, most recently the April 1, 2022, Telephonic FHFC Board meeting, the maximum allowable per unit cost is \$412,322. Sandcastle Manor's final TDC per unit is \$386,169.50, which does not exceed the maximum allowable TDC per the RFA.

VIABILITY AND HOME CREDIT UNDERWRITING REPORT

SMG

Operating Pro forma

OPERATING PRO FORMA		ANNUAL	PER UNIT
INCOME	Gross Potential Rental Income	\$336,348	\$15,289
	Rent Subsidy (ODR)	\$0	\$0
	Other Income:		
	Ancillary Income-Parking	\$0	\$0
	Miscellaneous	\$0	\$0
	Gross Potential Income	\$336,348	\$15,289
	Less:		
	Economic Loss - Percentage: 0.0%	\$0	\$0
	Physical Vacancy Loss - Percentage: 4.0%	(\$13,454)	(\$612)
	Collection Loss - Percentage: 1.0%	(\$3,363)	(\$153)
<b>Total Effective Gross Revenue</b>		\$319,531	\$14,524
EXPENSES	Fixed:		
	Ground Lease	\$0	\$0
	Sub-Ground Lease	\$0	\$0
	Real Estate Taxes	\$44,000	\$2,000
	Insurance	\$39,600	\$1,800
	Other	\$0	\$0
	Variable:		
	Management Fee - Percentage: 9.4%	\$30,000	\$1,364
	General and Administrative	\$19,800	\$900
	Payroll Expenses	\$33,000	\$1,500
	Utilities	\$6,600	\$300
	Marketing and Advertising	\$2,200	\$100
	Maintenance and Repairs	\$19,800	\$900
	Grounds Maintenance and Landscaping	\$11,000	\$500
	Resident Programs	\$2,200	\$100
	Contract Services	\$0	\$0
	Security	\$0	\$0
	Other-Pest Control	\$0	\$0
Reserve for Replacements	\$6,600	\$300	
<b>Total Expenses</b>		\$214,800	\$9,764
<b>Net Operating Income</b>		\$104,731	\$4,760
<b>Debt Service Payments</b>			
DEBT SERVICE	First Mortgage - Florida Community Loan Fund	\$67,636	\$3,074
	Second Mortgage - FHFC - Viability	\$17,400	\$791
	Third Mortgage - FHFC - HOME	\$0	\$0
	All Other Mortgages -	\$0	\$0
	First Mortgage Fees - Florida Community Loan Fund	\$0	\$0
	Second Mortgage Fees - FHFC - Viability	\$4,350	\$198
	Third Mortgage Fees - FHFC - HOME	\$15,108	\$687
	All Other Mortgages Fees -	\$0	\$0
<b>Total Debt Service Payments</b>		\$104,494	\$4,750
<b>Cash Flow After Debt Service</b>		\$237	\$11



**VIABILITY AND HOME CREDIT UNDERWRITING REPORT**

**SMG**

<b>Debt Service Coverage Ratios</b>	
DSC - First Mortgage plus Fees	1.548
DSC - Second Mortgage plus Fees	1.172
DSC - Third Mortgage plus Fees	1.002
DSC - All Mortgages and Fees	1.002

<b>Financial Ratios</b>	
Operating Expense Ratio	67.2%
Break-Even Ratio	95.4%

*Notes to the Operating Pro forma and Ratios:*

- The Viability loan will be repaid from available cash flow. The Break-Even Ratio would be 89.2% if the Viability interest payments were excluded.
- The rent schedule below outlines the 2023 maximum allowable HOME rents at 50% and 60% AMI. Net rents reflect the applicable utility allowances per a June 14, 2023 Utility Allowance Study provided by Florida Solar Energy Center and approved by FHFC on January 18, 2024. The Utility Allowance Study indicated Electric, Water and Sewer will be paid directly by the residents. Pest control and trash removal will be the responsibility of the Applicant.

The rent roll is shown below:

County: Baker County, FL HUD Metro FMR Area

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
4	2.0	5	1,750	50%	\$1,247			\$170	\$1,077		\$1,077	\$1,077	\$1,077	\$64,620
4	2.0	17	1,750	60%		\$1,502		\$170	\$1,332		\$1,394	\$1,394	\$1,332	\$271,728
		22	38,500											\$336,348

- The units will have washer/dryer connections.
- Seltzer utilized a physical vacancy of 4.00% and a 1.00% collection loss which is more conservative than the Appraiser's estimate.
- Real estate tax expense is based on the Applicant's estimate.
- Management fees are based upon an unexecuted/undated Management Agreement which reflects a monthly compensation fee in an amount equal to 4% of gross monies collected by the Management Company with a minimum amount of \$2,500. The minimum monthly fee equates to approximately 9.4% of gross revenue.
- Replacement Reserves are estimated at \$300 per unit per year, which meets RFA 2021-206 and the Rule minimum reserve requirement.
- Other operating expense estimates are based on comparable properties and are supported by the appraisal.
- The DSC ratio for the first mortgage, Viability Loan and HOME Loan reflects a ratio lower than 1.10 to 1.00. According to Rule 67-48, the minimum DSC shall be 1.10 to 1.00 for the HOME Loan, including all superior mortgages. However, per Rule 67-48, if the Applicant defers at least 35 percent of its

**VIABILITY AND HOME CREDIT UNDERWRITING REPORT**

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**SMG**

Developer Fee following the last disbursement of all permanent sources of funding identified in the final credit underwriting report, the minimum DSC shall be 1.00 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 1.002.

10. Debt service coverage ratios shown above are Seltzer's estimates for the first stabilized year of operations. A 15-year income and expense projection utilizing income increasing at an annual rate of 2% and expenses increasing at an annual rate of 3% is attached to this report as Exhibit 1.

**SMG**

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**Section B**

**HOME Loan Conditions**

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**JANUARY 22, 2024**

**VIABILITY AND HOME CREDIT UNDERWRITING REPORT**

**SMG**

Special Conditions

This recommendation is contingent upon the review and approval of the following items by SMG and Florida Housing at least two weeks prior to closing. Failure to receive approval of these items within this time frame may result in postponement of the closing date.

1. Receipt and satisfactory review of a final executed GC Contract that incorporates Davis Bacon and Section 3 language/requirements and is not substantially different than the contract utilized in this credit underwriting report.
2. Receipt and satisfactory review of an updated Environmental Site Assessment Report (“ESA”) not substantially different than the ESA utilized in this credit underwriting report.
3. Receipt and satisfactory review of an Executed Final Management Agreement not substantially different than the contract utilized in this credit underwriting report.
4. Florida Housing approval of the Change request associated with the new qualifying agent for the General Contractor.

General Conditions

This recommendation is contingent upon the review and approval of the following items by SMG and Florida Housing at least two weeks prior to closing. Failure to receive approval of these items within this time frame may result in postponement of the closing date.

1. Borrower to comply with any and all recommendations noted in the Plan and Cost Analysis which has been prepared by OSG.
2. Signed and sealed survey, dated within 90 days of closing, unless otherwise approved by Florida Housing, and its legal counsel, based upon the particular circumstances of the transaction. The Survey shall be certified to Florida Housing and its legal counsel, as well as the title insurance company, and shall indicate the legal description, exact boundaries of the Development, easements, utilities, roads, and means of access to public streets, total acreage and flood hazard area, and any other requirements of Florida Housing.
3. Building permits and any other necessary approvals and permits (e.g., final site plan approval, water management district, Department of Environmental Protection, Army Corps of Engineers, Department of Transportation, etc.). Acceptable alternatives to this requirement are receipt and satisfactory review of a letter from the local permitting and approval authority that the above referenced permits and approvals will be issued upon receipt of applicable fees (with no other conditions), or evidence of 100% lien-free completion, if applicable. If a letter is provided, copies of all permits will be required as a condition of the first post-closing draw.
4. The final “as permitted” (signed and sealed) site plans, building plans, and specifications showing all features and amenities committed to in the application. The Geotechnical Report must be bound within the final plans and specifications.
5. Final sources and uses of funds itemized by source and line item, in a format and in amounts approved by the Servicer. A detailed calculation of the construction interest based on the final draw schedule (see below), documentation of the closing costs, and draft loan closing statement must also be

**VIABILITY AND HOME CREDIT UNDERWRITING REPORT**

**SMG**

provided. The sources and uses of funds schedule will be attached to the Loan Agreement as the approved development budget.

6. A final construction draw schedule showing itemized sources and uses of funds for each monthly draw. Viability and HOME Program loan proceeds shall be disbursed during the construction phase in an amount per Draw on a pro rata basis with other financing, unless otherwise approved by the Corporation or the Credit Underwriter. The closing draw shall include appropriate backup and ACH wiring instructions.
7. Evidence of insurance coverage pursuant to the Request for Application (RFA) governing this proposed transaction and, as applicable, the FHFC Insurance Guide.
8. The General Contractor shall secure a payment and performance bond equal to 100 percent of the total construction cost listing FHFC as a co-obligee, whose terms do not adversely affect the Corporation's interest, issued in the name of the General Contractor, from a company rated at least "A-" by A.M. Best & Co, or a Corporation approved alternate security for the General Contractor's performance such as a letter of credit at least "Baa3" by Moody's or at least "BBB-" by Standard & Poor's or Fitch, or a financial rating of at least 175 by IDC Financial Publishing. The LOC must include "evergreen" language and be in a form satisfactory to Florida Housing, its Servicer and its Legal Counsel.
9. Architect, Construction Consultant, and Borrower certifications on forms provided by Florida Housing will be required for both design and as-built with respect to Section 504 of the Rehabilitation Act, the Americans with Disabilities Act, and Federal Fair Housing Act requirements, as applicable.
10. Completion of a Davis Bacon Federal Labor Standards and Section 3 pre-construction conference.
11. Satisfactory resolution of any outstanding past due and/or noncompliance items.
12. Payment of any outstanding arrearages to the Corporation, its legal counsel, Servicer or any agent or assignee of the Corporation for past due issues applicable to the development team (Applicant or Developer or Principal, Affiliate or Financial Beneficiary, as described in 67-48.0075(5) F.A.C., of an Applicant or a Developer).
13. Construction Period Developer Fee shall be the lesser of i) 50% of the Total Developer Fee or ii) the Total Developer Fee less the Deferred Developer Fee listed in the Sources and Uses for the construction period, as calculated by the Servicer. At closing, a maximum of 35% of the Construction Period Developer Fee may be funded. Remaining Construction Period Developer Fee will be disbursed during construction/rehabilitation on a pro rata basis, based on the percentage of completion of the development, as approved and reviewed by FHFC and Servicer.

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

14. At the end of the Compliance Period, any remaining balance of the ODR less amounts that may be permitted to be drawn (which includes Deferred Developer Fee and reimbursements for authorized member/partner and guarantor loan(s) pursuant to the operating/partnership agreement), will be used to pay FHFC debt; if there is no FHFC loan debt on the proposed Development at the end of the

**VIABILITY AND HOME CREDIT UNDERWRITING REPORT**

**SMG**

Compliance Period, any remaining balance shall be used to pay any outstanding FHFC fees. If any balance is remaining in the ODR after the payments above, the amount should be placed in a Replacement Reserve account for the Development. In no event shall the payments of amounts to Applicant or the Developer from the Reserve Account cause the Developer fee or General Contractor Fee to exceed the applicable percentage limitations provided for in the Rule. Any and all terms and conditions of the ODR must be acceptable to FHFC, its Servicer and its Legal Counsel.

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

1. Documentation of the legal formation and current authority to transact business in Florida for the Borrower, the general partner/principal(s)/manager(s) of the Applicant, the guarantors, and any limited partners of the Applicant.
2. Signed and sealed survey, dated within 90 days of closing, unless otherwise approved by Florida Housing, and its legal counsel, based upon the particular circumstances of the transaction. The Survey shall be certified to Florida Housing and its legal counsel, as well as the title insurance company, and shall indicate the legal description, exact boundaries of the Development, easements, utilities, roads, and means of access to public streets, total acreage and flood hazard area, and any other requirements of Florida Housing.
3. An acceptable updated Environmental Audit Report, together with a reliance letter to Florida Housing, prepared within 90 days of closing, unless otherwise approved by Florida Housing, and legal counsel, based upon the particular circumstances of the transaction. Borrower to comply with any and all recommendations noted in the Environmental Assessment(s) and Update and the Environmental Review, if applicable.
4. Title insurance pro-forma or commitment for title insurance with copies of all Schedule B exceptions, in the amount of the Loan naming FHFC as the insured. All endorsements required by FHFC shall be provided.
5. Florida Housing and its legal counsel shall review and approve all other lenders closing documents and the operating agreement or other applicable agreement. Florida Housing shall be satisfied in its sole discretion that all legal and program requirements for the Viability and HOME loans have been satisfied.
6. Evidence of insurance coverage pursuant to the Request for Application (RFA) governing this proposed transaction and, as applicable, the FHFC Insurance Guide.
7. Receipt of a legal opinion from the Borrower's legal counsel acceptable to Florida Housing addressing the following matters:
  - a. The legal existence and good standing of the Borrower and of any partnership or limited liability company that is the general partner of the Borrower (the "GP") and of any corporation or partnership that is the managing general partner of the GP, of any corporate guarantor and any manager.;

**VIABILITY AND HOME CREDIT UNDERWRITING REPORT**

**SMG**

- b. Authorization, execution, and delivery by the Borrower and the guarantors, of all Loan documents;
  - c. The Loan documents being in full force and effect and enforceable in accordance with their terms, subject to bankruptcy and equitable principles only;
  - d. The Borrower's and the guarantor's execution, delivery and performance of the loan documents shall not result in a violation of, or conflict with, any judgments, orders, contracts, mortgages, security agreements or leases to which the Borrower is a party or to which the Development is subject to the Borrower's Partnership Agreement and;
  - e. Such other matters as Florida Housing or its legal counsel may require.
8. Evidence of compliance with local concurrency laws, as applicable.
  9. Such other assignments, affidavits, certificates, financial statements, closing statements and other documents as may be reasonably requested by Florida Housing or its legal counsel in form and substance acceptable to Florida Housing or its legal counsel, in connection with the Viability Loan and HOME Loan.
  10. UCC Searches for the Borrower, its partnerships, as requested by counsel.
  11. Evidence of Flood Insurance coverage as applicable to the FHFC Insurance Guide.
  12. Any other reasonable conditions established by Florida Housing and its Legal Counsel.

Additional Conditions

This recommendation is also contingent upon the following additional conditions:

1. Compliance with all provisions of Sections 420.507 and 420.5089, Florida Statutes, Rule Chapter 67-48, F.A.C., Rule Chapter 67-53, F.A.C., Rule Chapter 67-60, F.A.C., RFA 2021-206, RFA 2023-211, HUD Rule 24 CFR Part 92 and any other local, State, and Federal requirements.
2. Acceptance by the Applicant and execution of all documents evidencing and securing the Viability Loan and HOME Loan in form and substance satisfactory to Florida Housing, including, but not limited to, the Promissory Note, the Loan Agreement, the Mortgage and Security Agreement, and the Land Use Restriction Agreement.
3. At all times there will be undisbursed loan funds (collectively held by Florida Housing, First Lender and any other sources) sufficient to complete the development. If at any time there are not sufficient funds (held by Florida Housing, First Lender and any other sources) to complete the Development, the Borrower will be required to expend additional equity on development costs or to deposit additional equity with Florida Housing which is sufficient (in Florida Housing's judgment) to complete the development before additional Loan funds are disbursed. This condition specifically includes escrowing at closing all syndication and other equity necessary to complete construction or another alternative acceptable to Florida Housing in its sole discretion.
4. Guarantors are to provide the standard FHFC Construction Completion Guaranty, to be released upon lien free completion as approved by the Servicer.
5. For the Viability Loan, Guarantors are to provide the standard FHFC Operating Deficit Guaranty. If requested in writing by the Applicant, the Servicer will consider a recommendation to release the Operating Deficit Guaranty if all conditions are met, including achievement of a 1.15 to 1.00 debt

**VIABILITY AND HOME CREDIT UNDERWRITING REPORT**

**SMG**

service coverage on the combined permanent first mortgage and Viability Loan, as determined by FHFC, or the Servicer, and 90 percent occupancy, and 90 percent of the gross potential rental income, net of utility allowances, if applicable, for a period equal to 12 consecutive months, all as certified by an independent Certified Public Accountant, and verified by the Servicer. The calculation of the debt service coverage ratio shall be made by FHFC or the Servicer. Notwithstanding the above, the Operating Deficit Guaranty shall not terminate earlier than three (3) years following the final certificate of occupancy.

6. For the HOME Loan, Guarantors are to provide the standard FHFC Operating Deficit Guaranty. If requested in writing by the Applicant, the Servicer will consider a recommendation to release the Operating Deficit Guaranty if all conditions are met, including achievement of a 1.15 to 1.00 debt service coverage on the combined permanent first mortgage, Viability Loan and HOME Loan, as determined by FHFC, or the Servicer, and 90 percent occupancy, and 90 percent of the gross potential rental income, net of utility allowances, if applicable, for a period equal to 12 consecutive months, all as certified by an independent Certified Public Accountant, and verified by the Servicer. The calculation of the debt service coverage ratio shall be made by FHFC or the Servicer. Notwithstanding the above, the Operating Deficit Guaranty shall not terminate earlier than three (3) years following the final certificate of occupancy.
7. Guarantors are to provide the standard FHFC Environmental Indemnity.
8. Guarantors are to provide the standard FHFC Guaranty of Recourse Obligations.
9. Closing of all the funding sources simultaneous with or prior to closing of the Viability and HOME loans.
10. A mortgagee title insurance policy naming Florida Housing as the insured in the amount of the Viability Loan and HOME Loan is to be issued immediately after closing. Any exceptions to the title insurance policy must be acceptable to Florida Housing or its legal counsel.
11. Property tax and hazard insurance escrows are to be established and maintained by the First Lender or the Servicer. In the event the reserve account is held by Florida Housing's loan servicing agent, the release of funds shall be at Florida Housing's sole discretion.
12. Replacement Reserve in the amount of \$300 per unit per year are required to be deposited on a monthly basis into a designated escrow account, to be maintained by the First Mortgagee or Florida Housing's loan servicing agent. However, Applicant has the option to prepay Replacement Reserves, as allowed per the Rule in the amount of \$6,600 (one-half the required Replacement Reserves for years 1 and 2), in order to meet the applicable DSC loan requirements. Applicant can waive this election, if at closing of the loan(s) the required DSC is met without the need to exercise the option. It is currently estimated that Replacement Reserves will be funded from Operations in the amount of \$300 per unit per year for years 1 and 2, followed by \$300 per unit per year thereafter. The initial Replacement Reserve will have limitations on the ability to be drawn. New Construction developments shall not be allowed to draw during the first five (5) years or until establishment of a minimum balance equal to the accumulation of five (5) years of replacement reserves per unit.

The amount established as a Replacement Reserve shall be adjusted based on a Capital Needs Assessment ("CNA") to be received by the Corporation or its servicers at the time the CNA is required, beginning no later than the 10<sup>th</sup> year after the first residential building in the development receives a



**VIABILITY AND HOME CREDIT UNDERWRITING REPORT**

**SMG**

certificate of occupancy, a temporary certificate of occupancy, or is placed in service, whichever is earlier ("Initial Replacement Reserve Date"). A subsequent CNA is required no later than the 15<sup>th</sup> year after the Initial Replacement Reserve Date and subsequently every five (5) years thereafter.

13. OSG is to act as Florida Housing's inspector during the construction period.
14. A minimum of 10% retainage holdback on all construction draws until the Development is 50% completed, and 0% retainage thereafter is required. Retainage will not be released until successful lien free completion of construction and issuance of all certificates of occupancy. The general construction contract indicates a 10% retainage holdback through 50% completion then 5% retainage thereafter, which satisfies RFA 2021-206 and Rule minimum requirement.
15. HOME funds are subject to the National Environmental Policy Act ("NEPA") of 1969 and related federal environmental authorities and regulations at 24 CFR Part 58 "Environmental Review Procedures." No HOME funds may be committed to a development before completion of the environmental review process and HUD approval of the environmental review and Request for Release of Funds.
16. Satisfactory evidence of compliance with the Davis-Bacon Act and other applicable Federal Labor Standards during the construction of this development. Evidence of compliance must be through satisfactory completion of a compliance audit by HUD and its authorized subcontractor.
17. Satisfactory completion of a pre-loan closing compliance audit conducted by Florida Housing or its Servicer, if applicable.
18. Receipt of the environmental review confirming compliance with the HUD environmental requirements as provided in 24 CFR Part 92 and 24 CFR Part 58.
19. Satisfactory receipt of the Affirmative Fair Housing Marketing Plan.
20. The Development shall meet the Section 3 requirements of the Housing and Urban Development Act of 1968 as amended (12 U.S.C 1701u and 24CFR Part 135).
21. Receipt and satisfactory review of updated financial statements for Guarantors dated within 90 days of closing.
22. Any other reasonable requirements of the Servicer, Florida Housing or its Legal Counsel.

**EXHIBIT 1**  
**SANDCASTLE MANOR**  
**15 YEAR INCOME AND EXPENSE PROJECTION**

FINANCIAL COSTS:	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11	Year 12	Year 13	Year 14	Year 15
<b>OPERATING PRO FORMA</b>															
Gross Potential Rental Income	\$336,348	\$343,075	\$349,936	\$356,935	\$364,074	\$371,355	\$378,782	\$386,358	\$394,085	\$401,967	\$410,006	\$418,206	\$426,571	\$435,102	\$443,804
Rent Subsidy (ODR)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Other Income:															
Ancillary Income-Parking	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Miscellaneous	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Gross Potential Income	\$336,348	\$343,075	\$349,936	\$356,935	\$364,074	\$371,355	\$378,782	\$386,358	\$394,085	\$401,967	\$410,006	\$418,206	\$426,571	\$435,102	\$443,804
Less:															
Economic Loss - Percentage:															
Physical Vacancy Loss - Percentage: 4.0%	(\$13,454)	(\$13,723)	(\$13,997)	(\$14,277)	(\$14,563)	(\$14,854)	(\$15,151)	(\$15,454)	(\$15,763)	(\$16,079)	(\$16,400)	(\$16,728)	(\$17,063)	(\$17,404)	(\$17,752)
Collection Loss - Percentage: 1.0%	(\$3,363)	(\$3,431)	(\$3,499)	(\$3,569)	(\$3,641)	(\$3,714)	(\$3,788)	(\$3,864)	(\$3,941)	(\$4,020)	(\$4,100)	(\$4,182)	(\$4,266)	(\$4,351)	(\$4,438)
<b>Total Effective Gross Revenue</b>	<b>\$319,531</b>	<b>\$325,921</b>	<b>\$332,440</b>	<b>\$339,088</b>	<b>\$345,870</b>	<b>\$352,788</b>	<b>\$359,843</b>	<b>\$367,040</b>	<b>\$374,381</b>	<b>\$381,869</b>	<b>\$389,506</b>	<b>\$397,296</b>	<b>\$405,242</b>	<b>\$413,347</b>	<b>\$421,614</b>
Fixed:															
Ground Lease	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Sub-Ground Lease	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Real Estate Taxes	\$44,000	\$45,320	\$46,680	\$48,080	\$49,522	\$51,008	\$52,538	\$54,114	\$55,738	\$57,410	\$59,132	\$60,906	\$62,733	\$64,615	\$66,554
Insurance	\$39,600	\$40,788	\$42,012	\$43,272	\$44,570	\$45,907	\$47,284	\$48,703	\$50,164	\$51,669	\$53,219	\$54,816	\$56,460	\$58,154	\$59,899
Other	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Variable:															
Management Fee - Percentage: 9.4%	\$30,000	\$30,600	\$31,212	\$31,836	\$32,473	\$33,122	\$33,785	\$34,460	\$35,150	\$35,853	\$36,570	\$37,301	\$38,047	\$38,808	\$39,584
General and Administrative	\$19,800	\$20,394	\$21,006	\$21,636	\$22,285	\$22,954	\$23,642	\$24,352	\$25,082	\$25,835	\$26,610	\$27,408	\$28,230	\$29,077	\$29,949
Payroll Expenses	\$33,000	\$33,990	\$35,010	\$36,060	\$37,142	\$38,256	\$39,404	\$40,586	\$41,803	\$43,058	\$44,349	\$45,680	\$47,050	\$48,462	\$49,915
Utilities	\$6,600	\$6,798	\$7,002	\$7,212	\$7,428	\$7,651	\$7,881	\$8,117	\$8,361	\$8,612	\$8,870	\$9,136	\$9,410	\$9,692	\$9,983
Marketing and Advertising	\$2,200	\$2,266	\$2,334	\$2,404	\$2,476	\$2,550	\$2,627	\$2,706	\$2,787	\$2,871	\$2,957	\$3,045	\$3,137	\$3,231	\$3,328
Maintenance and Repairs	\$19,800	\$20,394	\$21,006	\$21,636	\$22,285	\$22,954	\$23,642	\$24,352	\$25,082	\$25,835	\$26,610	\$27,408	\$28,230	\$29,077	\$29,949
Grounds Maintenance and Landscaping	\$11,000	\$11,330	\$11,670	\$12,020	\$12,381	\$12,752	\$13,135	\$13,529	\$13,934	\$14,353	\$14,783	\$15,227	\$15,683	\$16,154	\$16,638
Resident Programs	\$2,200	\$2,266	\$2,334	\$2,404	\$2,476	\$2,550	\$2,627	\$2,706	\$2,787	\$2,871	\$2,957	\$3,045	\$3,137	\$3,231	\$3,328
Reserve for Replacements	\$6,600	\$6,600	\$6,600	\$6,600	\$6,600	\$6,600	\$6,600	\$6,600	\$6,600	\$6,600	\$6,798	\$7,002	\$7,212	\$7,428	\$7,651
<b>Total Expenses</b>	<b>\$214,800</b>	<b>\$220,746</b>	<b>\$226,864</b>	<b>\$233,160</b>	<b>\$239,638</b>	<b>\$246,305</b>	<b>\$253,165</b>	<b>\$260,224</b>	<b>\$267,488</b>	<b>\$274,963</b>	<b>\$282,653</b>	<b>\$290,473</b>	<b>\$299,330</b>	<b>\$307,929</b>	<b>\$316,779</b>
<b>Net Operating Income</b>	<b>\$104,731</b>	<b>\$105,175</b>	<b>\$105,575</b>	<b>\$105,928</b>	<b>\$106,232</b>	<b>\$106,483</b>	<b>\$106,679</b>	<b>\$106,816</b>	<b>\$106,893</b>	<b>\$106,906</b>	<b>\$106,853</b>	<b>\$106,823</b>	<b>\$106,913</b>	<b>\$106,918</b>	<b>\$106,835</b>
<b>Debt Service Payments</b>															
First Mortgage - Florida Community Loan Fund	\$67,636	\$67,636	\$67,636	\$67,636	\$67,636	\$67,636	\$67,636	\$67,636	\$67,636	\$67,636	\$67,636	\$67,636	\$67,636	\$67,636	\$67,636
Second Mortgage - FHFC - Viability	\$17,400	\$17,400	\$17,400	\$17,400	\$17,400	\$17,400	\$17,400	\$17,400	\$17,400	\$17,400	\$17,400	\$17,400	\$17,400	\$17,400	\$17,400
Third Mortgage - FHFC - HOME	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
All Other Mortgages -	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
First Mortgage Fees - Florida Community Loan Fund	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Second Mortgage Fees - FHFC - Viability	\$4,350	\$4,350	\$4,350	\$4,350	\$4,350	\$4,350	\$4,350	\$4,350	\$4,350	\$4,350	\$4,350	\$4,350	\$4,350	\$4,350	\$4,350
Third Mortgage Fees - FHFC - HOME	\$15,108	\$15,214	\$15,324	\$15,436	\$15,552	\$15,672	\$15,795	\$15,922	\$16,052	\$16,187	\$16,325	\$16,468	\$16,615	\$16,767	\$16,923
All Other Mortgages Fees -	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>Total Debt Service Payments</b>	<b>\$104,494</b>	<b>\$104,600</b>	<b>\$104,709</b>	<b>\$104,822</b>	<b>\$104,938</b>	<b>\$105,059</b>	<b>\$105,181</b>	<b>\$105,308</b>	<b>\$105,438</b>	<b>\$105,573</b>	<b>\$105,711</b>	<b>\$105,854</b>	<b>\$106,001</b>	<b>\$106,152</b>	<b>\$106,308</b>
<b>Cash Flow After Debt Service</b>	<b>\$237</b>	<b>\$575</b>	<b>\$866</b>	<b>\$1,106</b>	<b>\$1,294</b>	<b>\$1,425</b>	<b>\$1,498</b>	<b>\$1,509</b>	<b>\$1,455</b>	<b>\$1,333</b>	<b>\$941</b>	<b>\$469</b>	<b>(\$88)</b>	<b>(\$734)</b>	<b>(\$1,473)</b>
<b>Debt Service Coverage Ratios</b>															
DSC - First Mortgage plus Fees	1.548	1.555	1.561	1.566	1.571	1.574	1.577	1.579	1.580	1.581	1.577	1.572	1.566	1.559	1.550
DSC - Second Mortgage plus Fees	1.172	1.177	1.181	1.185	1.188	1.191	1.193	1.195	1.196	1.196	1.193	1.189	1.185	1.179	1.173
DSC - Third Mortgage plus Fees	1.002	1.006	1.008	1.011	1.012	1.014	1.014	1.014	1.014	1.013	1.009	1.004	0.999	0.993	0.986
DSC - All Mortgages and Fees	1.002	1.006	1.008	1.011	1.012	1.014	1.014	1.014	1.014	1.013	1.009	1.004	0.999	0.993	0.986
<b>Financial Ratios</b>															
Operating Expense Ratio	67.2%	67.7%	68.2%	68.8%	69.3%	69.8%	70.4%	70.9%	71.4%	72.0%	72.6%	73.2%	73.9%	74.5%	75.1%
Break-Even Ratio	95.4%	95.3%	95.2%	95.2%	95.1%	95.1%	95.1%	95.1%	95.1%	95.1%	95.2%	95.4%	95.5%	95.6%	95.8%

SANDCASTLE MANOR  
RFA 2021-206 (2022-244H) / RFA 2023-211 (2023-237V)  
DESCRIPTION OF FEATURES AND AMENITIES

**A.** The Development will consist of:

22 Single Family Homes located in 22 residential buildings

Unit Mix:

Twenty-Two (22) four bedroom / two bath units;

**22 Total Units**

**B.** The Development is to be constructed in accordance with the final plans and specifications approved by the appropriate city or county building or planning department or equivalent agency, and approved as reflected in the Pre-Construction Analysis prepared for Florida Housing or its Servicer, unless a change has been approved in writing by Florida Housing or its Servicer. The Development will conform to requirements of local, state & federal laws, rules, regulations, ordinances, orders and codes, Florida Accessibility Code for Building Construction as adopted pursuant to Section 553.503, Florida Statutes, The Fair Housing Act as implemented by 24 CFR 100, Section 504 of the Rehabilitation Act of 1973, and Titles II and III of the Americans with Disabilities Act of 1990 as implemented by 28 CFR 35, incorporating the most recent amendments, regulations and rules.

\*All Developments must comply with Section 504 of the Rehabilitation Act of 1973, as implemented by 24 CFR Part 8 ("Section 504 and its related regulations"). All Developments must meet accessibility standards of Section 504. Section 504 accessibility standards require a minimum of 5 percent of the total dwelling units, but not fewer than one unit, to be accessible for individuals with mobility impairments. An additional 2 percent of the total units, but not fewer than one unit, must be for persons with hearing or visual impairments.

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

Federal and state law and building code regulations requires that programs, activities, and facilities be readily accessible to and usable by persons with disabilities. Florida Housing requires that the design, construction, or alteration of its financed Developments be in compliance with federal and state accessibility requirements. When more than one law and accessibility standard applies, the Applicant shall comply with the standard (2010 ADA Standards, Section 504, Fair Housing Act, or Florida Building Code, Accessibility) which affords

the greater level of accessibility for the residents and visitors. Areas required to be made accessible to mobility- impaired residents and their visitors, including those in wheelchairs, shall include, but not be limited to, accessible routes and entrances, paths of travel, primary function areas, parking, trash bins, mail and package receiving areas for residents, pool and other amenities, including paths of travel to amenities and laundry rooms, including washers and dryers.

**C. The Development must provide the following General Features:**

1. Broadband infrastructure which includes cables, fiber optics, wiring, or other infrastructure, as long as the installation results in accessibility in each unit;
2. Termite prevention and pest control throughout the entire Compliance Period;
3. Window covering for each window and glass door inside each unit;
4. Cable or satellite TV hook-up in each unit and, if the Development offers cable or satellite TV service to the residents, the price cannot exceed the market rate for service of similar quality available to the Development's residents from a primary provider of cable or satellite TV;
5. Washer and dryer hook ups in each of the Development's units or an on-site laundry facility for resident use. If the proposed Development will have an on-site laundry facility, the following requirements must be met:
  - There must be a minimum of one (1) Energy Star certified washer and one (1) Energy Star certified or commercial grade dryer per every 15 units. To determine the required number of washers and dryers for the on-site laundry facility; divide the total number of the Development's units by 15, and then round the equation's total up to the nearest whole number;
  - At least one washing machine and one dryer shall be front loading that meets the accessibility standards of Section 504;
  - If the proposed Development consists of Scattered Sites, the laundry facility shall be located on each of the Scattered Sites, or no more than 1/16 mile from the Scattered Site with the most units, or a combination of both.
6. At least two full bathrooms in all 3 bedroom or larger units;
7. Bathtub with shower in at least one bathroom in at least 90 percent of the non-Elderly units;
8. A full-size range and oven in all units.

**D.** The Development must provide the following Accessibility, Universal Design and Visitability Features in all units:

1. Primary entrance doors on an accessible route shall have a threshold with no more than a ½-inch rise;
2. All door handles on primary entrance door and interior doors must have lever handles;
3. Lever handles on all bathroom faucets and kitchen sink faucets;
4. Mid-point on light switches and thermostats shall not be more than 48 inches above finished floor level; and
5. Cabinet drawer handles and cabinet door handles in bathroom and kitchen shall be lever or D-pull type that operate easily using a single closed fist.

**E.** In addition to the 5 percent mobility requirement outlined above, all Family Demographic Developments must provide reinforced walls for future installation of horizontal grab bars in place around each tub/shower and toilet, or a Corporation-approved alternative approach for grab bar installation. The installation of the grab bars must meet or exceed the 2010 ADA Standards for Accessible Design.

At the request of and at no charge to a resident household, the Development shall purchase and install grab bars around each tub/shower unit and toilet in the dwelling unit. The product specifications and installation must meet or exceed 2010 ADA Standards for Accessible Design. The Development shall inform a prospective resident that the Development, upon a resident household's request and at no charge to the household, will install grab bars around a dwelling unit's tub/shower unit and toilet, pursuant to the 2010 ADA Standards. At a minimum, the Development shall inform each prospective lessee by including language in the Development's written materials listing and describing the unit's features, as well as including the language in each household's lease.

**F.** Green Building Features required in all Developments:

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

1. Low or No-VOC paint for all interior walls (50 grams per liter or less for flat; 150 grams per liter or less for non-flat paint);
2. Low-flow water fixtures in bathrooms—WaterSense labeled products or the following specifications:
  - Toilets: 1.28 gallons/flush or less,
  - Lavatory Faucets: 1.5 gallons/minute or less at 60 psi flow rate,
  - Showerheads: 2.0 gallons/minute or less at 80 psi flow rate,
  - Urinals: 0.5 gallons/flush,
3. Energy Star certified refrigerator;
4. Energy Star certified dishwasher;

5. Energy Star certified ventilation fan in all bathrooms;
6. Water heater minimum efficiency specifications:
  - Residential Electric:
    - Up to 55 gallons = .95 EF or .92 UEF; or
    - More than 55 gallons = Energy Star certified; or
    - Tankless = 0.97 EF and Max GPM of  $\geq 2.5$  over a 77° rise or 0.87 UEF and GPM of  $\geq 2.9$  over a 67° rise;
  - Residential Gas (storage or tankless/instantaneous): Energy Star certified,
  - Commercial Gas Water Heater: Energy Star certified;
7. Energy Star certified ceiling fans with lighting fixtures in bedrooms;
8. Air Conditioning (in-unit or commercial):
  - Air-Source Heat Pumps – Energy Star certified:
    - $\geq 8.5$  HSPF/  $\geq 15$  SEER/  $\geq 12.5$  EER for split systems
    - $\geq 8.2$  HSPF  $\geq 15$  SEER/  $\geq 12$  EER for single package equipment including gas/electric package units
  - Central Air Conditioners – Energy Star certified:
    - $\geq 15$  SEER/  $\geq 12.5$  EER\* for split systems
    - $\geq 15$  SEER/  $\geq 12$  EER\* for single package equipment including gas/electric package units.

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

  - Package Terminal Air Conditioners (PTACs) – minimum Energy Efficiency Ratio (EER) required by the Florida Building Code – Energy Conservation standards (current edition);
  - Package Terminal Heat Pumps (PTHPs) – minimum Energy Efficiency Ratio (EER) and Coefficient of Performance (COP) required by the Florida Building Code – Energy Conservation standards (current edition);

In addition to the required Green Building features outlined in above, proposed Developments must achieve one of the following Green Building Certification programs: Leadership in Energy and Environmental Design (LEED); **Florida Green Building Coalition (FGBC)**; or ICC 700 National Green Building Standard (NGBS). The Applicant chose FGBC.

**G.** The Development will provide the following Resident Services:

1. Adult Literacy – The Applicant or its Management Company must make available, at no cost to the resident, literacy tutor(s) who will provide weekly literacy lessons to residents in private space on-site. Various literacy programming can be offered that strengthens participants' reading, writing skills, and comprehension, but at a minimum, these must include English

- proficiency and basic reading education. Training must be held between the hours of 8:00 a.m. and 7:00 p.m. and electronic media, if used, must be used in conjunction with live instruction. If the Development consists of Scattered Sites, this resident program must be provided on the Scattered Site with the most units.
2. Financial Management Program – The Applicant or its Management Company shall provide a series of classes to provide residents training in various aspects of personal financial management. Classes must be held at least quarterly, consisting of at least two hours of training per quarter, and must be conducted by parties that are qualified to provide training regarding the respective topic area. If the Development consists of Scattered Sites, the Resident Program must be held on the Scattered Site with the most units. Residents residing at the other sites of a Scattered Site Development must be offered transportation, at no cost to them, to the classes. The topic areas must include, but not be limited to:
- Financial budgeting and bill-paying including training in the use of technologies and web-based applications;
  - Tax preparation including do's and don'ts, common tips, and how and where to file, including electronically;
  - Fraud prevention including how to prevent credit card and banking fraud, identity theft, computer hacking and avoiding common consumer scams;
  - Retirement planning & savings options including preparing a will and estate planning; and
  - Homebuyer education including how to prepare to buy a home, and how to access to first-time homebuyer programs in the county in which the development is located.

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

## Completeness and Issues Checklist

DEVELOPMENT NAME: Sandcastle Manor

DATE: January 22, 2024

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

CREDIT UNDERWRITING REQUIRED ITEMS:	STATUS	NOTE
	Satis. / Unsatis.	
1. The development's final "as submitted for permitting" plans and specifications. Note: Final "signed, sealed, and approved for construction" plans and specifications will be required thirty days before closing.	Satis.	
2. Final site plan and/or status of site plan approval.	Satis.	
3. Permit Status.	Satis.	
4. Pre-construction analysis ("PCA").	Satis.	
5. Survey.	Satis.	
6. Complete, thorough soil test reports.	Satis.	
7. Full or self-contained appraisal as defined by the Uniform Standards of Professional Appraisal Practice.	Satis.	
8. Market Study separate from the Appraisal.	Satis.	
9. Environmental Site Assessment – Phase I and/or Phase II if applicable (If Phase I and/or II disclosed environmental problems requiring remediation, a plan, including time frame and cost, for the remediation is required). If the report is not dated within one year of the application date, an update from the assessor must be provided indicating the current environmental status.	Unsatis.	1
10. Audited financial statements for the most recent fiscal year ended or acceptable alternative as stated in the Rule for credit enhancers, Applicant, general partner, principals, guarantors and general contractor.	Satis.	
11. Resumes and experience of Applicant, general contractor and management agent.	Satis.	



**VIABILITY AND HOME CREDIT UNDERWRITING REPORT**

**SMG**

12. Credit authorizations; verifications of deposits and mortgage loans.	Satis.	
13. Management Agreement and Management Plan.	Unsatis.	2
14. Firm commitment from the credit enhancer or private placement purchaser, if any.	N/A	
15. Firm commitment letter from the syndicator, if any.	N/A	
16. Firm commitment letter(s) for any other financing sources.	Satis.	
17. Updated sources and uses of funds.	Satis.	
18. Draft construction draw schedule showing sources of funds during each month of the construction and lease-up period.	Satis.	
19. Fifteen-year income, expense, and occupancy projection.	Satis.	
20. Executed general construction contract with “not to exceed” costs.	Satis.	
21. HC ONLY: 15% of the total equity to be provided prior to or simultaneously with the closing of the construction financing.	N/A	
22. Any additional items required by the credit underwriter.	Unsatis.	3-4

**NOTES AND APPLICANT’S RESPONSES:**

1. Receipt and satisfactory review of an updated Environmental Site Assessment Report (“ESA”) not substantially different than the ESA utilized in this credit underwriting report.
2. Receipt and satisfactory review of an Executed Final Management Agreement not substantially different than the contract utilized in this credit underwriting report.
3. Receipt and satisfactory review of a final executed GC Contract that incorporates Davis Bacon and Section 3 language/requirements and is not substantially different than the contract utilized in this credit underwriting report.
4. Florida Housing approval of the Change request associated with the new qualifying agent for the General Contractor.

VIABILITY AND HOME CREDIT UNDERWRITING REPORT

SMG

Viability Sizing Chart

Viability Loan Sizing Parameters and Metrics				Cash Flow Assumptions			
Select the Development				Net Operating Income:			
RFA of Active Award				Total Effective Gross Income in CUR Yr 1			
Demographic Commitment				Total Operating Expenses in CUR Yr 1			
Total Number of Units				Net Operating Income in CUR Yr 1			
Existing Competitive Active Awards:				Actual Traditional 1st Mortgage:			
Set-Aside Units				Proposed Amount of Traditional 1st Mortgage			
9% HC Allocation				Traditional 1st Mtg Amortization (Years)			
SAIL				Traditional 1st Mtg Interest Rate			
ELI				Traditional 1st Mtg Mortgage Constant			
NHTF				Local HFA Bond Fees, if applicable			
HOME				Traditional 1st Mtg DSCR			
Tax Exempt Bond Financing:				Net Cash Flow (NCF) after 1st Mtg Debt Service			
If MMRB, how much is the Perm Amount?				Debt Service (DS) on FHFC Subsidy Loans (w/ fees)			
Viability Funding Limits:				NCF after FHFC Subsidy Loans DS & Fees			
Gross Per Development Limit				303670.65			
Maximum Per Unit Limit				RFA 2023-211 Minimum 1st Mortgage:			
Net Per Development Limit (same as gross)				Maximum 1st Mtg DSCR from Viability RFA			
Maximum Limit from PU Limit (22 units x \$125,000 PU)				Sized Debt Service from maximum DSCR			
Lesser of Net Per Development or PU Limit				When TEBS are not utilized, no fees are included			
Viability Loan Sizing Parameters				Sized Debt Service to be incorporated, net of fees			
a. Eligible Request Amount:				Mortgage Constant to be incorporated			
Applicant's Request Amount				Resulting minimum 1st Mtg			
Per Development/PU Limit				Manual Adjustment, if required			
Eligible Request Amount:				Resulting minimum 1st Mtg, as adjusted			
b. Gap Analysis for Viability Sizing Purposes Only:				NCF after resulting minimum 1st Mtg			
Permanent Funding Sources:				NCF after FHFC Subsidy Loans DS & Fees			
Sized First Mortgage				Rule Chapter 67-48.0072(28)(g)2. Variables and Process:			
Viability				Total Vacancy & Collection Rate in CUR			
HOME				Revenue Growth Rate in CUR			
FHFC Source 2 - NA				Operating Expense Growth Rate in CUR			
FHFC Source 3 - NA				Amortization to be incorporated (Years)			
<additional source>				Interest Rate to be incorporated			
<additional source>				Resulting Mortgage Constant for qualifying debt			
<additional source>				Revenue Growth Rate to be incorporated			
<additional source>				Operating Expense Growth Rate to be incorporated			
HC Equity				Vacancy Rate to be incorporated			
Deferred Developer Fee (35.00%)				Maximum DSCR for Year 1 NOI			
Total Sources				Maximum DSCR for Year 15 NOI			
Additional First Mortgage (Min 1st Sizing)				Minimum NCF PU Year 1 (after 1st Mtg DS Only)			
Additional First Mortgage (DCR Sizing)				Net Operating Income Year 1			
Total Development Costs				Net Operating Income Year 15			
Maximum Developer Fee Percentage				(a) Resulting Debt for Year 15 DSCR Limitations			
Total Developer Fee				(b)(i) Resulting Debt for Year 1 DSCR Limitation			
Minimum 30% Deferred Developer Fee				(b)(ii) Resulting Debt for Year 1 NCS Limitation			
*Set-Asides for MMRB are expressed as the greater of MMRB Set-Asides or 4%HC Set-Asides for purposes of calculating Compliance Monitoring Fees on the MMRB loan.				(b) Greater of (b)(i) or (b)(ii)			
				Lesser of (a) or (b)			
				Sized Minimum 1st Mortgage per Rule			
				Resulting DSCR from Sized Minimum 1st Mortgage per Rule (using actual 1st mortgage debt structure)			
Total FHFC Servicing Fees				Verification Debt Coverage Ratio is Not Enhanced			
Permanent Loan Servicing				Prior Overall Debt Coverage Ratio			
MMRB Annual Fee				Did the Proposed Development have a DSCR prior to the RFA 2023-211 Application Deadline?			
MMRB Annual Minimum				If yes, what was the Net Operating Income used in calculating the DSCR?			
MMRB Permanent Loan Servicing Fee				If yes, what was the total of all debt service and servicing fees of all applicable Permanent Sources of Funding used in calculating the DSCR?			
Non-MMRB Annual Fee(s)				If yes, what was the overall Debt Coverage Ratio, inclusive of all applicable Permanent Sources of Funding?			
Non-MMRB Annual Minimum(s)				The actual overall Debt Coverage Ratio, inclusive of all applicable Permanent Sources of Funding (excludes any additional sized 1st Mtg) is:			
Non-MMRB Annual Maximum(s)				The actual overall Debt Coverage Ratio, inclusive of all applicable Permanent Sources of Funding (inclusive of actual debts and applicable additional gap sized 1st Mtg) is:			
Non-MMRB Permanent Loan Servicing Fee(s)							
Compliance Monitoring							
MMRB Annual Base Fee							
Additional MMRB PSAU Fee							
MMRB Minimum Annual Fee							
MMRB Compliance Monitoring Fee							
Non-MMRB Annual Base(s)							
Additional Non-MMRB PSAU Fee(s)							
Non-MMRB Annual Minimum(s)							
Multiple Program Fee(s)							
Non-MMRB Compliance Monitoring Fee(s)							
FHFC MMRB Ongoing Issuer Fees							
MMRB Annual Fee							
MMRB Annual Minimum							
FHFC MMRB Trustee Fees							
Flat Rate							

**Florida Housing Finance Corporation**

*Credit Underwriting Report (“CUR”)*

**Cross Creek Gardens at Quincy**

**RFA 2021-206 (2022-247H)**

**RFA 2023-211 (2023-243V)**

**HOME Financing for the Construction of Small, Rural Developments**

**Construction Inflation Response Viability Funding (“Viability”)**

**Section A: Report Summary**

**Section B: HOME and Viability Special and General Conditions**

**Section C: Supporting Information and Schedules**

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**Prepared by**

**AmeriNat®**

*Final Report*

**January 22, 2024**

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**CROSS CREEK GARDENS AT QUINCY**

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**Section A**

**Report Summary**

**Recommendation**

AmeriNat® (“AmeriNat”) recommends Florida Housing Finance Corporation (“FHFC” or “Florida Housing”) issue a HOME Investment Partnerships (HOME-rental) Program (“HOME”) loan in the amount of \$6,000,000, and a Viability loan in the amount of \$1,223,928 to Cross Creek Gardens at Quincy, LLC (“Applicant”) for the construction and permanent phase financing of Cross Creek Gardens at Quincy (the proposed “Development”).

**DEVELOPMENT & SET-ASIDES**

Development Name: Cross Creek Gardens at Quincy

RFA/Program Numbers: RFA 2021-206 / 2022-247H 2023-211 (2023-243V)

Address: South Springs Road, approximately 1,500 feet west of the intersection of Pat Thomas Parkway and South Springs Road

City: Quincy Zip Code: 32351 County: Gadsden County Size: Small

Development Category: New Construction Development Type: Garden Apts (1-3 Stories)

Construction Type: Steel and Masonry

Demographic Commitment:  
Primary: Family for 100% of the Units

Unit Composition:  
# of ELI Units: 0 ELI Units Are Restricted to      AMI, or less. Total # of units with PBRA? 0  
# of Link Units: 0 Are the Link Units Demographically Restricted?      # of NHTF Units: 0

Bed Rooms	Bath Rooms	Units	Square Feet	AMI%	Low HOME Rents	High HOME Rents	Gross HC Rent	Utility Allow.	Net Restricted Rents	PBRA Contr Rents	Applicant Rents	Appraiser Rents	CU Rents	Annual Rental Income
1	1.0	2	694	50%	\$806		\$806	\$79	\$727		\$727	\$727	\$727	\$17,448
1	1.0	8	679	60%		\$1,016	\$967	\$79	\$888		\$888	\$888	\$888	\$85,248
2	2.0	3	970	50%	\$967		\$967	\$102	\$865		\$865	\$865	\$865	\$31,140
2	2.0	11	970	60%		\$1,176	\$1,161	\$102	\$1,059		\$1,059	\$1,059	\$1,059	\$139,788
3	2.0	3	1,270	50%	\$1,118		\$1,118	\$125	\$993		\$993	\$993	\$993	\$35,748
3	2.0	9	1,270	60%		\$1,420	\$1,341	\$125	\$1,216		\$1,216	\$1,216	\$1,216	\$131,328
		36	35,640											\$440,700

Please note that the average square footage size is shown for the rental units at the Development. Building #2 will also contain the leasing office for a total square footage, per the Plan and Cost Review, of 43,680.

**HOME Subsidy Limits:**

10 One-Bedroom units at \$158,177.00 = \$1,581,770  
 14 Two-Bedroom units at \$192,346.00 = \$2,692,844  
12 Three-Bedroom units at \$248,834.00 = \$2,986,008  
 36 Total HOME Units for a maximum subsidy of \$7,260,622

Buildings: Residential - 2 Non-Residential - 0  
 Parking: Parking Spaces - 68 Accessible Spaces - 5

Set Asides:

Program	% of Units	# of Units	% AMI	Term (Years)
HOME	20.0%	8	50%	50
HOME	80.0%	28	60%	50

**HOME & VIABILITY CREDIT UNDERWRITING REPORT**

**AMERINAT**

Absorption Rate: 12 units per month for 3.0 months.

Occupancy Rate at Stabilization: Physical Occupancy 96.00% Economic Occupancy 95.00%  
Occupancy Comments Weighted average of LIHTC properties in PMA is 94.9%

DDA: No QCT: Yes Multi-Phase Boost: No QAP Boost: No  
Site Acreage: 6.40 Density: 5.6250 Flood Zone Designation: X  
Zoning: PUD - Planned Unit Development Flood Insurance Required?: No

DEVELOPMENT TEAM		
Applicant/Borrower:	Cross Creek Gardens at Quincy, LLC	
Member	Neighborhood Renaissance, Inc.	0.0100%
Limited Partner	Alliant Capital, Ltd., or an affiliate thereof	99.9900%
Construction Completion Guarantor(s):		
CC Guarantor 1:	Cross Creek Gardens at Quincy, LLC	
CC Guarantor 2:	Neighborhood Renaissance, Inc.	
Operating Deficit Guarantor(s):		
OD Guarantor 1:	Cross Creek Gardens at Quincy, LLC	
OD Guarantor 2:	Neighborhood Renaissance, Inc.	
Bond Purchaser	JPMorgan Chase Bank, NA	
Developer:	ACRUVA Community Developers, LLC	
Principal 1	ACRUVA Holdings, LLC	
Principal 2	Acosta, Daniel F.	
Co-Developer:	Neighborhood Renaissance, Inc.	
General Contractor 1:	Marmer Construction, Inc.	
Management Company:	Your Way Home Realty, Inc.	
Syndicator:	Alliant Capital, Ltd., or an affiliate thereof	
Bond Issuer:	Escambia County Housing Finance Authority	
Architect:	The Martin Architectural Group	
Market Study Provider:	Meridian Appraisal Group, Inc.	
Appraiser:	Meridian Appraisal Group, Inc.	

**HOME & VIABILITY CREDIT UNDERWRITING REPORT**

**AMERINAT**

PERMANENT FINANCING INFORMATION						
	1st Source	2nd Source	3rd Source	4th Source	5th Source	Other
Lien Position	1	2				
Lender/Grantor	FCLF	FHFC - Viability	FHFC - HOME			
Amount	\$1,600,000	\$1,223,928	\$6,000,000			
Underwritten Interest Rate	7.75%	1.00%	0.00%			
All In Interest Rate	7.75%	1.00%	0.00%			
Loan Term	17	30	30			
Amortization	30	n/a	n/a			
Market Rate/Market Financing LTV	33.2%	58.6%	183.1%			
Restricted Market Financing LTV	50.2%	88.5%	276.6%			
Loan to Cost - Cumulative	10.3%	18.2%	56.7%			
Debt Service Coverage	1.21	1.09	1.01			
Operating Deficit & Debt Service Reserves	\$212,857					
# of Months covered by the Reserves	6.0					

Deferred Developer Fee	\$607,277
As-Is Land Value	\$260,000
Market Rent/Market Financing Stabilized Value	\$4,820,000
Rent Restricted Market Financing Stabilized Value	\$3,190,000
Projected Net Operating Income (NOI) - Year 1	\$166,628
Projected Net Operating Income (NOI) - 15 Year	\$177,167
Year 15 Pro Forma Income Escalation Rate	2.00%
Year 15 Pro Forma Expense Escalation Rate	3.00%
Bond Structure	Negotiated Sale
Housing Credit (HC) Syndication Price	\$0.85
HC Annual Allocation - Qualified in CUR	\$685,700
HC Annual Allocation - Equity Letter of Interest	\$720,407

CONSTRUCTION/PERMANENT SOURCES:				
Source	Lender	Construction	Permanent	Perm Loan/Unit
Regulated Mortgage	Chase	\$8,000,000	\$1,600,000	\$44,444
FHFC - Viability	FHFC	\$28,345	\$1,223,928	\$33,998
FHFC - HOME	FHFC	\$6,000,000	\$6,000,000	\$166,667
HC Equity	Alliant	\$918,427	\$6,122,844	\$170,079
Deferred Developer Fee	Developer	\$607,277	\$607,277	\$16,869
<b>TOTAL</b>		\$15,554,049	\$15,554,049	\$432,057

Credit Underwriter: AmeriNat Loan Services

Date of Final CUR: 01/19/2024

TDC PU Limitation at Application: \$316,900 TDC PU Limitation at Credit Underwriting: \$412,322

Minimum 1st Mortgage per Rule: \$0 Amount Dev. Fee Reduced for TDC Limit: \$667,221



**Changes from the Application:**

<b>COMPARISON CRITERIA</b>	<b>YES</b>	<b>NO</b>
Does the level of experience of the current team equal or exceed that of the team described in the Application?	1	
Are all funding sources the same as shown in the Application?		2
Are all local government recommendations/contributions still in place at the level described in the Application?	x	
Is the Development feasible with all amenities/features listed in the Application?	x	
Do the site plans/architectural drawings account for all amenities/features listed in the Application?	x	
Does the Applicant have site control at or above the level indicated in the Application?	x	
Does the Applicant have adequate zoning as indicated in the Application?	x	
Has the Development been evaluated for feasibility using the total length of set-aside committed to in the Application?	x	
Have the Development costs remained equal to or less than those listed in the Application?		3
Is the Development feasible using the set-asides committed to in the Application?	x	
If the Development has committed to serve a special target group (e.g. elderly, large family, etc.), do the development and operating plans contain specific provisions for implementation?	x	
HOME ONLY: If points were given for match funds, is the match percentage the same as or greater than that indicated in the Application?		4
HC ONLY: Is the rate of syndication the same as or greater than that shown in the Application?	x	
Is the Development in all other material respects the same as presented in the Application?		5, 6, 7

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

1. The Applicant sent a request dated January 4, 2024, to FHFC to request approval to change the ownership structure of the Applicant. To facilitate the use of the bond financing and syndication of the tax credits to an investor member, the Applicant proposes to replace Neighborhood Renaissance, Inc. ("NRI") with a to-be-formed limited liability company as the managing/non-investor member (0.01%) of the Applicant where NRI would be its sole member. An Investor Member (99.99%) would be added to syndicate the HC and provide equity to the transaction. Pursuant to the RFA, the Applicant Entity shall be the borrowing entity and cannot be changed in any way (materially or non-materially) until after loan closing. Therefore, Board approval of the change in the Applicant Entity requires an RFA Waiver and is a condition precedent to the HOME and Viability loan closing.

2. The Applicant applied for RFA 2023-211 Construction Inflation Response Viability Funding (“Viability”) additional loan funding from FHFC, and the Application was accepted by FHFC on June 9, 2023. A preliminary Viability allocation of \$1,223,928 has been sized based on the requirements of the RFA.

Since the time of Application, the Applicant increased the First Mortgage Construction Loan from Florida Community Loan Fund in the amount of \$2,790,000 to a Construction Loan funded with the proceeds derived from the purchase of Multifamily Mortgage Revenue Bonds (“MMRB”) to be issued by the Escambia County Housing Finance Authority (“HFA”) in the amount of \$8,000,000. The MMRB will be purchased by JPMorgan Chase Bank, N.A. (“Chase”) which will make a Construction Loan in a like-kind amount. The Permanent First Mortgage will remain to be issued by FCLF, but has been reduced to \$1,600,000 as further described herein.

Since the time of Application, the Applicant has applied for MMRB from the Escambia County HFA. The Development will apply for an annual allocation of tax-exempt Housing Credits at a future date. Alliant Capital, Ltd., or an affiliate thereof, will provide a net equity investment of \$6,122,844 in exchange for a 99.99% limited member ownership interest in the Applicant. The HC allocation will be syndicated at a rate of approximately \$0.85 per \$1.00 of delivered tax credit.

3. Total Development Costs have increased from \$8,798,381 to \$15,554,049 for a difference of \$6,755,668 since the Application due to increases in Construction Costs, General Development Costs, Financial Costs, Developer Fee, and the inclusion of Reserve Accounts.
4. The Applicant did not receive any points for match funds in the HOME Application.
5. The Applicant requested a change to increase the total number of units in the Development per a letter to FHFC dated August 7, 2023:

Application

10 One-bedroom / One-bathroom units  
12 Two-Bedroom / Two-bathroom units  
12 Three-bedroom / Two-bathroom units  
34 total units

Proposed

10 One-bedroom / One-bathroom units  
14 Two-Bedroom / Two-bathroom units  
12 Three-bedroom / Two-bathroom units  
36 total units

FHFC staff approved the request on August 24, 2023.

6. Since the time of application, the Management Company has changed from Royal American Management, Inc. to Your Way Home Realty, Inc. The new management company provided the prior experience chart.
7. Since the time of application, the General Contractor has changed from JWR Construction Services, Inc. to Marmer Construction, Inc. The new General Contractor (“GC”) provided the GC prior experience chart and GC certification form.

The changes have no substantial material impact to the HOME or Viability recommendation for the Development.

Does the Development Team have any FHFC Financed Developments on the Past Due/Non-Compliance Report?

According to the FHFC Asset Management Noncompliance Report dated October 18, 2023, the Development Team has no noncompliance items.

According to the FHFC Past Due Report dated November 29, 2023, the Development Team has no past due items.

This recommendation is subject to satisfactory resolution of any outstanding past due items or non-compliance items applicable to the Development Team prior to closing.

Strengths:

1. The Development Team has demonstrated the ability to successfully develop and operate affordable multifamily rental communities using a variety of different subsidies.
2. According to the Market Study, the weighted average occupancy rate for like-kind, existing, stabilized properties within the Development's Competitive Market Area ("CMA") is 94.9%.

Other Considerations:

1. Based upon the estimates of the Operating Pro Forma, the amount of Deferred Developer Fee may not be paid back in 15 years. To the extent the Deferred Developer Fee is not paid by the end of year 15, the Guarantors shall be obligated to contribute to the Applicant an amount equal to the unpaid Deferred Developer Fee. As such, any risk associated with any tax credit recapture resulting from the non-payment of any Developer Fee is assumed by the Guarantors. The Guarantors have sufficient financial capacity to make a loan to the partnership, if needed. Language documenting this payment should be present in the Amended and Restated Operating Agreement, once drafted.
2. To the underwriter's knowledge, no construction cost exceeding 20% is subcontracted to any one entity.
3. To the underwriter's knowledge, no construction cost shall be subcontracted to any entity that has common ownership or is an Affiliate of the General Contractor or Developer.

Issues and Concerns:

1. Neighborhood Renaissance, Inc. provided a Statement of Credit of Financial and Credit Affairs dated June 1, 2023, that illustrates three lawsuits relating to the sale of three townhome units. The lawsuit alleges that NRI, along with co-Plaintiffs (Stuart and Shelby Development, Inc. and REG Architects, Inc.), failed to construct the structure to appropriate finished floor elevations and the units are now subject to flooding when rainstorms pass over the community. According to the Applicant, the lawsuit is being defended by AMTrust North America through a commercial general liability policy taken out for this development. The Applicant provided a Commercial General Liability Coverage Declarations page that illustrates a general aggregate limit of \$3,000,000 and confirms a deductible equal to \$10,000. The Applicant sold the townhomes to each of the plaintiffs in 2019 for \$245,000. Zillow presently estimates the value of the townhomes between \$376,000 and \$416,000.

Mitigant: There appears to be sufficient insurance coverage to minimize the potential exposure, should the court award reparative damages to the plaintiffs.

Waiver Requests:

1. According to the RFA, the Corporation will review the limited partnership agreement or limited liability company operating agreement language on reserves for compliance with the RFA requirement. If the limited partnership agreement or limited liability company operating agreement does not specifically state that the parties will comply with the Corporation's RFA requirements, the Corporation will require an amendment of the agreement and will not issue IRS form(s) 8609 until the amendment is executed and provided to the Corporation. The RFA includes language restricting the disposition of any funds remaining in any operating deficit reserve(s) after the term of the reserve's original purpose has terminated or is near termination. The RFA also requires the Corporation to review the limited partnership agreement or limited liability company operating agreement language on reserves for compliance with the RFA requirement. While Florida Housing will continue to require the Applicant to adhere to all requirements in the RFA including the restrictions on the disposition of any funds in an operating deficit reserve account, Florida Housing will not monitor the limited partnership agreement or limited liability company operating agreement language for compliance with these requirements, as this would require analysis of a legal contract.

This deviation in process was included as an Information Item in the April 29, 2022, FHFC Board Meeting.

Special Conditions:

1. The Applicant will defer 35% of its Developer fee following the last disbursement of all permanent sources of funding identified in the final credit underwriting report and, in the case of a Housing Credit Development, the final cost certification documentation, and when the primary expected source of repayment has been identified as projected cash flow.
2. Receipt of the environmental review confirming compliance with the U.S. Department of Housing and Urban Development's ("HUD") environmental requirements as provided in 24 CFR Part 92 and 24 CFR Part 58.
3. Satisfactory receipt of the Affirmative Fair Housing Marketing Plan.
4. Moran recommends receipt of the Gopher Tortoise Survey to verify that a Gopher Tortoise Relocation Permit will not be required. Moran further recommends that construction complies with USFWS Standard Protection Measures (educational posters on site, monitoring during construction, ceasing work if observed, & reporting) for the Eastern Indigo Snake.
5. Board approval of the RFA Waiver to change the Applicant Entity organizational structure is a condition precedent to the HOME and Viability loan closing.

Additional Information:

1. In accordance with RFA 2021-206, FHFC limits the Total Development Cost ("TDC") per unit for all Developments categorized by the construction type of the units as indicated by the Applicant in the RFA. The maximum TDC per unit for the construction specified by the Applicant (new construction, Garden-Style, ESSC), inclusive of a \$7,500/unit add-on for using HOME funds and a 8.00% weighted average upward escalation adjustment applied to the base \$374,280 per unit allowable ratified at the April 1, 2022 Telephonic FHFC Board meeting, is \$412,322.40 per unit. The TDC as underwritten equals \$418,643.94. This amount exceeds the maximum TDC per unit. However, the Developer's Fee was reduced by \$667,221 in accordance with the RFA. The TDC, as underwritten, satisfies the 5% test as illustrated in the RFA.

2. As currently underwritten, the combined debt service coverage (“DSC”) of the First Mortgage Loan, Viability Loan, and HOME Loan is 1.01x to 1.00. Per Rule Chapter 67-48, the DSC cannot be below 1.10x to 1.00 for the HOME Loan and all superior mortgages. However, according to the Rule, if the Applicant defers at least 35% of its Developer fee following the last disbursement of all permanent sources of funding identified in the final credit underwriting report and, in the case of a Housing Credit Development, the final cost certification documentation, and when the primary expected source of repayment has been identified as projected cash flow, the minimum DSC shall be no less than 1.00x to 1.00 for the HOME Loan, including all superior mortgages. The transaction has been underwritten accordingly.

Recommendation:

AmeriNat recommends Florida Housing issue a HOME loan in the amount of \$6,000,000, and a Viability loan in the amount of \$1,223,928 to the Applicant for the construction and permanent phase financing of the proposed Development.

These recommendations are based upon the assumptions detailed in the Report Summary (Section A), and Supporting Information and Schedules (Section C). In addition, these recommendations are subject to the HOME and Viability Special and General Conditions Recommendation (Section B). This recommendation is only valid for six months from the date of the report. The reader is cautioned to refer to these sections for complete information.

Prepared by:



Kyle Kuenn  
Multifamily Chief Credit Underwriter

Reviewed by:



George Repity  
Senior Credit Underwriter

**Overview**

**Construction Financing Sources:**

Source	Lender	Applicant's Total	Applicant's Revised Total	Underwriter's Total	Interest Rate	Debt Service During Construction
Regulated Mortgage Lender	Chase	\$2,790,000	\$8,000,000	\$8,000,000	8.08%	\$915,000
FHFC - Viability	FHFC		\$1,092,000	\$28,345	1.00%	\$0
FHFC - HOME	FHFC	\$6,000,000	\$5,040,000	\$6,000,000	0.00%	\$0
HC Equity	Alliant		\$918,407	\$918,427		
Deferred Developer Fee	Developer	\$8,381	\$775,095	\$607,277		
<b>Total :</b>		<b>\$8,798,381</b>	<b>\$15,825,502</b>	<b>\$15,554,049</b>		<b>\$915,000</b>

Proposed First Mortgage Loan:

The Applicant applied for \$8,000,000 in tax-exempt MMRB to be issued by Escambia County HFA for the construction financing of the Development. The Applicant provided a letter of intent (“LOI”) dated October 24, 2023, whereby Chase will purchase the tax-exempt MMRB and use the proceeds to fund a construction loan in an amount not to exceed \$8,000,000. The loan is interest-only during the construction period with payments due monthly. The interest rate will be based on the one-month Secured Overnight Financing Rate (“SOFR”) (currently 5.33%) (floor of 3.00%), plus 200 basis points (“bps”) for an interest rate of 7.33%. AmeriNat included a 0.75% cushion for rate volatility for an all in interest rate of 8.08%. The interest only period is for up to 24-months, with a one-time six-month extension with a fee of 25 bps of the sum of the loan balance and the amount remaining of the original commitment. A loan origination fee of 1.00% will be due at loan closing.

Proposed Viability Loan:

AmeriNat reviewed a Notice of Preliminary Award from Florida Housing, dated June 14, 2023, with a preliminary Viability Loan in the amount of \$1,300,000. Based on the sizing parameters in RFA 2023-211, AmeriNat has sized the Viability Loan in the amount of \$1,223,928. However, in order to satisfy the 50% test to maintain the tax-exempt status of the MMRB, AmeriNat recommends the disbursement of only \$28,345 of the Viability Loan during the construction period. (See the Permanent Financing Sources for terms of the Viability Loan.)

Proposed HOME Loan:

The Applicant applied to Florida Housing for a \$6,000,000 HOME loan under RFA 2021-206 for the construction/permanent financing of the Development. Based on the analysis provided herein, a HOME Loan in the amount of \$6,000,000 has been sized. Per the RFA, the maximum HOME request amount for a proposed development is limited to the lesser of \$6,000,000 per Development or \$158,177 per one-bedroom unit, \$192,346 per two-bedroom unit, and \$248,834 per three-bedroom unit based upon the per unit Maximum Subsidy Limit for Gadsden County as published in the RFA. As requested by the Syndicator and permitted by the Rule, the HOME Loan total term will be 30 years, of which 2.5 years is for the construction/stabilization period, and 27.5 years is for the permanent period. The HOME Loan will be non-amortizing with a 0.00% interest rate over the life of the loan. However, at the maturity of the HOME Loan, all principal and unpaid interest, if any, will be due. Annual payments of all applicable fees will be

required. HOME Loan proceeds shall be disbursed during the construction phase pro rata with other funding sources, unless approved by the credit underwriter.

Additional Construction Sources of Funds:

The Applicant provided a LOI from Alliant Capital, Ltd. (“Alliant”) dated December 14, 2023. According to the LOI, Alliant, or its assigns, will acquire a 99.99% limited member interest in the Applicant at \$0.85 per Housing Credit for a total investment of \$6,122,844. The LOI states that \$918,427 or 15.00% will be provided at closing, which meets the requirement per RFA 2021-206. A total of \$918,427 will be provided during the construction phase.

Deferred Developer Fee:

The Applicant will be required to defer \$607,277 or 35.0% of the total developer fee during the construction phase.

**Permanent Financing Sources:**

Source	Lender	Applicant's Total	Applicant's Revised Total	Underwriter's Total	Interest Rate	Amortization Years	Term Years	Annual Debt Service
Regulated Mortgage Lender	FCLF	\$2,790,000	\$1,700,000	\$1,600,000	7.75%	30	17	\$137,551
FHFC - Viability	FHFC		\$1,300,000	\$1,223,928	1.00%	n/a	30	\$12,239
FHFC - HOME	FHFC	\$6,000,000	\$6,000,000	\$6,000,000	0.00%	n/a	30	\$0
HC Equity	Alliant		\$6,122,711	\$6,122,844				
Deferred Developer Fee	Developer	\$8,381	\$702,791	\$607,277				
<b>Total :</b>		<b>\$8,798,381</b>	<b>\$15,825,502</b>	<b>\$15,554,049</b>				<b>\$149,790</b>

Proposed First Mortgage Loan:

The \$8,000,000 construction loan is projected to be paid down with equity and loan proceeds based upon the First Mortgage Lender conversion requirements. Per an executed LOI dated November 9, 2023, Florida Community Loan Fund (“FCLF”) will provide a permanent loan in an amount up to \$1,600,000. During construction period, the Permanent loan shall be secured by a second lien position behind the construction loan with minimal funding. As such, the Permanent loan shall have a term of 17 years (with an additional six months if the construction loan is extended by that amount). Upon conversion, the Permanent loan shall be secured by a first lien position. The Permanent loan will require monthly interest-only payments during the construction phase, converting to equal monthly payments of principal and interest upon conversion with payments based on a 30-year amortization and a fixed interest rate of 7.75%.

Proposed Viability Loan:

AmeriNat reviewed a Notice of Preliminary Award from Florida Housing, dated June 14, 2023, with a preliminary Viability Loan in the amount of \$1,300,000. Based on the sizing parameters in RFA 2023-211, AmeriNat has sized the Viability Loan in the amount of \$1,223,928. Per RFA 2023-211, the maximum Viability loan amount cannot exceed \$38,000 per unit. The Viability loan amount of \$1,223,928 equates to \$33,998 per unit and meets this requirement.

The Viability Loan is non-amortizing with an interest rate of 1.00% over the life of the loan with annual payments based upon available cash flow. As requested by the Syndicator and permitted by RFA 2023-211, the Viability Loan will have a total term of 30 years, of which 2.5 years is for the construction/stabilization period, and 27.5 years is for the permanent period. Annual payments of all applicable fees will be required. Any unpaid interest will be deferred until cash flow is available. However, at the maturity of the Viability Loan, all principal and unpaid interest will be due. Annual payments of all applicable fees will be required. Fees include an annual Permanent Loan Servicing Fee of 25 bps of the outstanding loan amount up to a maximum of \$964 per month, subject to a minimum of \$243 per month and an annual Compliance Monitoring Multiple Program Fee of \$1,054.

Proposed HOME Loan:

The Applicant applied to Florida Housing for a \$6,000,000 HOME loan under RFA 2021-206 for the construction/permanent financing of the Development. Based on the analysis provided herein, a HOME Loan in the amount of \$6,000,000 has been sized. Per the RFA, the maximum HOME request amount for a proposed development is limited to the lesser of \$6,000,000 per Development or \$158,177 per one-bedroom unit, \$192,346 per two-bedroom unit, and \$248,834 per three-bedroom unit based upon the per unit Maximum Subsidy Limit for Gadsden County as published in the RFA. As requested by the Syndicator and permitted by the Rule, the HOME Loan total term will be 30 years, of which 2.5 years is for the construction/stabilization period, and 27.5 years is for the permanent period. The HOME Loan will be



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non-amortizing with a 0.00% interest rate over the life of the loan. However, at the maturity of the HOME Loan, all principal and unpaid interest, if any, will be due. Annual payments of all applicable fees will be required. Fees include an annual Permanent Loan Servicing Fee of 25 bps of the outstanding loan amount up to a maximum of \$964 per month, subject to a minimum of \$243 per month and an annual Compliance Monitoring Multiple Program Fee of \$1,054.

Additional Permanent Sources of Funds:

According to the LOI from Alliant, Alliant, or its assigns, will acquire a 99.99% limited member interest in the Applicant at \$0.85 per Housing Credit for a total investment of \$6,122,844 to be paid as follows:

Capital Contributions	Amount	Percent of Total	Due upon
1st Installment	\$918,427	15.00%	Admission of the LP to the Partnership and closing of Construction Financing
2nd Installment	\$3,061,422	50.00%	100% Construction Completion
3rd Installment	\$1,921,441	31.38%	Stabilization
4th Installment	\$221,554	3.62%	Receipt of 8609s
<b>Total:</b>	<b>\$6,122,844</b>	<b>100%</b>	

Annual Credits Per Syndication Agreement	\$720,407
Total Credits Per Syndication Agreement	\$7,204,070
Calculated HC Rate:	\$0.8500
Limited Partner Ownership Percentage	99.99%
Proceeds During Construction	\$918,427

Please note that the amount of HC reflected in the LOI is less than AmeriNat’s preliminary estimate of HC of \$685,700. FHFC reserves the right to resize the housing credits preliminarily awarded to the Applicant. The next opportunity for a feasibility review of this transaction will be during the HC credit underwriting and the final opportunity will be during the cost certification process.

Deferred Developer Fee:

The Applicant will be required to defer at least 35%, (\$607,277 or 35.0% is currently required to balance the sources and uses of funds) of its Developer Fee. Therefore, the Applicant is meeting the Viability requirement of deferring at least 30% of the Developer Fee and the minimum requirement of 35% Deferred Developer Fee where the minimum DSC does not meet the 1.10x to 1.00 for the HOME Loan including all superior mortgages per Rule 67-48. The HOME Loan DSC is 1.00x. Additionally, based upon the estimates of the Operating Pro Forma, the amount of Deferred Developer Fee may not be paid back in 15 years.

**Uses of Funds**

<b>CONSTRUCTION COSTS:</b>	Applicant Costs	Revised Applicant Costs	Underwriters Total Costs - CUR	Cost Per Unit	HC Ineligible Costs - CUR	HOME Ineligible Costs - CUR
Demolition	\$0	\$0	\$10,000	\$278	\$10,000	\$0
New Rental Units	\$4,477,440	\$6,605,574	\$7,050,440	\$195,846	\$0	\$0
Off-Site Work	\$0	\$402,195	\$252,195	\$7,005	\$252,195	\$0
Recreational Amenities	\$50,000	\$0	\$0	\$0	\$0	\$0
Site Work	\$714,000	\$1,516,514	\$989,149	\$27,476	\$148,372	\$0
Constr. Contr. Costs subject to GC Fee	\$5,241,440	\$8,524,283	\$8,301,784	\$230,605	\$410,567	\$0
General Conditions	\$0	\$511,456	\$498,107	\$13,836	\$0	\$0
Overhead	\$0	\$681,941	\$166,035	\$4,612	\$0	\$0
Profit	\$733,801	\$0	\$498,107	\$13,836	\$0	\$0
General Liability Insurance	\$0	\$0	\$37,358	\$1,038	\$0	\$0
Payment and Performance Bonds	\$0	\$135,919	\$95,013	\$2,639	\$0	\$0
<b>Total Construction Contract/Costs</b>	<b>\$5,975,241</b>	<b>\$9,853,599</b>	<b>\$9,596,404</b>	<b>\$266,567</b>	<b>\$410,567</b>	<b>\$0</b>
Hard Cost Contingency	\$298,762	\$492,679	\$479,820	\$13,328	\$0	\$0
<b>Total Construction Costs:</b>	<b>\$6,274,003</b>	<b>\$10,346,278</b>	<b>\$10,076,224</b>	<b>\$279,895</b>	<b>\$410,567</b>	<b>\$0</b>

*Notes to Actual Construction Costs:*

1. A Standard Form of Agreement Between the Owner and General Contractor, Marmer Construction, Inc. ("MCI"), where the basis of payment is stated in the Cost of Work Plus a Fee with a Guaranteed Maximum Price contract in the amount \$9,596,404 (the "Construction Contract") has been provided. The Construction Contract was entered into as of November 7, 2023, and is executed by the Applicant and MCI. The Construction Contract indicates substantial completion within 420 days, and construction is to commence within thirty (30) days of the Owner's Notice to Proceed or receipt of all necessary construction permits, whichever occurs later. The Construction Contract indicates retainage of ten percent (10%) until 50% completion of work with no additional retainage held thereafter.
2. A Plan and Cost Review ("PCR") was engaged by AmeriNat and performed by Moran Construction Consultants, LLC ("Moran"). Moran summarized their review of the construction contract and schedule of values in a report dated December 11, 2023. The review concludes that overall costs to construct are sufficient for satisfactory completion of the proposed development. The costs for similar type developments identified in the PCR range from \$160 per gross square foot to \$200 per gross square foot, with the Development slightly higher than the range at \$219.70 per gross square foot. Moran noted that the cost per gross square foot appears slightly higher than typical multi-family development due to the Off-Site and Utility Extension scopes of work. If the Site Work and Utility Extension costs are removed, Moran concludes the Building Cost per gross square foot is typical with similar development.

The following items have been identified as allowances in the Construction Contract:

• Entrance Letters	\$2,500.00
• Building Signage	\$5,000.00
• Lift Station	\$100,000.00
• Lift Station Upgrades for Future Phase	\$50,000.00
• Forcemain Extension for Future Phase	\$19,200.00
• <u>Door Hardware</u>	<u>\$26,900.00</u>
Total	\$203,600.00

Moran indicated that the allowances are within an acceptable range for the scope of work indicated.

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3. A 5% hard cost contingency was utilized by AmeriNat as permitted by RFA 201-206 and Rules 67-21 and 67-48, F.A.C (the “Rule”).
4. The General Contractor’s Fee (consisting of general conditions, overhead, and profit) does not exceed 14.00% of allowable hard costs as allowed by RFA 2021-206 and the Rule.
5. The General Contractor will obtain a Payment and Performance Bond to secure the Construction Contract. An estimate of the cost is included outside of the Construction Contract’s Schedule of Values.

GENERAL DEVELOPMENT COSTS:	Applicant Costs	Revised Applicant Costs	Underwriters Total Costs - CUR	Cost Per Unit	HC Ineligible Costs - CUR	HOME Ineligible Costs - CUR
Accounting Fees	\$20,000	\$50,000	\$50,000	\$1,389	\$10,000	\$0
Appraisal	\$8,000	\$10,500	\$8,300	\$231	\$0	\$0
Architect’s Fee - Site/Building Design	\$200,000	\$374,900	\$293,900	\$8,164	\$0	\$0
Architect’s Fee - Supervision	\$40,000	\$0	\$81,000	\$2,250	\$0	\$0
Building Permits	\$59,752	\$147,804	\$147,804	\$4,106	\$0	\$0
Builder’s Risk Insurance	\$50,192	\$113,809	\$113,809	\$3,161	\$0	\$0
Environmental Report	\$15,000	\$20,000	\$20,000	\$556	\$0	\$0
FHFC Administrative Fees	\$0	\$39,622	\$37,709	\$1,047	\$37,709	\$0
FHFC Application Fee	\$3,000	\$3,600	\$3,600	\$100	\$3,600	\$3,600
FHFC Credit Underwriting Fee	\$15,000	\$31,219	\$39,229	\$1,090	\$39,229	\$0
FHFC Compliance Fee		\$130,000	\$229,477	\$6,374	\$229,477	\$0
Impact Fee	\$16,091	\$15,338	\$15,338	\$426	\$0	\$0
Lender Inspection Fees / Const Admin	\$23,000	\$45,000	\$45,000	\$1,250	\$0	\$0
Green Building Cert. (LEED, FGBC, NAHB)		\$10,380	\$10,380	\$288	\$0	\$0
Insurance	\$27,200	\$54,000	\$54,000	\$1,500	\$0	\$0
Legal Fees - Organizational Costs	\$75,000	\$150,000	\$150,000	\$4,167	\$75,000	\$0
Market Study	\$8,000	\$10,500	\$5,500	\$153	\$5,500	\$0
Marketing and Advertising	\$40,000	\$40,000	\$40,000	\$1,111	\$40,000	\$0
Plan and Cost Review Analysis		\$10,000	\$5,250	\$146	\$0	\$0
Property Taxes		\$44,460	\$44,460	\$1,235	\$0	\$0
Soil Test	\$15,000	\$20,000	\$20,000	\$556	\$0	\$0
Survey	\$18,000	\$30,000	\$30,000	\$833	\$0	\$0
Title Insurance and Recording Fees	\$70,320	\$72,000	\$72,000	\$2,000	\$72,000	\$0
Utility Connection Fees	\$68,000	\$36,000	\$36,000	\$1,000	\$0	\$0
Soft Cost Contingency	\$38,577	\$82,956	\$77,637	\$2,157	\$0	\$0
<b>Total General Development Costs:</b>	<b>\$810,132</b>	<b>\$1,542,088</b>	<b>\$1,630,393</b>	<b>\$45,289</b>	<b>\$512,515</b>	<b>\$3,600</b>

*Notes to the General Development Costs:*

1. AmeriNat reflects actual costs for the market study, appraisal, and plan and cost review analysis.
2. The costs associated with the Architect and Engineer Fees have been adjusted accordingly to reflect the amounts represented in the executed contract between the Martin Architectural Group (“Martin”) and the Applicant dated April 18, 2023, that was reviewed by the Underwriter. The contract included the engineering fees as well. Additional Architect Fees were incurred from the Lunz Group prior to the Applicant signing the agreement with Martin.
3. FHFC Credit Underwriting Fee includes the HOME Credit Underwriting Fee (\$14,913), Viability Credit Underwriting Fee (\$5,146), anticipated 4% HC Credit Underwriting Fee (\$13,859), and a \$375 credit reporting fee.
4. AmeriNat received a Consultant Agreement, dated April 19, 2023, between the Applicant and GreenBuilt Solutions, LLC, to perform Florida Green Building Coalition (FGBC) Certification on the Development.

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5. A soft cost contingency of 5% has been underwritten, which is consistent with underwriting standards and may be utilized by the Applicant in the event soft costs exceed these estimates as permitted by RFA 2021-206 and Rule Chapters 67-48 and 67-21.
6. The remaining general development costs appear reasonable.

FINANCIAL COSTS:	Applicant Costs	Revised Applicant Costs	Underwriters Total Costs - CUR	Cost Per Unit	HC Ineligible Costs - CUR	HOME Ineligible Costs - CUR
	Construction Loan Origination Fee	\$27,900	\$80,000	\$80,000	\$2,222	\$0
Construction Loan Closing Costs	\$50,000	\$50,000	\$50,000	\$1,389	\$0	\$0
Construction Loan Interest	\$136,256	\$1,010,304	\$915,000	\$25,417	\$377,067	\$0
Permanent Loan Origination Fee	\$27,900	\$17,000	\$8,000	\$222	\$8,000	\$0
Permanent Loan Closing Costs	\$0	\$50,000	\$50,000	\$1,389	\$50,000	\$0
Local HFA Application Bond Fee	\$0	\$5,000	\$0	\$0	\$0	\$0
Local HFA Bond Underwriting Fee	\$0	\$0	\$0	\$0	\$0	\$0
Local HFA Bond Subsidy Layering Rev.	\$0	\$5,000	\$0	\$0	\$0	\$0
Local HFA Bond Trustee Fee	\$0	\$22,500	\$13,000	\$361	\$13,000	\$0
Local HFA Bond Cost of Issuance	\$0	\$190,000	\$218,759	\$6,077	\$218,759	\$0
Local HFA Bond Servicing Fee	\$0	\$19,000	\$0	\$0	\$0	\$0
HOME Closing Costs	\$0	\$12,500	\$0	\$0	\$0	\$0
Misc Loan Origination Fee	\$0	\$13,000	\$12,239	\$340	\$12,239	\$0
Misc Loan Closing Costs	\$0	\$0	\$12,500	\$347	\$12,500	\$0
Placement Agent/Underwriter Fee	\$0	\$22,500	\$0	\$0	\$0	\$0
Other: <u>Syndication Costs</u>	\$0	\$60,000	\$60,000	\$1,667	\$60,000	\$0
Other: <u>FHFC Extension Fee</u>	\$0	\$60,000	\$60,000	\$1,667	\$60,000	\$0
Other: <u>Short-term Bond Redemption Fee</u>	\$0	\$0	\$160,000	\$4,444	\$160,000	\$0
<b>Total Financial Costs:</b>	<b>\$242,056</b>	<b>\$1,616,804</b>	<b>\$1,639,498</b>	<b>\$45,542</b>	<b>\$971,565</b>	<b>\$0</b>
<b>Dev. Costs before Acq., Dev. Fee &amp; Reserves</b>	<b>\$7,326,191</b>	<b>\$13,505,170</b>	<b>\$13,346,115</b>	<b>\$370,725</b>	<b>\$1,894,647</b>	<b>\$3,600</b>

*Notes to the Financial Costs*

1. Financial costs were derived from the representations illustrated in the LOI's for equity and construction and permanent financing and appear reasonable to AmeriNat.
2. An interest reserve for the Construction Loan is supported by the Construction Loan terms illustrated in the LOI provided by Chase, the duration of construction referenced in the Construction Contract and the resultant calculation completed by AmeriNat through the use of a construction draw schedule provided by the Applicant.
3. FHFC Extension Fee includes a HOME firm loan commitment issuance deadline extension fee of \$60,000, which is 1% of the HOME loan amount.
4. The Misc Loan Origination Fee is the Viability Commitment Fee which represents 1.00% of the loan amount as required in the RFA 2023-211.
5. The Misc Loan Closing Costs are the FHFC legal fees for closing associated with the Viability Loan.
6. The Local HFA Cost of Issuance includes fees and expenses of the Issuer, Bond Counsel, Disclosure Counsel and other fees.
7. The remaining Financial Costs appear reasonable.

DEVELOPER FEE ON NON-ACQUISITION COSTS	Applicant Costs	Revised Applicant Costs	Underwriters Total Costs - CUR	Cost Per Unit	HC Ineligible Costs - CUR	HOME Ineligible Costs - CUR
	Developer Fee - Unapportioned	\$1,172,190	\$1,597,475	\$1,485,077	\$41,252	\$0
DF to Excess Land Costs	\$0	\$0	\$50,000	\$1,389		\$0
Other: <u>Construction Management</u>	\$0	\$200,000	\$200,000	\$5,556	\$0	\$0
<b>Total Other Development Costs:</b>	<b>\$1,172,190</b>	<b>\$1,797,475</b>	<b>\$1,735,077</b>	<b>\$48,197</b>	<b>\$0</b>	<b>\$0</b>

*Notes to Developer Fee on Non-Acquisition Costs:*

**HOME & VIABILITY CREDIT UNDERWRITING REPORT**

**AMERINAT**

1. The total Developer Fee does not exceed 18.00% of the Total Development Costs exclusive of Land Costs and Reserves, which is permitted by RFA 2021-206 and Rule Chapters 67-48 and 67-21.
2. A subset of Developer’s Fee has been added for Excess Land Costs. Per the appraisal, the market value of the fee simple interest in the Development’s site, as is, without the benefit of the access road and utilities, is \$260,000. Per the Contract for Purchase and Sale of Real Property, the purchase price for the land is \$300,000. The Applicant indicates they have incurred additional land carrying costs of \$10,000. As such, excess land costs of \$50,000 have been added as a subset of Developer’s Fee.
3. The Applicant’s budget includes \$200,000 for Construction Management. This is a service customarily performed by the Developer. As such, the fees were added as a subset of Developer Fee.

LAND ACQUISITION COSTS	Applicant Costs	Revised Applicant Costs	Underwriters Total Costs - CUR	Cost Per Unit	HC Ineligible Costs - CUR	HOME Ineligible Costs - CUR
	Land	\$300,000	\$300,000	\$260,000	\$7,222	\$260,000
Land Carrying Costs	\$0	\$10,000	\$0	\$0	\$0	\$0
<b>Total Acquisition Costs:</b>	\$300,000	\$310,000	\$260,000	\$7,222	\$260,000	\$260,000

*Notes to Land Acquisition Costs:*

1. AmeriNat received and reviewed a Contract for Purchase and Sale of Real Property (“Purchase Contract”) dated January 24, 2022, between Neighborhood Renaissance, Inc. and ACRUVA Community Developers, LLC. AmeriNat also reviewed an Assignment and Assumption of the Purchase and Sale Agreement dated January 24, 2022, that assigns the Purchase Contract to the Applicant. Per the terms of the Purchase, the purchase price for the land is \$300,000. A Third Amendment to the Purchase Contract amends the mandatory closing date to April 30, 2024.
2. An Appraisal performed by Meridian Appraisal Group, Inc. dated November 30, 2023, identifies the market value of the fee simple interest in the Development’s site, as is, without the benefit of the access road and utilities, as \$260,000. AmeriNat reflects the lesser of the purchase price and the market value as the land costs.

RESERVE ACCOUNTS	Applicant Costs	Revised Applicant Costs	Underwriters Total Costs - CUR	Cost Per Unit	HC Ineligible Costs - CUR
	Operating Deficit Reserve (Syndicator)	\$0	\$212,857	\$212,857	\$5,913
<b>Total Reserve Accounts:</b>	\$0	\$212,857	\$212,857	\$5,913	\$212,857

*Notes to the Reserve Accounts:*

1. Operating Deficit Reserve (“ODR”) is based on the Applicant’s estimate, which is approximately six months of operating expenses, debt service and replacement reserves. 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 Chapters 67-48. Any and all terms and conditions of the ODR must be acceptable to Florida Housing, its Servicer and its Legal Counsel.

In exchange for receiving funding from the Corporation, the Corporation reserves the authority to restrict the disposition of any funds remaining in any operating deficit reserve(s) after the term of the reserve’s original purpose has terminated or is near termination. Authorized disposition uses are limited to payments towards any outstanding loan balances of the Development funded from the Corporation, any outstanding Corporation fees, any unpaid costs incurred in the completion of the Development (i.e., deferred Developer Fee), the Development’s capital replacement reserve account (provided, however, that any operating deficit reserve funds deposited to the replacement reserve account will not replace, negate, or otherwise be considered an advance payment or pre-funding of the Applicant’s obligation to periodically fund the replacement reserve account), the reimbursement of any loan(s) provided by a partner, member or guarantor as set forth in the Applicant’s organizational agreement (i.e., operating or limited partnership agreement). The actual direction of the disposition is at the Applicant’s discretion so long as it is an option permitted by the Corporation. In no event, shall the payment of amounts to the Applicant or the Developer from any operating deficit reserve established for the Development cause the Developer Fee or General Contractor fee to exceed the applicable percentage limitations provided for in this RFA and Rule Chapter 67-48.

TOTAL DEVELOPMENT COSTS	Applicant Costs	Revised Applicant Costs	Underwriters Total Costs - CUR	Cost Per Unit	HC Ineligible Costs - CUR	HOME Ineligible Costs - CUR
<b>TOTAL DEVELOPMENT COSTS:</b>	\$8,798,381	\$15,825,502	\$15,554,049	\$432,057	\$2,367,504	\$263,600

*Notes to Total Development Costs:*

1. Total Development Costs have increased from \$8,798,381 to \$15,554,049 for a difference of \$6,755,668 since the Application due to increases in Construction Costs, General Development Costs, Financial Costs, Developer Fee, and the inclusion of Reserve Accounts.

OPERATING PRO FORMA

FINANCIAL COSTS:		Year 1	Year 1 Per Unit
<b>OPERATING PRO FORMA</b>			
<b>INCOME:</b>	Gross Potential Rental Income	\$440,700	\$12,242
	Other Income		\$0
	Ancillary Income	\$10,800	\$300
	Gross Potential Income	\$451,500	\$12,542
	Less:		
	Physical Vac. Loss      Percentage: 4.00%	\$18,060	\$502
	Collection Loss      Percentage: 1.00%	\$4,515	\$125
<b>Total Effective Gross Income</b>	<b>\$428,925</b>	<b>\$11,915</b>	
<b>EXPENSES:</b>	Fixed:		
	Real Estate Taxes	\$44,471	\$1,235
	Insurance	\$54,000	\$1,500
	Variable:		
	Management Fee      Percentage: 5.00%	\$21,446	\$596
	General and Administrative	\$10,800	\$300
	Payroll Expenses	\$54,000	\$1,500
	Utilities	\$31,500	\$875
	Marketing and Advertising	\$1,800	\$50
	Maintenance and Repairs/Pest Control	\$18,000	\$500
	Grounds Maintenance and Landscaping	\$8,100	\$225
	Contract Services	\$1,080	\$30
	Security	\$6,300	\$175
	Reserve for Replacements	\$10,800	\$300
	<b>Total Expenses</b>	<b>\$262,297</b>	<b>\$7,286</b>
<b>Net Operating Income</b>	<b>\$166,628</b>	<b>\$4,629</b>	
<b>Debt Service Payments</b>			
First Mortgage - FCLF	\$137,551	\$3,821	
Second Mortgage - Viability	\$12,239	\$340	
Third Mortgage - HOME	\$0	\$0	
First Mortgage Fees - FCLF	\$0	\$0	
Second Mortgage Fees - Viability	\$3,060	\$85	
Third Mortgage Fees - HOME	\$12,622	\$351	
Total Debt Service Payments	\$165,472	\$4,596	
Cash Flow after Debt Service	\$1,156	\$32	
<b>Debt Service Coverage Ratios</b>			
DSC - First Mortgage plus Fees	1.21x		
DSC - Second Mortgage plus Fees	1.09x		
DSC - Third Mortgage plus Fees	1.01x		
DSC - All Mortgages and Fees	1.01x		
<b>Financial Ratios</b>			
Operating Expense Ratio	61.15%		
Break-even Economic Occupancy Ratio (all debt)	94.99%		

Notes to the Operating Pro Forma and Ratios:

- The Development will be utilizing Housing Credits in conjunction with HOME funds that will impose rent restrictions. Gross potential rental revenue is based upon 2023 HOME rents for the Tallahassee, FL HUD Metro FMR area. The Development will offer 8 Low HOME units at or below 50% of AMI and 28 High HOME units at or below 60% of AMI, as required by RFA 2021-206. The utility allowances are \$79 for one-bedroom units, \$102 for two-bedroom units, and \$125 for three-bedroom units based on the Utility Allowance Schedule approved by the NW Florida Regional Housing Authority, effective as of April 10, 2023. Meridian opines that Development will be able to achieve the maximum 50% and 60% of AMI HOME rents based on the market analysis performed. A rent roll for the Development property is illustrated in the following table:

Tallahassee, FL HUD Metro FMR Area / Gadsden County

Bed Rooms	Bath Rooms	Units	Square Feet	AMI%	Low HOME Rents	High HOME Rents	Gross HC Rent	Utility Allow.	Net Restricted Rents	PBRA Contr Rents	Applicant Rents	Appraiser Rents	CU Rents	Annual Rental Income
1	1.0	2	694	50%	\$806		\$806	\$79	\$727		\$727	\$727	\$727	\$17,448
1	1.0	8	679	60%		\$1,016	\$967	\$79	\$888		\$888	\$888	\$888	\$85,248
2	2.0	3	970	50%	\$967		\$967	\$102	\$865		\$865	\$865	\$865	\$31,140
2	2.0	11	970	60%		\$1,176	\$1,161	\$102	\$1,059		\$1,059	\$1,059	\$1,059	\$139,788
3	2.0	3	1,270	50%	\$1,118		\$1,118	\$125	\$993		\$993	\$993	\$993	\$35,748
3	2.0	9	1,270	60%		\$1,420	\$1,341	\$125	\$1,216		\$1,216	\$1,216	\$1,216	\$131,328
		36	35,640											\$440,700

- A 5.00% total economic vacancy rate (4.00% physical and 1.00% collections) was applied for underwriting purposes based on the appraisal and the comparables listed therein.
- Miscellaneous Income is comprised of income related to multifamily operations in the form of late charges, pet deposits, and forfeited security deposits.
- Real Estate taxes of \$1,235 per unit are based upon an estimated assessed value of \$80,972 per unit which is calculated based on a 75% ratio of the appraised value, the current millage rate, and an early payment discount of 4%.
- AmeriNat utilized an estimate of \$1,500 per unit for insurance based on the representations of the appraiser. Restricted comparable properties had a cost range between \$533 and \$1,561 per unit, with an average of \$1,009 per unit.
- The Applicant has submitted an executed Management Agreement (the "Agreement") dated December 12, 2023, between Your Way Home Realty, Inc. ("YWHR") and the Applicant. The initial term of the Agreement is for a one-year period, and automatically renews each year thereafter until terminated per the terms of the Agreement. Compensation is 5.00% of gross monthly income, which is within the range of 3.00% to 6.00% as presented in the appraisal.
- Replacement Reserves of \$300 per unit per year were underwritten by AmeriNat as required per RFA 2021-206 and Rule.
- The Viability Loan has an annual Permanent Loan Servicing Fee based on 25 basis points of the outstanding loan amount, with a maximum of \$964 per month, subject to a minimum of \$243 per month.
- The HOME Loan has an annual Permanent Loan Servicing Fee based on 25 basis points of the outstanding loan amount, with a maximum of \$964 per month, subject to a minimum of \$243 per month. The annual Compliance Multiple Program Monitoring Fee is \$1,054.
- The estimated Net Operating Income ("NOI") for the Development is \$166,628 in the initial year of stabilized operations. The First Mortgage can be supported by operations at a DSC of 1.21x to 1.00 Debt Service Coverage Ratio ("DSC") in Year 1 of stabilized operations. The combined amount of the



First Mortgage, Viability Loan, and HOME Loan can be supported by operations at a 1.01x to 1.00 DSC including all debt and fees.

The Debt Service Coverage (“DSC”) ratio for the first mortgage, Viability Loan and HOME Loan reflects a ratio lower than 1.10 to 1.00. According to Rule 67-48, for transactions that have HOME funding, the minimum DSC shall be 1.10x to 1.00 for the HOME Loan and all superior mortgages. However, per the Rule, the Applicant will be required to defer at least 35% of its Developer Fee following the last disbursement of all permanent sources of funding identified in the final credit underwriting report and, in the case of a Housing Credit Development, the final cost certification documentation, and when the primary expected source of repayment has been identified as projected cash flow, the minimum combined DSC shall be 1.00x to 1.00 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 1.01x.

11. A 15-year Operating Pro forma attached hereto as Exhibit 1 reflects rental income increasing at an annual rate of 2% and expenses increasing at an annual rate of 3%.

**Section B**

**HOME and Viability Special and General Conditions**

### **Special Conditions**

This recommendation is contingent upon receipt of the following item by Florida Housing at least two weeks prior to loan closing. Failure to submit this item within this time frame may result in postponement of the loan closing date.

1. The Applicant will defer a minimum of 35% of its Developer following the last disbursement of all permanent sources of funding identified in the final credit underwriting report and, in the case of a Housing Credit Development, the final cost certification documentation, and when the primary expected source of repayment has been identified as projected cash flow,.
2. Receipt of the environmental review confirming compliance with the U.S. Department of Housing and Urban Development's ("HUD") environmental requirements as provided in 24 CFR Part 92 and 24 CFR Part 58.
3. Satisfactory receipt of the Affirmative Fair Housing Marketing Plan.
4. Moran recommends receipt of the Gopher Tortoise Survey to verify that a Gopher Tortoise Relocation Permit will not be required. Moran further recommends that construction complies with USFWS Standard Protection Measures (educational posters on site, monitoring during construction, ceasing work if observed, & reporting) for the Eastern Indigo Snake.
5. Board approval of the RFA Waiver to change the Applicant Entity organizational structure.

### **General Conditions**

This recommendation is contingent upon the review and approval of the following items by Florida Housing and the Servicer at least 30 days prior to real estate loan closing. Failure to submit and to receive approval of these items within this time frame may result in postponement of the closing date.

1. Borrower is to comply with any and all recommendations noted in the Plan and Cost Review prepared by Moran.
2. Signed and sealed survey, dated within 90 days of closing, unless otherwise approved by Florida Housing, and its Legal Counsel, based upon the particular circumstances of the transaction. The Survey shall be certified to Florida Housing, and its Legal Counsel, as well as the title insurance company, and shall indicate the legal description, exact boundaries of the Development, easements, utilities, roads, and means of access to public streets, total acreage and flood hazard area and any other requirements of Florida Housing.
3. Building permits and any other necessary approvals and permits (e.g., final site plan approval, water management district, Department of Environmental Protection, Army Corps of Engineers, Department of Transportation, etc.). An acceptable alternative to this requirement is receipt and satisfactory review of a letter from the local permitting and approval authority stating that the above referenced permits and approvals will be issued upon receipt of applicable fees (with no other conditions), or evidence of 100% lien-free completion, if applicable. If a letter is provided, copies of all permits will be required as a condition of the first post-closing draw.
4. Final sources and uses of funds itemized by source and line item, in a format and in amounts approved by the Servicer. A detailed calculation of the construction interest based on the final draw schedule (see below), documentation of the closing costs, and draft loan closing statement must also be provided. The sources and uses of funds schedule will be attached to the Loan Agreement as the approved development budget.

5. A final construction draw schedule showing itemized sources and uses of funds for each monthly draw. HOME Loan proceeds shall be disbursed pro rata with other funding sources during the construction phase unless approved by the Corporation or the Credit Underwriter. Viability loan proceeds shall be disbursed during the construction phase in an amount per draw that does not exceed the ratio of the Viability loan to the Total Development Cost, unless approved by the Credit Underwriter. The closing draw shall include appropriate backup and ACH wiring instructions.
6. Construction Period Developer Fee shall be the lessor of i) 50% of the Total Developer Fee or ii) the Total Developer Fee less the Deferred Developer Fee listed in the Sources and Uses for the construction period, as calculated by the Servicer. At closing, a maximum of 35% of the Construction Period Developer Fee may be funded. Remaining Construction Period Developer Fee will be disbursed during construction/rehabilitation on a pro rata basis, based on the percentage of completion of the development, as approved and reviewed by FHFC and Servicer.

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

7. At all times there will be undisbursed loan funds (collectively held by Florida Housing, the first lender and any other source) sufficient to complete the Development. If at any time there are not sufficient funds to complete the Development, the Borrower will be required to expend additional equity on Development costs or to deposit additional equity with Florida Housing which is sufficient (in Florida Housing's judgment) to complete the Development before additional loan funds are disbursed. This condition specifically includes escrowing at closing all equity necessary to complete construction or another alternative acceptable to Florida Housing in its sole discretion.
8. Evidence of insurance coverage pursuant to the Request for Application ("RFA") governing this proposed transaction and, as applicable, the FHFC Insurance Guide.
9. The General Contractor shall secure a payment and performance bond equal to 100 percent of the total construction cost listing FHFC as a co-obligee, whose terms do not adversely affect the Corporation's interest, issued in the name of the General Contractor, from a company rated at least "A-" by AMBest & Co., or a Corporation-approved alternate security for the General Contractor's performance such as a letter of credit issued by a financial institution with a senior long term (or equivalent) credit rating of at least "Baa3" by Moody's, or at least "BBB-" by Standard & Poor's or Fitch, or a financial rating of at least 175 by IDC Financial Publishing. The LOC must include "evergreen" language and be in a form satisfactory to Florida Housing, its Servicer and its Legal Counsel.
10. Architect, Construction Consultant, and Borrower certifications on forms provided by Florida Housing will be required for both design and as-built with respect to Section 504 of the Rehabilitation Act, Americans with Disabilities Act, and the Federal Fair Housing Act requirements, as applicable.
11. A copy of the Amended and Restated Operating Agreement ("OA") reflecting purchase of the HC under terms consistent with the assumptions contained within this Credit Underwriting Report. The OA shall be in a form and of financial substance satisfactory to Servicer, Florida Housing, and its Legal Counsel.
12. Satisfactory resolution of any outstanding past due and/or noncompliance items.
13. Final "as permitted" (signed & sealed) site plans, building plans & specifications showing all Features & Amenities committed to in the Application. The geotechnical report must be bound within the final plans & specifications.

14. Payment of any outstanding arrearages to the Corporation, its legal counsel, Servicer or any agent or assignee of the Corporation for past due issues applicable to the development team (Applicant or Developer or Principal, Affiliate or Financial Beneficiary, as described in 67-48.0075(5) and 67-21.0025(5) F.A.C., of an Applicant or a Developer).
15. Satisfactory completion of a Davis-Bacon Federal Labor Standards and Section 3 pre-construction conference.
16. The Development shall meet the Section 3 requirements of the Housing and Urban Development Act of 1968 as amended (12 U.S.C 1701u and 24CFR Part 135).
17. An Operating Deficit Reserve (“ODR”) in the collective amount of approximately six months of operating expenses and debt service will be permitted within the Applicant’s budget, unless the credit underwriter deems a larger reserve is necessary. The calculation of Developer Fee will be exclusive of the budgeted ODR and any ODR “proposed or required by a limited partner or other lender” in excess of the amount of the ODR deemed satisfactory by the credit underwriter will be a subset of Developer Fee. 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 Chapters 67-48 and 67-21. Any and all terms and conditions of the ODR must be acceptable to Florida Housing, its Servicer and its Legal Counsel.

This recommendation is contingent upon the review and approval by Florida Housing, and its Legal Counsel at least two weeks prior to real estate loan closing. Failure to receive approval of these items within this timeframe may result in postponement of the closing date.

1. Documentation of the legal formation and current authority to transact business in Florida for the Borrower, the general partner/principal(s)/manager(s) of the Applicant, the guarantors, and any limited partners of the Applicant.
2. Signed and sealed survey, dated within 90 days of closing, unless otherwise approved by Florida Housing, and its legal counsel, based upon the particular circumstances of the transaction. The Survey shall be certified to Florida Housing and its legal counsel, as well as the title insurance company, and shall indicate the legal description, exact boundaries of the Development, easements, utilities, roads, and means of access to public streets, total acreage and flood hazard area and any other requirements of Florida Housing.
3. An acceptable updated Environmental Audit Report, together with a reliance letter to Florida Housing, prepared within 90 days of Viability and HOME Loan closing, unless otherwise approved by Florida Housing, and Legal Counsel, based upon the particular circumstances of the transaction. Borrower to comply with any and all recommendations noted in the Environmental Assessment(s) and Update and the Environmental Review, if applicable.
4. Title insurance pro-forma or commitment for title insurance with copies of all Schedule B exceptions, in the amount of the Viability and HOME Loan naming Florida Housing as the insured. All endorsements required by Florida Housing shall be provided.

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

This recommendation is also contingent upon the following additional conditions:

1. Compliance with all provisions of Sections 420.507 and 420.5089 Florida Statutes, Rule Chapters 67-21, 67-48, 67-53, 67-60 F.A.C., RFA 2021-206, RFA 2023-211, HUD Rule 24 CFR Part 92, and any other State and Federal requirements.
2. Satisfactory evidence of compliance with the Davis-Bacon Act and other applicable Federal Labor Standards during the construction of this development. Evidence of compliance must be through satisfactory completion of a compliance audit by HUD and its authorized contractor.
3. Acceptance by the Borrower and execution of all documents evidencing and securing the Viability and HOME Loans in form and substance satisfactory to Florida Housing, including, but not limited to, the Promissory Note, the Loan Agreement(s), the Mortgage and Security Agreement, and the Land Use Restriction Agreement(s).
4. All amounts necessary to complete construction/rehabilitation, must be deposited with the Fiscal Agent prior to closing, or any phased pay-in of amount necessary to complete construction/rehabilitation shall be contingent upon an unconditional obligation, through a Joint

Funding Agreement or other mechanism acceptable to Florida Housing, of the entity providing HC Equity payments (and evidence that 100% of such amount is on deposit with such entity at loan closing) to pay, regardless of any default under any documents relating to the HC as long as the First Mortgage continues to be funded.

5. For the Viability Loan, Guarantors are to provide the standard FHFC Operating Deficit Guaranty. If requested in writing by the Applicant, the Servicer will consider a recommendation to release the Operating Deficit Guaranty if all conditions are met, including achievement of a 1.15x Debt Service Coverage on the combined permanent First Mortgage and Viability Loan, 90% occupancy and 90% of the gross potential rental income, net of utility allowances, if applicable, for a period equal to twelve (12) consecutive months, all as certified by an independent Certified Public Accountant (“CPA”) verified by the Servicer. The calculation of the DSC shall be made by Florida Housing or the Servicer. Notwithstanding the above, the Operating Deficit Guaranty shall not terminate earlier than three years following the final certificate of occupancy.
6. For the HOME Loan, Guarantors are to provide the standard FHFC Operating Deficit Guaranty. If requested in writing by the Applicant, the Servicer will consider a recommendation to release the Operating Deficit Guaranty if all conditions are met, including achievement of a 1.15x Debt Service Coverage on the combined permanent First Mortgage, Viability Loan, and HOME Loan, 90% occupancy and 90% of the gross potential rental income, net of utility allowances, if applicable, for a period equal to twelve (12) consecutive months, all as certified by an independent Certified Public Accountant (“CPA”) verified by the Servicer. The calculation of the DSC shall be made by Florida Housing or the Servicer. Notwithstanding the above, the Operating Deficit Guaranty shall not terminate earlier than three years following the final certificate of occupancy.
7. If applicable, receipt and satisfactory review of financial statements from all guarantors dated within 90 days of real estate closing.
8. Guarantors to provide the standard Florida Housing Construction Completion Guaranty; to be released upon lien-free completion as approved by the Servicer.
9. Guarantors are to provide the standard Florida Housing Environmental Indemnity Guaranty.
10. Guarantors are to provide the standard Florida Housing Guaranty of Recourse Obligations.
11. A mortgagee title insurance policy naming Florida Housing as the insured in the amount of the Viability and HOME loans is to be issued immediately after closing. Any exceptions to the title insurance policy must be acceptable to Florida Housing or its Legal Counsel. All endorsements that are required by Florida Housing are to be issued and the form of the title policy must be approved prior to closing.
12. Property tax and hazard insurance escrow are to be established and maintained by the First Mortgagee, the Fiscal Agent, or the Servicer. In the event the reserve account is held by the Servicer, the release of funds shall be at Florida Housing’s sole discretion.
13. Replacement Reserves in the amount of \$300 per unit per year will be required to be deposited on a monthly basis into a designated escrow account, to be maintained by the First Mortgagee or Florida Housing’s loan servicing agent. However, Applicant has the option to prepay Replacement Reserves, as allowed per the Rule in the amount of \$10,800 (one-half the required Replacement Reserves for years 1 and 2), in order to meet the applicable DSC loan requirements. Applicant can waive this election, if at closing of the loan(s) the required DSC is met without the need to exercise the option. It is currently estimated that the Replacement Reserves will be funded from Operations in the amount of \$300 per unit for years 1 and 2, followed by \$300 per unit per year thereafter. New construction developments shall not be allowed to draw during the first five (5) years or until the establishment of

a minimum balance equal to the accumulation of five (5) years of replacement reserves per unit. The initial replacement reserve will have limitations on the ability to be drawn. The amount established as a replacement reserve shall be adjusted based on a capital needs assessment (“CNA”) to be received by the Corporation or its servicers, prepared by an independent third party and acceptable to the Corporation and its servicers at the time the CNA is required. Beginning no later than the 10th year after the first residential building receives a certificate of occupancy, a temporary certificate of occupancy, or is placed in service, whichever is earlier (“Initial Replacement Reserve Date”). A subsequent CNA is required no later than the 15th year after the Initial Replacement Reserve Date and subsequent assessments are required every five years thereafter.

14. Moran, or other construction inspector acceptable for Florida Housing, will act as Florida Housing’s inspector during the construction period.
15. A minimum of 10% retainage holdback on all construction draws until the Development is 50% completed, and 0% retainage thereafter is required. Under the terms of the Construction Contract, a minimum of 10% retainage holdback on all construction draws until the Development is 50% complete, and 5% retainage thereafter is required. Retainage will not be released until lien-free successful completion of construction and issuance of all certificates of occupancy, which satisfies RFA 2021-206 and the Rule minimum requirement.
16. Satisfactory completion of a pre-loan closing compliance audit conducted by Florida Housing or Servicer, if applicable.
17. Closing of all the funding sources prior to or simultaneously with the Viability and HOME Loans.
18. HOME funds are subject to the National Environmental Policy Act (“NEPA”) of 1969 and related federal environmental authorities and regulations at 24 CFR Part 58 “Environmental Review Procedures.” No HOME funds may be committed to a development before completion of the environmental review process and HUD approval of the environmental review and Request for Release of Funds.
19. Any other reasonable requirements of the Servicer, Florida Housing, or its Legal Counsel.



**Exhibit 1**  
**CROSS CREEK GARDENS AT QUINCY**  
**15 Year Operating Pro Forma**

FINANCIAL COSTS:		Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11	Year 12	Year 13	Year 14	Year 15	
<b>OPERATING PRO FORMA</b>																	
<b>INCOME:</b>	Gross Potential Rental Income	\$440,700	\$449,514	\$458,504	\$467,674	\$477,028	\$486,568	\$496,300	\$506,226	\$516,350	\$526,677	\$537,211	\$547,955	\$558,914	\$570,092	\$581,494	
	Rent Subsidy (ODR)	\$0															
	Other Income																
	Ancillary Income	\$10,800	\$11,016	\$11,236	\$11,461	\$11,690	\$11,924	\$12,163	\$12,406	\$12,654	\$12,907	\$13,165	\$13,428	\$13,697	\$13,971	\$14,250	
	Gross Potential Income	\$451,500	\$460,530	\$469,741	\$479,135	\$488,718	\$498,492	\$508,462	\$518,632	\$529,004	\$539,584	\$550,376	\$561,384	\$572,611	\$584,063	\$595,745	
	Less:																
	Physical Vac. Loss	Percentage: 4.00%	\$18,060	\$18,421	\$18,790	\$19,165	\$19,549	\$19,940	\$20,338	\$20,745	\$21,160	\$21,583	\$22,015	\$22,455	\$22,904	\$23,363	\$23,830
Collection Loss	Percentage: 1.00%	\$4,515	\$4,605	\$4,697	\$4,791	\$4,887	\$4,985	\$5,085	\$5,186	\$5,290	\$5,396	\$5,504	\$5,614	\$5,726	\$5,841	\$5,957	
<b>Total Effective Gross Income</b>		<b>\$428,925</b>	<b>\$437,504</b>	<b>\$446,254</b>	<b>\$455,179</b>	<b>\$464,282</b>	<b>\$473,568</b>	<b>\$483,039</b>	<b>\$492,700</b>	<b>\$502,554</b>	<b>\$512,605</b>	<b>\$522,857</b>	<b>\$533,314</b>	<b>\$543,981</b>	<b>\$554,860</b>	<b>\$565,957</b>	
<b>EXPENSES:</b>	Fixed:																
	Real Estate Taxes	\$44,471	\$45,805	\$47,179	\$48,595	\$50,053	\$51,554	\$53,101	\$54,694	\$56,335	\$58,025	\$59,765	\$61,558	\$63,405	\$65,307	\$67,266	
	Insurance	\$54,000	\$55,620	\$57,289	\$59,007	\$60,777	\$62,601	\$64,479	\$66,413	\$68,406	\$70,458	\$72,571	\$74,749	\$76,991	\$79,301	\$81,680	
	Variable:																
	Management Fee	Percentage: 5.00%	\$21,446	\$21,875	\$22,312	\$22,759	\$23,214	\$23,678	\$24,152	\$24,635	\$25,127	\$25,630	\$26,143	\$26,665	\$27,199	\$27,743	\$28,298
	General and Administrative	\$10,800	\$11,124	\$11,458	\$11,801	\$12,155	\$12,520	\$12,896	\$13,283	\$13,681	\$14,092	\$14,514	\$14,950	\$15,398	\$15,860	\$16,336	
	Payroll Expenses	\$54,000	\$55,620	\$57,289	\$59,007	\$60,777	\$62,601	\$64,479	\$66,413	\$68,406	\$70,458	\$72,571	\$74,749	\$76,991	\$79,301	\$81,680	
	Utilities	\$31,500	\$32,445	\$33,418	\$34,421	\$35,454	\$36,517	\$37,613	\$38,741	\$39,903	\$41,100	\$42,333	\$43,603	\$44,911	\$46,259	\$47,647	
	Marketing and Advertising	\$1,800	\$1,854	\$1,910	\$1,967	\$2,026	\$2,087	\$2,149	\$2,214	\$2,280	\$2,349	\$2,419	\$2,492	\$2,566	\$2,643	\$2,723	
	Maintenance and Repairs/Pest Control	\$18,000	\$18,540	\$19,096	\$19,669	\$20,259	\$20,867	\$21,493	\$22,138	\$22,802	\$23,486	\$24,190	\$24,916	\$25,664	\$26,434	\$27,227	
	Grounds Maintenance and Landscaping	\$8,100	\$8,343	\$8,593	\$8,851	\$9,117	\$9,390	\$9,672	\$9,962	\$10,261	\$10,569	\$10,886	\$11,212	\$11,549	\$11,895	\$12,252	
	Contract Services	\$1,080	\$1,112	\$1,146	\$1,180	\$1,216	\$1,252	\$1,290	\$1,328	\$1,368	\$1,409	\$1,451	\$1,495	\$1,540	\$1,586	\$1,634	
	Security	\$6,300	\$6,489	\$6,684	\$6,884	\$7,091	\$7,303	\$7,523	\$7,748	\$7,981	\$8,220	\$8,467	\$8,721	\$8,982	\$9,252	\$9,529	
	Reserve for Replacements	\$10,800	\$10,800	\$10,800	\$10,800	\$10,800	\$10,800	\$10,800	\$10,800	\$10,800	\$10,800	\$11,124	\$11,458	\$11,801	\$12,155	\$12,520	
	<b>Total Expenses</b>		<b>\$262,297</b>	<b>\$269,627</b>	<b>\$277,174</b>	<b>\$284,942</b>	<b>\$292,938</b>	<b>\$301,170</b>	<b>\$309,645</b>	<b>\$318,368</b>	<b>\$327,349</b>	<b>\$336,594</b>	<b>\$346,436</b>	<b>\$356,568</b>	<b>\$366,998</b>	<b>\$377,736</b>	<b>\$388,790</b>
	<b>Net Operating Income</b>		<b>\$166,628</b>	<b>\$167,876</b>	<b>\$169,080</b>	<b>\$170,237</b>	<b>\$171,344</b>	<b>\$172,398</b>	<b>\$173,395</b>	<b>\$174,332</b>	<b>\$175,205</b>	<b>\$176,011</b>	<b>\$176,421</b>	<b>\$176,747</b>	<b>\$176,983</b>	<b>\$177,124</b>	<b>\$177,167</b>
<b>Debt Service Payments</b>																	
First Mortgage - FCLF	\$137,551	\$137,551	\$137,551	\$137,551	\$137,551	\$137,551	\$137,551	\$137,551	\$137,551	\$137,551	\$137,551	\$137,551	\$137,551	\$137,551	\$137,551	\$137,551	
Second Mortgage - Viability	\$12,239	\$12,239	\$12,239	\$12,239	\$12,239	\$12,239	\$12,239	\$12,239	\$12,239	\$12,239	\$12,239	\$12,239	\$12,239	\$12,239	\$12,239	\$12,239	
Third Mortgage - HOME	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
First Mortgage Fees - FCLF	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Second Mortgage Fees - Viability	\$3,060	\$3,060	\$3,060	\$3,060	\$3,060	\$3,060	\$3,060	\$3,060	\$3,060	\$3,060	\$3,060	\$3,060	\$3,060	\$3,060	\$3,060	\$3,060	
Third Mortgage Fees - HOME	\$12,622	\$12,654	\$12,686	\$12,720	\$12,754	\$12,790	\$12,827	\$12,864	\$12,903	\$12,943	\$12,984	\$13,027	\$13,071	\$13,116	\$13,162		
<b>Total Debt Service Payments</b>		<b>\$165,472</b>	<b>\$165,504</b>	<b>\$165,536</b>	<b>\$165,570</b>	<b>\$165,605</b>	<b>\$165,640</b>	<b>\$165,677</b>	<b>\$165,715</b>	<b>\$165,753</b>	<b>\$165,793</b>	<b>\$165,835</b>	<b>\$165,877</b>	<b>\$165,921</b>	<b>\$165,966</b>	<b>\$166,013</b>	
Cash Flow after Debt Service	\$1,156	\$2,372	\$3,544	\$4,667	\$5,739	\$6,757	\$7,718	\$8,617	\$9,451	\$10,217	\$10,587	\$10,870	\$11,062	\$11,158	\$11,154		
<b>Debt Service Coverage Ratios</b>																	
DSC - First Mortgage plus Fees	1.21x	1.22x	1.23x	1.24x	1.25x	1.25x	1.26x	1.27x	1.27x	1.28x	1.28x	1.28x	1.28x	1.29x	1.29x	1.29x	
DSC - Second Mortgage plus Fees	1.09x	1.10x	1.11x	1.11x	1.12x	1.13x	1.13x	1.14x	1.15x	1.15x	1.15x	1.16x	1.16x	1.16x	1.16x	1.16x	
DSC - Third Mortgage plus Fees	1.01x	1.01x	1.02x	1.03x	1.03x	1.04x	1.05x	1.05x	1.05x	1.06x	1.06x	1.06x	1.07x	1.07x	1.07x	1.07x	
DSC - Fourth Mortgage plus Fee	1.01x	1.01x	1.02x	1.03x	1.03x	1.04x	1.05x	1.05x	1.05x	1.06x	1.06x	1.06x	1.07x	1.07x	1.07x	1.07x	
DSC - Fifth Mortgage plus Fees	1.01x	1.01x	1.02x	1.03x	1.03x	1.04x	1.05x	1.05x	1.05x	1.06x	1.06x	1.06x	1.07x	1.07x	1.07x	1.07x	
DSC - All Mortgages and Fees	1.01x	1.01x	1.02x	1.03x	1.03x	1.04x	1.05x	1.05x	1.05x	1.06x	1.06x	1.06x	1.07x	1.07x	1.07x	1.07x	
<b>Financial Ratios</b>																	
Operating Expense Ratio	61.15%	61.63%	62.11%	62.60%	63.09%	63.60%	64.10%	64.62%	65.14%	65.66%	66.26%	66.86%	67.47%	68.08%	68.70%		
Break-even Economic Occupancy Ratio (all debt)	94.99%	94.73%	94.50%	94.28%	94.08%	93.89%	93.73%	93.59%	93.46%	93.36%	93.33%	93.31%	93.32%	93.34%	93.38%		

**CROSS CREEK GARDENS AT QUINCY**  
RFA 2021-206 (2022-247H)]  
DESCRIPTION OF FEATURES AND AMENITIES

**A.** The Development will consist of:

36 Garden Style Apartments located in 2 residential buildings

Unit Mix:

Ten (10) one bedroom / one bath units

Fourteen (14) two bedroom/ two bath units

Twelve (12) three bedroom / two bath units;

**36 Total Units**

- B.** The Development is to be constructed in accordance with the final plans and specifications approved by the appropriate city or county building or planning department or equivalent agency, and approved as reflected in the Pre-Construction Analysis prepared for Florida Housing or its Servicer, unless a change has been approved in writing by Florida Housing or its Servicer. The Development will conform to requirements of local, state & federal laws, rules, regulations, ordinances, orders and codes, Florida Accessibility Code for Building Construction as adopted pursuant to Section 553.503, Florida Statutes, The Fair Housing Act as implemented by 24 CFR 100, Section 504 of the Rehabilitation Act of 1973, and Titles II and III of the Americans with Disabilities Act of 1990 as implemented by 28 CFR 35, incorporating the most recent amendments, regulations and rules.

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

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

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

**HOME & VIABILITY CREDIT UNDERWRITING REPORT**

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- C.** The Development must provide the following General Features:
1. Broadband infrastructure which includes cables, fiber optics, wiring, or other infrastructure, as long as the installation results in accessibility in each unit;
  2. Termite prevention and pest control throughout the entire Compliance Period;
  3. Window covering for each window and glass door inside each unit;
  4. Cable or satellite TV hook-up in each unit and, if the Development offers cable or satellite TV service to the residents, the price cannot exceed the market rate for service of similar quality available to the Development's residents from a primary provider of cable or satellite TV;
  5. Washer and dryer hook ups in each of the Development's units or an on-site laundry facility for resident use. If the proposed Development will have an on-site laundry facility, the following requirements must be met:
    - There must be a minimum of one (1) Energy Star certified washer and one (1) Energy Star certified or commercial grade dryer per every 15 units. To determine the required number of washers and dryers for the on-site laundry facility; divide the total number of the Development's units by 15, and then round the equation's total up to the nearest whole number;
    - At least one washing machine and one dryer shall be front loading that meets the accessibility standards of Section 504;
    - If the proposed Development consists of Scattered Sites, the laundry facility shall be located on each of the Scattered Sites, or no more than 1/16 mile from the Scattered Site with the most units, or a combination of both.
  6. At least two full bathrooms in all 3 bedroom or larger units;
  7. Bathtub with shower in at least one bathroom in at least 90 percent of the non-Elderly units;
  8. A full-size range and oven in all units.
- D.** The Development must provide the following Accessibility, Universal Design and Visitability Features in all units:
1. Primary entrance doors on an accessible route shall have a threshold with no more than a ½-inch rise;
  2. All door handles on primary entrance door and interior doors must have lever handles;
  3. Lever handles on all bathroom faucets and kitchen sink faucets;
  4. Mid-point on light switches and thermostats shall not be more than 48 inches above finished floor level; and
  5. Cabinet drawer handles and cabinet door handles in bathroom and kitchen shall be lever or D-pull type that operate easily using a single closed fist.
- E.** In addition to the 5 percent mobility requirement outlined above, all Family Demographic Developments must provide reinforced walls for future installation of horizontal grab bars in place around each tub/shower and toilet, or a Corporation-approved alternative approach for grab bar installation. The installation of the grab bars must meet or exceed the 2010 ADA Standards for Accessible Design.

At the request of and at no charge to a resident household, the Development shall purchase and install grab bars around each tub/shower unit and toilet in the dwelling unit. The product specifications and installation must meet or exceed 2010 ADA Standards for Accessible Design. The Development shall inform a prospective resident that the Development, upon a resident household's request and at no charge to the household, will install grab bars around a dwelling unit's tub/shower unit and toilet, pursuant to the 2010 ADA Standards. At a minimum, the Development shall inform each prospective lessee by including language in the Development's written materials listing and describing the unit's features, as well as including the language in each household's lease.

**F. Green Building Features required in all Developments:**

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

1. Low or No-VOC paint for all interior walls (50 grams per liter or less for flat; 150 grams per liter or less for non-flat paint);
2. Low-flow water fixtures in bathrooms—WaterSense labeled products or the following specifications:
  - Toilets: 1.28 gallons/flush or less,
  - Faucets: 1.5 gallons/minute or less at 60 psi flow rate,
  - Showerheads: 2.0 gallons/minute or less at 80 psi flow rate,
  - Urinals: 0.5 gallons/flush,
3. Energy Star certified refrigerator;
4. Energy Star certified dishwasher;
5. Energy Star certified ventilation fan in all bathrooms;
6. Water heater minimum efficiency specifications:
  - Residential Electric:
    - Up to 55 gallons = .95 EF or .92 UEF; or
    - More than 55 gallons = Energy Star certified; or
    - Tankless = 0.97 EF and Max GPM of  $\geq 2.5$  over a 77° rise or 0.87 UEF and GPM of  $\geq 2.9$  over a 67° rise;
  - Residential Gas (storage or tankless/instantaneous): Energy Star certified,
  - Commercial Gas Water Heater: Energy Star certified;
7. Energy Star certified ceiling fans with lighting fixtures in bedrooms;
8. Air Conditioning (in-unit or commercial):
  - Air-Source Heat Pumps – Energy Star certified:
    - $\geq 8.5$  HSPF/  $\geq 15$  SEER/  $\geq 12.5$  EER for split systems
    - $\geq 8.2$  HSPF  $\geq 15$  SEER/  $\geq 12$  EER for single package equipment including gas/electric package units
  - Central Air Conditioners – Energy Star certified:
    - $\geq 15$  SEER/  $\geq 12.5$  EER\* for split systems
    - $\geq 15$  SEER/  $\geq 12$  EER\* for single package equipment including gas/electric package units.

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

**HOME & VIABILITY CREDIT UNDERWRITING REPORT**

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In addition to the required Green Building features outlined in above, proposed Developments must achieve one of the following Green Building Certification programs: Leadership in Energy and Environmental Design (LEED); **Florida Green Building Coalition (FGBC)**; or ICC 700 National Green Building Standard (NGBS).

**G. The Development will provide the following Resident Services:**

1. Employment Assistance Program – The Applicant or its Management Company must provide, at no cost to the resident, a minimum of quarterly scheduled Employment Assistance Program workshops/meetings offering employment counseling by a knowledgeable employment counselor. Such a program includes employability skills workshops providing instruction on the basic skills necessary for getting, keeping, and doing well in a job. The instruction must be held between the hours of 8:00 a.m. and 7:00 p.m. and include, but not limited to, the following:
  - Evaluation of current job skills;
  - Assistance of setting job goals;
  - Assistance in development of and regular review/update of an individualized plan for each participating resident;
  - Resume assistance;
  - Interview preparation;
  - Placement and follow-up services.

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

2. Financial Management Program – The Applicant or its Management Company shall provide a series of classes to provide residents training in various aspects of personal financial management. Classes must be held at least quarterly, consisting of at least two hours of training per quarter, and must be conducted by parties that are qualified to provide training regarding the respective topic area. If the Development consists of Scattered Sites, the Resident Program must be held on the Scattered Site with the most units. Residents residing at the other sites of a Scattered Site Development must be offered transportation, at no cost to them, to the classes. The topic areas must include, but not be limited to:
  - Financial budgeting and bill-paying including training in the use of technologies and web-based applications;
  - Tax preparation including do's and don'ts, common tips, and how and where to file, including electronically;
  - Fraud prevention including how to prevent credit card and banking fraud, identity theft, computer hacking and avoiding common consumer scams;
  - Retirement planning & savings options including preparing a will and estate planning; and
  - Homebuyer education including how to prepare to buy a home, and how to access to first-time homebuyer programs in the county in which the development is located.

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

## COMPLETENESS AND ISSUES CHECKLIST

**DEVELOPMENT NAME:** CROSS CREEK GARDENS AT QUINCY

**DATE:** January 22, 2024

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

FINAL REVIEW	STATUS	NOTE
REQUIRED ITEMS:	Satis. / Unsatis.	
1. The development's final "as submitted for permitting" plans and specifications. Note: Final "signed, sealed, and approved for construction" plans and specifications will be required thirty days before closing.	Satis.	
2. Final site plan and/or status of site plan approval.	Satis.	
3. Permit Status.	Satis.	
4. Pre-construction analysis ("PCA").	Satis.	
5. Survey.	Satis.	
6. Complete, thorough soil test reports.	Satis.	
7. Full or self-contained appraisal as defined by the Uniform Standards of Professional Appraisal Practice.	Satis.	
8. Market Study separate from the Appraisal.	Satis.	
9. Environmental Site Assessment – Phase I and/or the Phase II if applicable (If Phase I and/or II disclosed environmental problems requiring remediation, a plan, including time frame and cost, for the remediation is required). If the report is not dated within one year of the application date, an update from the assessor must be provided indicating the current environmental status.	Satis.	
10. Audited financial statements for the most recent fiscal year ended or acceptable alternative as stated in Rule for credit enhancers, applicant, general partner, principals, guarantors, and general contractor.	Satis.	
11. Resumes and experience of applicant, general contractor, and management agent.	Satis.	
12. Credit authorizations; verifications of deposits and mortgage loans.	Satis.	
13. Management Agreement and Management Plan.	Satis.	
14. Firm commitment from the credit enhancer or private placement purchaser, if any.	N/A	
15. Firm commitment letter from the syndicator, if any.	Satis.	
16. Firm commitment letter(s) for any other financing sources.	Satis.	
17. Updated sources and uses of funds.	Satis.	
18. Draft construction draw schedule showing sources of funds during each month of the construction and lease-up period.	Satis.	
19. Fifteen-year income, expense, and occupancy projection.	Satis.	

**COMPLETENESS AND ISSUES CHECKLIST**

FINAL REVIEW REQUIRED ITEMS:	STATUS	NOT E
	Satis. / Unsatis.	
20. Executed general construction contract with “not to exceed” costs.	Satis.	
21. HC ONLY: 15% of the total equity to be provided prior to or simultaneously with the closing of the construction financing.	Satis	
22. Any additional items required by the credit underwriter.	Unsatis.	1

**NOTES AND DEVELOPER RESPONSES:**

1. Board approval of the RFA Waiver to change the Applicant Entity organizational structure is a condition precedent to the HOME and Viability loan closing.

## Viability Recommendation

### Viability Loan Sizing Parameters and Metrics

Select the Development		Cross Creek Gardens at Quincy	
RFA of Active Award		RFA 2021-206	
Demographic Commitment		Family	
Total Number of Units		36	
<b>Existing Competitive Active Awards:</b>		<b>Set-Aside Units</b>	
9% HC Allocation	NA	NA	
SAIL	NA	NA	
ELI	NA	NA	
NHTF	NA	NA	
HOME	\$ 6,000,000	36	
<b>Tax Exempt Bond Financing:</b>			
If MMRB, how much is the Perm Amount?		NA	
<b>Viability Funding Limits:</b>			
Gross Per Development Limit	\$	4,300,000	
Maximum Per Unit Limit	\$	125,000	
Net Per Development Limit (same as gross)	\$	4,300,000	
Maximum Limit from PU Limit (36 units x \$125,000 PU)	\$	4,500,000	
<b>Lesser of Net Per Development or PU Limit</b>	\$	<b>4,300,000</b>	
<b>Viability Loan Sizing Parameters</b>			
a. Eligible Request Amount:			
Applicant's Request Amount	\$	1,300,000	
Per Development/PU Limit	\$	4,300,000	
<b>Eligible Request Amount:</b>	\$	<b>1,300,000</b>	\$ 76,072.00
b. Gap Analysis for Viability Sizing Purposes Only:			
Permanent Funding Sources:			
		DS w/ Fees	DSCR
			NCF
Traditional First Mortgage	\$ 1,600,000.00	\$ 137,551	1.2192x \$ 30,149
Viability	\$ 1,223,928.00	\$ 15,299	1.0972x \$ 14,850
HOME	\$ 6,000,000.00	\$ 16,665	0.9893x \$ (1,815)
FHFC Source 2 - NA	\$ -	\$ -	0.9893x \$ (1,815)
FHFC Source 3 - NA	\$ -	\$ -	0.9893x \$ (1,815)
<additional source>	\$ -	\$ -	0.9893x \$ (1,815)
<additional source>	\$ -	\$ -	0.9893x \$ (1,815)
<additional source>	\$ -	\$ -	0.9893x \$ (1,815)
<additional source>	\$ -	\$ -	0.9893x \$ (1,815)
<additional source>	\$ -	\$ -	0.9893x \$ (1,815)
HC Equity	\$ 6,122,844.00		
Deferred Developer Fee (35.00%)	\$ 607,277.00		
<b>Total Sources</b>	<b>\$ 15,554,049.00</b>	<b>\$ 169,515</b>	<b>0.9893x \$ (1,815)</b>
Additional First Mortgage (Min 1st Sizing)	\$ -	\$ -	\$ -
Additional First Mortgage (DCR Sizing)	\$ -	\$ -	\$ -

Total Development Costs	\$ 15,554,049.00
Maximum Developer Fee Percentage	16%
Total Developer Fee	\$ 1,735,077.00
Minimum 30% Deferred Developer Fee	\$ 520,523.10

*\*Set-Asides for MMRB are expressed as the greater of MMRB Set-Asides or 4%HC Set-Asides for purposes of calculating Compliance Monitoring Fees on the MMRB loan.*

### Total FHFC Servicing Fees

Permanent Loan Servicing	\$	<b>14,291.82</b>
MMRB Annual Fee	0.000%	\$ -
MMRB Annual Minimum	\$0	\$ -
<b>MMRB Permanent Loan Servicing Fee</b>	<b>\$</b>	<b>-</b>
Non-MMRB Annual Fee(s)	0.25%	\$ 18,059.82
Non-MMRB Annual Minimum(s)	\$2,832	\$ 5,664.00
Non-MMRB Annual Maximum(s)	\$11,232	\$ 22,464.00
<b>Non-MMRB Permanent Loan Servicing Fee(s)</b>	<b>\$</b>	<b>14,291.82</b>
<b>Compliance Monitoring</b>		
	\$	<b>5,432.64</b>
MMRB Annual Base Fee	\$0	\$ -
Additional MMRB PSAU Fee	\$0.00	\$ -
MMRB Minimum Annual Fee	\$0	\$ -
<b>MMRB Compliance Monitoring Fee</b>	<b>\$</b>	<b>-</b>
Non-MMRB Annual Base(s)	\$2,196	\$ 2,196.00
Additional Non-MMRB PSAU Fee(s)	\$11.24	\$ 404.64
Non-MMRB Annual Minimum(s)	\$3,432	\$ 2,832.00
Multiple Program Fee(s)	\$1,023	\$ -
<b>Non-MMRB Compliance Monitoring Fee(s)</b>	<b>\$</b>	<b>5,432.64</b>
<b>FHFC MMRB Ongoing Issuer Fees</b>		
	\$	-
MMRB Annual Fee	0.00%	\$ -
MMRB Annual Minimum	\$10,000	\$ -
<b>FHFC MMRB Trustee Fees</b>		
	\$	-
Fiat Rate	\$0	\$ -

### Cash Flow Assumptions

<b>Net Operating Income:</b>	
Total Effective Gross Income in CUR Yr 1	\$ 428,925.00
Total Operating Expenses in CUR Yr 1	\$ 261,225.00
Net Operating Income in CUR Yr 1	\$ 167,700.00
<b>Actual Traditional 1st Mortgage:</b>	
<b>Proposed Amount of Traditional 1st Mortgage</b>	<b>\$ 1,600,000.00</b>
Traditional 1st Mtg Amortization (Years)	30.00
Traditional 1st Mtg Interest Rate	7.750%
Traditional 1st Mtg Mortgage Constant	8.59695%
Local HFA Bond Fees, if applicable	-
Traditional 1st Mtg DSCR	1.22x
Net Cash Flow (NCF) after 1st Mtg Debt Service	\$ 30,148.85
Debt Service (DS) on FHFC Subsidy Loans (w/ fees)	\$ 16,664.64
NCF after FHFC Subsidy Loans DS & Fees	\$ 13,484.21
<b>RFA 2023-211 Minimum 1st Mortgage:</b>	
Maximum 1st Mtg DSCR from Viability RFA	1.30x
Sized Debt Service from maximum DSCR	\$ 129,000.00
When TEBS are not utilized, no fees are included	-
Sized Debt Service to be incorporated, net of fees	\$ 129,000.00
Mortgage Constant to be incorporated	8.59695%
<b>Resulting minimum 1st Mtg</b>	<b>\$ 1,500,532.70</b>
NCF after resulting minimum 1st Mtg	\$ 38,700.00
NCF after FHFC Subsidy Loans DS & Fees	\$ 22,035.36
<b>Rule Chapter 67-48.0072(28)(g)2. Variables and Process:</b>	
Total Vacancy & Collection Rate in CUR	5.000%
Revenue Growth Rate in CUR	2.000%
Operating Expense Growth Rate in CUR	3.000%
Amortization to be incorporated (Years)	30.00
Interest Rate to be incorporated	7.750%
Resulting Mortgage Constant for qualifying debt	8.59695%
Revenue Growth Rate to be incorporated	2.000%
Operating Expense Growth Rate to be incorporated	3.000%
Vacancy Rate to be incorporated	7.000%
Maximum DSCR for Year 1 NOI	1.50x
Maximum DSCR for Year 15 NOI	1.25x
Minimum NCF PU Year 1 (after 1st Mtg DS Only)	\$1,000
Net Operating Income Year 1	NA
Net Operating Income Year 15	NA
(a) Resulting Debt for Year 15 DSCR Limitations	NA
(b)(i) Resulting Debt for Year 1 DSCR Limitation	NA
(b)(ii) Resulting Debt for Year 1 NCS Limitation	NA
(b) Greater of (b)(i) or (b)(ii)	NA
Lesser of (a) or (b)	NA
<b>Sized Minimum 1st Mortgage per Rule</b>	<b>NA</b>
Resulting DSCR from Sized Minimum 1st Mortgage per Rule (using actual 1st mortgage debt structure)	NA

### Verification Debt Coverage Ratio is Not Enhanced

<b>Prior Overall Debt Coverage Ratio</b>	
Did the Proposed Development have a DSCR prior to the RFA 2023-211 Application Deadline?	No
If yes, what was the Net Operating Income used in calculating the DSCR?	\$ -
If yes, what was the total of all debt service and servicing fees of all applicable Permanent Sources of Funding used in calculating the DSCR?	\$ -
If yes, what was the overall Debt Coverage Ratio, inclusive of all applicable Permanent Sources of Funding?	-
The actual overall Debt Coverage Ratio, inclusive of all actual applicable Permanent Sources of Funding (excludes any additional sized 1st Mtg) is:	0.9893x
The actual overall Debt Coverage Ratio, inclusive of all applicable Permanent Sources of Funding (inclusive of actual debts and applicable additional gap sized 1st Mtg) is:	0.9893x

Since there was no prior existing debt coverage ratio established or drafted prior to the Application Deadline of RFA 2023-211, there is no methodology available to verify whether the debt coverage ratio was or was not enhanced.





ROYAL AMERICAN MANAGEMENT, INC.  
ROYAL AMERICAN DEVELOPMENT, INC.  
ROYAL AMERICAN CONSTRUCTION CO., INC.

January 17, 2024

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

RE: Citadella Village RFA 2018-033BS\_2023-261V\_2016-586C

Lisa,

Please let this letter serve as our formal request to extend the deadline for the Loan Closing from January 22, 2024 to April 19, 2024. We are facing delays with the permitting process. The main cause of this delay is a long plan review process in Miami.

Sincerely,

A handwritten signature in blue ink, appearing to be 'JFC', with a long, sweeping horizontal line extending to the right.

Joseph F. Chapman, IV  
Vice President  
Waddell Plantation, Inc.





**THE HOUSING AUTHORITY  
OF THE  
CITY OF MIAMI BEACH**



**BOARD OF COMMISSIONERS**

MOJDEH L. KHAGHAN  
CHAIRPERSON  
MATTI BOWER  
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200 ALTON ROAD  
MIAMI BEACH, FL 33139-6742  
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LEONOR FERNANDEZ  
COMMISSIONER  
DAVID C. GREEFF  
COMMISSIONER  
MIGUELL DEL CAMPILLO  
EXECUTIVE DIRECTOR

January 17, 2024

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

Re: The Heron (RFA 2020-102/2020-483SA/ITP-2022 CHIRP)

Dear Mr. Kennedy:

The Miami Beach Housing Initiatives, Inc., an instrumentality of the Housing Authority of the City of Miami Beach (HACMB), respectfully requests a waiver of the CHIRP ITP to extend the current February 2, 2024 closing deadline for The Heron, to May 10, 2024, the date of the May Florida Housing Finance Corporation Board meeting.

The Heron is a proposed development of twenty (20) permanent supporting housing units for elderly persons with special needs. The development was originally proposed to consist of sixteen (16) units at 60% of Area Median Income (AMI), and four (4) Extremely Low Income units at 28% AMI. In order to receive additional funding through the CHIRP program, The Heron was required to convert eight of the 60% AMI units to 30% AMI units. The twenty permanent supportive housing units at The Heron are now deeply subsidized with four units at 28% AMI, eight at 30%, and eight at 60%.

The resulting substantial loss in rental revenue required the addition of eight (8) project-based vouchers (PBV) in order to have sufficient income to support the increased debt. However, this triggered a required Subsidy Layering Review (SLR) process to be completed by U.S. HUD. The extension request will allow time for HUD to finalize the review and approval process for the SLR.

The extension request will also allow the HACMB additional time to finalize the review process for the building permit, and for the review and preparation of closing documents from the City of Miami Beach and Miami-Dade County.

Thank you in advance for your consideration of this request.

Sincerely,



Miguell Del Campillo  
Executive Director

# **Florida Housing Finance Corporation**

## **Credit Underwriting Report**

### **3611/3621 Cleveland Avenue**

**State Apartment Incentive Loan Program (“SAIL”), Extremely Low-Income Loan (“ELI”), National Housing Trust Fund (“NHTF”), and 4% Non-Competitive Housing Credits (“HC”)**

**RFA 2023-205 (2024-018SN) / 2023-506C**

**SAIL Financing of Affordable Multifamily Housing Developments to be Used in Conjunction with Tax-Exempt Bond Financing and Non-Competitive Housing Credits**

#### **Section A: Report Summary**

**Section B: SAIL, ELI Loan, and NHTF Special and General Conditions  
HC Allocation Recommendation and Contingencies**

**Section C: Supporting Information and Schedules**

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**Prepared by**

**First Housing Development Corporation of Florida**

**FINAL REPORT**

**January 22, 2024**

**3611/3621 Cleveland Avenue**

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**Section A**  
**Report Summary**

**SAIL, ELI, NHTF & HC CREDIT UNDERWRITING REPORT**

**Recommendation**

First Housing Development Corporation of Florida (“First Housing”, “FHDC”, or “Servicer”) 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 an NHTF Loan in the amount of \$825,000 (“NHTF Loan”) and an annual 4% HC Allocation of \$1,806,643 for the construction and permanent financing of 3611/3621 Cleveland Avenue (“Development”).

DEVELOPMENT & SET-ASIDES											
Development Name:		3611/3621 Cleveland Avenue									
RFA/Program Numbers:		RFA2023-205		/		2024-018SN		2023-506C			
Address:		3611/3621 Cleveland Avenue									
City:		Ft. Myers		Zip Code:		33901		County: Lee		County Size: Medium	
Development Category:		New Construction				Development Type: Garden Apts (1-3 Stories)					
Construction Type:		Masonry									
Demographic Commitment:		Primary: Family for 100% of the Units									
Unit Composition:		# of ELI Units: 10      ELI Units Are Restricted to 40% AMI, or less.      Total # of units with PBRA? 50									
		# of Link Units: 8      Are the Link Units Demographically Restricted? No      # of NHTF Units: 3									

**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	\$ 102	\$ 249		\$ 249	\$ 249	\$ 249	\$ 8,964
1	1.0	5	720	40%			\$ 638	\$ 102	\$ 536	\$ 1,210	\$ 1,210	\$ 1,210	\$ 1,210	\$ 72,600
1	1.0	3	720	50%			\$ 798	\$ 102	\$ 696	\$ 1,210	\$ 1,210	\$ 1,210	\$ 1,210	\$ 43,560
1	1.0	16	720	60%			\$ 957	\$ 102	\$ 855		\$ 855	\$ 855	\$ 855	\$ 164,160
1	1.0	9	720	Market			\$ 1,675	\$ -	\$ 1,675		\$ 1,675	\$ 1,675	\$ 1,675	\$ 180,900
1	1.0	2	700	50%			\$ 798	\$ 102	\$ 696	\$ 1,210	\$ 1,210	\$ 1,210	\$ 1,210	\$ 29,040
1	1.0	12	700	60%			\$ 957	\$ 102	\$ 855		\$ 855	\$ 855	\$ 855	\$ 123,120
2	1.0	3	983	40%			\$ 766	\$ 130	\$ 636	\$ 1,538	\$ 1,538	\$ 1,538	\$ 1,538	\$ 55,368
2	1.0	32	983	50%			\$ 957	\$ 130	\$ 827	\$ 1,538	\$ 1,538	\$ 1,538	\$ 1,538	\$ 590,592
2	1.0	1	983	60%			\$ 1,149	\$ 130	\$ 1,019		\$ 1,019	\$ 1,019	\$ 1,019	\$ 12,228
2	1.0	2	940	40%			\$ 766	\$ 130	\$ 636	\$ 1,538	\$ 1,538	\$ 1,538	\$ 1,538	\$ 36,912
2	1.0	3	940	50%			\$ 957	\$ 130	\$ 827	\$ 1,538	\$ 1,538	\$ 1,538	\$ 1,538	\$ 55,368
2	1.0	1	940	60%			\$ 1,149	\$ 130	\$ 1,019		\$ 1,019	\$ 1,019	\$ 1,019	\$ 12,228
		92	76,748											\$ 1,385,040

According to Request for Applications 2023-205 (“RFA”), since the Applicant did not select the Average Income Test, the Applicant must set aside 10% of the total units (10 units) as ELI set-aside units at 40% or less of the Area Median Income (“AMI”). The proposed Development must set aside 50% of the ELI set-aside units (5 units) as Link Units for Persons with Special Needs. In order to meet the commitment to set aside ELI units as Link Units for Persons with Special Needs, the Applicant must develop and execute a Memorandum of Understanding (“MOU”) with at least

**SAIL, ELI, NHTF & HC CREDIT UNDERWRITING REPORT**

one designated Special Needs Household Referral Agency that provides supportive services for Persons with Special Needs for the county where the proposed Development will be located (Lee County). The fully executed MOU will need to be approved by Florida Housing Finance Corporation (“Florida Housing” or “FHFC”) prior to closing and is a condition to close.

**NHTF Units Set-Aside Commitment:** The proposed Development must set aside 3 units as NHTF Link Units targeted for Persons with Special Needs. These units are required to be set aside for residents earning at or below 22% of AMI and are in addition to the 50% requirement for ELI set-aside units. Therefore, the Development will have a total of 8 units targeted as Link Units for Persons with Special Needs (ELI - 5 units, NHTF - 3 units). After 30 years, all of the NHTF Link units (3 units) may convert to serve residents at or below 60% AMI. However, the Persons with Special Needs set-aside commitment must be maintained throughout the entire 50-year Compliance Period.

After Year 15, the ELI set-aside units may convert to 60% AMI; however, the Persons with Special Needs set-aside commitment must be maintained throughout the entire Compliance Period.

The Tenant Selection Plan was approved by FHFC on December 5, 2023.

Buildings: Residential - 4 Non-Residential - 0  
 Parking: Parking Spaces - 207 Accessible Spaces - 9

Set Asides:

Program	% of Units	# of Units	% AMI	Term (Years)
HC/SAIL/ELI	10%	10	40%	50
HC/SAIL	44%	40	50%	50
HC/SAIL	36%	33	60%	50
County MMRN	40%	37	60%	50
NHTF	3%	3	22%	30

Absorption Rate: 30 units per month for 3.1 months.

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

DDA: No QCT: Yes Multi-Phase Boost: No QAP Boost: No  
 Site Acreage: 5.05 Density: 18.22 Flood Zone Designation: X  
 Zoning: Commercial Intensive (CI) Flood Insurance Required?: No

**SAIL, ELI, NHTF & HC CREDIT UNDERWRITING REPORT**

DEVELOPMENT TEAM			
Applicant/Borrower:	Fort Myers Redevelopment, LLC	% Ownership	
Manager	Fort Myers Redevelopment Manager, LLC ("FMR Manager")		0.0051%
Manager	Southwest Florida Cleveland GP, LLC ("SWF Manager")		0.0049%
Member	Enterprise Housing Partners XLI LP		99.9900%
Construction Completion Guarantor(s):			
CC Guarantor 1:	Fort Myers Redevelopment, LLC		
CC Guarantor 2:	FMR Manager & SWF Manager		
CC Guarantor 3:	Fort Myers Developer, LLC		
CC Guarantor 4:	Southwest Florida Affordable Housing Choice Foundation, Inc. ("SWFAHCF")		
CC Guarantor 5:	Southwest Florida Affordable Development, LLC ("SWFAD")		
CC Guarantor 6:	MBA Properties, Inc. & McCormack Baron Salazar, Inc.		
CC Guarantor 7:	Richard D. Baron		
CC Guarantor 8:	Vincent R. Bennett		
Operating Deficit Guarantor(s):			
OD Guarantor 1:	Fort Myers Redevelopment, LLC		
OD Guarantor 2:	FMR Manager & SWF Manager		
OD Guarantor 3:	Fort Myers Developer, LLC		
OD Guarantor 4:	SWFAHCF		
OD Guarantor 5:	SWFAD		
OD Guarantor 6:	MBA Properties, Inc. & McCormack Baron Salazar, Inc.		
OD Guarantor 7:	Richard D. Baron		
OD Guarantor 8:	Vincent R. Bennett		
Note Purchaser	Bank OZK / Citibank, N.A. ("Citi")		
Developer:	Fort Myers Developer, LLC		
Co-Developer:	SWFAD		
General Contractor 1:	Chris-Tel Company of Southwest Florida, Inc.		
Management Company:	Southwest Florida Housing Management, LLC		
Syndicator:	Enterprise Housing Credit Investments ("Enterprise")		
Note Issuer:	Housing Finance Authority of Lee County ("HFALC")		
Architect:	Parker, Mudgett, Smith Architects, Inc.		
Market Study Provider:	Colliers International Valuation & Advisory Services ("Colliers")		
Appraiser:	Colliers		

The McCormack Baron Salazar, Inc. related entities will remain in the ownership structure of the Applicant only until the property stabilizes and permanent loan conversion occurs. The Housing Authority of the City of Fort Myers ("HACFM") related entities (i.e. the Member of the Applicant and SWFAHCF) will remain in the structure after conversion to own and operate the property. Please see Applicant Information in Section C for more detail.



**SAIL, ELI, NHTF & HC CREDIT UNDERWRITING REPORT**

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	\$5,100,000	\$8,740,000	\$662,500	\$825,000	\$14,232,833
Underwritten Interest Rate	6.40%	1.00%	0.00%	0.00%	3.98%
All In Interest Rate	6.40%	1.00%	0.00%	0.00%	3.98%
Loan Term	18	18	18	30	40
Amortization	40	0	0	0	0
Market Rate/Market Financing LTV	27%	74%	77%	82%	157%
Restricted Market Financing LTV	48%	129%	136%	143%	276%
Loan to Cost - Cumulative	11%	30%	31%	33%	63%
Loan to Cost - SAIL Only	N/A	19%	N/A	N/A	N/A
Debt Service Coverage	1.73	1.36	1.36	1.35	0.62
Operating Deficit Reserve	\$583,000				
# of Months covered by the Reserves	3.7				

Deferred Developer Fee	\$0
As-Is Land Value	\$2,250,000
Market Rent/Market Financing Stabilized Value	\$18,800,000
Rent Restricted Market Financing Stabilized Value	\$10,700,000
Projected Net Operating Income (NOI) - Year 1	\$640,530
Projected Net Operating Income (NOI) - 15 Year	\$707,211
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	\$1,806,643
HC Annual Allocation - Equity Letter of Interest	\$1,806,643

**SAIL, ELI, NHTF & HC CREDIT UNDERWRITING REPORT**

<b>CONSTRUCTION/PERMANENT SOURCES:</b>				
Source	Lender	Construction	Permanent	Perm Loan/Unit
Local HFA Note	HFALC/BankOZK	\$22,550,000	\$0	\$0
Local HFA Note	Citi	\$0	\$5,100,000	\$55,435
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	\$14,232,833	\$154,705
Non-FHFC Grant	City of Ft. Myers	\$50,000	\$50,000	\$543
HC Equity	Enterprise Housing Partners XLI LP	\$2,759,054	\$17,161,389	\$186,537
Deferred Developer Fee	Fort Myers Developer, LLC & SWFAD	\$2,630,456	\$0	\$0
Affiliate / Principal	FMR Manager & SWF Manager	\$100	\$100	\$1
Operating Deficit Reserve	Fort Myers Redevelopment, LLC	\$583,000	\$0	\$0
<b>TOTAL</b>		<b>\$46,771,822</b>	<b>\$46,771,822</b>	<b>\$508,389</b>

Credit Underwriter: First Housing

Date of Final CUR: \_\_\_\_\_

TDC PU Limitation at Application: \$355,100      TDC PU Limitation at Credit Underwriting: \$355,100

Minimum 1st Mortgage per Rule: N/A      Amount Dev. Fee Reduced for TDC Limit: \$750,000

Changes from the Application:

<b>COMPARISON CRITERIA</b>	<b>YES</b>	<b>NO</b>
Does the level of experience of the current team equal or exceed that of the team described in the Application?	X	
Are all funding sources the same as shown in the Application?		1.&2.
Are all local government recommendations/contributions still in place at the level described in the Application?		3.&4.
Is the Development feasible with all amenities/features listed in the Application?	X	
Do the site plans/architectural drawings account for all amenities/features listed in the Application?	X	
Does the applicant have site control at or above the level indicated in the Application?	X	
Does the applicant have adequate zoning as indicated in the Application?	X	
Has the Development been evaluated for feasibility using the total length of set-aside committed to in the Application?	X	
Have the Development costs remained equal to or less than those listed in the Application?	X	
Is the Development feasible using the set-asides committed to in the Application?		

**SAIL, ELI, NHTF & HC CREDIT UNDERWRITING REPORT**

If the Development has committed to serve a special target group (e.g. elderly, large family, etc.), do the development and operating plans contain specific provisions for implementation?	N/A	
HOME ONLY: If points were given for match funds, is the match percentage the same as or greater than that indicated in the Application?	N/A	
HC ONLY: Is the rate of syndication the same as or greater than that shown in the Application?	X	
Is the Development in all other material respects the same as presented in the Application?	X	

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

1. Since the Application, the HFALC/Bank OZK tax-exempt construction first mortgage amount has decreased from \$24,000,000 to \$22,550,000 and the Citibank, N.A. permanent first mortgage amount has increased from \$4,879,000 to \$5,100,000.
2. Since the Application, the amount of HC equity has decreased from \$17,750,029 to \$17,161,389.
3. Since the Application, per the Invitation to Enter Credit Underwriting issued by FHFC on October 10, 2023, the Applicant was awarded additional FHFC NHTF funding in the loan amount of \$825,000.
4. Since the Application, the amount of funding from the HACFM has decreased from \$14,691,181 to \$14,232,833.
5. Since the Application, Total Development Costs have decreased \$570,649, or 1.21%, from \$47,342,471 to \$46,771,822.
6. Since the Application, the management company has changed from McCormack Baron Management, Inc. to Southwest Florida Housing Management, LLC and a prior experience chart was provided for the new company.

The above changes have no substantial material impact to the SAIL, ELI, NHTF, or HC recommendation for this Development.

**SAIL, ELI, NHTF & HC CREDIT UNDERWRITING REPORT**

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

According to the FHFC Asset Management Noncompliance Report, dated October 18, 2023, the Development has the following noncompliance item(s) not in the correction period:

- None

According to the FHFC Past Due Report, dated November 29, 2023, the Development Team has the following past due item(s):

- None

Closing of the loan is conditioned upon verification that any outstanding past due, and/or noncompliance items noted at the time of closing, and the issuance of the annual HC allocation recommended herein, have been satisfied.

Strengths:

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

Other Considerations:

None

Mitigating Factors:

None

Waiver Requests/Special Conditions:

None

Issues and Concerns:

None

Mitigating Factors:

None

Additional Information:

1. The Applicant has applied to the Housing Finance Authority of Lee County for a Tax-Exempt Multifamily Mortgage Revenue Note (“MMRN” or “Note”). Bank OZK will make the MMRN in the estimated amount of \$22,550,000 which will be privately placed. The MMRN will be short-term and paid off at conversion with the first mortgage and tax credit equity.
2. Based on the TDC per unit limitations in affect as of the April 1, 2022 FHFC Telephonic Board meeting, FHFC has set the TDC for 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 \$463,573, excluding 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.

3. The Applicant is required to comply with the HUD environmental requirements as provided in 24 CFR 93.301(f)(1) and (2). Arcadis U.S., Inc. (“Arcadis”) has been engaged to prepare the Housing Trust Fund Environmental Review, however it has not been completed yet and is a requirement for closing.
4. The Applicant is required to provide evidence demonstrating that the Development is consistent with the applicable Consolidated Plan. First Housing has not yet received this and it is a requirement for closing.
5. During the construction period, Bank OZK will be the holder of the MMRN and will also provide a tax-exempt loan to the Applicant. At conversion to permanent financing, Bank OZK will sell the tax-exempt MMRN to Citi, who will provide permanent funding (the “Funding Loan”) in the form of a tax-exempt loan. The Funding Loan is requested pursuant to any Federal, State or local requirements concerning the proposed tax-exempt private activity allocation and/or low-income housing tax credit requirements. The Funding Loan will be originated on behalf of HFALC for subsequent purchase by and delivery to the permanent lender. The proceeds of the Funding Loan will be used by HFALC to fund a mortgage loan with matching economic terms (the “Project Loan”) to the Applicant to finance the construction and permanent financing of the Development. The Funding Loan will be a non-recourse obligation of HFALC secured solely by receipts and revenues from

the Project Loan and the collateral pledged (including a first mortgage lien with respect to the Development). Under the tax-exempt MMRN structure, the Funding Loan replaces the purchase by the permanent lender of tax-exempt bonds.

6. Although not specifically mentioned in the RFA, First Housing has assumed a 0% interest rate for the ELI Loan based on previous transactions.

**SAIL, ELI, NHTF & HC CREDIT UNDERWRITING REPORT**

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Recommendation:

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 plus an ELI Loan in the amount of \$662,500. In addition, First Housing recommends an NHTF Loan in the amount of \$825,000 and an annual 4% HC Allocation of \$1,806,643 for the construction and permanent financing of the Development.

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

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

Prepared by:



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Brian Borer  
Underwriter

Reviewed by:



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Edward Busansky  
Senior Vice President

**SAIL, ELI, NHTF & HC CREDIT UNDERWRITING REPORT**

**Overview**

**Construction Financing Sources:**

Construction Sources	Lender	Application	Revised Applicant	Underwriter	Construction Interest Rate	Annual Construction Debt Service
Local HFA Note	HFALC/BankOZK	\$24,000,000	\$22,500,000	\$22,550,000	8.44%	\$1,903,220
SAIL Base Loan	FHFC	\$9,402,500	\$8,740,000	\$8,740,000	1.00%	\$87,400
ELI Loan	FHFC	\$0	\$662,500	\$662,500	0.00%	\$0
NHTF Loan	FHFC	\$0	\$825,000	\$825,000	0.00%	\$0
Local Government Subsidy	HACFM	\$10,657,706	\$8,893,782	\$7,971,712	3.98%	\$317,274
Non-FHFC Grant	City of Ft. Myers	\$50,000	\$50,000	\$50,000		
HC Equity	Enterprise Housing Partners XLI LP	\$2,662,504	\$2,759,054	\$2,759,054		
Deferred Developer Fee	Fort Myers Developer, LLC & SWFAD	\$569,761	\$3,578,939	\$2,630,456		
Affiliate / Principal	FMR Manager & SWF Manager	\$0	\$100	\$100		
Operating Deficit Reserve	Fort Myers Redevelopment, LLC	\$0	\$583,000	\$583,000		
<b>Total</b>		<b>\$47,342,471</b>	<b>\$48,592,375</b>	<b>\$46,771,822</b>		<b>\$2,307,894</b>

First Mortgage:

HFALC will issue MMRN in the amount of \$22,550,000 and Bank OZK will provide the construction loan. First Housing reviewed a letter of interest from Bank OZK, dated October 2, 2023, which describes the terms of the construction loan. The loan will have a term of 36 months and the amount will be limited to the lesser of (i) \$22,550,000, (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 December 18, 2023, One-Month Term SOFR was 5.34%, plus the spread of 2.35%, plus a 0.75% underwriting cushion results in an overall interest rate of 8.44%.

The annual HFALC administrative fee of 0.15% and fiscal agent fee of \$4,300 are included in the Uses section of this report.

SAIL Base Loan, ELI Loan and NHTF Loan:

First Housing reviewed an invitation to enter credit underwriting, dated October 10, 2023, from FHFC that includes a preliminary Total SAIL Loan in the amount of \$9,402,500, which consists of a preliminary SAIL Base Loan in the amount of \$8,740,000 plus a preliminary ELI Loan in the amount of \$662,500. In addition, the invitation includes a preliminary NHTF Loan in the amount of \$825,000.



The SAIL Base Loan is non-amortizing with an interest rate of 1% over the life of the loan and annual payments based upon available cash flow. The SAIL Base Loan will have a total term of 18 years, of which 3 years is for the construction/stabilization period and 15 years is for the permanent period. As required by the first mortgage lender and permitted by Rule 67-48, the SAIL Base Loan will be coterminous with the first mortgage. Annual payments of all applicable fees will be required. Any unpaid interest will be deferred until cash flow is available. However, at the maturity of the SAIL Base Loan, all principal and unpaid interest will be due.

The ELI Loan is non-amortizing with an interest rate of 0% over the life of the loan. The ELI Loan will have a total term of 18 years, of which 3 years is for the construction/stabilization period and 15 years is for the permanent period. Annual payments of all applicable fees will be required. As required by the first mortgage lender, the ELI Loan term will be coterminous with the first mortgage and permitted by the RFA. Principal is forgivable at maturity, provided the units for which the ELI Loan amount is awarded are targeted to ELI households. After 15 years, all of the set-aside units may convert to serve residents at or below 60% AMI; however, the Persons with Special Needs set-aside commitments must be maintained throughout the entire 50-year Compliance Period.

The NHTF Loan is a non-amortizing loan with an interest rate of 0% per annum over the life of the loan, with the principal forgivable at maturity provided the units for which the NHTF Loan amount is awarded are targeted as NHTF Link units for the first 30 years of the 50-year Compliance Period. The loan will have a total term of 33 years, of which 3 years is for the construction/ stabilization period and 30 years is for the permanent period. After 30 years, all of the NHTF Link units may convert to serve residents at or below 60% AMI; however, the Persons with Special Needs set-aside commitments must be maintained throughout the entire 50-year Compliance Period.

HACFM Loans:

Based on letters of intent from HACFM dated July 26, 2023, and August 11, 2023, HACFM will provide a total of up to \$14,985,447 in financing for the Development: a \$2,000,000 acquisition loan, a \$3,000,000 Community Development Fund (“CDF”) loan and a \$9,985,447 Choice Neighborhoods Initiative (“CNI”) Loan. Each non-amortizing loan will have a 40-year term, 3.98% interest rate, and payments based on available cash flow. During the construction period, the \$2,000,000 acquisition loan and the \$3,000,000 CDF loan will be fully funded, and it is projected that \$2,971,712 of the CNI Loan will also be drawn, resulting in a total of \$7,971,712 funded from HACFM during construction.

Grant – City of Fort Myers:

First Housing reviewed a Local Government Verification of Contribution – Grant form indicating the City of Fort Myers has committed \$50,000 to the Applicant in the form of a grant for the sole use of assisting the Development.

Housing Credit Equity:

First Housing has reviewed a letter, dated October 3, 2023, indicating Enterprise as a representative of one of its equity funds will acquire 99.99% ownership interest in the Applicant. Based on the letter, the annual HC allocation is estimated to be in the amount of \$1,806,643 with a syndication rate of \$0.95 per dollar. Enterprise anticipates a net capital contribution of \$17,161,389 and has committed to make available 16.08%, or \$2,759,054, of the total net equity during the construction period. Three additional installments will be available at construction completion, stabilization and upon receipt of the Form 8609. The first installment in the amount of \$2,759,054, or 16.08% of the total net equity, meets the FHFC requirement that 15% of the total equity must be contributed at or prior to the closing.

Deferred Developer Fee:

To balance the sources and uses of funds during construction, the Developer is required to defer \$2,630,456, or approximately 51.3%, of the total Developer Fee of \$5,130,456.

Affiliate / Principal Equity:

As Managers of the Applicant, FMR Manager and SWF Manager each contributed \$50 for its ownership interest in the Applicant.

Deferred ODR:

Since the ODR will not be funded until the Development achieves stabilization, it is shown as a deferred source during the construction period to help balance the sources and uses of funds.

**SAIL, ELI, NHTF & HC CREDIT UNDERWRITING REPORT**

**Permanent Financing Sources:**

Permanent Sources	Lender	Application	Revised Applicant	Underwriter	Term Yrs.	Amort. Yrs.	Interest Rate	Annual Debt Service
Local HFA Note	Citi	\$4,879,000	\$5,089,000	\$5,100,000	18	40	6.40%	\$353,949
SAIL Base Loan	FHFC	\$9,402,500	\$8,740,000	\$8,740,000	18	0	1.00%	\$87,400
ELI Loan	FHFC	\$0	\$662,500	\$662,500	18	0	0.00%	\$0
NHTF Loan	FHFC	\$0	\$825,000	\$825,000	30	0	0.00%	\$0
Local Government Subsidy	HACFM	\$14,691,181	\$14,985,447	\$14,232,833	40	0	3.98%	\$566,467
Non-FHFC Grant	City of Ft. Myers	\$50,000	\$50,000	\$50,000				
HC Equity	Enterprise Housing Partners XLI LP	\$17,750,029	\$17,161,390	\$17,161,389				
Deferred Developer Fee	SWFAD	\$569,761	\$1,078,938	\$0				
Affiliate / Principal	FMR Manager & SWF Manager	\$0	\$100	\$100				
<b>Total</b>		<b>\$47,342,471</b>	<b>\$48,592,375</b>	<b>\$46,771,822</b>				<b>\$1,007,815</b>

First Mortgage:

First Housing reviewed a preliminary application, dated September 11, 2023, in which Citi agrees to arrange a tax-exempt forward commitment for a permanent-only loan to 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 \$5,100,000 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 30 months, plus one 6-month extension option available. If conversion to the permanent phase does not occur within 30 months of closing, 0.05% will be added to the interest rate for the 6-month period past the initial 30 months. The term of the loan will be 18 years with a 40-year amortization schedule. The interest rate will be fixed at 18-Year SOFR Swap Index plus a spread of 2.45%. As of September 11, 2023, the 18-Year SOFR Swap Index was 3.95%, which would indicate an all-in rate of 6.40%.

HFALC will annually charge the costs of all ongoing services provided by HFALC in conjunction with the issuance of the MMRN. These fees include: i) HFALC on-going administration fee equal to 0.15% annually of the aggregate principal amount of the MMRN outstanding, with a minimum of \$5,000; ii) an annual compliance monitoring fee equal to 0.04% of the outstanding permanent tax-exempt MMRN, with a minimum annual fee of \$3,336 and annual adjustments based on the South Region Consumer Price Index not to exceed 3%; and iii) an annual fiscal agent fee of \$4,300. The fees listed in numerettes i) through iii) above were included in the DSC ratio analysis in the Operating Pro Forma section of this memo.

**SAIL, ELI, NHTF & HC CREDIT UNDERWRITING REPORT**

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SAIL Base Loan, ELI Loan and NHTF Loan:

First Housing reviewed an invitation to enter credit underwriting, dated October 10, 2023, from FHFC that includes a preliminary Total SAIL Loan in the amount of \$9,402,500, which consists of a preliminary SAIL Base Loan in the amount of \$8,740,000 plus a preliminary ELI Loan in the amount of \$662,500. In addition, the invitation includes a preliminary NHTF Loan in the amount of \$825,000.

The SAIL Base Loan is non-amortizing with an interest rate of 1% over the life of the loan and annual payments based upon available cash flow. The SAIL Base Loan will have a total term of 18 years, of which 3 years is for the construction/stabilization period and 15 years is for the permanent period. As required by the first mortgage lender and permitted by Rule 67-48, the SAIL Base Loan will be coterminous with the first mortgage. Annual payments of all applicable fees will be required. Any unpaid interest will be deferred until cash flow is available. However, at the maturity of the SAIL Base Loan, all principal and unpaid interest will be due.

The ELI Loan is non-amortizing with an interest rate of 0% over the life of the loan. The ELI Loan will have a total term of 18 years, of which 3 years is for the construction/stabilization period and 15 years is for the permanent period. Annual payments of all applicable fees will be required. As required by the first mortgage lender, the ELI Loan term will be coterminous with the first mortgage and permitted by the RFA. Principal is forgivable at maturity, provided the units for which the ELI Loan amount is awarded are targeted to ELI households. After 15 years, all of the set-aside units may convert to serve residents at or below 60% AMI; however, the Persons with Special Needs set-aside commitments must be maintained throughout the entire 50-year Compliance Period.

The NHTF Loan is a non-amortizing loan with an interest rate of 0% per annum over the life of the loan, with the principal forgivable at maturity provided the units for which the NHTF Loan amount is awarded are targeted as NHTF Link units for the first 30 years of the 50-year Compliance Period. The loan will have a total term of 33 years, of which 3 years is for the construction/ stabilization period and 30 years is for the permanent period. After 30 years, all of the NHTF Link units may convert to serve residents at or below 60% AMI; however, the Persons with Special Needs set-aside commitments must be maintained throughout the entire 50-year Compliance Period.

For each of the SAIL Base Loan, ELI Loan, and NHTF Loan, fees include an annual multiple program Compliance Monitoring Fee of \$1,054 and an annual Permanent Loan Servicing Fee of 25 bps of the outstanding loan amount up to a maximum of \$964 per month, subject to a minimum of \$243 per month.

HACFM Loans:

Based on letters of intent from HACFM dated July 26, 2023, and August 11, 2023, HACFM will provide a total of up to \$14,985,447 in financing for the Development: a \$2,000,000 acquisition loan, a \$3,000,000 CDF loan and a \$9,985,447 CNI Loan. Each non-amortizing loan will have a 40-year term, 3.98% interest rate, and payments based on available cash flow. Based on underwritten costs, First Housing has estimated a total of \$14,232,833 will be funded by HACFM.

Grant – City of Fort Myers:

First Housing reviewed a Local Government Verification of Contribution – Grant form indicating the City of Fort Myers has committed \$50,000 to the Applicant in the form of a grant for the sole use of assisting the Development.

Housing Credit Equity:

The Applicant has applied to FHFC to receive 4% Housing Credits directly from the U.S. Treasury in conjunction with tax-exempt financing. An HC calculation is contained in Exhibit 2 of this credit underwriting report. Based on the letter dated October 3, 2023, Enterprise will provide HC equity as follows:

**SAIL, ELI, NHTF & HC CREDIT UNDERWRITING REPORT**

**Enterprise Housing Partners XLI LP**  
**Syndication Contributions**

Capital Contributions	Amount	Percentage of Total	When Due
1st Installment	\$2,759,054	16.08%	Closing
2nd Installment	\$12,569,335	73.24%	Latest to occur of February 1, 2026 and i) 100% construction completion; ii) issuance of TCO; iii) draft as-built plans; iv) draft cost certification prepared by accountant; v) S&U confirming sufficient funds will be available to achieve permanent loan conversion; vi) required insurance
3rd Installment	\$1,708,000	9.95%	Latest to occur of November 1, 2026 and i) permanent CO; ii) 98% documented tax credit qualified occupancy; iii) Stabilization (1.15x DSC for 3 consecutive months); iv) permanent loan conversion; v) lien release; vi) as-built ALTA survey; vii) EUA; viii) final cost certification; ix) operating or rental subsidy agreements
4th Installment	\$125,000	0.73%	Latest to occur of November 1, 2026 and i) receipt of 8609's; ii) tax return for first federal HC year
<b>Total</b>	<b>\$17,161,389</b>	<b>100.00%</b>	

Annual Credit Per Syndication Agreement	\$1,806,643
Calculated HC Exchange Rate	\$0.95
Limited Partner Ownership Percentage	99.99%
Proceeds Available During Construction	\$2,759,054

Deferred Developer Fee:

Based on the total amount of the other financing sources, no Deferred Developer Fee is necessary during the permanent period.

Affiliate / Principal Equity:

As Managers of the Applicant, FMR Manager and SWF Manager each contributed \$50 for its ownership interest in the Applicant.

**Uses of Funds**

<b>CONSTRUCTION COSTS:</b>	<b>Applicant Costs</b>	<b>Revised Applicant Costs</b>	<b>Underwriters Total Costs - CUR</b>	<b>Cost Per Unit</b>	<b>HC Ineligible Costs - CUR</b>
Accessory Buildings	\$1,122,272	\$1,290,011	\$1,290,011	\$14,022	\$1,290,011
New Rental Units	\$21,313,339	\$21,768,110	\$21,768,110	\$236,610	\$0
Site Work	\$4,254,797	\$3,236,575	\$3,236,575	\$35,180	\$323,658
<b>Constr. Contr. Costs subject to GC Fee</b>	<b>\$26,690,408</b>	<b>\$26,294,696</b>	<b>\$26,294,696</b>	<b>\$285,812</b>	<b>\$1,613,669</b>
General Conditions	\$0	\$1,577,682	\$1,577,681	\$17,149	\$0
Overhead	\$0	\$0	\$525,893	\$5,716	\$0
Profit	\$3,736,657	\$2,103,576	\$1,577,681	\$17,149	\$0
Builder's Risk Insurance	\$0	\$19,146	\$19,149	\$208	\$0
General Liability Insurance	\$0	\$269,784	\$269,784	\$2,932	\$0
Payment and Performance Bonds	\$0	\$162,181	\$162,181	\$1,763	\$0
<b>Total Construction Contract/Costs</b>	<b>\$30,427,065</b>	<b>\$30,427,065</b>	<b>\$30,427,065</b>	<b>\$330,729</b>	<b>\$1,613,669</b>
Hard Cost Contingency	\$1,521,353	\$1,521,353	\$1,521,353	\$16,536	\$0
FF&E paid outside Constr. Contr.	\$0	\$197,000	\$197,000	\$2,141	\$0
Other: Passive Radon Prevention System	\$0	\$14,665	\$14,665	\$159	\$0
Other: Stormwater Fees	\$0	\$15,000	\$15,000	\$163	\$0
<b>Total Construction Costs:</b>	<b>\$31,948,418</b>	<b>\$32,175,083</b>	<b>\$32,175,083</b>	<b>\$349,729</b>	<b>\$1,613,669</b>

Notes to Total Construction Costs:

1. The Applicant has provided an executed construction contract, dated September 29, 2023. This is a Standard Form of Agreement between Owner, Fort Myers Redevelopment, LLC, and General Contractor (“GC”), Chris-Tel Company of Southwest Florida, Inc. d/b/a Chris-Tel Construction, where the basis of payment is the Cost of the Work Plus a Fee with a Guaranteed Maximum Price (“GMP”) in the amount of \$30,427,065. Per the terms of the GC Contract, substantial completion is to be achieved no later than 670 days from the date of commencement. Holdback for retainage will be 10% until 50% construction completion, reduced to 5% thereafter.
2. Accessory Buildings represents the construction cost of the 5,222 net rentable square feet of ground floor retail space included within 3 suites in Building #1.
3. The GC fee 14.00% and within the maximum 14% allowed by the RFA and Rule Chapters 67-48 and 67-21. 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 Chapters 67-48 and 67-21.
4. The following allowances are identified in the GC Contract and equate to 0.9% of the GMP:

**SAIL, ELI, NHTF & HC CREDIT UNDERWRITING REPORT**

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Interior & Exterior Signage	\$25,000
Gate Controllers	\$24,900
Access Card Readers	\$50,000
Electrical Transformers, Conduit, Excavation, Pad, Wire	\$75,000
Passive Radon System at Bldgs. 1-4	\$79,729
Keep Soil Wet During Construction	\$23,000
<b>Total</b>	<b>\$277,629</b>

First Housing reviewed a draft Document and Cost Review dated September 18, 2023, and prepared by Partner Engineering and Science, Inc. (“Partner”). The cost analyst notes in the report that the allowances listed are acceptable since they total less than 2% of the amount of the GMP.

5. The Hard Cost Contingency is within 5% of the total construction cost as allowed for new construction developments by the RFA and Rule Chapters 67-48 and 67-21.
6. The GC has budgeted for P&P Bonds to secure the construction contract.
7. HUD Section 3 requirements are included as Exhibit L to the GC Contract.



**SAIL, ELI, NHTF & HC CREDIT UNDERWRITING REPORT**

<b>GENERAL DEVELOPMENT COSTS:</b>	<b>Applicant Costs</b>	<b>Revised Applicant Costs</b>	<b>Underwriters Total Costs - CUR</b>	<b>Cost Per Unit</b>	<b>HC Ineligible Costs - CUR</b>
Accounting Fees	\$0	\$20,000	\$20,000	\$217	\$20,000
Appraisal	\$0	\$13,680	\$13,680	\$149	\$0
Architect's and Planning Fees	\$0	\$14,280	\$14,280	\$155	\$0
Architect's Fee - Site/Building Design	\$0	\$601,675	\$602,120	\$6,545	\$0
Architect's Fee - Supervision	\$0	\$283,370	\$149,780	\$1,628	\$0
Builder's Risk Insurance	\$175,000	\$175,000	\$175,000	\$1,902	\$0
Engineering Fees	\$0	\$183,100	\$183,100	\$1,990	\$0
Environmental Report	\$0	\$40,675	\$40,675	\$442	\$0
FHFC Administrative Fees	\$653,966	\$162,598	\$162,598	\$1,767	\$162,598
FHFC Application Fee	\$0	\$12,000	\$3,000	\$33	\$3,000
FHFC Credit Underwriting Fee	\$0	\$26,781	\$27,603	\$300	\$27,603
FHFC Compliance Fee	\$0	\$225,000	\$222,799	\$2,422	\$222,799
Lender Inspection Fees / Const Admin	\$0	\$0	\$44,000	\$478	\$0
Insurance	\$0	\$112,114	\$112,114	\$1,219	\$56,057
Legal Fees - Organizational Costs	\$0	\$401,575	\$401,575	\$4,365	\$0
Market Study	\$0	\$10,800	\$10,800	\$117	\$10,800
Plan and Cost Review Analysis	\$0	\$0	\$4,500	\$49	\$0
Survey	\$0	\$14,866	\$14,866	\$162	\$0
Title Insurance and Recording Fees	\$0	\$144,054	\$144,054	\$1,566	\$72,027
Soft Cost Contingency	\$150,000	\$150,000	\$117,327	\$1,275	\$0
Other: Professional Fees/Reports	\$1,475,629	\$0	\$0	\$0	\$0
Other: Miscellaneous	\$15,000	\$0	\$0	\$0	\$0
Other: Other	\$701,314	\$0	\$0	\$0	\$0
<b>Total General Development Costs:</b>	<b>\$3,170,909</b>	<b>\$2,591,568</b>	<b>\$2,463,871</b>	<b>\$26,781</b>	<b>\$574,884</b>

Notes to General Development Costs:

1. General Development Costs are based on the Applicant's updated estimates, which appear reasonable.
2. The FHFC Administrative Fee is based on 9% of the recommended annual 4% Housing Credit allocation.
3. The FHFC Application Fee includes \$3,000 for the SAIL application.
4. The FHFC Credit Underwriting Fee includes an underwriting fee of \$25,652 and a Subsidy Layering Review ("SLR") fee of \$1,951.
5. FHFC Compliance Fee is based on the 2023 compliance fee calculator spreadsheet provided by FHFC since the 2024 calculator was not available as of the date of this memo.
6. First Housing adjusted Soft Cost Contingency to equal 5% of General Development Costs excluding Soft Cost Contingency, as allowed for new construction developments under RFA 2023-205 and Rule Chapters 67-48 and 67-21.

**SAIL, ELI, NHTF & HC CREDIT UNDERWRITING REPORT**

<b>FINANCIAL COSTS:</b>	<b>Applicant Costs</b>	<b>Revised Applicant Costs</b>	<b>Underwriters Total Costs - CUR</b>	<b>Cost Per Unit</b>	<b>HC Ineligible Costs - CUR</b>
Construction Loan Origination Fee	\$0	\$172,750	\$225,500	\$2,451	\$86,375
Construction Loan Closing Costs	\$0	\$132,450	\$132,450	\$1,440	\$66,225
Construction Loan Interest	\$0	\$2,708,329	\$2,708,329	\$29,438	\$1,717,693
Permanent Loan Origination Fee	\$0	\$50,889	\$51,000	\$554	\$51,000
Permanent Loan Closing Costs	\$0	\$120,000	\$120,000	\$1,304	\$120,000
Bridge Loan Interest	\$2,998,414	\$0	\$0	\$0	\$0
Local HFA Note Application Fee	\$0	\$0	\$3,500	\$38	\$3,500
Local HFA Note Underwriting Fee	\$0	\$0	\$16,009	\$174	\$16,009
Local HFA Note Cost of Issuance	\$0	\$400,897	\$405,525	\$4,408	\$405,525
Local HFA Legal - Issuer's Counsel	\$0	\$70,000	\$0	\$0	\$0
SAIL Commitment Fee	\$0	\$94,025	\$94,025	\$1,022	\$94,025
SAIL Closing Costs	\$0	\$0	\$12,500	\$136	\$12,500
SAIL Servicing Fee	\$0	\$40,000	\$0	\$0	\$0
SAIL-ELI Closing Costs	\$0	\$46,944	\$0	\$0	\$0
SAIL-ELI Servicing Fee	\$0	\$10,000	\$0	\$0	\$0
NHTF Closing Costs	\$0	\$0	\$12,500	\$136	\$12,500
Legal Fees - Financing Costs	\$0	\$55,000	\$0	\$0	\$0
Initial TEFRA Fee	\$0	\$0	\$1,000	\$11	\$1,000
Other: Fin Fees - Other Fees	\$168,790	\$0	\$0	\$0	\$0
Other: Local HFA Annual Admin. Fee	\$0	\$0	\$101,475	\$1,103	\$101,475
<b>Total Financial Costs:</b>	<b>\$3,167,204</b>	<b>\$3,901,284</b>	<b>\$3,883,813</b>	<b>\$42,215</b>	<b>\$2,687,827</b>
<b>Dev. Costs before Acq., Dev. Fee &amp; Reserves</b>	<b>\$38,286,531</b>	<b>\$38,667,935</b>	<b>\$38,522,767</b>	<b>\$418,726</b>	<b>\$4,876,379</b>

Notes to Financial Costs:

1. Construction Loan Origination Fee is equal to 1% of the underwritten construction loan amount.
2. Construction Loan Interest is based on the Applicant's projections, which First Housing finds acceptable.
3. Permanent Loan Origination Fee is equal to 1% of the underwritten permanent loan amount.
4. Local HFA Note Underwriting Fee is First Housing's credit underwriting fee for the MMRN.
5. Local HFA Note Cost of Issuance includes Placement Agent Fee, Bond Counsel, Financial Advisor, HFALC Closing Fee, Issuer's Counsel, Fiscal Agent Fee and Fiscal Agent Counsel.
6. SAIL Commitment Fee is equal to 1% of the Total SAIL Loan.
7. First Housing included FHFC closing costs of \$12,500 for each of the Total SAIL Loan and NHTF Loan for legal counsel fees.

**SAIL, ELI, NHTF & HC CREDIT UNDERWRITING REPORT**

8. Other: Local HFA Annual Admin. Fee is equal to 0.15% of the MMRN for each year of the 3-year construction term.

<b>DEVELOPER FEE ON NON-ACQUISITION COSTS</b>	<b>Applicant Costs</b>	<b>Revised Applicant Costs</b>	<b>Underwriters Total Costs - CUR</b>	<b>Cost Per Unit</b>	<b>HC Ineligible Costs - CUR</b>
Developer Fee - Unapportioned	\$6,805,841	\$6,805,841	\$5,130,456	\$55,766	\$0
<b>Total Other Development Costs:</b>	<b>\$6,805,841</b>	<b>\$6,805,841</b>	<b>\$5,130,456</b>	<b>\$55,766</b>	<b>\$0</b>

Notes to Other Development Costs:

1. The recommended Developer Fee does not exceed 18% of Total Development Cost before Developer Fee, land, and ODR as allowed by RFA 2023-205 and Rule Chapters 67-48 and 67-21. Based on the calculation in FHFC’s TDC Limitation Template, First Housing has reduced the Developer Fee by \$750,000 – from the maximum \$5,880,456 allowed per the RFA down to \$5,130,456.

<b>LAND ACQUISITION COSTS</b>	<b>Applicant Costs</b>	<b>Revised Applicant Costs</b>	<b>Underwriters Total Costs - CUR</b>	<b>Cost Per Unit</b>	<b>HC Ineligible Costs - CUR</b>
Other: Upfront Capitalized Ground Rent	\$2,250,099	\$2,250,099	\$2,250,099	\$24,458	\$2,250,099
<b>Total Acquisition Costs:</b>	<b>\$2,250,099</b>	<b>\$2,250,099</b>	<b>\$2,250,099</b>	<b>\$24,458</b>	<b>\$2,250,099</b>

Notes to Acquisition Costs:

1. First Housing received a Ground Lease Agreement dated October 19, 2021, between Housing Authority of the City of Fort Myers, Florida, (“Landlord”) and Fort Myers Redevelopment, LLC (“Tenant”), in addition to a First Amendment to Ground Lease dated May 1, 2023, between the same parties (collectively, the “Ground Lease”). The term of the Ground Lease is 99 years from the commencement date, which is defined for purposes of the lease as the closing date of the Tenant’s construction loan for the Development. The Ground Lease will automatically terminate if the Tenant fails to cause the commencement date to occur by December 31, 2024. An upfront capitalized lease payment in the amount of \$2,250,000 will be due from the Tenant on the commencement date. In addition, the Tenant will be charged annual base rent in the amount of One Dollar (\$1.00) per lease year, and will pay the base rent for the entire 99-year lease term upfront on the commencement date of the Ground Lease.
2. First Housing reviewed an appraisal of the Development prepared by Colliers and dated November 22, 2023. The appraiser concluded to a \$2,300,000 as-is, fee simple value of the land, which supports the amount of the upfront capitalized ground lease payment.

**SAIL, ELI, NHTF & HC CREDIT UNDERWRITING REPORT**

<b>RESERVE ACCOUNTS</b>	<b>Applicant Costs</b>	<b>Revised Applicant Costs</b>	<b>Underwriters Total Costs - CUR</b>	<b>Cost Per Unit</b>	<b>HC Ineligible Costs - CUR</b>
Operating Deficit Reserve (Syndicator)	\$0	\$583,000	\$583,000	\$6,337	\$583,000
Reserves - Start-Up/Lease-up Expenses	\$0	\$285,500	\$285,500	\$3,103	\$285,500
<b>Total Reserve Accounts:</b>	<b>\$0</b>	<b>\$868,500</b>	<b>\$868,500</b>	<b>\$9,440</b>	<b>\$868,500</b>

Notes to Reserve Accounts:

1. First Housing has based the ODR amount on the letter from Enterprise dated October 3, 2023. In exchange for receiving funding from the Corporation, the Corporation reserves the authority to restrict the disposition of any funds remaining in any operating deficit reserve(s) after the term of the reserve’s original purpose has terminated or is near termination. Authorized disposition uses are limited to payments towards any outstanding loan balances of the Development funded from the Corporation, any outstanding Corporation fees, any unpaid costs incurred in the completion of the Development (i.e., deferred Developer Fee), the Development’s capital replacement reserve account (provided, however, that any operating deficit reserve funds deposited to the replacement reserve account will not replace, negate, or otherwise be considered an advance payment or pre-funding of the Applicant’s obligation to periodically fund the replacement reserve account), the reimbursement of any loan(s) provided by a partner, member or guarantor as set forth in the Applicant’s organizational agreement (i.e., operating or limited partnership agreement whereby its final disposition remains under this same restriction). The actual direction of the disposition is at the Applicant’s discretion so long as it is an option permitted by the Corporation. In no event, shall the payment of amounts to the Applicant or the Developer from any operating deficit reserve established for the Development cause the Developer Fee or General Contractor fee to exceed the applicable percentage limitations provided for in this RFA.

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 Chapters 67-48 and 67-21. Any and all terms and conditions of the ODR must be acceptable to Florida Housing, its legal counsel, and its Servicer.

**SAIL, ELI, NHTF & HC CREDIT UNDERWRITING REPORT**

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<b>TOTAL DEVELOPMENT COSTS</b>	<b>Applicant Costs</b>	<b>Revised Applicant Costs</b>	<b>Underwriters Total Costs - CUR</b>	<b>Cost Per Unit</b>	<b>HC Ineligible Costs - CUR</b>
<b>TOTAL DEVELOPMENT COSTS:</b>	\$47,342,471	\$48,592,375	\$46,771,822	\$508,389	\$7,994,978

Notes to Total Development Costs:

1. Total Development Costs have decreased by a total of \$570,649 from \$47,342,471 to \$46,771,822, or 1.21%, since the Application. This decrease is primarily due to First Housing's lower underwritten Developer Fee.

**SAIL, ELI, NHTF & HC CREDIT UNDERWRITING REPORT**

**Operating Pro Forma – 3611/3621 Cleveland Avenue**

FINANCIAL COSTS:				Year 1	Year 1 Per Unit
<b>OPERATING PRO FORMA</b>					
<b>INCOME:</b>	Gross Potential Rental Income			<b>\$1,385,040</b>	<b>\$15,055</b>
	Other Income				
	Ancillary Income			\$146,216	<b>\$1,589</b>
	Miscellaneous			\$41,400	<b>\$450</b>
	Gross Potential Income			<b>\$1,572,656</b>	<b>\$17,094</b>
	Less:				
	Physical Vac. Loss	Percentage: 5.46%	\$85,944	<b>\$934</b>	
<b>Total Effective Gross Income</b>				<b>\$1,486,712</b>	<b>\$16,160</b>
<b>EXPENSES:</b>	Fixed:				
	Real Estate Taxes			\$121,515	<b>\$1,321</b>
	Insurance			\$277,200	<b>\$3,013</b>
	Variable:				
		Management Fee	Percentage: 5.47%	\$81,307	<b>\$884</b>
	General and Administrative			\$43,700	<b>\$475</b>
	Payroll Expenses			\$121,900	<b>\$1,325</b>
	Utilities			\$86,020	<b>\$935</b>
	Marketing and Advertising			\$4,600	<b>\$50</b>
	Maintenance and Repairs/Pest Control			\$50,600	<b>\$550</b>
	Grounds Maintenance and Landscaping			\$31,740	<b>\$345</b>
Reserve for Replacements			\$27,600	<b>\$300</b>	
<b>Total Expenses</b>				<b>\$846,182</b>	<b>\$9,198</b>
<b>Net Operating Income</b>				<b>\$640,530</b>	<b>\$6,962</b>
<b>Debt Service Payments</b>					
1st Mortgage - Citi			\$353,949	<b>\$3,847</b>	
2nd Mortgage - SAIL Base Loan			\$87,400	<b>\$950</b>	
2nd Mortgage - ELI Loan			\$0	<b>\$0</b>	
3rd Mortgage - NHTF Loan			\$0	<b>\$0</b>	
4th Mortgage - HACFM			\$566,467	<b>\$6,157</b>	
1st Mortgage Fees - Citi			\$15,286	<b>\$166</b>	
2nd Mortgage Fees - SAIL Base Loan			\$12,622	<b>\$137</b>	
2nd Mortgage Fees - ELI Loan			\$0	<b>\$0</b>	
3rd Mortgage Fees - NHTF Loan			\$3,970	<b>\$43</b>	
4th Mortgage Fees - HACFM			\$0	<b>\$0</b>	
Total Debt Service Payments			<b>\$1,039,693</b>	<b>\$11,301</b>	
Cash Flow after Debt Service			<b>(\$399,164)</b>	<b>(\$4,339)</b>	

<b>Debt Service Coverage Ratios</b>	
DSC - 1st Mortgage plus Fees	<b>1.73x</b>
DSC - 2nd Mortgage plus Fees	<b>1.36x</b>
DSC - 2nd Mortgage plus Fees	<b>1.36x</b>
DSC - 3rd Mortgage plus Fees	<b>1.35x</b>
DSC - 4th Mortgage plus Fees	<b>0.62x</b>
<b>Financial Ratios</b>	
Operating Expense Ratio	<b>56.92%</b>
Break-even Economic Occupancy Ratio (all debt)	<b>120.22%</b>

**SAIL, ELI, NHTF & HC CREDIT UNDERWRITING REPORT**

Notes to the Operating Pro Forma and Ratios:

- 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 50 total (10 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 August 11, 2023 rent determination letter from HACFM reviewed by First Housing, net contract rents for the 50 covered units are shown in the unit mix below. Receipt of an Agreement to Enter into a Housing Assistance Payments (“AHAP”) Contract is required for closing.

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	\$ 102	\$ 249		\$ 249	\$ 249	\$ 249	\$ 8,964
1	1.0	5	720	40%			\$ 638	\$ 102	\$ 536	\$ 1,210	\$ 1,210	\$ 1,210	\$ 1,210	\$ 72,600
1	1.0	3	720	50%			\$ 798	\$ 102	\$ 696	\$ 1,210	\$ 1,210	\$ 1,210	\$ 1,210	\$ 43,560
1	1.0	16	720	60%			\$ 957	\$ 102	\$ 855		\$ 855	\$ 855	\$ 855	\$ 164,160
1	1.0	9	720	Market			\$ 1,675	\$ -	\$ 1,675		\$ 1,675	\$ 1,675	\$ 1,675	\$ 180,900
1	1.0	2	700	50%			\$ 798	\$ 102	\$ 696	\$ 1,210	\$ 1,210	\$ 1,210	\$ 1,210	\$ 29,040
1	1.0	12	700	60%			\$ 957	\$ 102	\$ 855		\$ 855	\$ 855	\$ 855	\$ 123,120
2	1.0	3	983	40%			\$ 766	\$ 130	\$ 636	\$ 1,538	\$ 1,538	\$ 1,538	\$ 1,538	\$ 55,368
2	1.0	32	983	50%			\$ 957	\$ 130	\$ 827	\$ 1,538	\$ 1,538	\$ 1,538	\$ 1,538	\$ 590,592
2	1.0	1	983	60%			\$ 1,149	\$ 130	\$ 1,019		\$ 1,019	\$ 1,019	\$ 1,019	\$ 12,228
2	1.0	2	940	40%			\$ 766	\$ 130	\$ 636	\$ 1,538	\$ 1,538	\$ 1,538	\$ 1,538	\$ 36,912
2	1.0	3	940	50%			\$ 957	\$ 130	\$ 827	\$ 1,538	\$ 1,538	\$ 1,538	\$ 1,538	\$ 55,368
2	1.0	1	940	60%			\$ 1,149	\$ 130	\$ 1,019	\$ 1,019	\$ 1,019	\$ 1,019	\$ 1,019	\$ 12,228
		92	76,748											\$ 1,385,040

- The utility allowances were provided by HACFM and based on the HUD Housing Choice Voucher Utility Allowance Table for 2023.
- Ancillary Income shown in the pro forma represents income generated from leasing the 5,222 net rentable square feet of ground floor retail space within 3 suites in Building #1. Based on the appraiser’s analysis of comparable ground floor retail leases in the market, the concluded pro forma retail lease rate is \$20 per square foot. The space will be leased on a triple-net basis, with tenants responsible for reimbursing real estate taxes, insurance, and repairs/maintenance. The appraiser’s Potential Gross Income (including \$8 per square foot for CAM reimbursement) for the retail space is \$146,216, which appears reasonable and well supported.
- First Housing calculated a blended, weighted vacancy and collection loss rate of 5.46% 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 projected Miscellaneous Income of \$41,400, which is comprised of revenue from vending machines, late charges, and forfeited security deposits. No income from washers and dryers will be generated since the Development is providing them as amenities in each unit.
6. The appraiser estimated real estate taxes at \$121,515, or \$1,321/unit.
7. Insurance is estimated by the Applicant and appraiser at \$277,200, or \$3,013/unit. This expense includes all premiums and costs incurred for insurance covering structures, public liability, rental value, and equipment. The conclusion is based on the budgeted amounts and the higher aspect of the comparable data, as this expense continues to increase throughout the Florida market.
8. 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.
9. 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 5.47% in the pro forma above because First Housing based the calculation on multifamily income and vacancy components only, and excluded the retail portions.
10. The landlord will pay for water, sewer, trash, and common area electric. The tenant will be responsible for electricity, cable, and internet.
11. Replacement Reserves of \$300 per unit is the minimum required per RFA 2023-205 and Rule Chapters 67-21 and 67-48.
12. 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%.



13. The Break-Even Economic Occupancy Ratio includes all debt; however, all debt other than the first mortgage is payable based on available cash flow. Thus, this ratio would improve to 77.6% if all soft-pay debt was excluded from the calculation.

**Section B**

**SAIL, ELI Loan, and NHTF Special and General Conditions  
HC Allocation Recommendation and Contingencies**

### **Special Conditions**

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

1. Firm Commitment from Bank OZK for the MMRN construction loan with terms and conditions that are not substantially different than those utilized in this credit underwriting report.
2. Firm Commitment from Citi for the permanent loan with terms and conditions that are not substantially different than those utilized in this credit underwriting report.
3. Final loan documents for the grant and subordinate construction/permanent mortgages with terms which are not substantially different than those utilized in this credit underwriting report.
4. Receipt and satisfactory review of the final signed, sealed “approved for construction” plans and specifications by the Construction Consultant and the Servicer.
5. Receipt and satisfactory review of a final Document & Cost Review report (including the Florida Housing Fair Housing, Section 504 and ADA Design Certification Form 128) from Partner incorporating the final plans and final GC Contract.
6. Completion of the HUD Section 3 pre-construction conference.
7. The Development shall meet the Section 3 requirements of the Housing and Urban Development Act of 1968 as amended (12 U.S.C. 1701u).
8. Evidence of additional cash balances for MBA Properties, Inc. Although bank statements were received for MBA Properties, Inc., the amounts do not support the total cash reported on the financial statements.
9. Satisfaction of liens. The D&B Report for MBA Properties, Inc. listed a September 9, 2020 tax lien in Marion County Indiana for \$6,131. In addition, five tax liens in Texas, South Carolina and California were listed for McCormack Baron Salazar, Inc. in amounts ranging from \$223 to \$1,585.
10. Trade references for Chris-Tel Company of Southwest Florida, Inc., McCormack Baron Salazar, Inc. and SWFAHCF.
11. The Applicant is required to comply with the HUD environmental requirements as provided in 24 CFR 93.301(f)(1) and (2).

**SAIL, ELI, NHTF & HC CREDIT UNDERWRITING REPORT**

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12. The Applicant is required to provide evidence demonstrating that the Development is consistent with the applicable Consolidated Plan.
13. Receipt and satisfactory review of an AHAP Contract from HUD.
14. A final executed management agreement in substantially the same form as the draft reviewed by First Housing.
15. 2022 tax return for SWFAHCF.
16. Receipt of an Affirmative Fair Housing Marketing Plan.
17. FHFC approval of the fully executed MOU.
18. Satisfactory receipt and review of updated financials for the Guarantors, dated within 90 days of closing.
19. Any other reasonable requirements of the Servicer, Florida Housing, or its Legal Counsel.

## **General Conditions**

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

1. Payment of any outstanding arrearages to the Corporation, its Legal Counsel, Servicer or any agent or assignee of the Corporation for past due issues applicable to the Development Team (Applicant or Developer or Principal, Affiliate or Financial Beneficiary, as described in 67-21.0025 (5) F.A.C. and 67-48.0075 (5) F.A.C. of an Applicant or a Developer).
2. Partner is to act as construction inspector during the construction phase.
3. At all times there will be undisbursed loan funds (collectively held by Florida Housing, the first mortgage lender and any other source) sufficient to complete the Development. If at any time there are not sufficient funds to complete the Development, the Borrower will be required to expend additional equity on Development Costs or to deposit additional equity with Florida Housing which is sufficient (in Florida Housing's judgment) to complete the Development before additional loan funds are disbursed. This condition specifically includes escrowing at closing all equity necessary to complete construction or another alternative acceptable to Florida Housing in its sole discretion.
4. Construction Period Developer Fee shall be the lessor of i) 50% of the Total Developer Fee or ii) the Total Developer Fee less the Deferred Developer Fee listed in the Sources and Uses for the construction period, as calculated by the Servicer. At closing, a maximum of 35% of the Construction Period Developer Fee may be funded. Remaining Construction Period Developer Fee will be disbursed during construction/rehabilitation on a pro rata basis, based on the percentage of completion of the development, as approved and reviewed by FHFC and Servicer.

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

5. Signed and sealed survey, dated within 90 days of loan closing, unless otherwise approved by Florida Housing, and its Legal Counsel, based upon the particular circumstances of the transaction. The Survey shall be certified to Florida Housing, and its Legal Counsel, as well as the title insurance company, and shall indicate the legal description, exact boundaries of the Development, easements, utilities, roads, and means of access to public streets, total acreage and flood hazard area and any other requirements of Florida Housing.
6. Building permits and any other necessary approvals and permits (e.g., final site plan approval, Department of Environmental Protection, Army Corps of Engineers, the Water

Management District, Department of Transportation, etc.) or a letter from the local permitting and approval authority stating that the above referenced permits and approvals will be issued upon receipt of applicable fees (with no other conditions), or evidence of 100% lien-free completion, if applicable. If a letter is provided, copies of all permits will be required as a condition of the first post-closing draw.

7. Final "as permitted" (signed and sealed) site plans, building plans and specifications. The geotechnical report must be bound within the final plans and specifications, if applicable.
8. Final sources and uses of funds schedule itemized by source and line item, in a format and in amounts approved by the Servicer. A detailed calculation of the construction loan interest based upon the final draw schedule, documentation of the closing costs, and draft loan closing statement must also be provided. The sources and uses of funds schedule will be attached to the Loan Agreement as the approved development budget.
9. A final construction draw schedule showing itemized sources and uses of funds for each monthly draw. SAIL Program loan proceeds shall be disbursed during the construction phase in an amount per draw that does not exceed the ratio of the SAIL Loan to the Total Development Costs, unless approved by First Housing. ELI Loan proceeds shall be disbursed during the construction phase in an amount per draw which does not exceed the ratio of the ELI Loan to the Total Development Cost, unless approved by First Housing. NHTF Loan proceeds shall be disbursed during the construction phase in an amount per draw that does not exceed the ratio of the NHTF Loan to the total development costs, unless approved by First Housing. The closing draw must include appropriate backup and ACH wiring instructions.
10. Evidence of insurance coverage pursuant to the RFA governing this proposed transaction and, as applicable, the FHFC Insurance Guide.
11. The General Contractor shall secure a payment and performance bond equal to 100 percent of the total construction cost listing FHFC as a co-obligee, whose terms do not adversely affect the Corporation's interest, issued in the name of the General Contractor, from a company rated at least "A-" by AMBest & Co., or a Corporation-approved alternate security for the General Contractor's performance such as a letter of credit issued by a financial institution with a senior long term (or equivalent) credit rating of at least "Baa3" by Moody's, or at least "BBB-" by Standard & Poor's or Fitch, or a financial rating of at least 175 by IDC Financial Publishing. The LOC must include "evergreen" language and be in a form satisfactory to Florida Housing, its Servicer and its Legal Counsel.
12. Architect, Construction Consultant, and Developer Certifications on forms provided by FHFC will be required for both design and as built with respect to Section 504 of the Rehabilitation Act, Americans with Disabilities Act, and the Federal Fair Housing Act requirements, if applicable.
13. Borrower is to comply with any and all recommendations noted in the Document & Cost Review prepared by Partner.

14. At the end of the Compliance Period, any remaining balance of the ODR less amounts that may be permitted to be drawn (which includes Deferred Developer Fee, and reimbursements for authorized member/partner and guarantor loan(s) pursuant to the operating/partnership agreement), will be used to pay FHFC loan debt; if there is no FHFC loan debt on the proposed Development at the end of the Compliance Period, any remaining balance shall be used to pay any outstanding FHFC fees. If any balance is remaining in the ODR after the payments above, the amount should be placed in a Replacement Reserve account for the Development. In no event shall the payments of amounts to the Applicant or the Developer from the Reserve Account cause the Developer Fee or General Contractor Fee to exceed the applicable percentage limitations provided for in the Rule. Any and all terms and conditions of the ODR must be acceptable to Florida Housing, its Servicer and its Legal Counsel.
  
15. A copy of an Amended and Restated Operating Agreement reflecting purchase of the HC under terms consistent with the assumptions contained within this Credit Underwriting Report. The Amended and Restated Operating Agreement shall be in a form and of financial substance satisfactory to Servicer, FHFC and its Legal Counsel.

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

1. Documentation of the legal formation and current authority to transact business in Florida for the Borrower, the general partner/principal(s)/manager(s) of the Borrower, the guarantor, and any limited partners of the Borrower.
  
2. Award of 4% Housing Credits and purchase of HC by Enterprise or an affiliate, under terms consistent with the assumptions of this report.
  
3. Signed and sealed survey, dated within 90 days of closing, unless otherwise approved by Florida Housing, and its Legal Counsel, based upon the particular circumstances of the transaction. The Survey shall be certified to Florida Housing and its Legal Counsel, as well as the title insurance company, and shall indicate the legal description, exact boundaries of the Development, easements, utilities, roads, and means of access to public streets, total acreage and flood hazard area and any other requirements of Florida Housing.
  
4. An acceptable updated Environmental Audit Report, together with a reliance letter to Florida Housing, prepared within 90 days of closing, unless otherwise approved by Florida Housing, and Legal Counsel, based upon the particular circumstances of the transaction. Borrower to comply with any and all recommendations and remediation restrictions noted in the Environmental Assessment(s) and Updates and the Environmental Review, if applicable.

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



**Additional Conditions**

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

1. Compliance with all provisions of Sections 420.507 and 420.5087, Florida Statutes, Rule Chapter 67-21, F.A.C. (Non-Competitive 4% Housing Credits), Rule 67-48 F.A.C. (SAIL), Rule Chapter 67-53, F.A.C., Rule Chapter 67-60 F.A.C., RFA 2023-205, Section 42 I.R.C. (Housing Credits), and any other State or Federal requirements.
2. Acceptance by the Borrower and execution of all documents evidencing and securing the SAIL, ELI, and NHTF loans in form and substance satisfactory to Florida Housing, including, but not limited to, the Promissory Note(s), the Loan Agreement(s), the Mortgage and Security Agreement(s), and the Land Use Restriction Agreement(s) and/or Extended Land Use Agreement(s) and Final Cost Certificate.
3. Receipt and satisfactory review of a Joint Funding Agreement between Applicant and Enterprise or an affiliate, that requires funding of all HC Equity Installments during construction, even if the Borrower is in default under the Operating Agreement.
4. All amounts necessary to complete construction must be deposited with the Fiscal Agent prior to closing, or any phased HC Equity pay-in amount necessary to complete construction shall be contingent upon an obligation of the entity providing payments, regardless of any default under any documents relating to the HC's, as long as the First Mortgage continues to be funded. Notwithstanding the foregoing, at least 15% of all HC Equity (but not less than provided for in the Syndication Agreement or such higher amount as recommended by First Housing) shall be deposited with the Fiscal Agent at the MMRN closing unless a lesser amount is approved by FHFC prior to closing.
5. Guarantors to provide the standard FHFC Construction Completion Guaranty, to be released upon lien-free completion, as approved by the Servicer.
6. For the SAIL Loan, Guarantors are to provide the standard FHFC Operating Deficit Guaranty. If requested in writing by the Applicant, the Servicer will consider a recommendation to release the Operating Deficit Guaranty if all conditions are met, including achievement of a 1.15x debt service coverage on the combined permanent first mortgage and SAIL Loan as determined by FHFC, or the Servicer, and 90% occupancy, and 90% of the gross potential rental income, net of utility allowances, if applicable, for a period equal to 12 consecutive months, all as certified by an independent Certified Public Accountant, and verified by the Servicer. The calculation of the debt service coverage ratio shall be made by FHFC or the Servicer. Notwithstanding the above, the Operating Deficit Guaranty shall not terminate earlier than three (3) years following the final certificate of occupancy.
7. Guarantors to provide the Standard FHFC Environmental Indemnity Guaranty.
8. Guarantors to provide the Standard FHFC Guaranty of Recourse Obligations.

9. A Mortgagee Title Insurance policy naming Florida Housing as the insured in the amount of the Loan(s) is to be issued immediately after closing. Any exceptions to the title insurance policy must be acceptable to Florida Housing or its Legal Counsel. The form of the title policy must be approved prior to closing.
10. Property tax and hazard insurance escrow are to be established and maintained by the First Mortgagee Lender, Fiscal Agent, or the Servicer. In the event the reserve account is held by Florida Housing's Loan(s) servicing agent, the release of funds shall be at Florida Housing's sole discretion.
11. Replacement Reserves in the amount of \$300 per unit per year will be required to be deposited on a monthly basis into a designated escrow account, to be maintained by the First Mortgagee or Florida Housing's Loan(s) servicing agent. However, Applicant has the option to prepay Replacement Reserves, as allowed per Rule Chapters 67-21 and 67-48 F.A.C., in the amount of \$27,600 (one-half the required Replacement Reserves for Years 1 and 2), in order to meet the applicable DSC loan requirements. Applicant can waive this election, if at closing of the loan(s) the required DSC is met without the need to exercise the option. It is currently estimated that Replacement Reserves will be funded from Operations in the amount of \$300 per unit per year for years 1 and 2, followed by \$300 per unit per year thereafter. The initial replacement reserve will have limitations on the ability to be drawn. New construction developments shall not be allowed to draw during the first five (5) years or until the establishment of a minimum balance equal to the accumulation of five (5) years of replacement reserves per unit. The amount established as a replacement reserve shall be adjusted based on a Capital Needs Assessment ("CNA") to be received by the Corporation or its servicers, prepared by an independent third party and acceptable to the Corporation and its servicers at the time the CNA is required, beginning no later than the tenth year after the first residential building in the development receives a certificate of occupancy, a temporary certificate of occupancy, or is placed in service, whichever is earlier ("initial replacement reserve date"). A subsequent CNA is required no later than the 15<sup>th</sup> year after the initial Replacement Reserve Date and subsequently every five (5) years thereafter.
12. A minimum of 10% retainage holdback on all construction draws until the Development is 50% complete, and 0% retainage thereafter is required. Retainage will not be released until successful completion of construction and issuance of all certificates of occupancy. The construction contract specifies a 10% retainage holdback until 50% construction completion, reduced to 5% thereafter. This meets the RFA and Rule Chapters 67-48 and 67-21 minimum requirement.
13. Closing of all funding sources prior to or simultaneous with the SAIL, ELI, and NHTF loans.
14. Satisfactory completion of a pre-loan closing compliance audit conducted by FHFC or Servicer, if applicable.
15. Satisfactory resolution of any outstanding past due and/or noncompliance items.

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

## **Housing Credit Allocation Recommendation**

First Housing Development Corporation has estimated a preliminary annual 4% HC allocation of \$1,806,643. Please see the HC Allocation Calculation in Exhibit 2 of this report for further details.

### **Contingencies**

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

1. Closing of all funding sources prior to or simultaneous with the SAIL, ELI, and NHTF loans.
2. Purchase of the HC's by Enterprise or an affiliate, under terms consistent with assumptions of this report.
3. Satisfactory resolution of any outstanding past due and/or noncompliance items.
4. Receipt of executed FHFC Fair Housing, Section 504 and ADA as-built certification forms 122, 127, and 129.
5. Any other reasonable requirements of the Servicer, Florida Housing, or its Legal Counsel.

**SAIL, ELI, NHTF & HC CREDIT UNDERWRITING REPORT**

**15-Year Pro Forma**

FINANCIAL COSTS:		Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11	Year 12	Year 13	Year 14	Year 15	
<b>OPERATING PRO FORMA</b>																	
<b>INCOME:</b>	Gross Potential Rental Income	\$1,385,040	\$1,412,741	\$1,440,996	\$1,469,816	\$1,499,212	\$1,529,196	\$1,559,780	\$1,590,976	\$1,622,795	\$1,655,251	\$1,688,356	\$1,722,123	\$1,756,566	\$1,791,697	\$1,827,531	
	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	\$1,572,656	\$1,604,109	\$1,636,191	\$1,668,915	\$1,702,293	\$1,736,339	\$1,771,066	\$1,806,487	\$1,842,617	\$1,879,469	\$1,917,059	\$1,955,400	\$1,994,508	\$2,034,398	\$2,075,086	
Less:																	
Physical Vac. Loss	Percentage: 5.46%	\$85,944	\$87,663	\$89,416	\$91,204	\$93,029	\$94,889	\$96,787	\$98,723	\$100,697	\$102,711	\$104,765	\$106,861	\$108,998	\$111,178	\$113,401	
<b>Total Effective Gross Income</b>		<b>\$1,486,712</b>	<b>\$1,516,446</b>	<b>\$1,546,775</b>	<b>\$1,577,711</b>	<b>\$1,609,265</b>	<b>\$1,641,450</b>	<b>\$1,674,279</b>	<b>\$1,707,765</b>	<b>\$1,741,920</b>	<b>\$1,776,758</b>	<b>\$1,812,294</b>	<b>\$1,848,540</b>	<b>\$1,885,510</b>	<b>\$1,923,220</b>	<b>\$1,961,685</b>	
<b>EXPENSES:</b>	Fixed:																
	Real Estate Taxes	\$121,515	\$125,160	\$128,915	\$132,783	\$136,766	\$140,869	\$145,095	\$149,448	\$153,932	\$158,550	\$163,306	\$168,205	\$173,251	\$178,449	\$183,802	
	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: 5.47%	\$81,307	\$82,933	\$84,592	\$86,284	\$88,009	\$89,770	\$91,565	\$93,396	\$95,264	\$97,169	\$99,113	\$101,095	\$103,117	\$105,179	\$107,283
	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	\$121,900	\$125,557	\$129,324	\$133,203	\$137,200	\$141,316	\$145,555	\$149,922	\$154,419	\$159,052	\$163,823	\$168,738	\$173,800	\$179,014	\$184,385	
	Utilities	\$86,020	\$88,601	\$91,259	\$93,996	\$96,816	\$99,721	\$102,712	\$105,794	\$108,968	\$112,237	\$115,604	\$119,072	\$122,644	\$126,323	\$130,113	
	Marketing and Advertising	\$4,600	\$4,738	\$4,880	\$5,027	\$5,177	\$5,333	\$5,493	\$5,657	\$5,827	\$6,002	\$6,182	\$6,367	\$6,559	\$6,755	\$6,958	
	Maintenance and Repairs/Pest Control	\$50,600	\$52,118	\$53,682	\$55,292	\$56,951	\$58,659	\$60,419	\$62,232	\$64,099	\$66,022	\$68,002	\$70,042	\$72,144	\$74,308	\$76,537	
	Grounds Maintenance and Landscaping	\$31,740	\$32,692	\$33,673	\$34,683	\$35,724	\$36,795	\$37,899	\$39,036	\$40,207	\$41,414	\$42,656	\$43,936	\$45,254	\$46,611	\$48,010	
	Reserve for Replacements	\$27,600	\$27,600	\$27,600	\$27,600	\$27,600	\$27,600	\$27,600	\$27,600	\$27,600	\$27,600	\$28,428	\$29,281	\$30,159	\$31,064	\$31,996	
<b>Total Expenses</b>		<b>\$846,182</b>	<b>\$869,926</b>	<b>\$894,367</b>	<b>\$919,524</b>	<b>\$945,419</b>	<b>\$972,073</b>	<b>\$999,510</b>	<b>\$1,027,752</b>	<b>\$1,056,822</b>	<b>\$1,086,746</b>	<b>\$1,118,377</b>	<b>\$1,150,937</b>	<b>\$1,184,454</b>	<b>\$1,218,957</b>	<b>\$1,254,474</b>	
<b>Net Operating Income</b>		<b>\$640,530</b>	<b>\$646,520</b>	<b>\$652,408</b>	<b>\$658,187</b>	<b>\$663,846</b>	<b>\$669,377</b>	<b>\$674,769</b>	<b>\$680,013</b>	<b>\$685,098</b>	<b>\$690,012</b>	<b>\$693,917</b>	<b>\$697,603</b>	<b>\$701,056</b>	<b>\$704,264</b>	<b>\$707,211</b>	
<b>Debt Service Payments</b>																	
1st Mortgage - Citi	\$353,949	\$353,949	\$353,949	\$353,949	\$353,949	\$353,949	\$353,949	\$353,949	\$353,949	\$353,949	\$353,949	\$353,949	\$353,949	\$353,949	\$353,949	\$353,949	
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	\$87,400	
2nd Mortgage - ELI Loan	\$0	\$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	\$0	
4th Mortgage - HACFM	\$566,467	\$566,467	\$566,467	\$566,467	\$566,467	\$566,467	\$566,467	\$566,467	\$566,467	\$566,467	\$566,467	\$566,467	\$566,467	\$566,467	\$566,467	\$566,467	
1st Mortgage Fees - Citi	\$15,286	\$15,286	\$15,286	\$15,286	\$15,286	\$15,286	\$15,286	\$15,286	\$15,286	\$15,286	\$15,286	\$15,286	\$15,286	\$15,286	\$15,286	\$15,286	
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	\$12,622	
2nd Mortgage Fees - ELI Loan	\$0	\$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	\$3,970	
4th Mortgage Fees - HACFM	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
<b>Total Debt Service Payments</b>		<b>\$1,039,693</b>	<b>\$1,039,693</b>	<b>\$1,039,693</b>	<b>\$1,039,693</b>	<b>\$1,039,693</b>	<b>\$1,039,693</b>	<b>\$1,039,693</b>	<b>\$1,039,693</b>	<b>\$1,039,693</b>	<b>\$1,039,693</b>	<b>\$1,039,693</b>	<b>\$1,039,693</b>	<b>\$1,039,693</b>	<b>\$1,039,693</b>	<b>\$1,039,693</b>	
<b>Cash Flow after Debt Service</b>		<b>(\$399,164)</b>	<b>(\$393,174)</b>	<b>(\$387,285)</b>	<b>(\$381,507)</b>	<b>(\$375,847)</b>	<b>(\$370,317)</b>	<b>(\$364,924)</b>	<b>(\$359,680)</b>	<b>(\$354,595)</b>	<b>(\$349,681)</b>	<b>(\$344,777)</b>	<b>(\$342,091)</b>	<b>(\$338,637)</b>	<b>(\$335,430)</b>	<b>(\$332,482)</b>	
<b>Debt Service Coverage Ratios</b>																	
DSC - 1st Mortgage plus Fees	1.73	1.75	1.77	1.78	1.80	1.81	1.83	1.84	1.86	1.87	1.88	1.89	1.90	1.91	1.92		
DSC - 2nd Mortgage plus Fees	1.36	1.38	1.39	1.40	1.41	1.43	1.44	1.45	1.46	1.47	1.48	1.49	1.49	1.50	1.51		
DSC - 2nd Mortgage plus Fees	1.36	1.38	1.39	1.40	1.41	1.43	1.44	1.45	1.46	1.47	1.48	1.49	1.49	1.50	1.51		
DSC - 3rd Mortgage plus Fees	1.35	1.37	1.38	1.39	1.40	1.41	1.43	1.44	1.45	1.46	1.47	1.47	1.48	1.49	1.49		
DSC - 4th Mortgage plus Fees	0.62	0.62	0.63	0.63	0.64	0.64	0.65	0.65	0.66	0.66	0.67	0.67	0.67	0.68	0.68		
<b>Financial Ratios</b>																	
Operating Expense Ratio	56.92%	57.37%	57.82%	58.28%	58.75%	59.22%	59.70%	60.18%	60.67%	61.16%	61.71%	62.26%	62.82%	63.38%	63.95%		
Break-even Economic Occupancy Ratio (all debt)	120.22%	119.34%	118.50%	117.69%	116.91%	116.16%	115.44%	114.74%	114.08%	113.44%	112.87%	112.33%	111.81%	111.32%	110.86%		

## HC Allocation Calculation

### Section I: Qualified Basis Calculation

#### Qualified Basis

Total Development Costs(including land and ineligible Costs)	\$46,771,822
Less Land Costs	\$2,250,099
Less Federal Grants and Loans	\$0
Less Other Ineligible Costs	\$5,744,879
Total Eligible Basis	\$38,776,844
Applicable Fraction	90%
DDA/QCT Basis Credit	130%
Qualified Basis	\$45,368,907
Housing Credit Percentage	4.00%
Annual Housing Credit Allocation	\$1,814,756

#### Notes to the Qualified Basis Calculation:

1. Other ineligible costs include site work, accounting fees, FHFC Fees, insurance, legal fees, market study, advertising/marketing fees, property taxes, title work, financial costs, and operating 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.

**Section II: GAP Calculation**

Total Development Costs(including land and ineligible Costs)	\$46,771,822
Less Mortgages	\$29,560,333
Less Grants	\$50,100
Equity Gap	\$17,161,389
HC Syndication Percentage to Investment Partnership	99.99%
HC Syndication Pricing	\$0.950
HC Required to meet Equity Gap	\$18,066,427
Annual HC Required	\$1,806,643

Notes to the Gap Calculation:

1. The pricing and syndication percentage was taken from the Enterprise letter of intent, dated October 3, 2023.
2. Grants includes a \$50,000 grant from the City of Fort Myers plus \$50 each from FMR Manager and SWF Manager.

**Section III: Summary**

HC Per Syndication Agreement	\$1,806,643
HC Per Qualified Basis	\$1,814,756
HC Per GAP Calculation	\$1,806,643
Annual HC Recommended	\$1,806,643
Syndication Proceeds based upon Syndication Agreement	\$17,161,389

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 gap calculation.

**SAIL, ELI, NHTF & HC CREDIT UNDERWRITING REPORT**

**50% Test**

Tax-Exempt Note Amount	\$22,550,000
Less: Debt Service Reserve Funded with Tax-Exempt Note Proceeds	\$0
Other:	\$0
Other:	\$0
Equals Net Tax-Exempt Note Amount	\$22,550,000
Total Depreciable Cost	\$38,776,844
Plus Land Cost	\$2,250,099
Aggregate Basis	\$41,026,943
Net Tax-Exempt Note to Aggregate Basis Ratio	54.96%

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



3611/3621 Cleveland Avenue / RFA 2023-205 / 2024-018SN  
DESCRIPTION OF FEATURES AND AMENITIES

**A.** The Development will consist of:

92 Garden Apartments located in 4 residential buildings

Unit Mix:

Fifty (50) one bedroom/one bath units:

Forty-two (42) two bedroom/one bath units;

92 Total Units

**B.** All units are expected to meet all requirements as outlined below. If the proposed Development consists of rehabilitation, the proposed Development's ability to provide all construction features will be confirmed as outlined in Exhibit F of the RFA. The quality of the construction features committed to by the Applicant is subject to approval of the Board of Directors.

The Development must meet all federal requirements and state building code requirements, including the following, incorporating the most recent amendments, regulations, and rules: The Fair Housing Act as implemented by 24 CFR 100, Florida Accessibility Code for Building Construction as adopted pursuant to Section 553.503, F.S., Section 504 of the Rehabilitation Act of 1973, and Titles II and III of the Americans with Disabilities Act ("ADA") of 1990 as implemented by 28 CFR 35.

All Developments must meet accessibility standards of Section 504. Section 504 accessibility standards require a minimum of 5 percent of the total dwelling units, but not fewer than one unit, to be accessible for individuals with mobility impairments. An additional 2 percent of the total units, but not fewer than one unit, must be accessible for persons with hearing or vision impairments. All of the accessible units must be equally distributed among different unit sizes and Development types and must be dispersed on all accessible routes throughout the Development.

**C.** The Development must provide the following General Features:

1. Broadband infrastructure which includes cables, fiber optics, wiring, or other infrastructure, as long as the installation results in accessibility in each unit;
2. Termite prevention;
3. Pest control;
4. Window covering for each window and glass door inside each unit;

5. Cable or satellite TV hook-up in each unit and, if the Development offers cable or satellite TV service to the residents, the price cannot exceed the market rate for service of similar quality available to the Development's residents from a primary provider of cable or satellite TV;
6. Washer and dryer hook ups in each of the Development's units or an on-site laundry facility for resident use. If the proposed Development will have an on-site laundry facility, the following requirements must be met:
  - There must be a minimum of one (1) Energy Star certified washer and one (1) Energy Star certified or commercial grade dryer per every 15 units. To determine the required number of washers and dryers for the on-site laundry facility; divide the total number of the Developments' units by 15, and then round the equation's total up to the nearest whole number;
  - At least one washing machine and one dryer shall be front loading that meets the accessibility standards of Section 504;
  - If the proposed Development consists of Scattered Sites, the laundry facility shall be located on each of the Scattered Sites, or no more than 1/16 mile from the Scattered Site with the most units, or a combination of both.
7. At least two full bathrooms in all 3 bedroom or larger new construction units;
8. Bathtub with shower in at least one bathroom in at least 90% of the new construction non-Elderly units;
9. All Family Demographic Developments must provide a full-size range and oven in all units.

**D. Required Accessibility Features, regardless of the age of the Development:**

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

**E. The Development must provide the following Accessibility Features in all units:**

1. Primary entrance doors on an accessible route shall have a threshold with no more than a ½-inch rise;
2. All door handles on primary entrance door and interior doors must have lever handles;
3. Lever handles on all bathroom faucets and kitchen sink faucets;
4. Mid-point on light switches and thermostats shall not be more than 48 inches above finished floor level; and
5. Cabinet drawer handles and cabinet door handles in bathroom and kitchen shall be lever or D-pull type that operate easily using a single closed fist.

- F.** In addition to the 5 percent mobility requirement outlined above, all Family Demographic Developments must provide reinforced walls for future installation of horizontal grab bars in place around each tub/shower and toilet, or a Corporation-approved alternative approach for grab bar installation. The installation of the grab bars must meet or exceed the 2010 ADA Standards for Accessible Design.

At the request of and at no charge to a resident household, the Development shall purchase and install grab bars around each tub/shower unit and toilet in the dwelling unit. The product specifications and installation must meet or exceed 2010 ADA Standards for Accessible Design. The Development shall inform a prospective resident that the Development, upon a resident household's request and at no charge to the household, will install grab bars around a dwelling unit's tub/shower unit and toilet, pursuant to the 2010 ADA Standards. At a minimum, the Development shall inform each prospective lessee by including language in the Development's written materials listing and describing the unit's features, as well as including the language in each household's lease.

- G.** Green Building Features required in all Developments:

All new construction units and, as applicable, all common areas must have the features listed below and all rehabilitation units are expected to have all of the following required Green Building features unless found to be not appropriate or feasible within the scope of the rehabilitation work utilizing a capital needs assessment as further explained in Exhibit F of the RFA:

- a. Low or No-VOC paint for all interior walls (Low-VOC means 50 grams per liter or less for flat; 150 grams per liter or less for non-flat paint);
- b. Low-flow water fixtures in bathrooms – WaterSense labeled products or the following specifications:
  - i. Toilets: 1.28 gallons/flush or less,
  - ii. Urinals: 0.5 gallons/flush,
  - iii. Lavatory Faucets: 1.5 gallons/minute or less at 60 psi flow rate,
  - iv. Showerheads: 2.0 gallons/minute or less at 80 psi flow rate;

**SAIL, ELI, NHTF & HC CREDIT UNDERWRITING REPORT**

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- c. Energy Star certified refrigerator;
- d. Energy Star certified dishwasher;
- e. Energy Star certified ventilation fan in all bathrooms;
- f. Water heater minimum efficiency specifications:
  - Residential Electric:
    - i. Up to 55 gallons = 0.95 EF or 0.92 UEF; or
    - ii. More than 55 gallons = Energy Star certified; or
    - iii. Tankless = 0.97 EF and Max GPM of  $\geq 2.5$  over a 77° rise or 0.87 UEF and GPM of  $\geq 2.9$  over a 67° rise;
  - Residential Gas (storage or tankless/instantaneous): Energy Star certified
  - Commercial Gas Water Heater: Energy Star certified;
- g. Energy Star certified ceiling fans with lighting fixtures in bedrooms and living rooms;
- h. Air Conditioning (in-unit or commercial):
  - i. Air-Source Heat Pumps – Energy Star certified:
    - a.  $\geq 7.8$  HSPF2/  $\geq 15.2$  SEER2/  $\geq 11.7$  EER2 for split systems
    - b.  $\geq 7.2$  HSPF2/  $\geq 15.2$  SEER2/  $\geq 10.6$  EER2 for single package equipment including gas/electric package units
  - ii. Central Air Conditioners – Energy Star certified:
    - a.  $\geq 15.2$  SEER2/  $\geq 12$  EER2 for split systems
    - b.  $\geq 15.2$  SEER2/  $\geq 11.5$  EER2 for single package equipment including gas/electric package units.

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

In addition to the required Green Building Features outlined above, proposed Developments with the Development Category of New Construction, must select one of the following Green Building Certification programs:

- Leadership in Energy and Environmental Design (LEED); or
- Florida Green Building Coalition (FGBC); or
- ICC 700 National Green Building Standard (NGBS); or
- Enterprise Green Communities.

- H.** Applicants who select the Family Demographic must provide at least three Resident Programs:

The quality of the Resident Programs committed to by the Applicant is subject to approval of the Board of Directors. The availability of the Resident Programs must be publicized on an ongoing basis such as through community newsletters, bulletin board posts, or flyers.

1. Financial Management Program

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

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

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

2. Family Support Coordinator

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

The Coordinator may be an employee of the Development or, through an agreement, an employee of a third-party agency or organization that provides these services.

3. Employment Assistance Program

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

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

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

**SAIL, ELI, NHTF & HC CREDIT UNDERWRITING REPORT**

**DEVELOPMENT**

**NAME: 3611/3621 Cleveland Avenue**

**DATE: January 22, 2024**

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

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

**SAIL, ELI, NHTF & HC CREDIT UNDERWRITING REPORT**

18. Draft construction draw schedule showing sources of funds during each month of the construction and lease-up period.	Satis.	
19. Fifteen-year income, expense, and occupancy projection.	Satis.	
20. Executed general construction contract with "not to exceed" costs.	Satis.	
21. HC ONLY: 15% of the total equity to be provided prior to or simultaneously with the closing of the construction financing.	Satis.	
22. Any additional items required by the credit underwriter.	Satis.	8.
23. Receipt of executed Florida Housing Fair Housing, Section 504 and ADA Design Certification Forms 121, 126, and 128.	Satis.	9.
24. If the owner has a HAP Contract or ACC with HUD, then receipt of HUD approval for an owner-adopted preference or limited preference specifically for individuals or families who are referred by a designated Referral Agency serving the county where the Development is located.	Satis.	10.
25. Receipt of Tenant Eligibility and Selection Plan	Satis.	
26. Receipt of GC Certification	Satis.	
27. Reliance for FHDC as agent for FHFC is include in all applicable third-party reports: Appraisal, Market Study, PCA, CNA, and Phase I.	Satis.	

Notes:

1. Receipt of final plans and specifications is a condition to closing.
2. Acceptable permits or a permit ready letter is a condition to closing.
3. Receipt of a final survey is a condition to closing.
4. Current financials and tax returns for entities listed on page B-1 is a condition to closing.
5. Bank statements for entities listed on page B-1 is a condition to closing.
6. Final executed management agreement acceptable to First Housing is a condition to closing.
7. Firm Commitment from Bank OZK for the MMRN construction loan with terms and conditions that are not substantially different than those utilized in this credit underwriting report is a condition to closing. Firm Commitment from Citi for the permanent loan with terms and conditions that are not substantially different than those utilized in this credit underwriting report is a condition to closing.
8. Receipt of an Amended and Restated Operating Agreement and receipt of all items on page B-1 is a condition to closing.
9. Receipt of Section 504 and ADA Design Form 128 is a condition to closing.
10. Receipt of AHAP Contract and HUD approval of referral preference in #24 above.





January 12, 2024

Tim Kennedy  
Florida Housing Finance Corporation  
227 North Bronough Street, #5000  
Tallahassee, FL 32301

RE: The Village of Casa Familia, RFA 2019-107, 2019-422CGN/2021-325CGN, RFA 2021-211/2022-230V, CHIRP ITP, LPA, Construction Commencement, Viability Loan, and Grant funding Closing Deadlines - Extension Request

Dear Mr. Kennedy:

The Village of Casa Familia ("Casa Familia") is a planned affordable housing community situated in Unincorporated Miami-Dade County, and we have dedicated substantial efforts to its development since 2019. Currently, our closing deadline for various aspects, including CHIRP ITP, LPA, Construction Commencement, Viability Loan, and Grant funding, is set for February 2, 2024. We kindly request an extension for these closing deadlines to March 26, 2024.

As you are aware, Casa Familia has encountered significant delays and obstacles stemming from concerns raised by HUD's Fair Housing and Equal Opportunity ("FHEO") office since early 2021. Over the course of more than two years, we have collaborated with HUD, Florida Housing, and the Miami-Dade County Public Housing and Community Development department ("PHCD") to address FHEO's apprehensions regarding the proposed development. Throughout this period, progress on the Miami-Dade County Surtax loan and General Obligation Bond grant underwriting was impeded, and we were unable to advance the project-based voucher subsidy layering review process with HUD and PHCD.

We have received guidance from HUD that permits all involved parties to move forward with the closing process. However, this necessitated a substantial restructuring of the ownership structure and legal agreements involving Casa Familia, Atlantic Pacific Companies, and Truist Community Capital. These adjustments not only mandated approvals from FHFC and Miami-Dade County but also led to substantial modifications in already drafted closing documents, including the limited partnership and GP operating agreements.

To meet the impending closing deadline of February 2nd, we have intensified our efforts by conducting closing calls twice a week. We are actively collaborating with various funding parties to finalize loan and partnership documents, complete our closing draw, and secure final approval on the loan documents drafted by Miami-Dade County. Our current aim is to achieve a closing by January 18th,



and we are diligently working towards that goal. However, considering the substantial coordination required for multiple sources to close simultaneously and the numerous stakeholders involved in approving the final restructuring, we are, out of an abundance of caution, requesting an extension to the closing deadline until March 26, 2024.

We are hopeful that the substantial efforts invested to meet the February 2, 2024 deadline will lead to a successful closing of the deal within the specified timeframe. In the event of a successful closing by the deadline, we anticipate reaching out to inform you that this request can be withdrawn from the FHFC Board Meeting agenda scheduled for February 2nd.

Should you and/or staff have any questions or comments please do not hesitate to contact us. We appreciate your assistance and consideration of our request.

Sincerely,

A handwritten signature in blue ink, appearing to read "Deborah Lawrence", is positioned above the printed name.

Deborah Lawrence  
Senior Housing Director

Schedule A

Development Name	Borrower	Developer	Location	Funding Source /Amount	Set-Asides	Affordability Period	Demographic	Number of Units
EKOS on Santa Barbara	MHP Bembridge, LLC	MHP Bembridge Developer, LLC	Collier County	MMRB-\$12,500,000 CDBG-DR-\$7,800,000 4%HC-\$940,162	MMRB 40% @ 60% AMI CDBG 10% @ 30% & 90% @ 80% AMI 4%HC 16% @ 30%, 61% @	50 Years	Family/Workforce	82
EKOS Magnolia Oaks	MHP Magnolia Oaks, LLC	MHP Magnolia Oaks Developer, LLC	Leon County	MMRB-\$12,500,000 RRLP-\$5,985,000 ELI-\$807,000 4%HC-\$1,114,160	MMRB 100% @ 60% AMI RRLP 90% @ 60% AMI ELI 10% @ 33% AMI 4%HC 100% @ 60% AMI	50 Years	Family	110
EKOS Allegro	MHP Collier, LTD	MHP Collier Developer, LLC	Collier County	MMRB-\$22,500,000 SAIL-\$6,000,000 ELI-\$600,000 4%HC-\$1,925,714	MMRB 100% @ 60% AMI SAIL 90% @ 60% AMI ELI 10% @ 33% AMI 4%HC 100% @ 60% AMI	50 Years	Elderly	160
EKOS Cadenza	MHP FL VII, LLLP	MHP FL VII Developer, LLC	Collier County	MMRB-\$24,500,000 SAIL-\$10,300,000 ELI-\$600,000 4%HC-\$2,158,584	MMRB 100% @ 60% AMI SAIL 90% @ 60% AMI ELI 10% @ 28% AMI 4%HC 100% @ 60% AMI	50 Years	Elderly	160
EKOS at Arbor Park	MHP FL X LLLP	MHP FL X Developer, LLC	Sarasota County	MMRB-421,500,000 SAIL-\$9,755,950 ELI-\$600,000 NHTF-\$653,873 4%HC-\$1,652,817	MMRB 40% @ 60% AMI SAIL 90% @ 60% AMI ELI 10% @ 30% AMI NHTF 2.20% @ 22% AMI 4%HC 18% @ 30%, 29% @ 60, & 53% @ 70% AMI	50 Years	Elderly	136
EKOS at Lake Shadow	MHP FL II, LLC	MHP FL II Developer, LLC	Orange County	9%HC-\$2,082,378	9%HC 16% at 30%, 10% @ 50%, 39% @ 60%, & 35% @ 70% AMI	50 Years	Family	96
Southpointe Visa	MHP FL I, LLC	MHP FL I Developer, LLC	Miami-Dade County	9%HC-\$3,382,000	9%HC 15% at 30%, 39% @ 60%, & 46% @ 70% AMI	50 Years	Family	124
Douglas Gardens Senior Health and Living	Douglas Gardens IV, Ltd.	MHP Douglas Developer, LLC	Broward County	4%HC-\$5,324,150	4%HC 95% @ 60% & 5% @ 30% AMI	30 Years	Elderly	410
Silver Pointe	Silver Pointe, Ltd.	MHP Silver Pointe Developer, LLC/Heartland Development Group, LLC	Marion County	9%HC-\$1,400,000	9%HC 90% @ 60% & 10% @ 45% AMI	50 Years	Family	90



January 15, 2024

**VIA FED EX AND EMAIL**

Melissa Levy  
Director of Multifamily Programs  
Florida Housing Finance Corporation  
227 N. Bronough Street, Suite 5000  
Tallahassee, FL 32301  
Email: [Melissa.Levy@floridahousing.org](mailto:Melissa.Levy@floridahousing.org)

Re: Request to change in ownership structures of Project Owner and Project Developer and request to release Guarantors of Florida Housing Finance Corporation Guaranties

Dear Ms. Levy:

This letter is being sent as further correspondence in connection with that certain initial request letter dated November 1, 2023, transmitted to Florida Housing Finance Corporation by Nelson Mullins Riley & Scarborough LLP. Archipelago Housing, LLC, a Delaware limited liability company (the "Company"); Kenneth P. Lee, a principal of the Company and MHP Developers X, LLC ("Developers X") ("K. Lee"); and Michael C. Lee, a principal of the Company and Developers X ("M. Lee") are in the process of transferring their respective ownership interests in various Florida Housing Finance Corporation ("Florida Housing") related deals as further discussed below. Currently, the Company, K. Lee, and M. Lee are involved in nine projects with Florida Housing. Each Project Owner (as defined below) listed below respectfully requests Florida Housing's approval for the proposed structure changes and guarantor releases set forth below.

The Company, K. Lee, and M. Lee are currently involved in the following projects:

1. EKOS on Santa Barbara (f/k/a Harmony on Santa Barbara) ("ESB") owned by MHP Bembridge, LLC, a Florida limited liability company ("SB Owner") (RFA 2019-102/CDBG App #2020-046BD). The Company is 1) a member and manager of the MHP Bembridge Member, LLC, a member of the SB Owner ("SB Member"), and 2) a member of MHP Developers, LLC ("Developers"), a member and manager of MHP Bembridge Developer, LLC, the project developer ("SB Developer").
2. EKOS Magnolia Oaks (f/k/a Magnolia Oaks) ("EMO") owned by MHP Magnolia Oaks, LLC, a Florida limited liability company ("MO Owner") (RFA 2019-111/RRLP and ELI App #2020-074BR). The Company is 1) a member and manager of MHP Magnolia Oaks Member, LLC, a member of MO Owner ("MO Member"), and 2) a member of Developers, a member and manager of MHP Magnolia Oaks Developer, LLC, the project developer ("MO Developer").
3. EKOS Allegro (f/k/a Allegro at Hacienda Lakes) ("EA") owned by MHP Collier LTD, a Florida limited partnership ("Collier Owner") (RFA 2019-116/SAIL and ELI App #2020-385BS). The Company is 1) a member and manager of the MHP Collier SLP, LLC, a special limited partner of Collier Owner ("Collier Member"), and 2) a member of Developers, a member and manager of MHP Collier Developer, LLC, the project developer ("Collier Developer").

4. EKOS Cadenza (f/k/a Cadenza at Hacienda Lakes) (“EC”) owned by MHP FL VII, LLLP, a Florida limited liability limited partnership (“HL Owner”) (RFA 2020-205/SAIL and ELI App #2021-246BS). The Company is a member and manager of MHP FL VII SLP, LLC, a special limited partner of HL Owner (“HL Member”). K. Lee and M. Lee are members of Developers X, a member and manager of MHP FL VII Developer, LLC, the project developer (“HL Developer”).
5. EKOS at Arbor Park (f/k/a Arbor Park) (“EAP”) owned by MHP FL X LLLP, a Florida limited liability limited partnership (“FL X Owner”) (RFA 2020-205/SAIL, ELI, and NHTF App# 2021-253BSN). The Company is a member and manager of MHP FL X GP, LLC, the general partner of FL X Owner (“FL Member”). K. Lee and M. Lee are members of the Developers X, a member and manager of MHP FL X Developer, LLC, the project developer (“FL X Developer”).
6. EKOS at Lake Shadow (f/k/a Enclave at Lake Shadow) (“ELS”) owned by MHP FL II, LLC, a Florida limited liability company (“LS Owner”) (RFA 2020-202/HC App #2021-013C). The Company is a member and manager of MHP FL II Manager, LLC, a member of LS Owner (“LS Member”). K. Lee and M. Lee are members of Developers X, a member and manager of MHP FL II Developer, LLC, the project developer (“LS Developer”).
7. Southpointe Vista (“SPV”) owned by MHP FL I, LLC, a Florida limited liability company (“SV Owner”) (RFA 2020-203/HC App #2021-163C). The Company is a member and manager of MHP FL I Manager, LLC, a member of SV Owner (“SV Member”). K. Lee and M. Lee are members of Developers X, a member and manager of MHP FL I Developer, LLC, the project developer for SV Owner (“SV Developer”).
8. Douglas Gardens – Senior Health and Living (“DGSH”) owned by Douglas Gardens IV, Ltd., a Florida limited partnership (“DG Owner”) (Non-competitive HC/App #2022-512C). The Company is a member and manager of MHP Douglas SLP, LLC, a special limited partner of the DG Owner (“DG Member”). K. Lee and M. Lee are members of MHP Developers X, LLC, a member and manager of MHP Douglas Developer, LLC, a project developer (“DG Developer”).
9. Silver Pointe owned by Silver Pointe, LTD, a Florida limited partnership (App#2017-002C/2018-351C/2021-290C). The Company is a member of Developers, a member and manager of MHP Silver Pointe Developer, LLC, a project developer (“SP Developer”).

Collectively, ESB, EMO, EA, EC, EAP, ELS, SPV, and DGSH are referred to herein as the “Projects”. Further, SB Owner, MO Owner, Collier Owner, HL Owner, FL X Owner, LS Owner, SV Owner, and DG Owner are referred to herein as the “Project Owners”. Further, collectively, SB Developer, MO Developer, Collier Developer, HL Developer, FL X Developer, LS Developer, SV Developer, DG Developer, and SP Developer are referred to herein as the “Project Developers”. Lastly, collectively, SB Member, MO Member, Collier Member, HL Member, FL Member, LS Member, SV Member, and DG Member are referred to herein as the “Project Members”.

In order to restructure the Project Owner and Project Developer structures, the Project Owners, and Project Developers request Florida Housing’s approval for the Company (and/or K. Lee, and M. Lee, as applicable) transfer all of its/their respective membership interests 1) in each Project Member of Project Owner and 2) in Developers, and Developers X (Developers and Developers X, collectively, the “Developer Members”) to W. Patrick McDowell 2001 Trust (the “McDowell Trust”). Note, the McDowell Trust is currently a member of each Project Member and Developer

Member and serves as a guarantor for each of the respective Project Owner, to the extent a Project Owner has received one or more loans from Florida Housing. Collectively, the transfers described in this paragraph are referred to herein as the "Proposed Transfers".

As a condition to Florida Housing making the loans to the respective Project Owners, Florida Housing required the Project Owners and certain affiliates to enter into Guaranties (as defined below) to assume certain obligations of Project Owners until the Florida Housing loans are paid off in full. As a result of the Proposed Transfers, the Company and K. Lee, wish to be released from the following Florida Housing loan guaranties, as are applicable to each applicable Project: (i) the Absolute and Unconditional Guaranty of Completion; (ii) the Continuing, Absolute and Unconditional Guaranty of Recourse Obligations; (iii) the Continuing, Absolute and Unconditional Guaranty of Operating Deficits (the "Tax-Exempt OD Guaranty"); (iv) the Environmental Indemnity Agreement ((i) through (iv) collectively, the "Tax-Exempt Financing Guaranties"); (v) Completion and Operating Deficit Guaranty (the "FHFC Subordinate Completion and OD Guaranty"); (vi) the Continuing, Absolute and Unconditional Guaranty of Recourse Obligations; and (vii) Environmental Indemnity Agreement ((v) through (vii) collectively, the "FHFC Subordinate Guaranties," and together with the Tax Exempt Financing Guaranties, the "Guaranties") effective, for each respective, applicable Project, upon the termination of the Tax-Exempt OD Guaranty and FHFC Subordinate Completion and OD Guaranty for such Project.

Each Project Owner and SP Developer, respectfully request Florida Housing's approval to (i) reorganize the structures set forth above in accordance with the Proposed Transfers; and (ii) agree to release the Company and K. Lee as guarantors of the Guaranties, effective for each respective, applicable Project upon the termination of the Tax-Exempt OD Guaranty and FHFC Subordinate Completion and OD Guaranty for such Project. To the extent required, each Project Owner and SP Developer further respectfully request for these items to be placed on the board agenda for Florida Housing's February 2024 board meeting. If you need any additional information concerning the matters set forth above, please do not hesitate to contact Lloyd Burman, Corporate Counsel of McDowell Housing Partners, LLC, via electronic mail at [lburman@mcdhousing.com](mailto:lburman@mcdhousing.com).

Sincerely,

McDowell Housing Partners, LLC, a Delaware limited liability company

By: 

W. Patrick McDowell  
Co-Chief Executive Officer

Cc: Florida Housing Finance Corporation, Attn: Tim Kennedy (via email: [Tim.Kennedy@floridahousing.org](mailto:Tim.Kennedy@floridahousing.org)), David Westcott (via email: [David.Westcott@floridahousing.org](mailto:David.Westcott@floridahousing.org)), David Woodward (via email: [David.Woodward@floridahousing.org](mailto:David.Woodward@floridahousing.org)), and Lisa Nickerson (via email: [lisa.nickerson@floridahousing.org](mailto:lisa.nickerson@floridahousing.org)); Nabors, Giblin & Nickerson, P.A., Attn: Junious D. Brown III, Esq. (via email: [Jbrown@ngn-tally.com](mailto:Jbrown@ngn-tally.com)); Latham, Luna, Eden & Beaudine, LLP, Attn: Jan Albanese Carpenter, Esq. (via email: [Jcarpenter@lathamluna.com](mailto:Jcarpenter@lathamluna.com)); Nelson Mullins Riley & Scarborough LLP, Attn: Roman J. Petra, Esq. (via email: [roman.petra@nelsonmullins.com](mailto:roman.petra@nelsonmullins.com)); AMERINAT, Attn: Kyle Kuenn (via email: [kkuenn@amerinatls.com](mailto:kkuenn@amerinatls.com))

January 22, 2024

Melissa Levy  
Managing Director of Multifamily Programs  
Florida Housing Finance Corporation  
227 N. Bronough Street, Suite 5000  
Tallahassee, FL 32301

RE: Request to change Ownership Structures for the following Developments:

EKOS on Santa Barbara (f/k/a Harmony on Santa Barbara) MMRB 2021 Series P / CDBG-DR RFA 2019-102 (2020-046BD) / 4% HC 2019-562C  
EKOS Magnolia Oaks (f/k/a Magnolia Oaks) MMRB 2020 Series F / SAIL, RRLP & ELI RFA 2019-111 (2020-074BR) / 4% HC 2019-546C  
EKOS Allegro (f/k/a Allegro at Hacienda Lakes f/k/a Villa Verde) MMRB 2022 Series B-1 & Series B-2 / SAIL & ELI RFA 2019-116 (2020-385BS) / 4% HC 2019-563C  
EKOS Cadenza (f/k/a Cadenza at Hacienda Lakes) MMRN 2022 Series H / SAIL & ELI RFA 2020-205 (2021-246BS) / 4% HC 2020-541C  
EKOS at Arbor Park (f/k/a Arbor Park) MMRN 2022 Series L / SAIL, ELI & NHTF RFA 2020-205 (2021-253BSN) / ITP 2022 – SAIL CHIRP / 4% HC 2020-535C  
EKOS at Lake Shadow (f/k/a Enclave at Lake Shadow) 9% HC RFA 2020-202 (2021-013C/2023-012C)  
Southpointe Vista 9% HC RFA 2020-203 (2021-163C/2023-014C)  
Douglas Gardens Senior Health and Living 4% HC (2022-512C)  
Silver Pointe 9% HC RFA 2016-110 (2017-002C/2018-361C/2021-290C/2023-009C)

Dear Ms. Levy:

Florida Housing Finance Corporation (“Florida Housing” or “FHFC”) has requested that AmeriNat® (“AmeriNat”) review the requests dated January 15, 2024, submitted by MHP Bembridge, LLC, MHP Magnolia Oaks, LLC, MHP Collier LTD, MHP FL VII, LLLP, MHP FL X LLLP, MHP FL II, LLC, MHP FL I, LLC, Douglas Gardens IV, Ltd., and Silver Pointe, LTD, (singularly the “Borrower”, collectively the “Borrowers”), for the proposed substitution of membership interests of the respective Borrower ownership structures of the Developments listed above. Specifically, AmeriNat has been requested to determine the impact to the existing entities. An analysis of each proposed change follows below.

EKOS on Santa Barbara (f/k/a Harmony on Santa Barbara)

The Borrower requests the substitution of W. Patrick McDowell 2001 Trust (“McDowell Trust”) in place of Archipelago Housing, LLC (“Exiting Company”) in the following capacities: (a) as a member of MHP Bembridge Member, LLC (the Member/Manager of the Borrower), and (b) as a member of MHP Developers, LLC (“MHP Developer”), a Member/Manager of MHP Bembridge Developer, LLC, the developer of the property.

EKOS Magnolia Oaks (f/k/a Magnolia Oaks)

The Borrower requests the substitution of the McDowell Trust in place of the Exiting Company in the following capacities: (a) as a member of MHP Magnolia Oaks Member, LLC, (the Member/Manager of the

(800) 943-1988 • 5130 Sunforest Drive, Suite #150, Tampa, FL 33634 • [www.amerinat.com](http://www.amerinat.com)

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Borrower), and (b) as a member of MHP Developer, a Member/Manager of MHP Magnolia Oaks Developer, LLC, the developer of the property.

EKOS Allegro (f/k/a Allegro at Hacienda Lakes f/k/a Villa Verde)

The Borrower requests the substitution of the McDowell Trust in place of the Exiting Company in the following capacities: (a) as a member of MHP Collier SLP, LLC, (the Special Limited Partner of the Borrower), and (b) as a member of MHP Developer, a Member/Manager of MHP Collier Developer, LLC, the developer of the property.

EKOS Cadenza (f/k/a Cadenza at Hacienda Lakes)

The Borrower requests the substitution of the McDowell Trust in place of the Exiting Company as a member of MHP FL VII SLP, LLC, (the Special Limited Partner of the Borrower), and the substitution of the McDowell Trust in place of Michael Lee and Kenneth P. Lee, as members of MHP Developers X, LLC (“Developer X”), a Member/Manager of MHP FL VII Developer, LLC, the developer of the property.

EKOS at Arbor Park (f/k/a Arbor Park)

The Borrower requests the substitution of the McDowell Trust in place of the Exiting Company as a member of MHP FL X GP, LLC, (the General Partner of the Borrower), and the substitution of the McDowell Trust in place of Michael Lee and Kenneth P. Lee, as members of Developer X, a Member/Manager of MHP FL X Developer, LLC, the developer of the property.

EKOS at Lake Shadow (f/k/a Enclave at Lake Shadow)

The Borrower requests the substitution of the McDowell Trust in place of the Exiting Company as a member of MHP FL II Manager, LLC, (the Manager/Member of the Borrower), and the substitution of the McDowell Trust in place of Michael Lee and Kenneth P. Lee, as members of Developer X, a Member/Manager of MHP FL II Developer, LLC, the developer of the property.

Southpointe Vista

The Borrower requests the substitution of the McDowell Trust in place of the Exiting Company as a member of MHP FL I Manager, LLC, (the Manager/Member of the Borrower), and the substitution of the McDowell Trust in place of Michael Lee and Kenneth P. Lee, as members of Developer X, a Member/Manager of MHP FL I Developer, LLC, the developer of the property.

Douglas Gardens Senior Health and Living

The Borrower requests the substitution of the McDowell Trust in place of the Exiting Company as a member of MHP Douglas SLP, LLC, (the Special Limited Partner of the Borrower), and the substitution of the McDowell Trust in place of Michael Lee and Kenneth P. Lee, as members of Developer X, a Member/Manager of MHP Douglas Developer, LLC, the developer of the property.

Silver Pointe

The Borrower requests the substitution of the McDowell Trust in place of the Exiting Company as a member of MHP Developer, a Member/Manager of MHP Silver Pointe Developer, LLC, the developer of the property.

AmeriNat reviewed the request, performed certain due diligence, and formulated a recommendation. For purposes of this analysis, AmeriNat reviewed the following due diligence:



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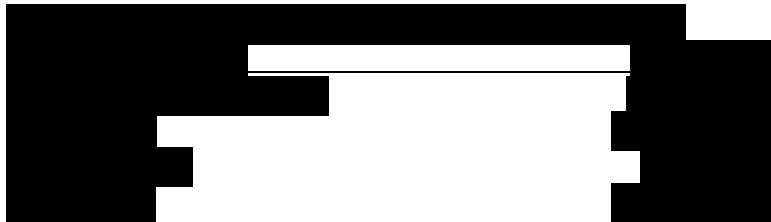
- Correspondence from the Borrowers
- Proposed organizational charts
- Financial statements for W. Patrick McDowell and W. Patrick McDowell 2001 Trust
- FHFC Past Due Report dated November 29, 2023
- FHFC Non-Compliance Report dated October 18, 2023

**Current Ownership Structures and Proposed Ownership Structures:**

Please see Exhibit A of this narrative for a complete illustration of the current and proposed organizational structure changes being requested.

**Analysis of McDowell Trust**

Per Mario Sariol, Chief Financial Officer for McDowell Properties, the financial statements for W. Patrick McDowell and the W. Patrick McDowell 2001 Trust are the same as his trust is a revocable trust and Mr. McDowell is the sole beneficiary and sole trustee of the trust. The current financial information for the W. Patrick McDowell 2001 Trust is as follows:



The financial information is based upon an unaudited balance sheet and income statement for the period ending September 30, 2023. Assets consist of cash and interests in various partnerships. Liabilities primarily consist of residence notes.

**Additional Information**

According to the FHFC Asset Management Noncompliance Report dated October 18, 2023, the following item exists for the Development Team:

- Jordan Bayou – HOME 2019-413H - Failure to document tenant eligibility upon initial occupancy

According to the FHFC Past Due Report dated November 29, 2023, the Development Team has no past due items.

This recommendation is subject to satisfactory resolution, as determined by Florida Housing, of any outstanding past due items or non-compliance items applicable to the Development Team prior to closing.

Upon satisfaction of the terms illustrated in the Operating Deficit Guaranty documents, the Exiting Company and Kenneth P. Lee, individually, shall be released from all existing Guarantees upon the written approval of Florida Housing and the Servicer following the written request for release as illustrated in the Operating Deficit Guaranty documents.

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**Recommendations**

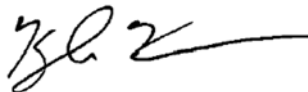
AmeriNat's review indicates that the ownership proposed does not have a materially adverse impact on the ownership structures and management abilities of the respective Borrowers. The presence of W. Patrick McDowell as a Guarantor in the transactions, as previously noted, offers sufficient financial support for said requests and the general partner/management structure is otherwise identical to those previously approved by FHFC and/or their Board of Directors.

Accordingly, AmeriNat recommends approval of the change of ownership interests as previously outlined subject to the following:

1. Receipt of the applicable organizational documents memorializing the requested ownership changes referenced herein, and the execution of any and all assumption documents Florida Housing and its Legal Counsel deem necessary to effectuate the transactions above.
2. Prepayment of any required compliance monitoring fees, as applicable.
3. Payment of any outstanding arrearages to Florida Housing, its Legal Counsel, Servicer or any Agent or Assignee of Florida Housing for past due issues applicable to the Development Team (Borrower or Developer or Principal, Affiliate or Financial Beneficiary, as described in Rule Chapters 67-21.0025 (5) and 67-48.0075 (5) F.A.C., of a Borrower or a Developer), if applicable.
4. Satisfactory resolution of any outstanding Florida Housing noncompliance and/or past due items, if applicable.
5. Payment of all costs and fees to Florida Housing, its Legal Counsel and Servicer associated with the ownership transfers, if applicable.
6. Review and approval of all loan documents consistent with the terms outlined above by Florida Housing, its Legal Counsel and Servicer.
7. Confirmation of approval of the transfers of ownership interests by all other lenders, if applicable.
8. Consent of the Equity Provider as deemed applicable.
9. Receipt of a non-refundable MMRB transfer and assumption fee of \$2,500 for each MMRB transaction, if applicable, on the closing date.
10. Any other requirement of Florida Housing, its Legal Counsel and Servicer.

Please do not hesitate to contact me if you need further assistance.

Sincerely,



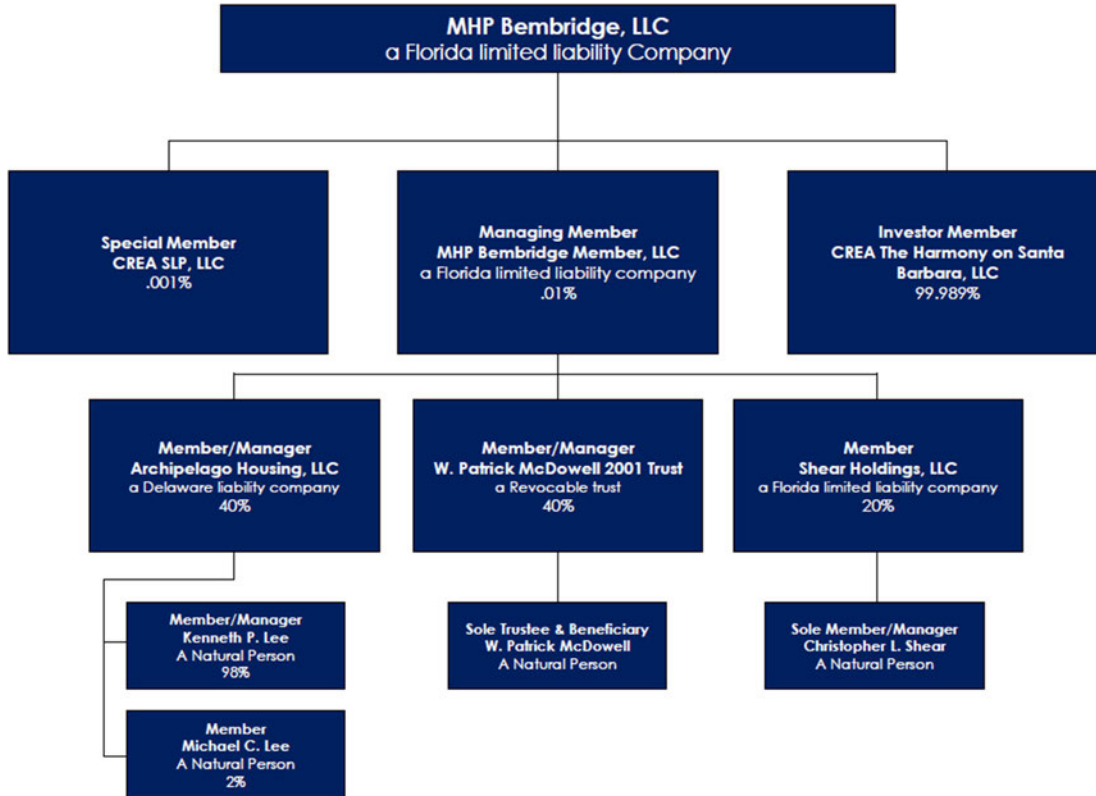
Kyle Kuenn  
Multifamily Chief Credit Underwriter

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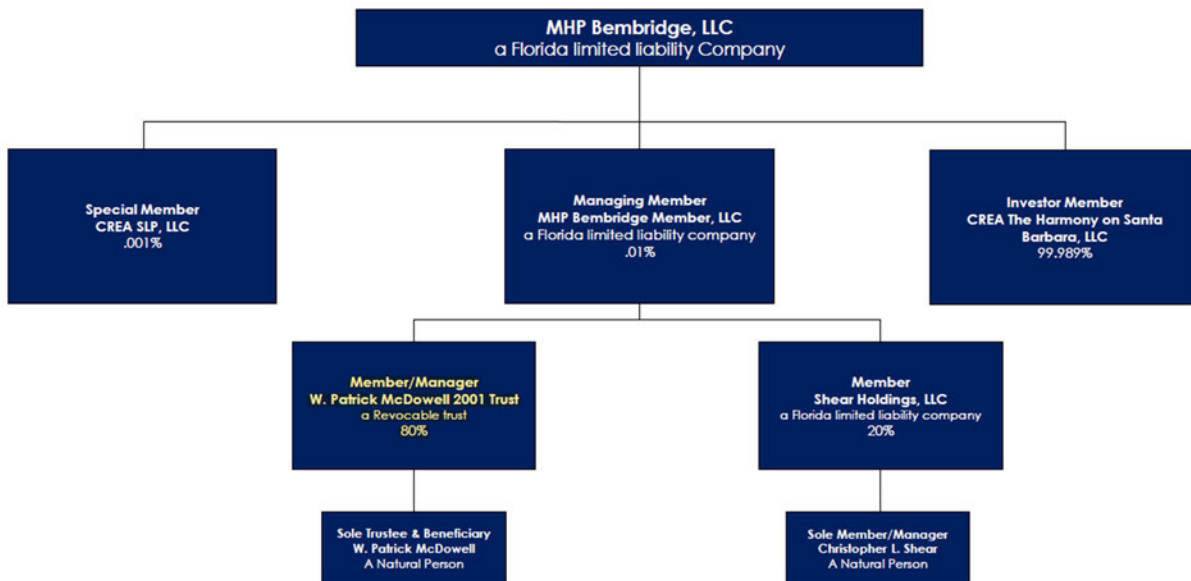
**Exhibit A**

Please note: all proposed changes to the respective organizational charts that follow are noted in yellow.

**EKOS on Santa Barbara – Current Borrower Ownership Structure**

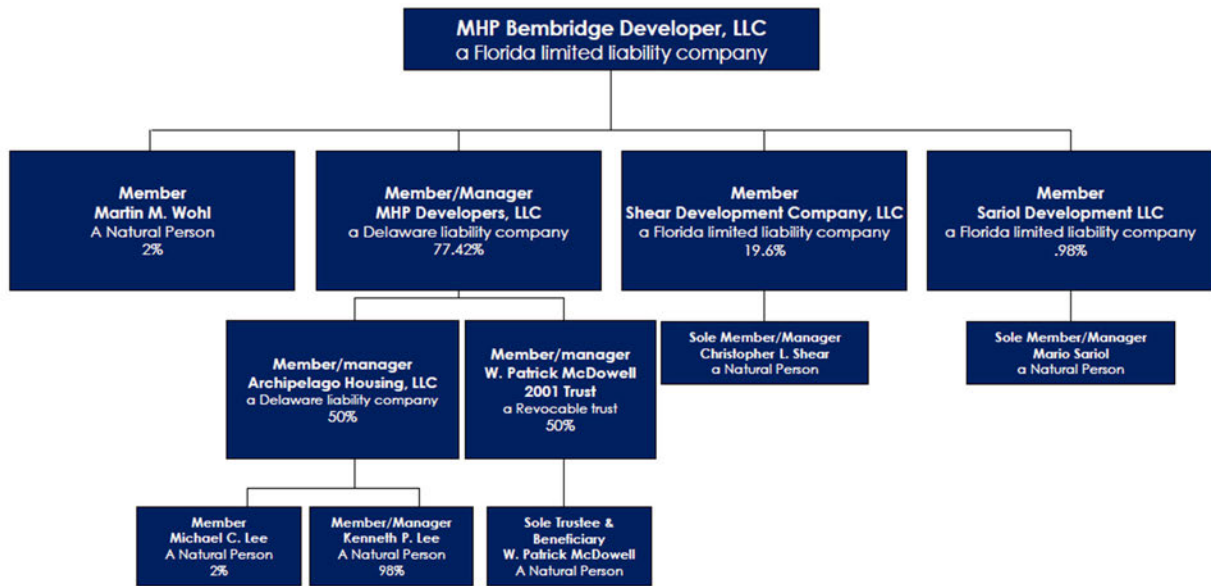


**EKOS on Santa Barbara – Proposed Borrower Ownership Structure**

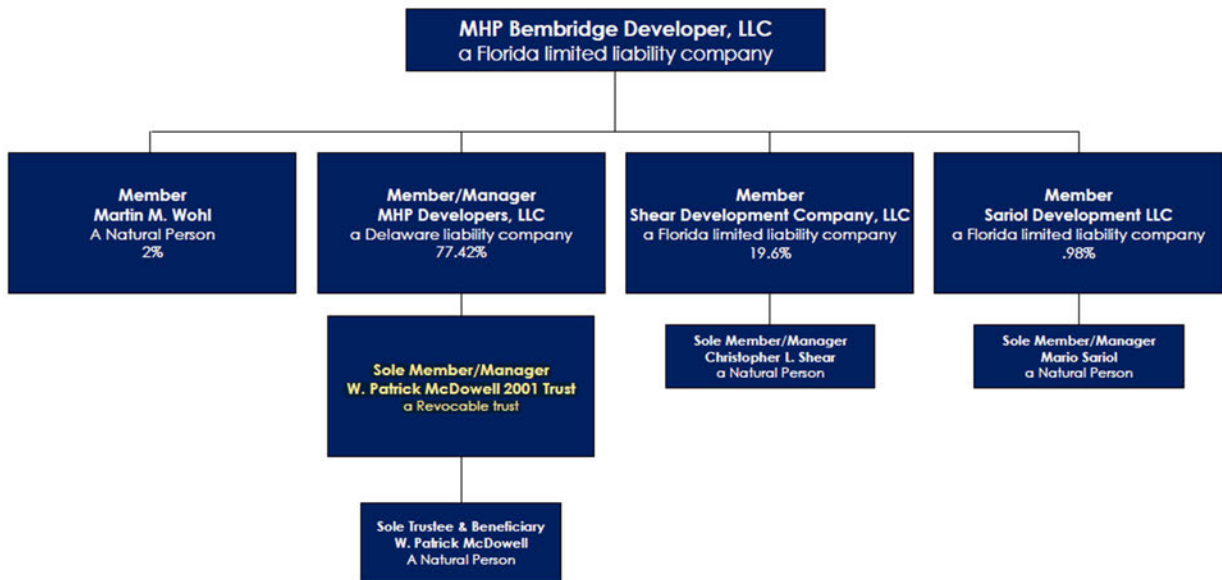


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**EKOS on Santa Barbara – Current Developer Ownership Structure**

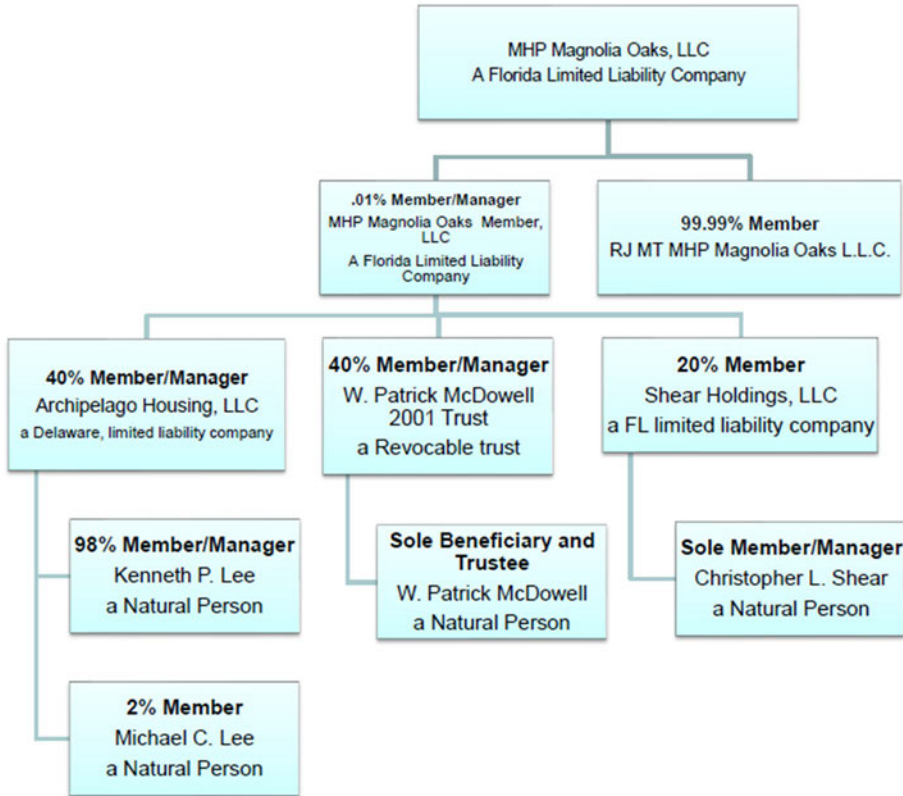


**EKOS on Santa Barbara – Proposed Developer Ownership Structure**

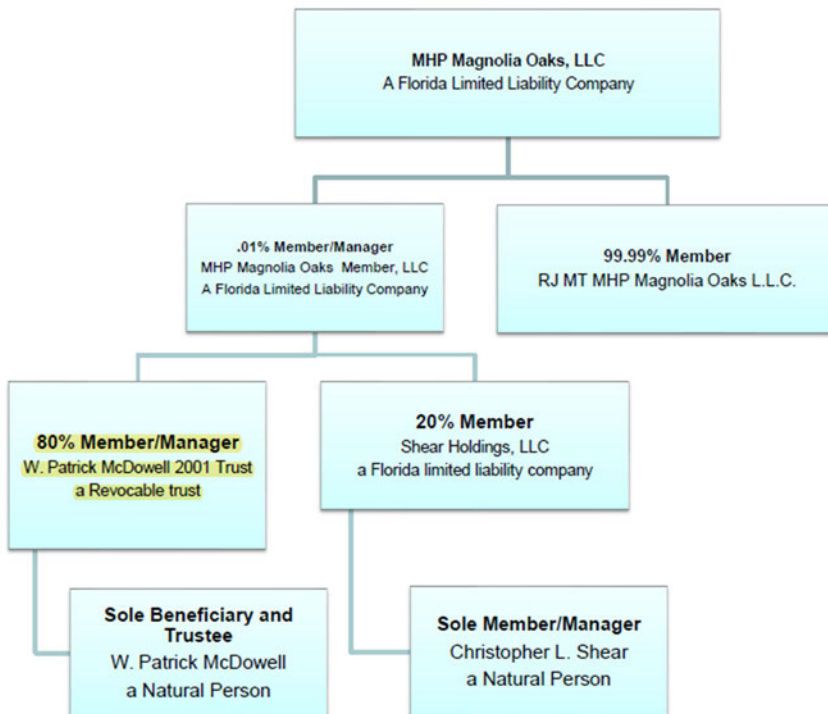


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**EKOS Magnolia Oaks – Current Borrower Ownership Structure**

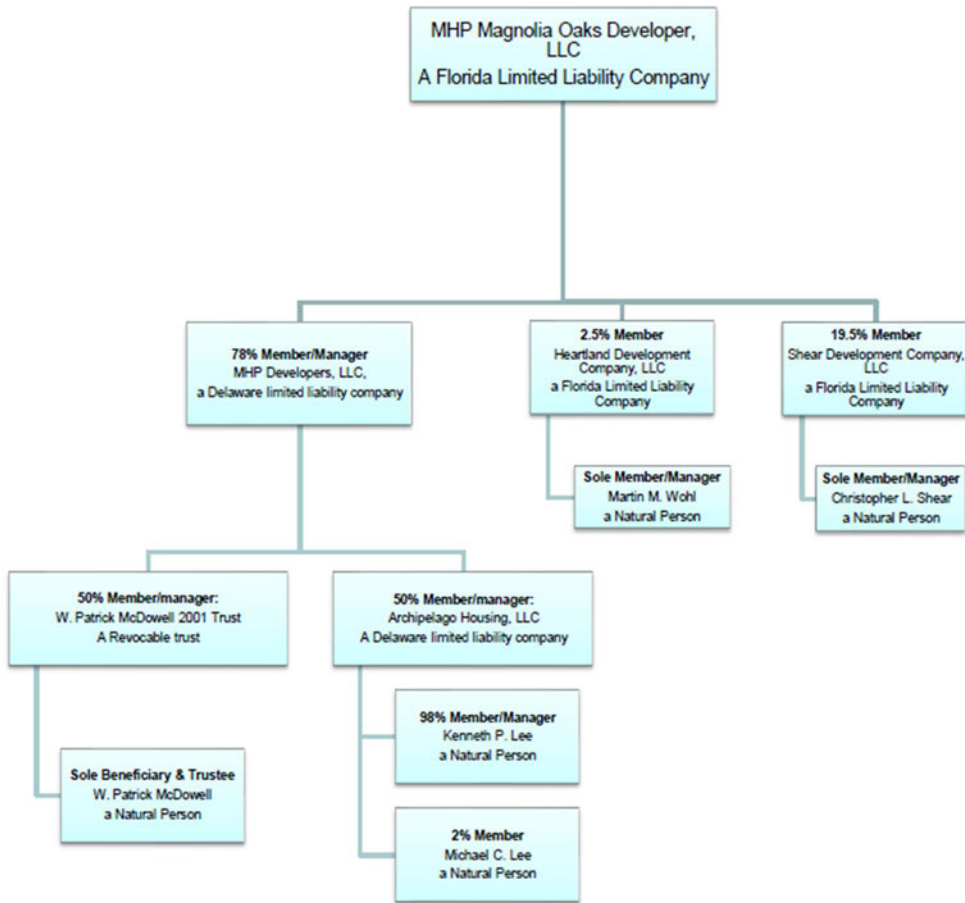


**EKOS Magnolia Oaks – Proposed Borrower Ownership Structure**

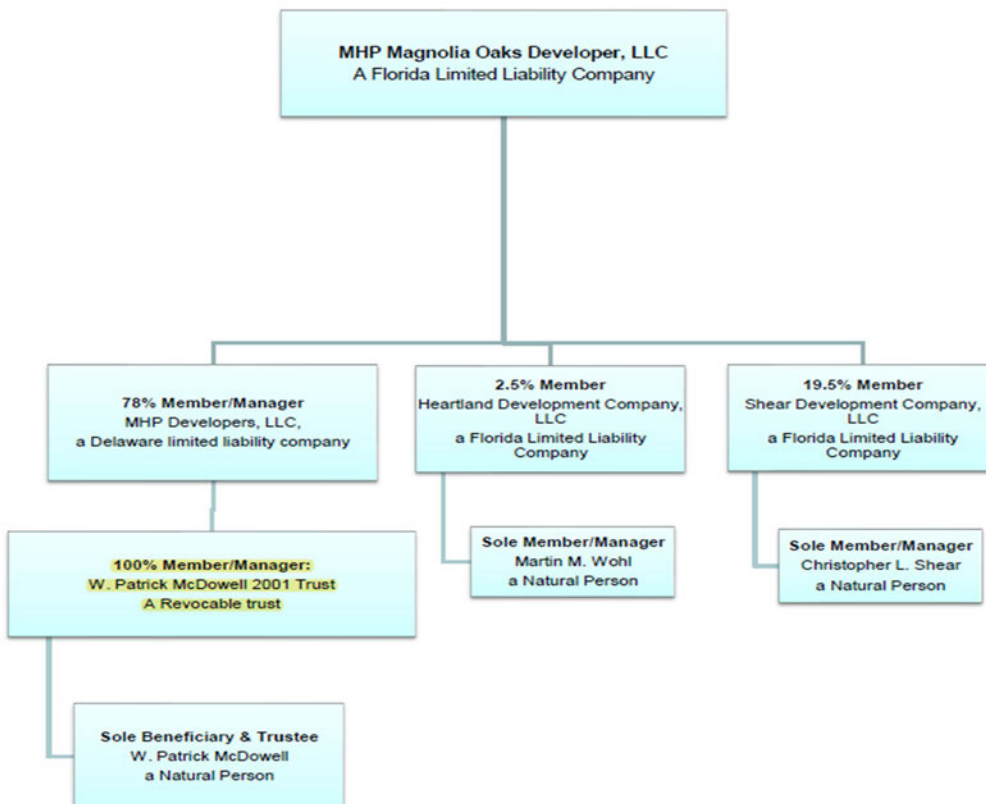


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**EKOS Magnolia Oaks – Current Developer Ownership Structure**

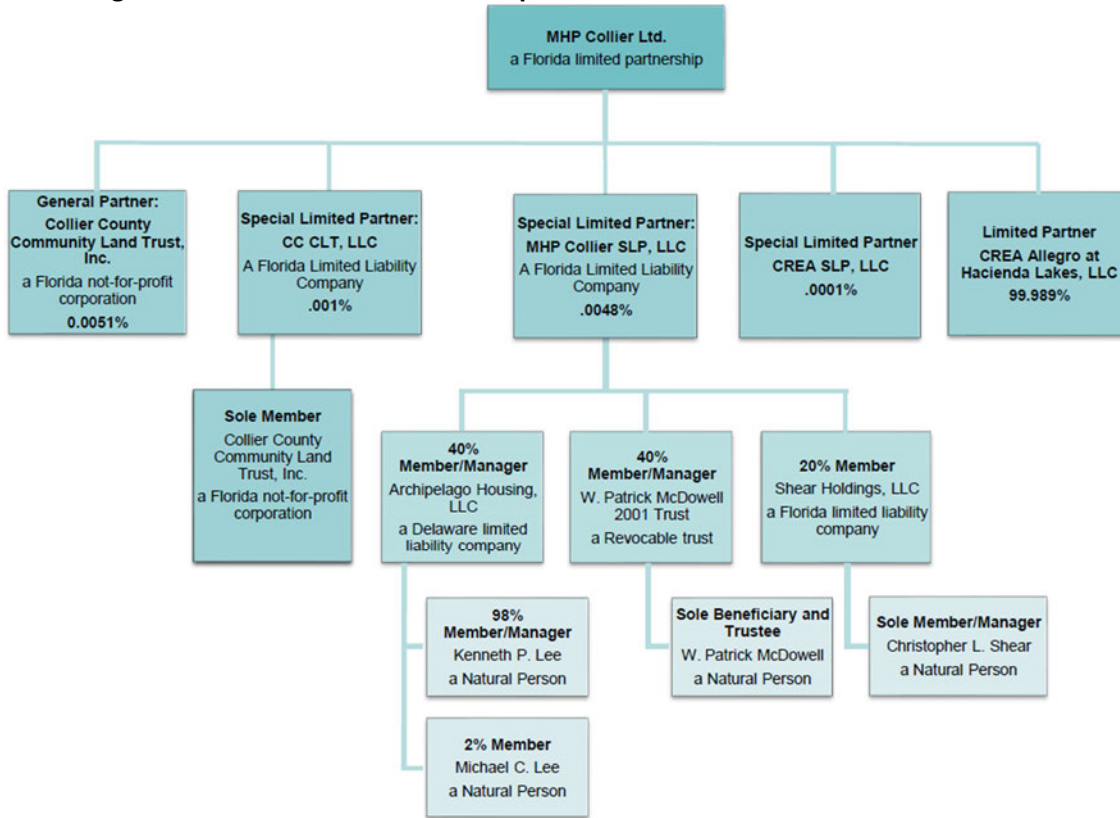


**EKOS Magnolia Oaks – Proposed Developer Ownership Structure**

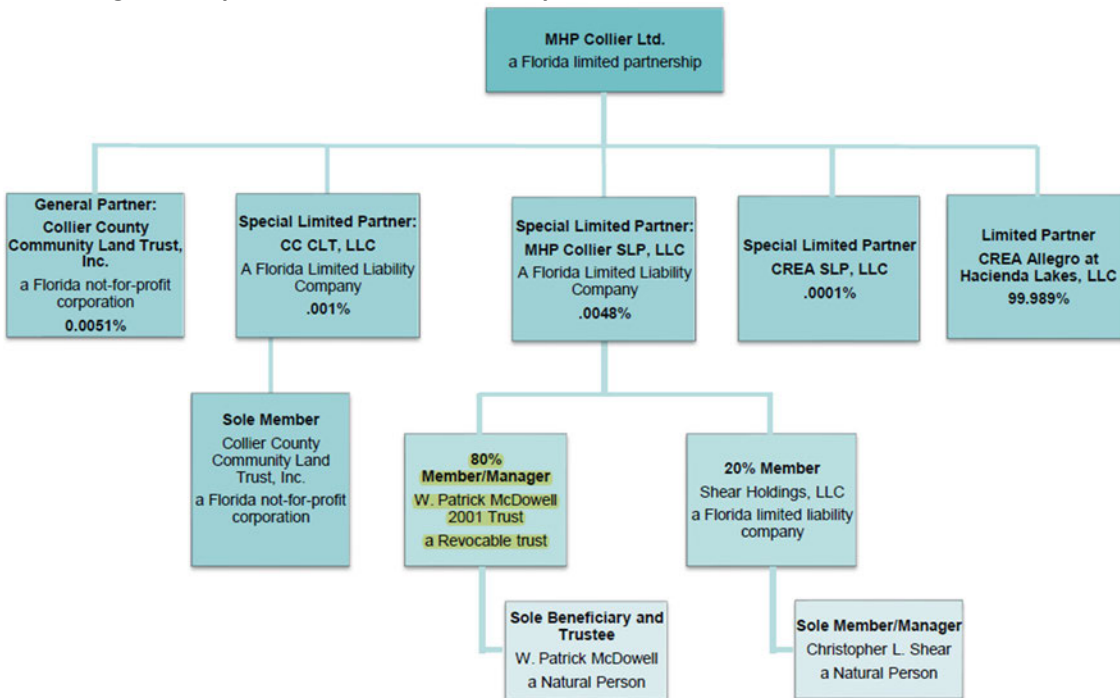


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**EKOS Allegro – Current Borrower Ownership Structure**

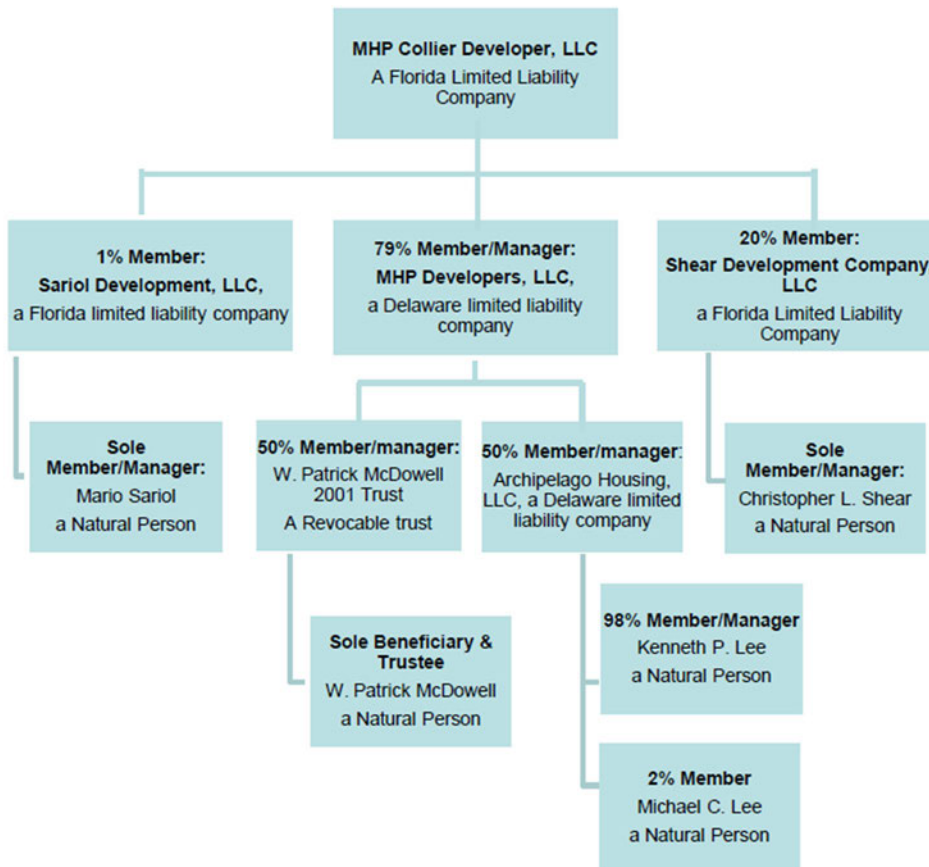


**EKOS Allegro – Proposed Borrower Ownership Structure**

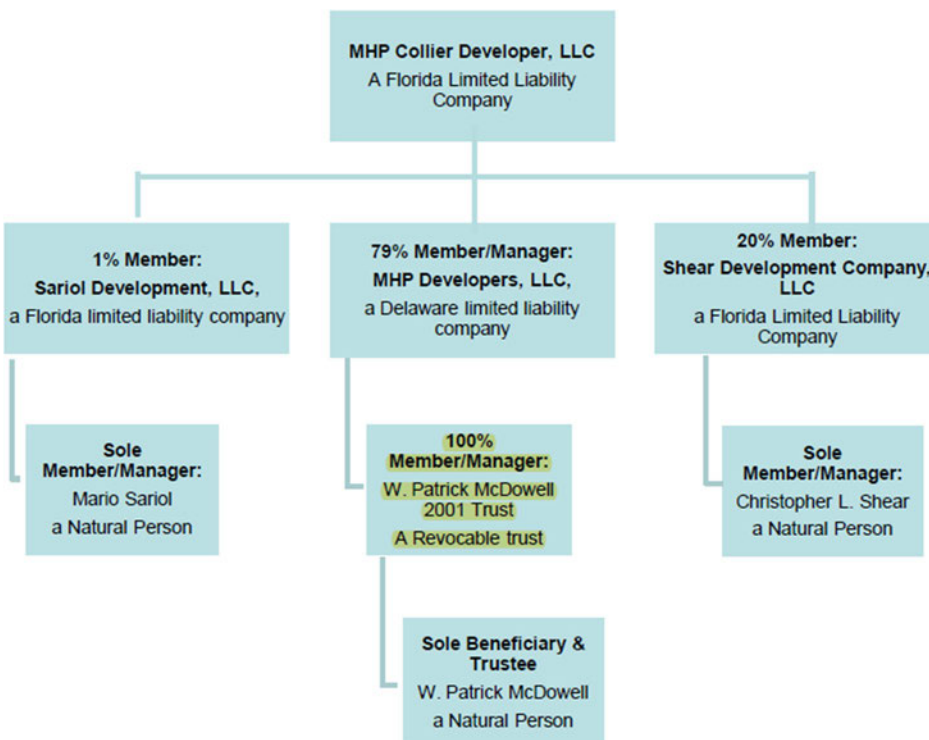


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**EKOS Allegro – Current Developer Ownership Structure**



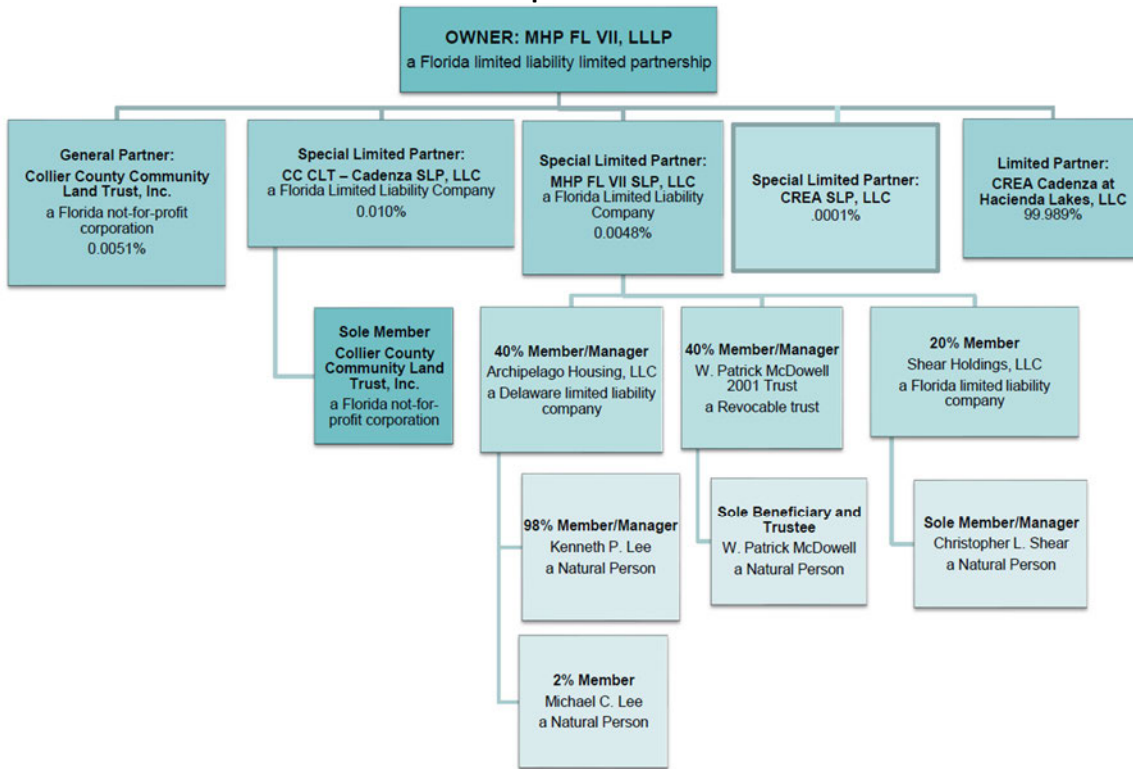
**EKOS Allegro – Proposed Developer Ownership Structure**



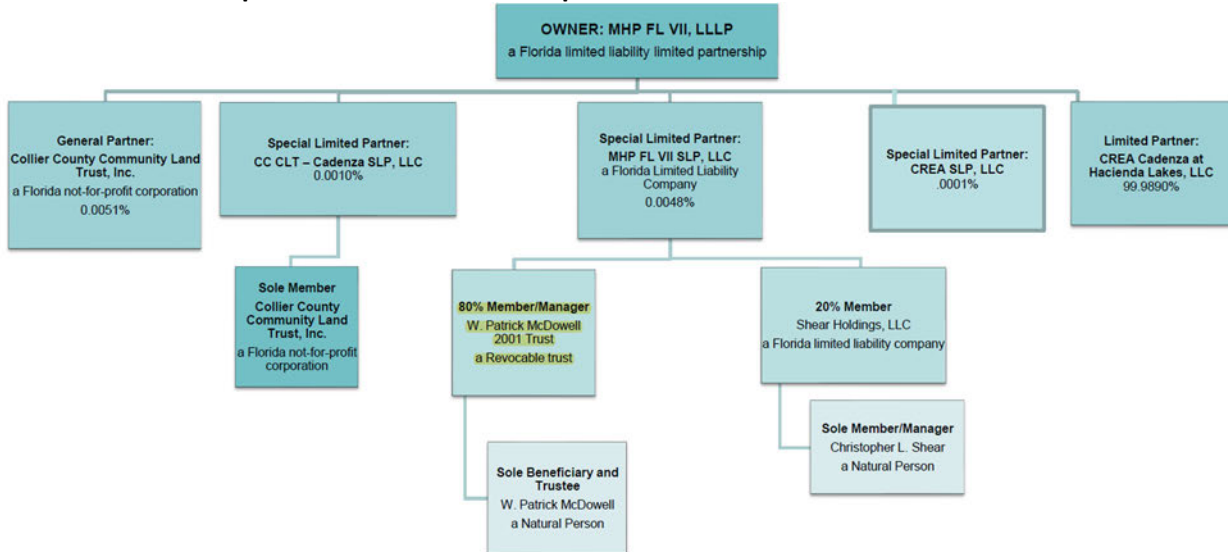


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**EKOS Cadenza – Current Borrower Ownership Structure**

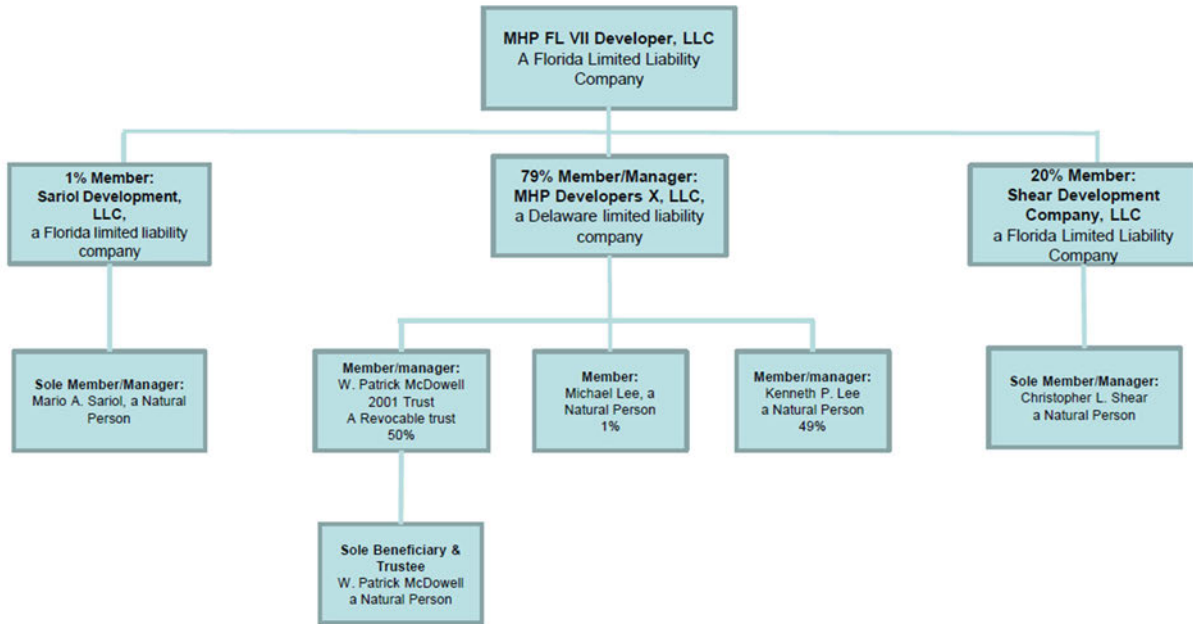


**EKOS Cadenza – Proposed Borrower Ownership Structure**

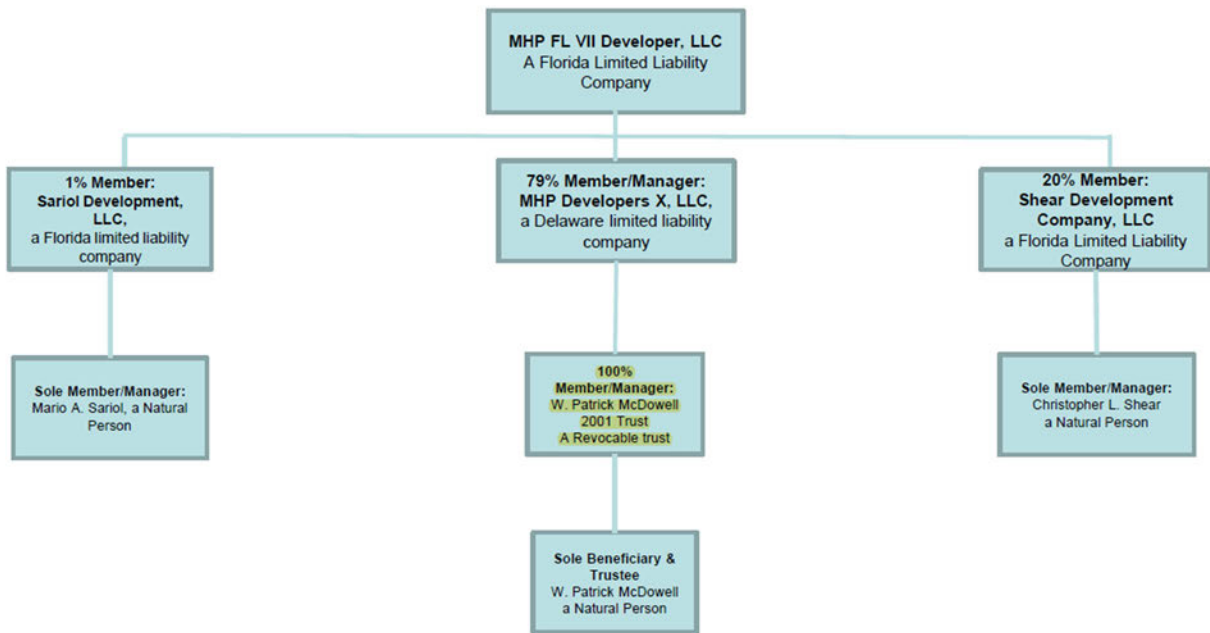


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**EKOS Cadenza – Current Developer Ownership Structure**

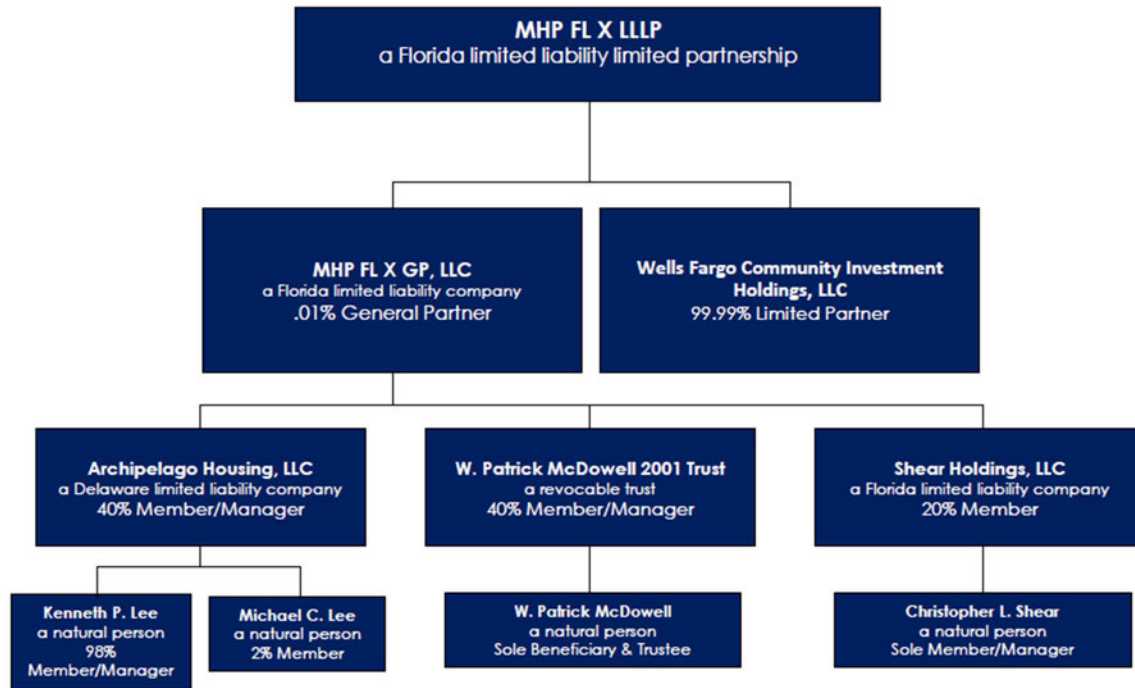


**EKOS Cadenza – Proposed Developer Ownership Structure**

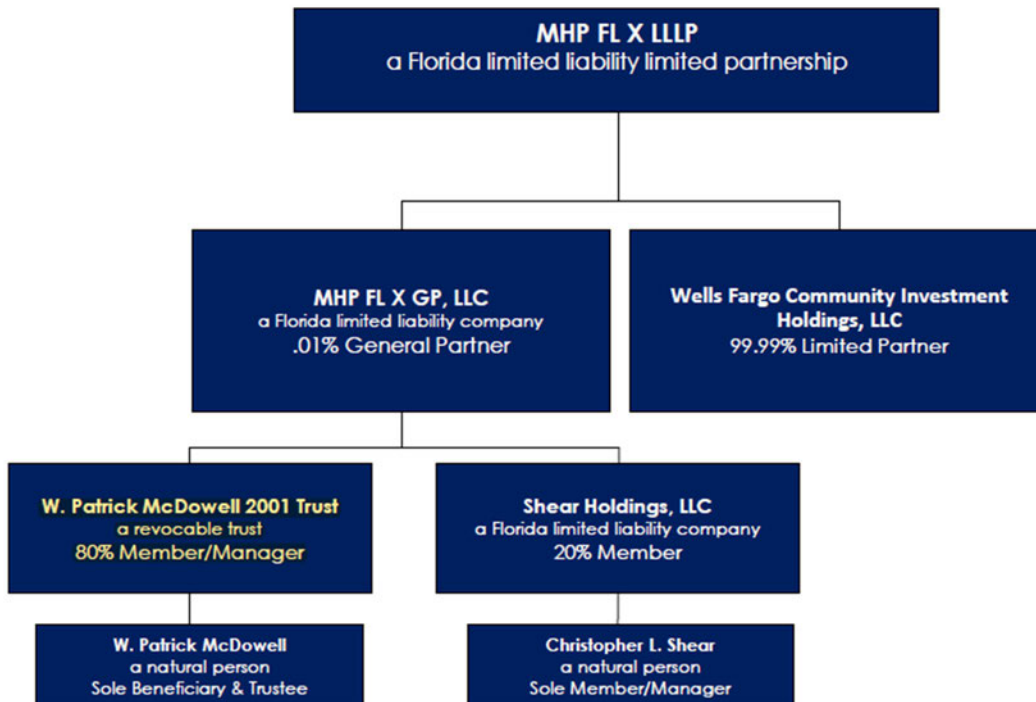


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**EKOS at Arbor Park– Current Borrower Ownership Structure**

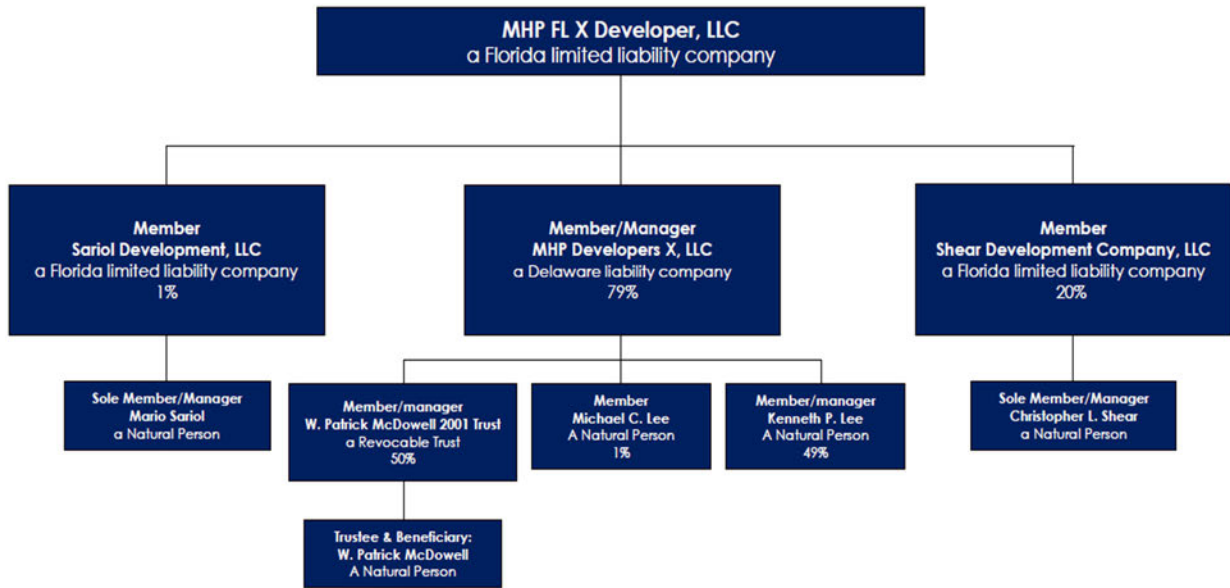


**EKOS at Arbor Park – Proposed Borrower Ownership Structure**

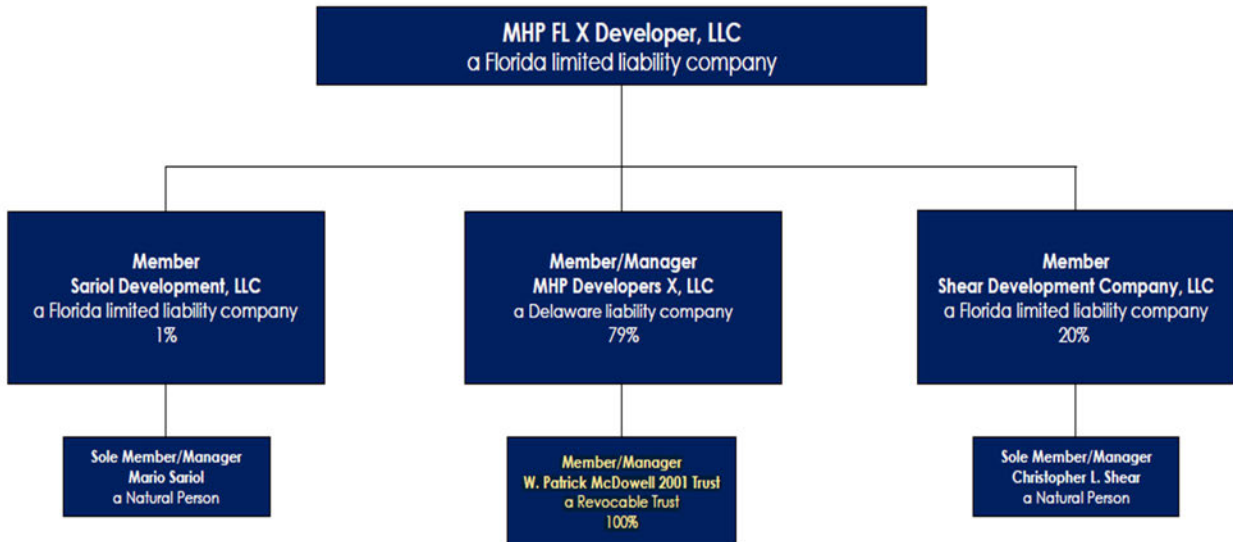


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**EKOS at Arbor Park– Current Developer Ownership Structure**

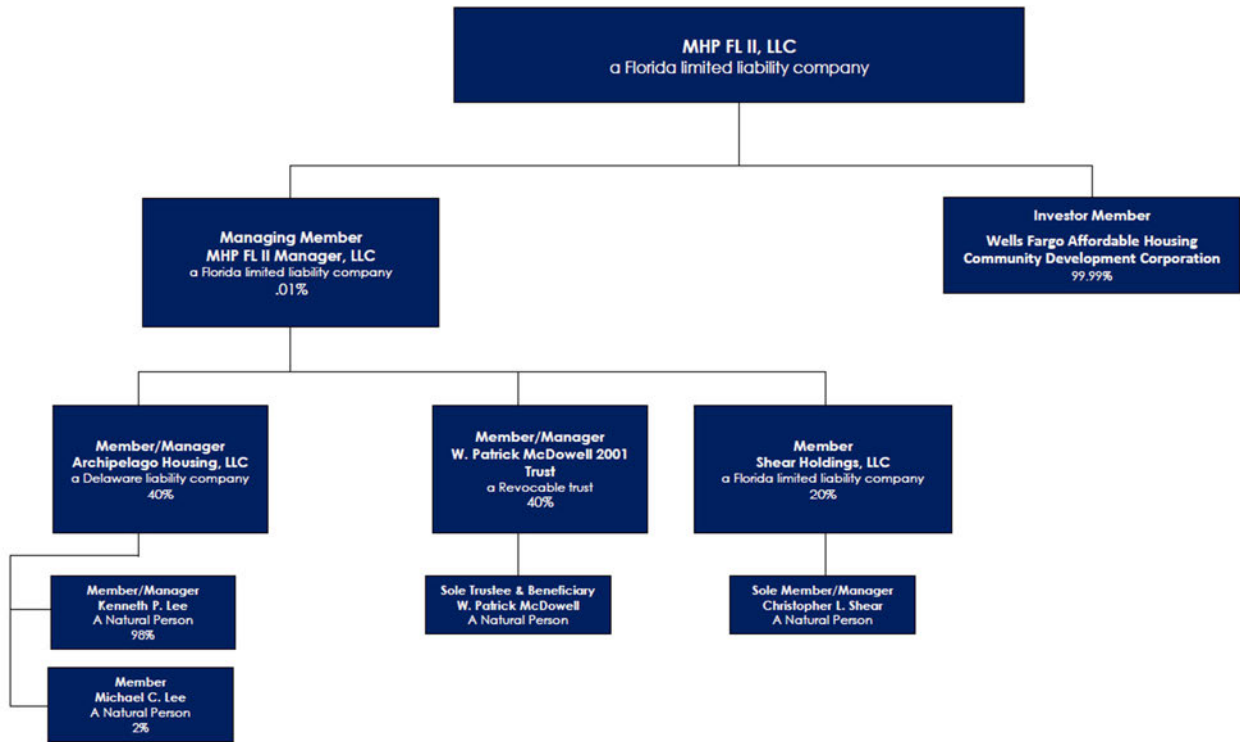


**EKOS at Arbor Park – Proposed Developer Ownership Structure**

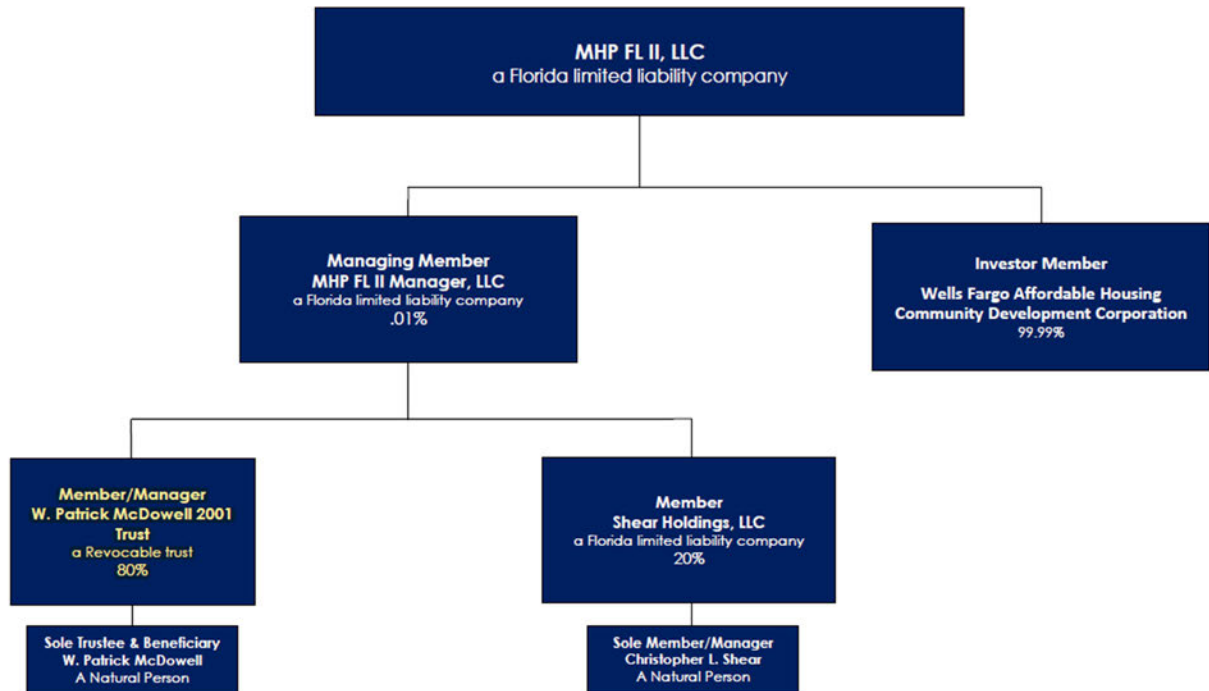


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**EKOS at Lake Shadow – Current Borrower Ownership Structure**

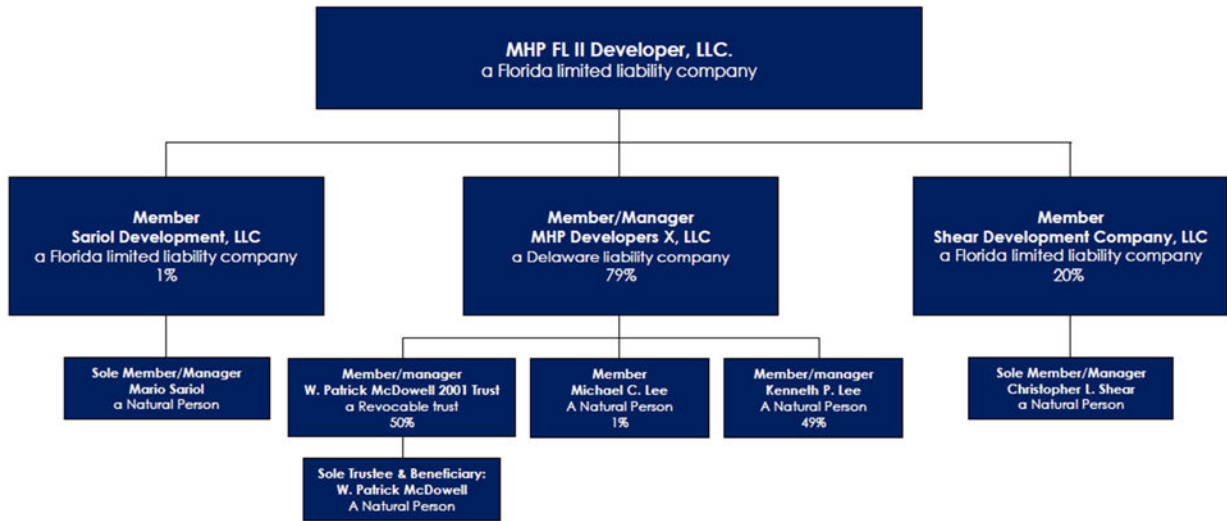


**EKOS at Lake Shadow – Proposed Borrower Ownership Structure**

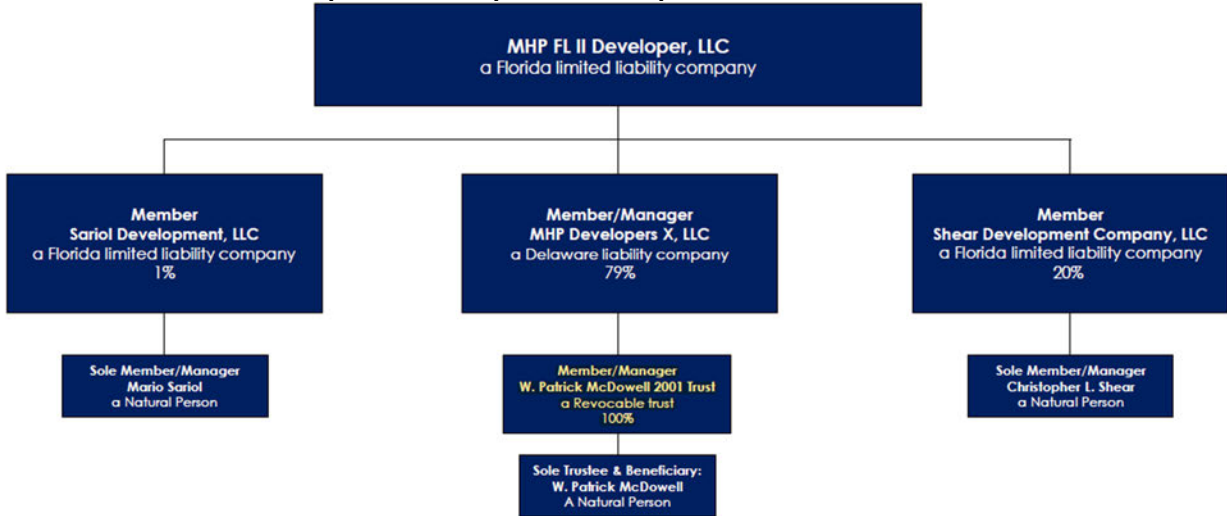


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**EKOS at Lake Shadow – Current Developer Ownership Structure**

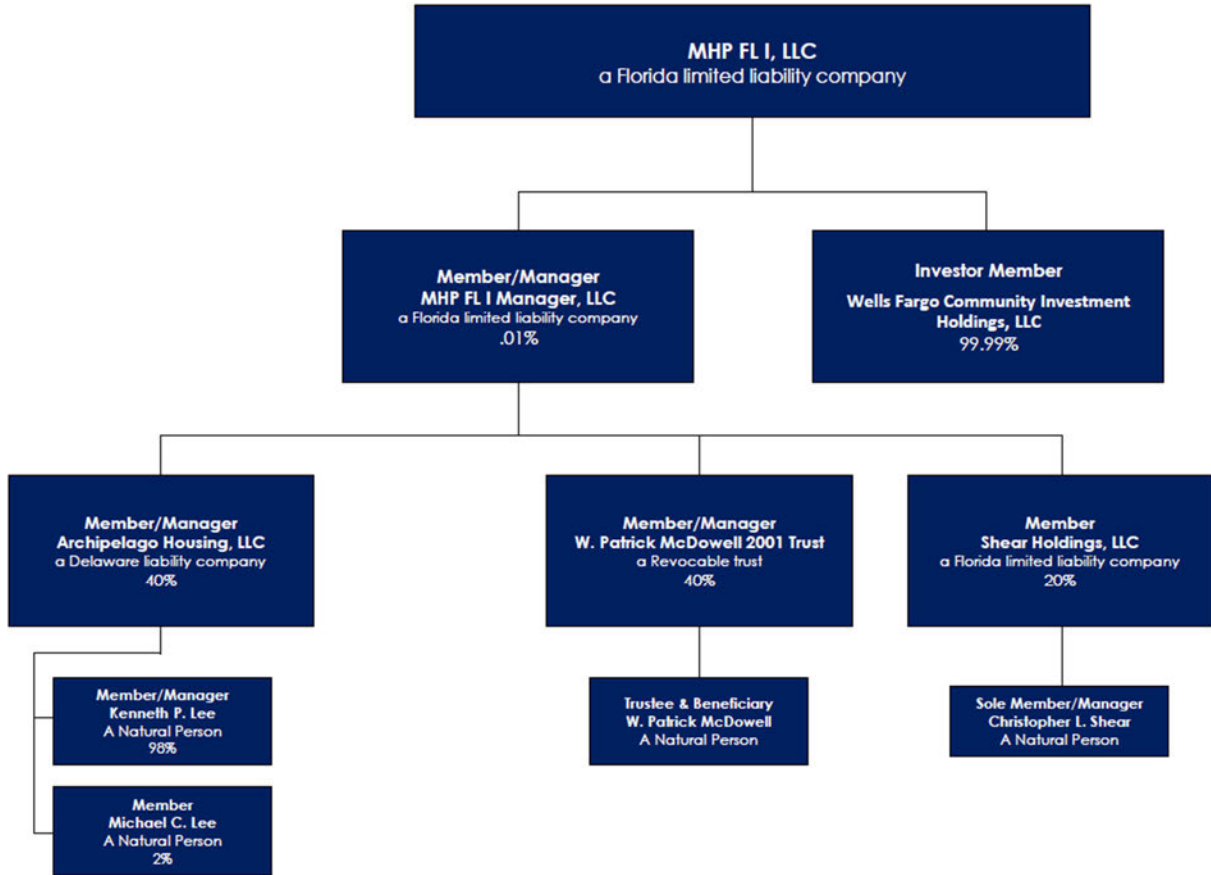


**EKOS at Lake Shadow – Proposed Developer Ownership Structure**

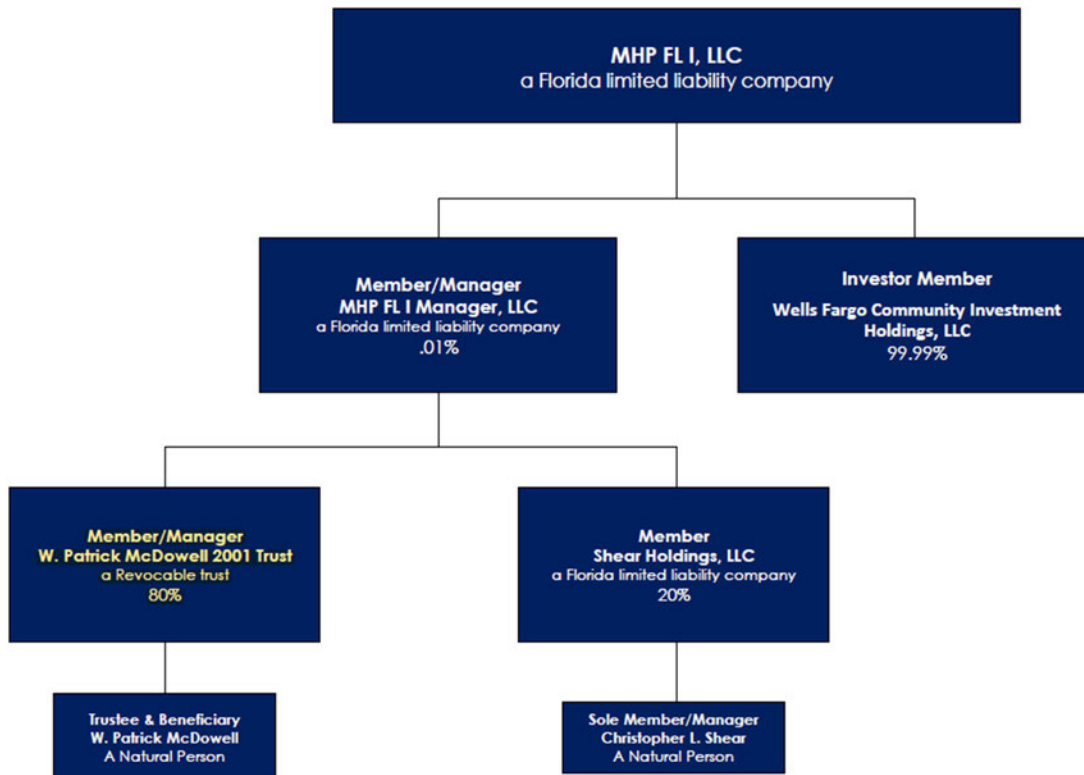


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**Southpointe Vista – Current Borrower Ownership Structure**

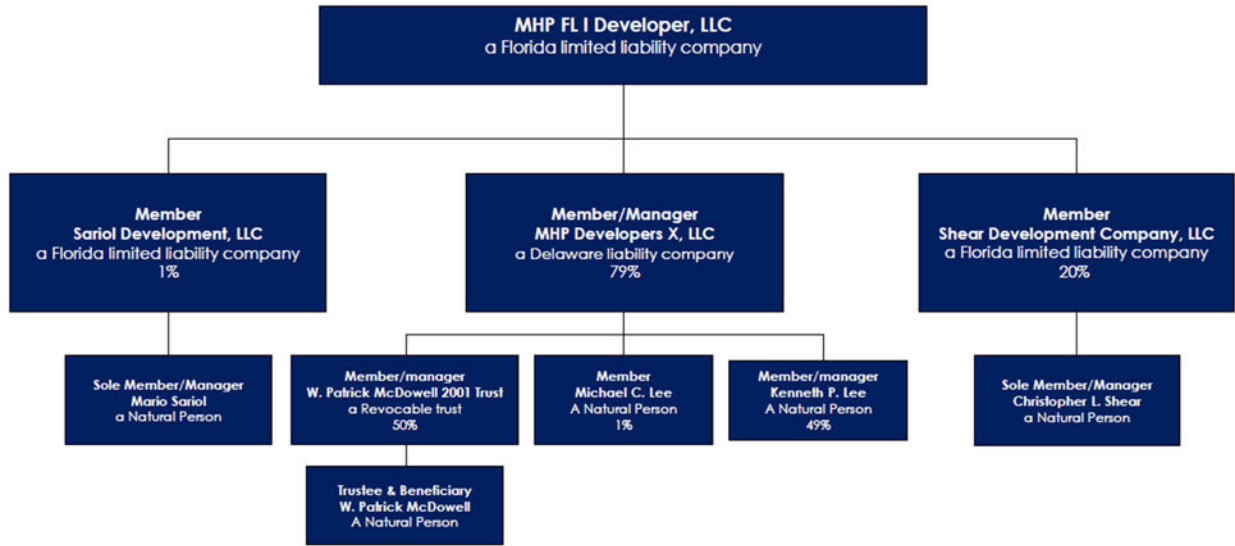


**Southpointe Vista – Proposed Borrower Ownership Structure**

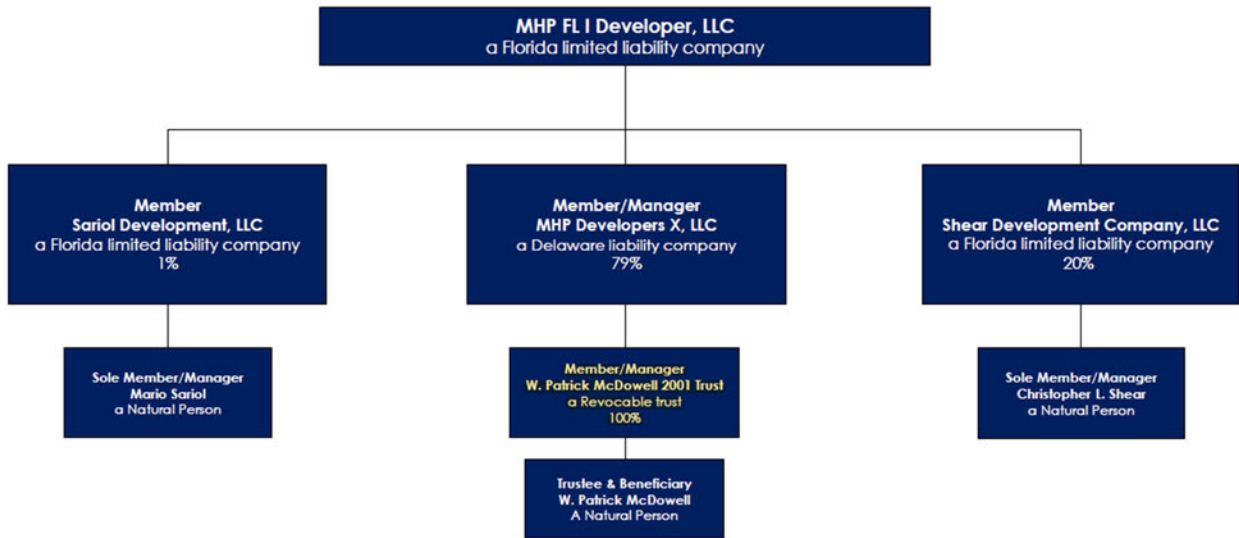


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**Southpointe Vista – Current Developer Ownership Structure**



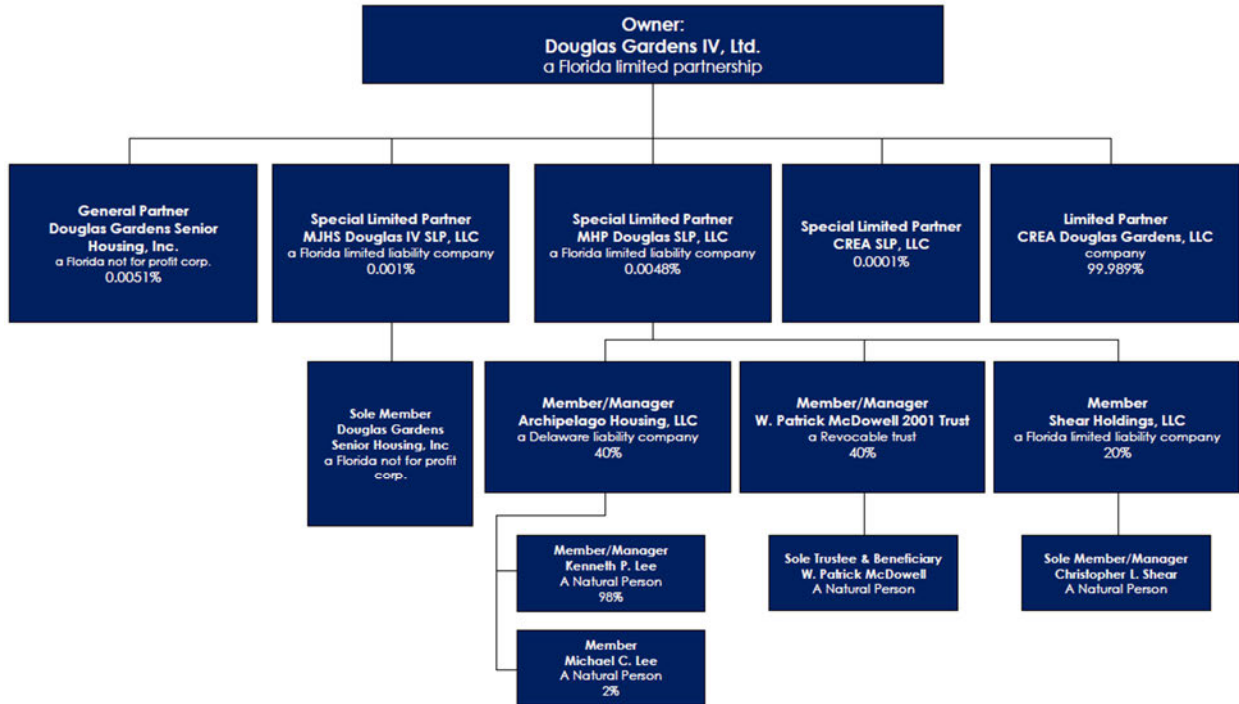
**Southpointe Vista – Proposed Developer Ownership Structure**



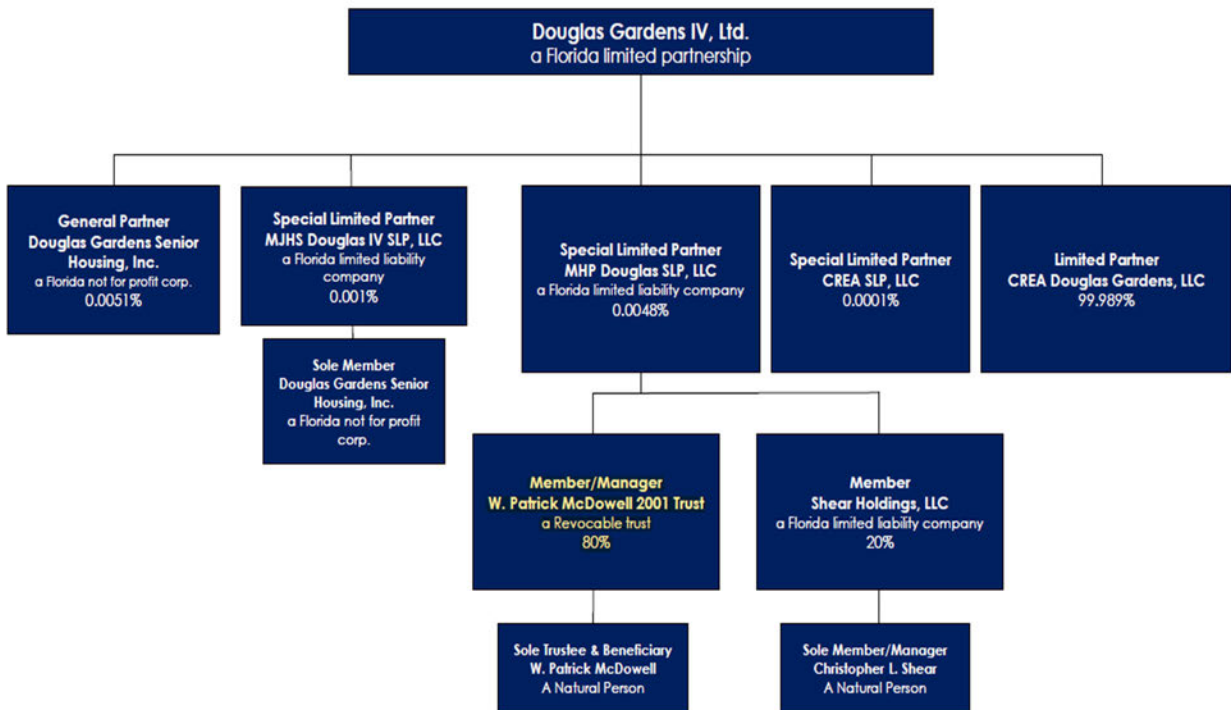


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**Douglas Gardens – Current Borrower Ownership Structure**

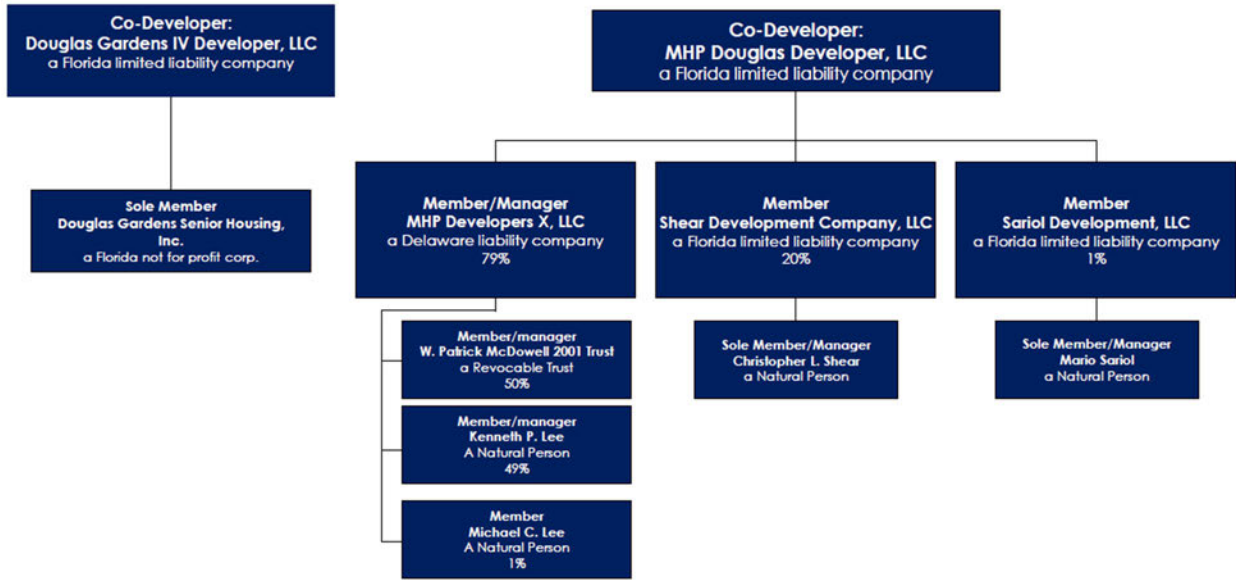


**Douglas Gardens – Proposed Borrower Ownership Structure**

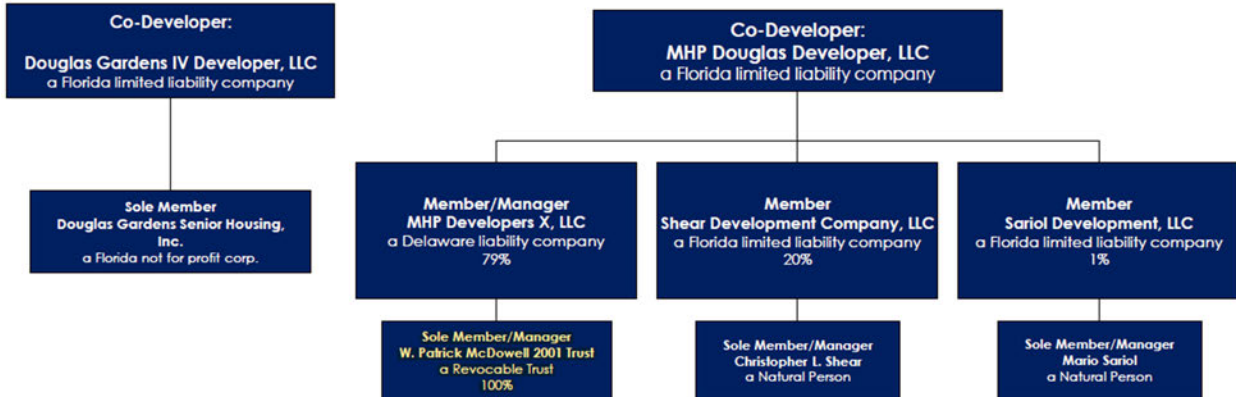


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**Douglas Gardens – Current Developer Ownership Structure**

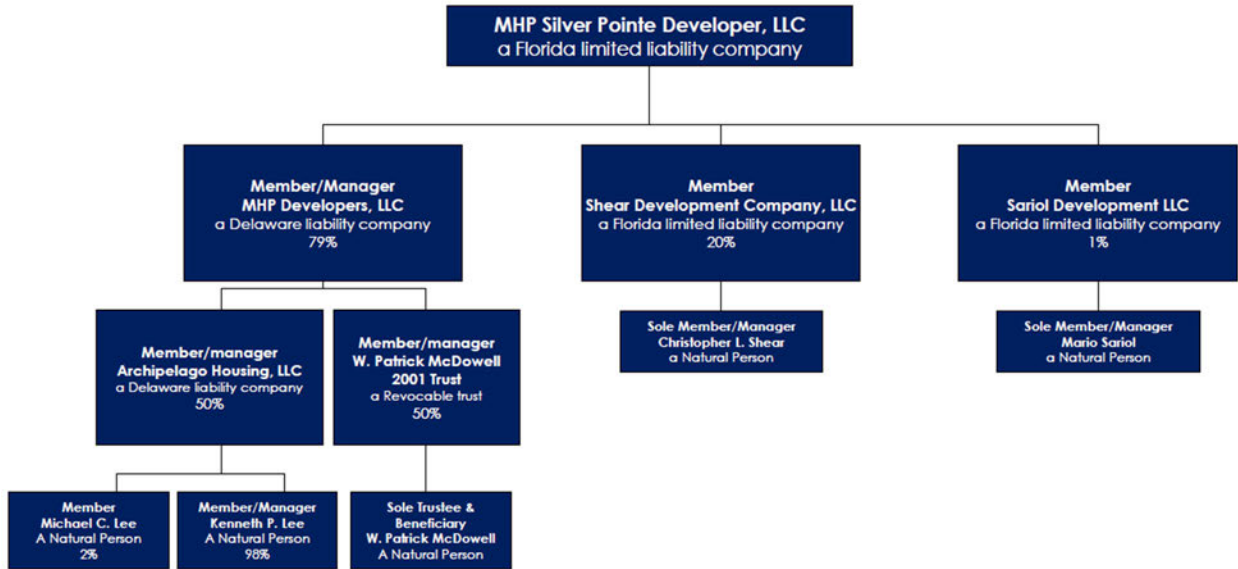


**Douglas Gardens – Proposed Developer Ownership Structure**

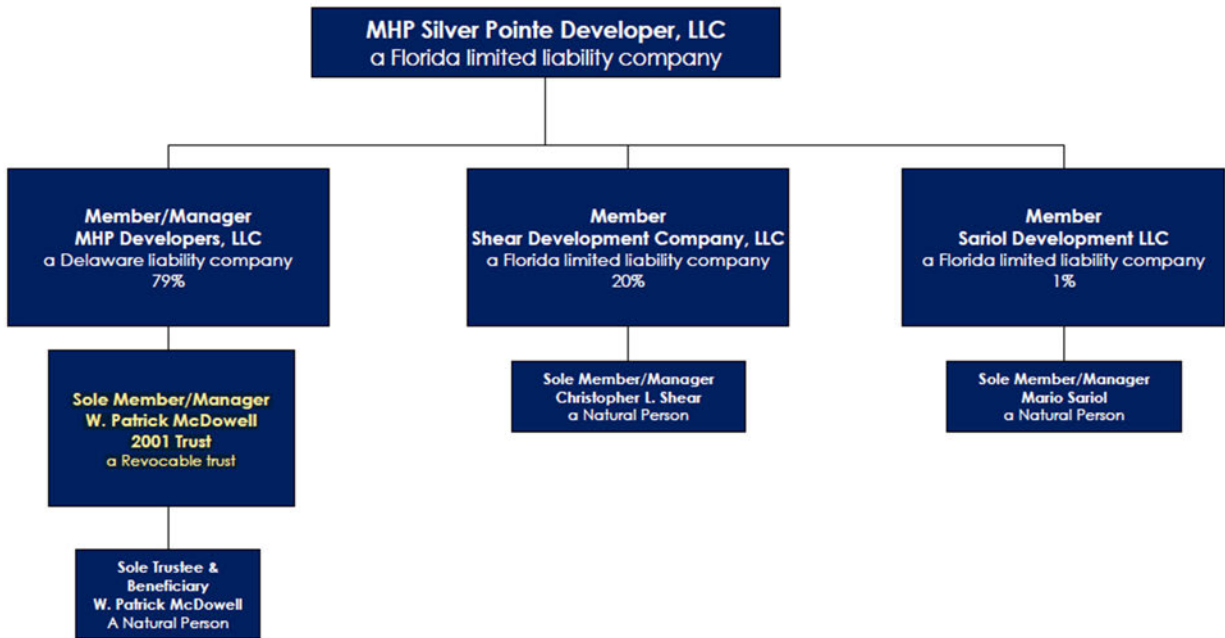


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**Silver Pointe – Current Developer Ownership Structure**



**Silver Pointe – Proposed Developer Ownership Structure**





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Consultant

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The Hendrickson Company

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Valley National Bank

**CHIEF EXECUTIVE OFFICER**

**Ashon Nesbitt**

January 10, 2024

Mr. Robert Dearduff  
Florida Housing Finance Corporation  
227 N. Bronough Street Ste. 5000  
Tallahassee, FL 32301-1329

RE: Villas of Solana PLP 2021-006P-09 Extension Request, Change of Borrower, PLP Budget Revision

Dear Mr. Dearduff:

This letter provides notice that Riviera Beach Community Development Corporation has requested a one-year extension of Villas of Solana PLP Loan 2019-007P-09, a change of Borrower, and a revision to the PLP Loan Budget. The Villas of Solana PLP Loan of \$250,000 matures on April 13, 2025 with a principal amount owed of \$111,700.45. The project will consist of 14 buildings, totaling 28 homeownership units for qualified low-income families in the City of Riviera Beach, FL (Palm Beach County).

The construction lender, LISC-BEDF, is requiring that the PLP Loan maturity date be extended to meet the conditions of the construction loan. The PLP Loan will also subordinate to the LISC-BEDF construction loan. At the time of closing the construction loan, the current PLP Loan Borrower will transfer ownership to a newly formed entity to meet the conditions of the construction loan. The development site will transfer from Riviera Beach Community Development Corporation to Villas of Solana, LLC.

As the project has progressed and the Borrower's needs have changed, the Borrower is requesting to revise the PLP Budget to reallocate funds from uses that are no longer needed to a new line item for Permitting. The Consultant, Market Study, and Rezoning line items are being reduced to create a Permitting line item in the amount of \$60,700. There is no change to the PLP Loan total.

All of these requested adjustments and revisions to the PLP Budget are documented in the Development Plan submitted with this TAP Approval Letter. As TAP for this project, I am recommending that the request for a one-year extension be approved.

Should you need any further information please feel free to contact me at [kropp@flhousing.org](mailto:kropp@flhousing.org) or call 352-422-3513.

Steve Kropp  
Technical Advisor



**Predevelopment Loan Program**

**Development Plan**

<b>Development Name</b>	<b>Villas of Solana</b>
<b>Development File Number</b>	<b>2021-006P-09</b>

<b>A. General Information</b>		
	<b>ORIGINAL</b>	<b>ADJUSTED NOV 2023</b>
Applicant Entity Name	Riviera Beach Community Development Corporation	Villas of Solana, LLC
Development Name	Villas of Solana	No Change
Development Address	Avenue J, Riviera Beach, FL 33404	No Change
Development Co-Developers	N/A	No Change
Primary Contact	Lawrence Zabik	Annetta Jenkins
Development Type	Rental <input type="checkbox"/> Homeownership <input checked="" type="checkbox"/>	No Change
Number of Buildings	14	No Change
Number of Units	28	No Change
Target Population	Family	No Change
Construction Type	New <input checked="" type="checkbox"/> Rehab <input type="checkbox"/> Both <input type="checkbox"/>	No Change
Applicant Comments:		
ADJUSTED NOV 2023:		
TAP Comments: The applicant is requesting that the property be transferred to Villas of Solana LLC which is wholly owned and operated by the current Borrower, Riviera Beach Community Development Corporation.		

<b>B. Development Finance Information</b>		
	<b>ORIGINAL</b>	<b>ADJUSTED NOV 2023</b>
PLP Loan Recommended Amount	\$250,000.00	No change
Total Predevelopment Costs	\$1,080,000.00	1,300,000
PLP Loan Amount for Acquisition	\$0.00	No change
Estimated Total Development Costs	\$7,623,127.70	\$10,545,000
Applicant Comments: We are in the pre-closing process on construction financing. The LISC-BEDF revolving loan is expected to close in early February 2024.		
TAP Comments: The development costs have increased substantially since the initial PLP Application and as the development advanced the development process. The Borrower is		

requesting that the PLP Loan move to second position behind the revolving construction loan. The Borrower is also requesting FHFC Board approval for the first extension of the loan at this time to meet the conditions of the construction loan.

<b>C. Development Team</b>			
	<b>ORIGINAL VENDOR</b>	<b>ADJUSTED NOV 2023 VENDOR</b>	<b>ADJUSTED NOV 2023 STATUS</b>
Developer	Riviera Beach CDC	No Change	Under Contract
Contractor	All-Site Construction	No Change	Contract pending
Architect	D&Q Studio Architect	No Change	Under Contract
Engineer	Ingenuity / Chen Moore & Associates	No Change	Under Contract
Consultant	Zabik & Associates, Inc.	N/A	N/A
Other: Environmental	Cardino Associates	No Change	Under Contract
Applicant Comments: We have a construction contract for demolition, horizontal, and vertical construction with Allsite, Inc.			
TAP Comments: <b>ORIGINAL</b> There have been no changes to the development team.			

<b>D. Market/Feasibility</b>		
<b>ORIGINAL</b>		
<b>Type of Study</b>	<b>Performed By</b>	<b>Status</b>
Market Study	Florida Atlantic University	Completed
<b>ADJUSTED NOV 2023</b>		
Appraisal	Aderson Carr	Completed Dec 2022, updated July 2023
Provide narrative of anticipated marketing and lease up of property: The Riviera Beach Community Development Corporation has a Buyer Club of 60 potential owners currently in training. An additional market study will be completed. In addition, please see attached recent market study information.		
Applicant Comments: The appraisal has been updated in the past 120 days.		
TAP Comments: The HOME funds will be used for down payment assistance for qualified buyers at or below 80% AMI.		

<b>E. Site Control</b>		
	<b>ORIGINAL</b>	<b>ADJUSTED NOV 2023</b>
Is the property owned by the Applicant Entity?	Yes	No Change
Are there existing liens on the property? If no, how was that verified?	No; Title Policy provided by Developer	No, Updated title to be provided
List all existing liens	None	None
Will the property be owned by a single purpose entity other than the Applicant Entity?	No, units to be sold as individual fee simple townhomes	Yes, during Construction
If the property is going to be acquired, is there an executed contract for sale or lease agreement?	N/A	The property will be transferred to Villas of Solana, LLC which is wholly owned and operated by the current PLP Loan Borrower.
Applicant Comments: Units will be pre-sold for each vertical phase of construction.		
TAP Comments: The property is expected to be transferred to a newly formed entity wholly owned and operated by the Borrower at the closing of the LISC-BEDF construction loan.		

<b>F. Development Readiness</b>		
Item	<b>ORIGINAL STATUS</b>	<b>ADJUSTED NOV 2023 STATUS</b>
Current Zoning on Property	Multi-family MDR - RM15	No Change
Current Use of Property	Vacant with exception of two residential buildings	No Change
Future Land Use Plan	Multifamily with Medium density	No Change
Site Plan Approval	Pending and being revised	Completed
Property Survey	Completed	Completed
Soil Testing	Completed	Completed
Permits	TBD	In Process
Availability of Utilities to property	Yes	No change
Availability of Water to property	Yes	Yes, City of Riviera Beach
Availability of Sewer to property	Yes	Yes, City of Riviera Beach
Availability of Road access to property	Yes	Yes, Via Avenue J



Environmental Assessments Performed	Completed; western property line has a propane tank (not on the subject property) but a wall will be built to address the requirements outlined in the Phase 1 and will satisfy this element of the report.	Completed
Appraisal	Completed	Completed
Financial Statements available for review	Yes, within Application	Yes
Plans, Specs for Development	Pending	Completed
Applicant Comments: The two residential buildings are void of tenants as of December 2023. A relocation consultant has been engaged to work with the former tenants.		
TAP Comments: The Borrower has site plan approval and building permits are available. The borrower expects to close on the construction loan and begin development in the next month.		

<b>G. Financing Sources Committed</b>				
Name of Source	ORIGINAL Amount	ORIGINAL Status	ADJUSTED NOV 2023 Amount	ADJUSTED NOV 2023 Status
HOME - Palm Beach County (CHDO)	\$465,000.00	Awarded	465,000	Awarded
Palm Beach Housing Finance Authority (Construction Line)	\$5,174,999.70	Will Apply for in next 12 months	0	
City of Riviera Beach HOME	\$400,000.00	Applied For	140,000	Committed
Various Donors & Grants	\$1,583,128.00	Will Apply for in next 12 months	1,050,000	Funded
FHFC PLP			250,000	
LISC/BEDF			8,400,000	Committed
Unfunded Developer Fee			240,000	
<b>Total</b>			<b>10,545,000</b>	
Applicant Comments:				

TAP Comments: The Borrower is anticipated to close on the LISC-BEDF revolving construction loan in February 2024. The project is ready to close on construction financing and to begin development of the project. The Borrower is requesting that the PLP Loan receive the first one-year extension at this time to meet the conditions of the construction loan.

**H. Narrative**

Provide Additional narrative not covered in comments above:

<b>I. Predevelopment Loan Request Budget</b>		
Item	ORIGINAL	REVISED NOV 2023
Accounting	\$ 0.00	No change
Acquisition	\$ 0.00	No change
Closing Costs (acquisition)	\$ 0.00	No change
Appraisal	\$ 0.00	No change
Architect/Engineer	\$125,000.00	No change
Bond Closing Fee	\$ 0.00	No change
Consultant	\$ 25,000.00	0
Capital Needs Assessment	\$ 0.00	No change
Credit Underwriting Fees	\$ 3,000.00	No change
Environmental Testing/Soil Tests	\$ 10,000.00	2,500
Insurance	\$ 10,000.00	No change
Legal Fees	\$ 10,000.00	No change
Market Study	\$ 10,000.00	3,300
Permit Fees	\$ 0.00	60,700
Rezoning	\$ 25,000.00	3,500
Survey	\$ 5,000.00	No change
Title Insurance/Commitment	\$ 2,000.00	No change
Contingency	\$ 25,000.00	No change
Other	\$ 0.00	No change
Other	\$ 0.00	No change
<b>PLP Loan Total</b>	<b>\$ 250,000.00</b>	<b>No change</b>

The Borrower has requested the following revisions to the budget:

**Consultant** – The Borrower no longer requires consultant services for this project. The line item for Consultant was reduced from \$25,000 to zero (\$0).

**Market Study** – The market study is now complete at a cost of \$3,300. The Borrower is requesting to reduce the Market Study line item from \$10,000 to \$3,300 to reflect the actual cost.

**Rezoning** – The rezoning of the parcel is now complete at a cost of \$3,500. The Borrower is requesting to reduce the Rezoning line item from \$25,000 to \$3,500 to reflect the actual costs.

**Permitting and Impact Fees** - The Borrower has progressed to the permitting phase of the development project and is requesting to reallocate \$60,700 in PLP funds from other line items for this new use.

<b>J. Total Development Costs</b>		
	<b>ORIGINAL</b>	<b>ADJUSTED NOV 2023</b>
Acquisition costs not covered by PLP	\$ 0.00	No change
Acquisition closing costs not covered by PLP	\$ 0.00	No change
Other Predevelopment costs not covered by PLP	\$ 830,000.00	1,200,000
Rehabilitation	\$ 0.00	No change
Hard Construction	\$5,060,000.00	7,817,161
Construction Contingency	\$ 500,000.00	300,000
Developer Fees	\$ 280,000.00	No change
Other construction costs	\$ 703,127.70	697,839
<b>Total Development Cost</b>	<b>\$7,623,127.70</b>	<b>\$10,545,000</b>
TAP Comments: The development costs have increased since the original PLP Loan approval due to the increase in materials and labor.		

<b>K. Timeline</b>				
<b>Timeline Item</b>	<b>ORIGINAL Date</b>	<b>ORIGINAL Status</b>	<b>ADJUSTED NOV 2023 Date</b>	<b>ADJUSTED NOV 2023 Status</b>
PLP Loan Approval	June 2021	Anticipated	June 2021	Completed
Site Acquisition	Completed	Complete	Completed	Completed
Survey	Completed	Complete	Completed	Completed
Zoning Approval	August 2021	Anticipated	August 2021	Completed
PLP Loan Closing	August 2021	Anticipated	August 2021	Completed
Applying for Construction Financing	June 2021	Scheduled	January 2023	Completed
Construction Start	November 2021	Anticipated	February 2024	Anticipated
Construction Completion	December 2023	Anticipated	February 2026	Anticipated
Lease-up/Sale	February 2024	Anticipated	July 2026	Anticipated



January 5, 2024

Robert Dearduff, Special Programs Administrator  
Florida Housing Finance Corporation  
227 North Bronough Street, Suite 5000  
Tallahassee, FL 32301

RE: Villas of Solana Townhouse Project PLP Loan (PLP 2021-006P-09)  
1<sup>st</sup> Extension Request, Budget Amendment, Approval of Successor Entity, and Request for FHFC  
PLP Loan to Move to 2<sup>nd</sup> Lien Position

Dear Mr. Dearduff:

This letter includes four separate requests: The first extension of the PLP Loan maturity date, line-item budget amendments, approval of a successor entity, and approval to move the PLP Loan to the 2<sup>nd</sup> lien position behind a construction loan which is providing horizontal and vertical construction financing for the Villas of Solana affordable townhouse development project.

Riviera Beach Community Development Corporation, (RBCDC) is the Borrower for the Villas of Solana PLP loan, which is secured by the Properties at 3201 Avenue J, Riviera Beach, FL. The PCN is 56434229240000170. The development project, Villas of Solana, will provide 28 townhomes for homeownership for low-mod income families in Riviera Beach (Palm Beach County, Florida). It will mature on April 13, 2025. To date, only \$111,700.45 has been drawn, with the principal amount of \$250,000 on the loan.

RBCDC is requesting the first one-year extension to the PLP maturity date to April 2026 to allow time to finish construction of the townhomes. Construction start is imminent, depending on the outcome of this request. Demolition is set to begin as soon as the financing is closed. Demolition is expected to take 60 days. The construction schedule has been supplied to the PLP TAP for review and the project timeline was updated in the Development Plan submitted with this request. We expect to have the first six homes pre-sold prior to demolition commencement, with escrow deposits paid and secured with a private escrow agent. RBCDC is asking for an extension of the PLP loan to allow us to move forward. This project was delayed because of COVID impacts. However, we anticipate completion and all units sold before the requested maturity date.

In addition to the request for a 1<sup>st</sup> extension of the PLP loan maturity date, we are also asking FHFC to consider taking 2<sup>nd</sup> lien position, allowing the construction loan to take a superior position. The development is funded by LISC-BEDF as the primary construction lender and the County of Palm Beach is providing a \$450,000 loan/grant toward construction costs. Palm Beach County will take a subordinate position to the PLP loan.

RIVIERA BEACH COMMUNITY DEVELOPMENT CORPORATION

1229 E. Blue Heron Blvd.

Riviera Beach, FL 33404

q 561.844.3408

q 855.300.7611 Toll Free

p 561.881.8043

[www.rivierabeachcdc.org](http://www.rivierabeachcdc.org) • [www.rivierabeachcommunitygardens.org](http://www.rivierabeachcommunitygardens.org)

Additionally, we are requesting amendments to the line-item budget to reflect actual soft cost expenses more closely. The principal amount will not change. Finally, we are asking that the successor entity be approved – Villas of Solana, LLC, which when formed, will be owned by RBCDC, and utilized for purposes of this development.

Sincerely,



Annetta Jenkins  
Executive Director



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**Ashton Nesbitt**

January 10, 2024

Mr. Robert Dearduff  
Florida Housing Finance Corporation  
227 N. Bronough Street Ste. 5000  
Tallahassee, FL 32301-1329

RE: Phoenix Crossings PLP 2019-005P-09 2<sup>nd</sup> PLP Loan Extension Request, PLP Loan Budget Revision, and Reduction to the Final Number of Units

Dear Mr. Dearduff:

This letter provides notice that Abundant Life Ministries-Hope House Inc. has requested a second one-year extension of PLP Loan 2019-007P-09, revision to the PLP Budget, and to reduce the final number of units to the proposed development. The Phoenix Crossings PLP Loan of \$464,500 matures on June 5, 2024, with a principal amount owed of \$110,712.35. The project will consist of two buildings, totaling 28 rental units that will provide housing for youth aging out of foster care in Bunnell, FL (Flagler County).

The project initially experienced various delays due to securing financing and other predevelopment activities that required additional time. This includes determining if wetland mitigation is required on the project site. The development team is currently finalizing the cost of mitigating the wetlands and removing and replacing the soils that are unsuitable for development.

Since the FHFC Board approved the first extension to the PLP Loan, the Borrower submitted a successful application under RFA 2022-206 and has been issued an invitation to credit underwriting. In addition, the project was awarded \$750,000 from the Federal Home Loan Bank of Atlanta and has a commitment from the Florida Community Loan Fund in the amount of \$2,850,000. The project has secured Project Based Vouchers from Flagler County Housing Authority that will subsidize each unit and is working with an experienced rural codeveloper, Rural Neighborhoods, to complete the development project.

The Borrower is requesting approval to reduce the final number of units from 30 to 28 units which results from limitations under the RFA. The Borrower is also requesting revision of the PLP Budget to increase the line item for Architect/Engineer services, as there are additional costs associated with engineering. The reallocation will come from a reduction to Insurance, Legal Fee, and Wetland Mitigation line items. There is no change to the Total PLP Loan amount.

As TAP for this project, I am recommending that the request for a second one-year extension be approved and approval for the reduction to the final number of units and the revisions to the PLP budget. The Borrower anticipates that the project will close on construction financing before the next and final PLP Loan maturity date and will repay the PLP Loan in full at the time of closing.

Should you need any further information please feel free to contact me at [kropp@flhousing.org](mailto:kropp@flhousing.org) or call 352-422-3513.

Steve Kropp  
Technical Advisor



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**Ashon Nesbitt**

January 10, 2024

Mr. Robert Dearduff  
Florida Housing Finance Corporation  
227 N. Bronough Street Ste. 5000  
Tallahassee, FL 32301-1329

RE: Independence Place PLP 2020-005P-09 1<sup>st</sup> Extension Request

Dear Mr. Dearduff:

This letter provides notice that Community Assisted Supportive Living, Inc. (CASL) has requested a one-year extension of PLP Loan 2020-005P-09. The Independence Place PLP Loan of \$628,000 matures on April 15, 2024, with a principal amount owed of \$502,844.90. The project will consist of 32 rental units for persons with developmental disabilities in Pinellas County, FL.

The Borrower experienced several delays. The project required a change to the Future Land Use Map and rezoning to a higher density. Unfortunately, public opposition and the need for support from the local government extended the process beyond what was originally anticipated. The Pinellas County Board of County Commissioners voted on October 31, 2023, providing approval for the project to proceed.

To finance the development project, CASL intends to submit an application to FHFC under RFA 2024-102. Upon closing of construction financing, the Borrower is prepared to repay the PLP Loan.

As CASL is experienced in developing housing for persons with developmental disabilities and skilled at securing financing, we anticipate continued progress over the next year with the goal of securing funding and the ability to repay the PLP Loan.

As TAP for this project, I am recommending that the request for a first one-year extension be approved.

Should you need any further information please feel free to contact me at [kropp@flhousing.org](mailto:kropp@flhousing.org) or call 352-422-3513.

Steve Kropp  
Technical Advisor



2911 Fruitville Rd, Sarasota, FL 34237 | Main: (941) 225-2373 Fax: (941) 366-0033

PLP Loan Committee Board Members  
Florida Housing Finance Corporation  
227 North Bronough Street, Suite 5000  
Tallahassee, FL 32301

January 11, 2024

RE: Independence Place PLP 2020-005P-09 [Community Assisted and Supported Living, Inc.(CASL)]

Dear FHFC Board Members:

Community Assisted and Supported Living, Inc. would like to request a one-year extension to the maturity date of our Independence Place PLP loan that matures on April 14, 2024. The PLP loan amount is \$628,000 of which CASL has drawn a principal amount of \$502,844.90 for land acquisition and closing costs. This development project will provide rental housing units for persons with developmental disabilities in Pinellas County.

The extension request is due to development issues which caused delays. A change to the Future Land Use Map and re-zoning to a higher intensity use was determined to be necessary by Pinellas County. Both of these were approved by the Pinellas Board of County Commissioners in September 2023. We are planning to submit an application for financing to FHFC under RFA 2024-102 to construct this project. Upon closing on construction financing, the PLP Loan will be repaid.

Thank you for your consideration for this extension. It is greatly appreciated.

Regards,

A handwritten signature in blue ink, appearing to read 'Brian Roskamp', is written over a light blue horizontal line.

Brian Roskamp  
Director of Building Development  
Community Assisted & Supported Living, Inc.  
[www.caslinc.org](http://www.caslinc.org)





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**CHIEF EXECUTIVE OFFICER**

**Ashon Nesbitt**

January 10, 2024

Mr. Robert Dearduff  
Florida Housing Finance Corporation  
227 N. Bronough Street Ste. 5000  
Tallahassee, FL 32301-1329

RE: Promenade at West Lakes PLP 2019-006P-09 2<sup>nd</sup> PLP Loan Extension Request

Dear Mr. Dearduff:

This letter provides notice that Hannibal Square Community Land Trust, Inc. has requested a second one-year extension of PLP loan 2019-006P-09. The Promenade at West Lakes PLP loan of \$750,000 matures on March 31, 2024, with a principal amount owed of \$194,188.65. The project will consist of 28 rental units for low-income families in the City of Orlando. The residential units will be above commercial space on the first floor.

The project has been delayed by the conditions in the purchase agreement with the City of Orlando. The conditions stipulate that the Borrower cannot close on the property until the adjacent townhome project (Townhomes at West Lakes PLP 2019-07P-09) achieves 50% construction completion. In addition, the Borrower must close on the construction loan simultaneously with the closing with the City of Orlando.

The Borrower is still working to fill a gap in the financing. To adhere to the construction lender's requirements, the Borrower is finalizing negotiations with Alexander Goshen, as codeveloper, which will bring experience with this type of development. The construction costs have increased dramatically due to the time delays. The Borrower is working with FCLF on the financing package for the project. Construction is expected to start in the second quarter of 2024.

The Borrower has started construction on the adjacent townhome project, is finalizing the financing package, and is working with an experienced codeveloper. The City is expected to convey the property to the Borrower in the next few months. Therefore, there is demonstrated progress and it is expected that with this new timeline, the PLP Loan can be repaid by the next maturity date.

As TAP for this project, I am recommending that the request for a second one-year extension be approved.

Should you need any further information please feel free to contact me at [kropp@flhousing.org](mailto:kropp@flhousing.org) or call 352-422-3513.

A handwritten signature in blue ink that reads "Steve Kropp".

Steve Kropp  
Technical Advisor



**Predevelopment Loan Program**

**Development Plan**

<b>Development Name</b>	<b>Promenade at West Lakes</b>
<b>Development File Number</b>	<b>2019-006P-09</b>

<b>A. General Information</b>		
	<b>ORIGINAL</b>	<b>ADJUSTED JAN 2024</b>
Applicant Entity Name	Hannibal Square Community Land Trust, Inc.	No Change
Development Name	Promenade at West Lakes	No Change
Development Address	800 S. Tampa Avenue Orlando FL 32805	No Change
Development Co-Developers		Alexander Goshen - Proposed
Primary Contact	Camille Reynolds	Camille Reynolds Lewis
Development Type	Rental <input checked="" type="checkbox"/> Homeownership <input type="checkbox"/>	No Change
Number of Buildings	1	No Change
Number of Units	28	No Change
Target Population	Family	No Change
Construction Type	New <input checked="" type="checkbox"/> Rehab <input type="checkbox"/> Both <input type="checkbox"/>	No Change
Applicant Comments: We are finalizing the details to partner with a co-developer that has apartment and retail experience to help strengthen the proposal.		
TAP Comments: The project was delayed by conditions in the purchase agreement requiring the adjacent development be 50% complete prior to conveyance to the Borrower by the City of Orlando.		

<b>B. Development Finance Information</b>		
	<b>ORIGINAL</b>	<b>ADJUSTED JAN 2024</b>
PLP Loan Recommended Amount	\$750,000	No change
Total Predevelopment Costs	750,000	No change
PLP Loan Amount for Acquisition	\$500,000	No change
Estimated Total Development Costs	\$5,545,983	\$10,113,283
Applicant Comments: We are putting together the construction funding package to present to the City of Orlando in Q1 2024. We are finalizing the details to partner with a co-developer with apartment and retail experience to help strengthen the proposal.		

TAP Comments: The construction costs have increased substantially over the past three years due to delays. The project has worked through issues and is now ready to proceed once funding is secured.

<b>C. Development Team</b>				
	<b>ORIGINAL VENDOR</b>	<b>ORIGINAL Status</b>	<b>VENDOR ADJUSTED JAN 2024</b>	<b>STATUS ADJUSTED JAN 2024</b>
Developer	Hannibal Square CLT		Hannibal Square CLT Alexander Goshen	Contract Pending
Contractor	Construct Two Group	Contract pending	Burke Construction Group	Contract Pending
Architect	Scott + Cormia	Under contract	Scott + Cormia	No change
Engineer	Florida Engineering Group Inc.	Under contract		
Consultant	Owners Representative	TBD	TBD	TBD
Other				

<b>D. Market/Feasibility</b>		
<b>Type of Study</b>	<b>Performed By</b>	<b>Status</b>
<b>ORIGINAL</b>		
Market Study	Per Underwriting Requirements – Seven Twelve Marketing Solutions	Completed 07-23-2020
<b>ADJUSTED JAN 2024</b>		
Market Study	Seven Twelve Marketing Solutions	Updated 07-01-2022
Provide narrative of anticipated marketing and lease up of property:		
This is a partnership with the City of Orlando and will serve low and moderate tenants. The applicant has an informal waiting list formed from interest generated by publicity and community meetings. The applicant will be soliciting a property management company.		
Applicant Comments: Construction funding package planned completion Q1 2024. Anticipated close on land acquisition and construction financing (as required by City of Orlando agreement they must be simultaneous) by Q2 2024. Construction to begin immediately. Construction drawings are complete and ready for permitting. Anticipated completion and lease up within a year of construction commencement.		
TAP Comments: N/A		

<b>D. Site Control</b>		
	<b>ORIGINAL</b>	<b>ADJUSTED JAN 2024</b>
Is the property owned by the Applicant Entity?	No	No change
Are there existing liens on the property? If no, how was that verified?	None per appraisal	No change
List all existing liens		
Will the property be owned by a single purpose entity other than the Applicant Entity?	No	No change
If the property is going to be acquired, is there an executed contract for sale or lease agreement?	Yes, with City of Orlando	No change
Applicant Comments: Land is under contract, and per the agreement with the City of Orlando, land purchase and construction financing must be simultaneous.		

<b>E. Development Readiness</b>		
<b>Item</b>	<b>ORIGINAL STATUS</b>	<b>ADJUSTED STATUS JAN 2024</b>
Current Zoning on Property	R-3B	No change
Current Use of Property	Vacant	No change
Future Land Use Plan	Medium Density Residential	No change
Site Plan Approval	No	Completed
Property Survey	Yes	Completed
Soil Testing	Yes	Completed
Permits	No	Site permit; Vertical pending
Availability of Utilities to property	Yes	Yes, City of Orlando
Availability of Water to property	City of Orlando Utilities	No change
Availability of Sewer to property	City of Orlando Utilities	No change
Availability of Road access to property	Yes	No change
Environmental Assessments Performed	Yes	No change
Appraisal	Yes, by City in March 2019	Completed in 2021 and 2023
Financial Statements available for review	Yes	Yes
Plans, Specs for Development	Site plan and renderings	Completed
Applicant Comments: Much of the site development has been completed as part of the development of the adjacent townhome development.		

TAP Comments: The building permits will be applied for the site after it is acquired and financing is secured. Much of the infrastructure has been completed as part of the development of the adjacent townhome development.

<b>F. Financing Sources Committed</b>				
NAME OF SOURCE	AMOUNT	STATUS	AMOUNT	ADJUSTED STATUS JAN 2024
First Mortgage	4,714,086	Will Apply for in next 12 months	7,431,584	In process
Community Support	331,897	Will Apply for in next 12 months		
Federal Home Loan Bank Atlanta	500,000	Will Apply for in next 12 months		
FCLF - NMTC		Choose an item.	1,931,699	In process
Other Source TBD		Will Apply for in next 12 months	750,000	In process
<b>Total Financing</b>		Choose an item.	<b>\$10,113,283</b>	
Applicant Comments:				
ADJUSTED JAN 2024:				
TAP Comments: The Borrower is still working on completing the financing package to cover the gap in funding. The project was delayed due to the late start of the adjacent townhome development. The conditions to close on the property prevent the borrower from completing the predevelopment process until after the land is purchased.				

<b>G. Narrative</b>
Provide Additional narrative not covered in comments above: The property cannot be purchased until the adjacent townhome project reaches 50% completion. This is expected to take place in the first quarter of 2024.

<b>H. Predevelopment Loan Request Budget</b>		
Item	ORIGINAL AMOUNT	REVISED JAN 2024 AMOUNT
Accounting	7,500	No change
Acquisition	500,000	No change
Closing Costs (acquisition)	15,000	No change
Appraisal	4,500	No change
Architect/Engineer	86,250	No change
Consultant	20,000	No change

Credit Underwriting Fees	4,500	No change
Environmental Testing (soil and EIS)	10,000	No change
Legal Fees	18,750	No change
Market Study	2,500	No change
Survey	5,000	No change
Contingency	26,000	No change
Zoning and Land Use Amendments	50,000	No change
<b>PLP Loan Total</b>	<b>\$750,000</b>	<b>No change</b>

<b>I. Total Development Costs</b>		
	<b>ORIGINAL AMOUNT</b>	<b>ADJUSTED AMOUNT JAN 2024</b>
Acquisition costs not covered by PLP	\$20,000	No change
Acquisition closing costs not covered by PLP		383,478
Other Predevelopment costs not covered by PLP		252,260
Hard Construction	3,859,032	6,793,586
Construction Contingency	158,690	339,679
Developer Fees	776,289	986,765
Other construction costs	751,972	587,515
<b>Total Development Cost</b>	<b>\$5,545,983</b>	<b>\$10,113,283</b>

<b>J. Timeline</b>				
<b>Timeline Item</b>	<b>ORIGINAL Date</b>	<b>ORIGINAL Status</b>	<b>ADJUSED JAN 2024 Date</b>	<b>ADJUSTED JAN 2024 Status</b>
PLP Loan Approval	Dec 2019	Anticipated		Approved
Site Acquisition	Feb 2020	Anticipated	Q2 2024	Anticipated
Survey	Oct 2019	Complete	07/2022	Completed
Zoning Approval	Feb 2020	Scheduled	10/2022	Completed
PLP Loan Closing	Jan 2020	Anticipated	3/2021	Completed
Applying for Construction Financing	Mar 2020	Anticipated	Q1 2023	Completed
Construction Start	Oct 2020	Anticipated	Q2 2024	Anticipated
Construction Completion	Jun 2021	Anticipated	Q2 2025	Anticipated
Lease-up/Sale	Aug 2021	Anticipated	Q3 2025	Anticipated

December 19, 2023

Rob Dearduff, Special Programs Administrator  
Florida Housing Finance Corporation  
227 North Bronough Street, Suite 5000  
Tallahassee, FL 32301

RE: PLP Loan (PLP 2019 006P-09), The Promenade at West Lakes, in the Principal Amount of \$750,000 — Secured by the Properties at 2016, Orange Center Blvd. and 800 S. Tampa Avenue (2 contiguous parcels) ("Development") located in Orange County, Florida.

Dear Mr. Dearduff:

This letter is to request an extension of the PLP Loan referenced above which matures on March 31, 2024 and has an outstanding balance of \$194,188.65.

Hannibal Square Community Land Trust, Inc. (HSCLT) secured this bifurcated loan with FHFC for land acquisition and predevelopment of the site. We closed on the non-acquisition portion of the loan on March 30, 2020. This is Phase 2 of the Orange Center Blvd. Redevelopment plan for a 4.6-acre site owned by the City of Orlando. Phase 1, The Townhomes at West Lakes is planned for 30 townhomes for homeownership on 3.3 acres. This portion, Phase 2, is a 3.5 story, retail-apartment mix on the eastern 1.31 acres. It includes 28 affordable apartments—14 each on the second and 3<sup>rd</sup> floors.

HSCLT entered into the Purchase & Sale Agreement with the City of Orlando for the entire site on June 17, 2019. However, as part of an amendment to the agreement to help offset the cost of flood mitigation requirements for the site, the City of Orlando modified the closing on the land acquisition for Phase 2, requiring completion of at least 50% of the townhomes in Phase 1 before being able to purchase the land for Phase 2. The final agreement was approved by the Orlando City Commission in December 2020.

Construction documents are complete and have been submitted to the City's permitting department for preliminary review. The construction funding package is anticipated to be completed in January/February 2024, and it includes a co-developer with experience in apartment and retail development as requested by the potential construction lender. We are working to finalize the co-developer agreement. We anticipate closing on land acquisition and construction financing (as required by City of Orlando agreement they must be simultaneous) by Spring 2024. Construction will begin immediately thereafter. The construction drawings are also complete and ready for permitting. Anticipated completion and lease up within a year of construction commencement.

Thank you for considering our request.

Sincerely,



Camille Reynolds Lewis  
Executive Director



**SELTZER MANAGEMENT GROUP, INC.**

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

January 22, 2024

**VIA EMAIL**

Mr. Todd Fowler  
Director of Special Assets  
Florida Housing Finance Corporation  
City Centre Building  
227 N. Bronough Street, Suite 5000  
Tallahassee, Florida 32301

Re: Groves of Delray fka Groves of Delray II ("Subject Development")  
MMRB 2009 Series K / SAIL 93S-012 / 9% HC 93L-113 / 9% HC 94L-007 / 4% HC 2011-510C  
First Mortgage Refinancing / Renegotiation and Subordination of the SAIL Loan Documents,  
MMRB LURA and ELIHA(s) / Extension of the SAIL Term and SAIL LURA

Dear Mr. Fowler:

On your behalf, Seltzer Management Group, Inc. ("SMG" or "Seltzer") has reviewed a request, dated November 10, 2023, from a representative of Groves of Delray II, Ltd. ("Groves" or "Borrower") requesting that Florida Housing Finance Corporation ("FHFC" or "Florida Housing") consent to the refinancing of the existing first mortgage, subordination of the State Apartment Incentive Loan ("SAIL") documents, MMRB LURA and Extended Low-Income Housing Agreement(s) ("ELIHA"), extension of the SAIL term to be coterminous with the new first mortgage plus six months, all of which are requirements of the new first mortgage and paydown of the SAIL loan amount for the above Subject Development. The compliance period of the SAIL LURA will be extended by a length of time equal to the extension of the SAIL term. The MMRB will be redeemed simultaneously with the closing of the first mortgage refinance.

For purposes of this analysis, SMG reviewed the following:

1. Correspondence seeking Florida Housing's consent of the request outlined above
2. MMRB, SAIL and 4% Housing Credit ("HC") Credit Underwriting Report ("CUR") dated May 26, 2011 prepared by SMG
3. MMRB Mortgage, Assignment of Rents and Security Agreement and Note, dated December 7, 2011
4. MMRB LURA, dated December 1, 2011
5. SAIL Assignment, Assumption and Loan Modification Agreement and Amended and Restated Promissory Note, both dated December 8, 2011
6. SAIL LURA, dated May 3, 1994, and First, Second, Third and Fourth Amendments to LURA, and Amended and Restated LURA dated October 6, 2003, June 28, 2004, January 20, 2011, October 20, 2011 and December 8, 2011, respectively

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7. ELIHA dated December 26, 1995 (9% HC 93L-113 & 9% HC 94L-007), Assumption of ELIHA dated December 8, 2011 (9% HC 93L-113 & 9% HC 94L-007), ELIHA dated October 23, 2013 (4% HC 2011-510C) and First Amendment to ELIHA dated August 23, 2018 (4% HC 2011-510C)
8. Transfer of Partnership Interests Recommendation Letter dated August 28, 2018 prepared by SMG
9. Borrower Audited Financial Statement, prepared by Dauby, O'Connor & Zaleski, LLC (Certified Public Accountants), for the year ending December 31, 2022
10. Application for a Freddie Mac Fixed Rate Capital Markets Execution ("CME") Program Loan from Greystone Servicing Company, LLC ("Greystone"), dated October 10, 2023
11. FHFC 2023 Occupancy Report
12. Annual Management Review and Physical Inspection, performed February 7, 2023
13. Appraisal prepared by BBG, Inc. prepared for Greystone and Freddie Mac dated November 9, 2023
14. FHFC Past Due Report, dated November 29, 2023
15. FHFC Noncompliance Report, dated October 18, 2023

Our findings are as follows:

#### Background

The Subject Development is an elderly development located at 1301 SW 10th Avenue, Delray Beach, Palm Beach County, Florida, consisting of 158 multifamily rental apartment units located in twelve residential buildings and one leasing office/clubhouse building.

The Subject Development was originally constructed in 1994 and was partially funded from the proceeds of SAIL in the amount of \$1,502,000 as evidenced by a SAIL Mortgage and Security Agreement and Promissory Note by and between Groves of Delray, Ltd. ("Maker") and FHFC ("Holder"), dated May 3, 1994. On December 8, 2011, the Subject Development was sold and the SAIL was assumed by Groves.

The General Partner ("GP") is Delray Beach Leased Housing Associates II, LLC, 0.005% ownership interest. The Class A Limited Partner ("Class A") is Delray Beach Leased Housing Associates SLP II, LLC with 0.005% ownership interest. The ILP and SLP is Delray Beach Leased Housing Associates LP II, LLC ("DBLHA LP") with 99.99% and 0.00% ownership interest respectively.

Groves closed on the \$9,350,000 first mortgage MMRB loan that was funded from the proceeds of the sale of tax- exempt mortgage revenue bonds issued by FHFC in a like amount. The mortgage requires monthly principal and interest payments of \$34,185 and matures December 1, 2051. As of December 31, 2023, the outstanding loan balance of the current MMRB first mortgage loan was \$7,674,198.

At the time of the SAIL assumption, the principal balance was \$1,502,000 and the maturity was extended to December 31, 2026. The SAIL bears interest at 3.0% with annual interest only payments due based on available cash flow. The outstanding loan balance remains at \$1,502,000 and accrued interest totals \$45,060 as of December 31, 2023.

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The Borrower's Audited Financial Statements dated December 31, 2022 reflected the following:

Cash and Equivalents:	\$ 1,329,975
Total Assets:	\$12,830,697
Total Liabilities:	\$12,122,046
Equity:	\$ 708,651

Operation of the Subject Development is restricted by terms and conditions detailed in various loan documents, including but not limited to the MMRB and SAIL LURA(s) and ELIHA. Set asides per the MMRB LURA are 85% of the units (135 units) for tenants earning 60% or less of the area median income ("AMI") for 50 years. Set asides per the SAIL LURA and ELIHA are 100% of the units for residents earning 60% or less of the AMI for 50 years.

The most recent annual Management Review and Physical Inspection performed on February 7, 2023, reflected no file discrepancies with a Close Out Letter issued March 10, 2023.

The FHFC Noncompliance Report reflects one item related to Aria Landings I for failure to meet uniform physical condition standards ("UPCS") for buildings. The item pertains to roof damage from Hurricane Ian. The Borrower has indicated the repairs are anticipated to be complete by the end of February 2024. The Servicer is pending confirmation of completion of that work.

The FHFC Past Due Report reflects no past due items.

The FHFC Occupancy Report indicates a year-to-date average occupancy for Groves of Delray of 98.31%.

#### Refinancing Overview

The Borrower provided a Term Sheet, dated October 10, 2023, from Greystone Servicing Company, LLC ("Greystone") for a Freddie Mac Fixed Rate Capital Markets Execution Loan ("CME") in the amount of \$76,538,000 ("as-is" loan amount - \$72,227,000, estimated holdback amount - \$4,311,000) covering four (4) developments. Exhibit A of the Term Sheet listed Groves of Delray's portion to be in the amount of \$13,553,000 ("as-is" loan amount - \$11,623,000, estimated holdback amount - \$1,930,000).

The term of the loan is 5 years, with interest only payments for 3 years and a 35-year amortization period. The interest rate will be based on a spread of 2.40% over the current 5-year treasury rate (floor of 4.34%). SMG estimated the interest rate based on the 5-year treasury rate of 3.93%, as of January 2, 2024 triggering the floor rate of 4.34% plus a spread of 2.40% for an all-in rate of 6.74%. Review and confirmation of final first mortgage loan terms are a condition to close. The first mortgage will require extension of the SAIL term to be coterminous with the new first mortgage plus six months and subordination of SAIL loan documents, MMRB LURA and ELIHA(s), as applicable. If applicable, the Borrower shall not be obligated to pay more than 75% of surplus cash flow on an annual basis on SAIL interest as required by Freddie Mac.

The annual debt service is estimated to be \$1,104,209 which is \$536,872 more than the CUR annual debt service. Cash flow will not be improved although the Subject Development's economic viability will be maintained.

Based on a review of historical operating results and the Borrower's estimates, SMG has concluded a net operating income estimate in the amount of \$1,143,845. The resulting combined debt service coverage ("DSC") ratio for the first mortgage loan and SAIL is calculated at 1.036 to 1.00 which meets minimum FHFC DSC underwriting requirements. Seltzer's analysis is based on the Development's interim financial

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statements, which confirmed receipt of 2023 maximum restricted rents, in conjunction with historical vacancy/collection losses as a percentage of gross potential rental income.

Therefore, the refinancing of the first mortgage will require a SAIL pay down payment of all outstanding accrued SAIL interest., Any payments of deferred developer fee will be subordinate to the annual SAIL interest payment.

The SAIL loan is currently in a subordinate lien position behind the existing \$7,674,198 (as of December 31, 2023) MMRB first mortgage. The Greystone first mortgage will be more than the original mortgage. Florida Housing's security position will not be adversely affected.

Overall Sources and Uses of Funds

The Borrower provided SMG with the following estimate of the overall sources and uses of funds:

<b>Sources</b>	
Freddie Mac First	\$ 13,553,000
SAIL Assumption	\$ 744,076
Escrow and Reserves	\$ -
Borrower Equity	\$ -
<b>Total Sources</b>	<b>\$ 14,297,076</b>
<b>Uses</b>	
Existing First Mortgage Payoff	\$ 7,674,198
Estimated Closing Costs	\$ -
Estimated Transaction Costs - Other	\$ 382,777
Refi Transaction Fee	\$ 7,000
SAIL Principal Payment	\$ 757,924
SAIL, MMRB LURA & ELIHAs Subordination Fee	\$ 4,000
SAIL Renegotiation Fee	\$ 7,510
SAIL Resubordination	\$ 744,076
Title & Recording	\$ 27,876
Interim Interest	\$ 42,912
Rental Achievement Escrow	\$ 1,960,613
Cash Out	\$ 2,688,190
<b>Total Uses</b>	<b>\$ 14,297,076</b>

First mortgage loan payoff and closing costs are based on estimates provided by Borrower which appear reasonable at this time.

Summary and Recommendation

Seltzer's review concludes the renegotiation meets Florida Housing's underwriting standards and notes that FHFC will receive a negotiated SAIL principal payment.

Therefore, SMG recommends that FHFC consent to the refinancing of the existing first mortgage loan, subordination of the SAIL Documents, MMRB LURA and ELIHA(s) (as applicable) to the new first mortgage loan, and extension of the SAIL term to be coterminous with the new first mortgage plus six months, all of

Mr. Todd Fowler  
January 22, 2024  
Groves of Delray  
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which meet the requirements of the new first mortgage lender, extension of the SAIL LURA compliance period by a length of time equal to extension of the SAIL term and the modification of any other loan documents required to effectuate the transaction, subject to the following:

- Guarantors will execute any guarantees required by FHFC
- Review of final first mortgage loan terms and confirmation that all requirements set forth in FHFC underwriting requirements for approval have been met
- Confirmation of refinancing fees and closing costs prior to closing
- Review and approval of all loan documents by FHFC, its Legal Counsel, and Servicer
- Payment of the SAIL principal payment, as determined by the Servicer and FHFC
- Receipt of payment of any and all accrued SAIL Interest separate from the principal payment
- Receipt of a non-refundable SAIL loan documents, MMRB LURA and ELIHA(s) subordination fee of \$1,000, for each, as applicable
- Receipt of a non-refundable renegotiation fee equal to one-half of one percent of the SAIL principal balance amount on the date of the closing
- Transfer of existing tax, insurance, replacement reserve and debt service reserve escrow accounts or establishment of new accounts in like or greater amounts satisfactory as required by the new first mortgage lender.
- New permanent loan servicing and compliance fees on the extended SAIL and LURA terms respectively
- Extension of the SAIL LURA compliance period by a length of time equal to the extension of the SAIL term
- Consent of the current limited partner and other subordinate lenders, if applicable
- Prepayment of any compliance monitoring fees and servicing fees, if applicable
- Payment of any outstanding arrearages to FHFC, its Legal Counsel, Servicer or any Agent or Assignee of Florida Housing for Past Due issues applicable to the Development Team (Borrower or Developer or Principal, Affiliate or Financial Beneficiary, as described in 67-21.0025 (5) and 67-48.0075 (5) F.A.C., of a Borrower or a Developer)
- Satisfactory resolution of any outstanding past due and/or noncompliance items
- All other due diligence required by FHFC, its Legal Counsel and Servicer

I hope this correspondence has been helpful and please do not hesitate to call if I can be of further assistance.

Sincerely,  
SELTZER MANAGEMENT GROUP, INC.



Frank Sforza  
Credit Underwriter II

Mr. Todd Fowler  
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**EXHIBIT I**

<u>SAIL Pay-down Calculation - Original First Balance</u>		
Original Balance First Mortgage	\$	9,350,000
Original Balance SAIL	\$	1,502,000
Total	\$	10,852,000
Original SAIL divided by total original first and S		13.84%
New First Mortgage Loan	\$	13,533,000
Current Balance First Mortgage	\$	7,674,198
Increase in First Mortgage Loan	\$	5,858,802
Less: Transaction Costs (est. 1% Purchase Price)	\$	382,777
Net Increase/Decrease	\$	5,476,025
Multiplied by:		13.84%
* Total Paydown Required		\$757,924
* Before confirming eligible transaction costs		
Current SAIL Balance	\$	1,502,000
SAIL after pay-down	\$	744,076



January 22, 2024

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

Re: Jordan Bayou (“Development”) – HOME RFA 2019-109 (2019-413H)

Credit Underwriting Report Update Letter (“CUR Update Letter”) – Changes to the final Credit Underwriting Report, dated May 15, 2020 (“CUR”) to amend the set-asides outlined in the HOME Land Use Restriction Agreement (“LURA”) and change in the ownership structure of Jordan Bayou Developer, LLC (“Developer”)

Dear Ms. Gibson,

First Housing Development Corporation of Florida (“FHDC”, “First Housing”, or “Servicer”) reviewed an email, dated October 19, 2023, from a representative of MHP Jordan Bayou, LLC (“Borrower”), requesting Florida Housing Finance Corporation (“FHFC” or “Florida Housing”) amend the HOME LURA to convert twenty (20) HOME Assisted Units to at or below 120% Area Median Income (“AMI”). However, First Housing is recommending the 20 units be income restricted to at or below 120% AMI and rent restricted at 100% AMI. According to the email, the Development is 56.4% occupied and out of 84 new prospects, 80 prospects were over income qualified. Converting 20 units income restricted to 120% AMI will allow the Development to lease-up and operate with a positive net operating income.

Set-Asides (From)	Set-Asides (To)
8 HOME Assisted Units at or below 50% AMI 31 HOME Assisted Units at or below 60% AMI 39 Total Units	9 HOME Assisted Units at or below 50% AMI 10 HOME Assisted Units at or below 60% AMI 20 Units at or below 120% AMI 39 Total Units

First Housing further received a letter, dated January 11, 2024, from a representative of the Borrower, requesting Florida Housing approve a change in the Developer's ownership structure. The Borrower is requesting approval of a restructure of McDowell Housing Partners, LLC, which is further detailed below.

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

- Rule Chapter 67-48.
- CUR, dated May 15, 2020.
- Servicer Closing Letter and Final Sources & Uses / Construction Draw Schedule ("Closing Letter"), dated September 2, 2020.
- Request email, from a representative of the Borrower, dated October 19, 2023.
- Request letter, from a representative of the Borrower, dated January 11, 2024.
- HOME LURA, dated September 2, 2020.
- HOME Promissory Note, dated September 2, 2020.
- 2019 Maximum Subsidy Limits HOME Program, Effective May 2019.
- Construction Loan Agreement, dated September 2, 2020, between MHP Jordan Bayou, LLC and KeyBank National Association ("KeyBank").
- First Amendment to Loan Documents, dated May 15, 2023, between MHP Jordan Bayou, LLC and KeyBank.
- Permanent Loan Commitment letter, dated September 3, 2020.
- Draft Appraisal, dated December 18, 2023, prepared by Integra Realty Resources - Tampa Bay.
- FHFC Occupancy Reports
- Occupancy Report, dated October 31, 2023.
- FHFC Past Due Report, dated November 29, 2023.



- FHFC Asset Management Noncompliance Report, dated October 18, 2023.
- Site Inspection prepared by On Solid Ground, LLC (“OSG”), dated April 20, 2022.
- Management Review and Physical Inspection, dated January 19, 2023.

**Background**

The Development is a scattered site, located at 183 Preservation Drive, Carrabelle, Franklin County, Florida. The Development consists of thirty-nine (39) three-bedroom/two-bathroom single-family homes and a non-residential clubhouse building. The Development’s demographic commitment is family. On September 2, 2020 the Borrower closed on the following sources, according to the Servicer Closing Letter and Final Sources & Uses.

<b>CONSTRUCTION/PERMANENT SOURCES:</b>			
<b>Source</b>	<b>Lender</b>	<b>Construction</b>	<b>Permanent</b>
Regulated Mortgage Lender	KeyBank	\$1,500,000	\$1,500,000
FHFC - HOME	FHFC	\$4,998,000	\$4,998,000
Deferred Developer Fee	Jordan Bayou Developer, LLC	\$135,073	\$135,073
<b>TOTAL</b>		<b>\$6,633,073</b>	<b>\$6,633,073</b>

According to the Site Inspection, dated April 20, 2022, the Development was 100% complete.

First Housing received a Construction Loan Agreement, dated September 2, 2020, where MHP Jordan Bayou, LLC requested a construction loan in the amount up to \$1,500,000. The maturity date was March 2, 2023, which included a 6-month extension. According to the First Amendment to Loan Documents, the loan term was extended to December 2, 2023. According to an email, dated December 12, 2023, KeyBank is working on extending the maturity to mid-2024, in order to give adequate time to stabilize, after the change in set-asides.

First Housing received a Permanent Loan Commitment from KeyBank, dated September 3, 2020. The letter indicates a permanent commitment of up to \$1,500,000, for a term of 8 years and amortization based on a 30-year schedule. The interest rate will be fixed at 5.50%.

First Housing reviewed a HOME Promissory Note, dated September 2, 2020, where MHP Jordan Bayou, LLC promises to pay to the order of Florida Housing the principal sum of \$4,998,000. The Note shall bear interest at a rate of 0.015% per annum on the outstanding principal balance due on the maturity date. The principal balance is non-amortizing and the entire unpaid principal

amount, together with all accrued and unpaid interest, shall be due and payable on September 2, 2040.

The HOME LURA, dated September 2, 2020, requires the following set-asides for a term of fifty (50) years:

- 20% of the units (8 units) set-aside as HOME Assisted Units at or below 50% of the AMI
- 80% of the units (31 units) set-aside as HOME Assisted Units at or below 60% of AMI

According to the request email, the Borrower is requesting to amend the LURA to provide a total of nineteen (19) HOME Assisted Units, which would include nine (9) Low HOME Assisted Units and ten (10) High HOME Assisted Units, the remaining twenty (20) units would be income restricted at or below 120% AMI and rent restricted at 100% AMI. The amended set asides were eligible for selection at Application and the Applicant did not receive preference by selecting a higher amount of set asides.

2019 Maximum Subsidy limits HOME Program:

(19) Three Bedroom units at \$270,266 = \$5,135,054

The HOME Loan would be roughly 97.3% of the maximum loan amount and still within the parameters of the amended set asides.

According to an Occupancy Report, dated October 31, 2023, the Development was 56.4% occupied. Based on FHFC's Occupancy Reports, the Development's occupancy averaged 64.42% for February through September of 2023 and 77.86% for the months documented in 2022.

The Annual Management Review was conducted on January 19, 2023 and found the Development to be in non-compliance. At this time, a closeout letter has not been issued.

**Status of Development Noncompliance/Past Due**

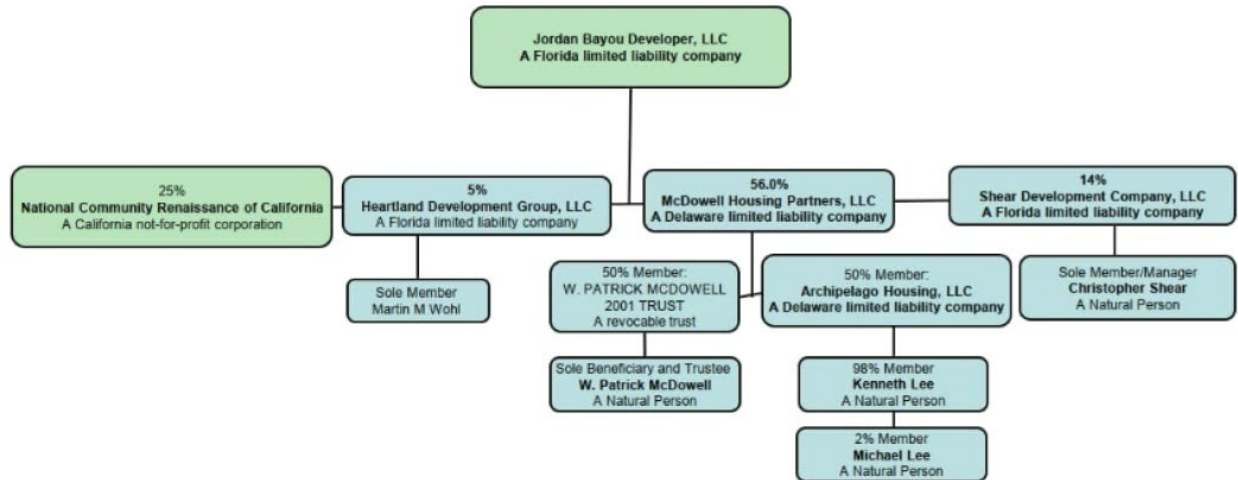
The Development Team was reported on Florida Housing's November 29, 2023 Past Due Report:

- None

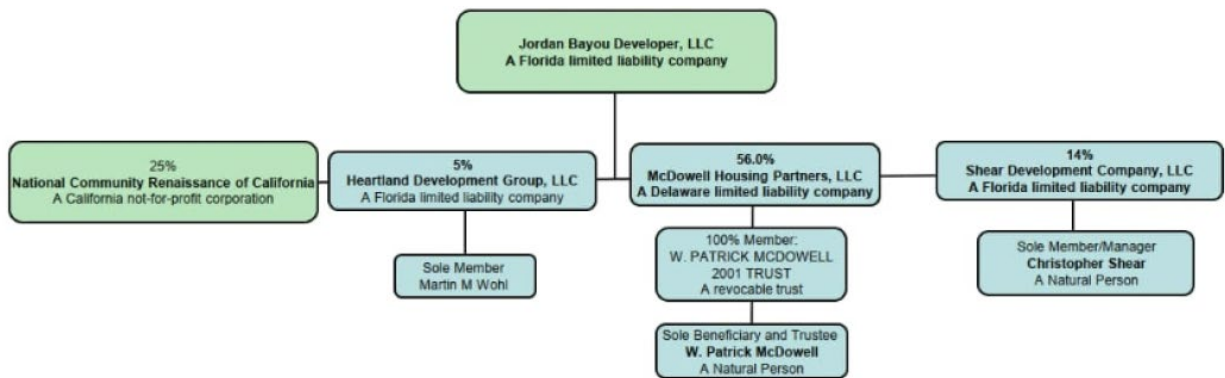
The Development Team was reported on Florida Housing's October 18, 2023 Noncompliance Report:

- Jordan Bayou - Failure to document tenant eligibility upon initial occupancy

**Current Developer Entity Structure**



**Proposed Developer Entity Structure**



McDowell Hosing Partners, LLC is a leading real estate investment and development firm specializing in the multifamily industry. Their team is led by seasoned executives that average over 25 years in the multifamily industry. McDowell Hosing Partners, LLC was formed in 2019 to develop apartments that address the ongoing housing affordability issues prevalent throughout the US. They bring together stakeholders at the federal, state, and local levels to deliver high quality apartments to those who need it most.

Archipelago Housing, LLC will be transferring its interest in McDowell Housing Partners, LLC to W. Patrick McDowell 2001 Trust. First Housing finds the proposed Developer Entity structure to be acceptable.

## Operating Pro Forma: Jordan Bayou

FINANCIAL COSTS:		Year 1	Year 1 Per Unit
<b>OPERATING PRO FORMA</b>			
INCOME:	Gross Potential Rental Income	\$533,508	\$13,680
	Other Income		
	Ancillary Income	\$10,670	\$274
	Washer/Dryer Rentals	\$19,890	\$510
	Gross Potential Income	\$564,068	\$14,463
	Less:		
	Physical Vac. Loss      Percentage: 4.00%	\$22,563	\$579
	Collection Loss      Percentage: 1.00%	\$5,641	\$145
<b>Total Effective Gross Income</b>	<b>\$535,865</b>	<b>\$13,740</b>	
EXPENSES:	Fixed:		
	Real Estate Taxes	\$38,189	\$979
	Insurance	\$134,132	\$3,439
	Variable:		
	Management Fee      Percentage: 6.00%	\$32,152	\$824
	General and Administrative	\$14,625	\$375
	Payroll Expenses	\$66,300	\$1,700
	Utilities	\$16,380	\$420
	Marketing and Advertising	\$3,900	\$100
	Maintenance and Repairs/Pest Control	\$23,790	\$610
	Grounds Maintenance and Landscaping	\$5,265	\$135
	Reserve for Replacements	\$11,700	\$300
	<b>Total Expenses</b>	<b>\$346,433</b>	<b>\$8,883</b>
<b>Net Operating Income</b>	<b>\$189,432</b>	<b>\$4,857</b>	
<b>Debt Service Payments</b>			
First Mortgage - KeyBank	\$102,202	\$2,621	
Second Mortgage - HOME Loan	\$750	\$19	
Second Mortgage Fees - Compliance & Servicing	\$13,680	\$351	
Total Debt Service Payments	\$116,632	\$2,991	
Cash Flow after Debt Service	\$72,800	\$1,867	
<b>Debt Service Coverage Ratios</b>			
DSC - First Mortgage plus Fees	1.85x		
DSC - Second Mortgage plus Fees	1.62x		
<b>Financial Ratios</b>			
Operating Expense Ratio	64.65%		
Break-even Economic Occupancy Ratio (all debt)	82.39%		

### Notes to the Operating Pro Forma and Ratios:

1. This Development will be utilizing HOME funds which impose rent restrictions. The net Low HOME and High HOME rents are based on the 2023 rents published on Florida Housing's website for Franklin County less utility allowances. Below is the rent roll for the Development:

Franklin 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	9	1,231	Low	\$ 850			\$179	\$ 671		\$ 671	\$ 671	\$ 671	\$ 72,468
3	2.0	10	1,231	High		\$ 1,071		\$179	\$ 892		\$ 892	\$ 892	\$ 892	\$ 107,040
3	2.0	20	1,231	100%			\$1,700	\$179	\$ 1,521		\$ 1,550	\$ 1,475	\$ 1,475	\$ 354,000
		39	48,009											\$ 533,508

2. The utility allowances are based on a Utility Allowance Study, prepared by Enercon Services, Inc, which FHFC staff approved on December 8, 2022.
3. The vacancy and collection loss rate of 5% has been estimated by First Housing and is supported by the Appraiser.
4. Other Income is comprised of forfeited deposits, vending machines, late charges, laundry, and other miscellaneous sources. Total other income of \$10,670 per year or \$274 per unit per year is supported by the Appraisal.
5. Washer and dryer rentals will be offered at each unit, washer/dryer income was estimated at \$50 per month, with a penetration rate of 85%.
6. Based upon operating data from comparable properties, third-party reports (Appraisal and Market Study) and the Credit Underwriter's independent due diligence, First Housing represents that, in its professional opinion, estimates for Rental Income, Vacancy, Other Income, and Operating Expenses fall within a band of reasonableness.
7. First Housing received a Management Agreement between the Borrower and JMG Realty, LLC, dated October 18, 2023. The agreement reflects a management fee equal to the greater of six percent (6%) of the monthly collections or a minimum of \$2,000, plus an amount of \$975 annually or \$81.25 monthly.
8. All of the units will be individually metered for electricity, water and sewer, which will be the tenant's responsibility. The landlord will be responsible for common area electric, common area water, and trash. The Appraisal estimated this line item at \$420 per unit.
9. Replacement Reserves are \$300 per unit per year, as required by FHFC Rule Chapter 67-48.
10. Refer to Exhibit 1, for a 15-Year Pro Forma, which reflects rental income increasing at an annual rate of 2%, and expenses increasing at an annual rate of 3%.

11. Based on the operating pro forma, the Development the estimated Debt Service Coverage on the HOME loan is 1.62x. Florida Housing's HOME Program per Rule 67-48.0072(11), F.A.C. has a maximum Debt Service Coverage of 1.50x for the HOME and all superior mortgages. However, the Development has deep subsidy in the form of 9 Low HOME units which serve tenants whose income is 50% or less of AMI. As such, exceeding the maximum threshold of 1.50x is permitted.

Recommendation:

First Housing recommends amending the HOME LURA to reflect nine (9) HOME Assisted Units at or below 50% AMI, ten (10) HOME Assisted Units at or below 60% AMI, and the remaining twenty (20) units income restricted at or below 120% AMI and rent restricted at 100% AMI. Amending the LURA will allow the Development to lease-up and have positive net operating income. First Housing recommends approval of the Developer's ownership change.

This recommendation is conditioned upon the following:

1. Payment of any outstanding arrearages to the Corporation, its Legal Counsel, Servicer of any agent or assignee of the Corporation for past due issues applicable to the development team (Applicant or Developer or Principal, Affiliate or Financial Beneficiary, as described in 67-48.0075(5) F.A.C., of an Applicant or a Developer).
2. Satisfactory receipt of a final Appraisal.
3. Confirmation that the recommended set-asides meet the HOME requirements.
4. Consent from the First Mortgage Lender regarding the change in set-asides.
5. Prepayment of any required compliance monitoring fees and servicing fees, as applicable.
6. Payment of all costs and fees to Florida Housing, its Legal Counsel, and Servicer, as applicable.
7. Satisfactory resolution of any outstanding past due and/or noncompliance items.
8. All other due diligence required by FHFC, its Legal Counsel, and Servicer.

Prepared by:



Stephanie Petty  
Senior Credit Underwriter

Reviewed by:



Ed Busansky  
Senior Vice President

**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	
<b>OPERATING PRO FORMA</b>																	
<b>INCOME:</b>	Gross Potential Rental Income	\$533,508	\$544,178	\$555,062	\$566,163	\$577,486	\$589,036	\$600,817	\$612,833	\$625,090	\$637,591	\$650,343	\$663,350	\$676,617	\$690,149	\$703,952	
	Other Income																
	Ancillary Income	\$10,670	\$10,883	\$11,101	\$11,323	\$11,550	\$11,781	\$12,016	\$12,256	\$12,502	\$12,752	\$13,007	\$13,267	\$13,532	\$13,803	\$14,079	
	Washer/Dryer Rentals	\$19,890	\$20,288	\$20,694	\$21,107	\$21,530	\$21,960	\$22,399	\$22,847	\$23,304	\$23,770	\$24,246	\$24,731	\$25,225	\$25,730	\$26,244	
	Gross Potential Income	\$564,068	\$575,349	\$586,856	\$598,593	\$610,565	\$622,777	\$635,232	\$647,937	\$660,896	\$674,113	\$687,596	\$701,348	\$715,375	\$729,682	\$744,276	
	Less:																
	Physical Vac. Loss	Percentage: 4.00%	\$22,563	\$23,014	\$23,474	\$23,944	\$24,423	\$24,911	\$25,409	\$25,917	\$26,436	\$26,965	\$27,504	\$28,054	\$28,615	\$29,187	\$29,771
	Collection Loss	Percentage: 1.00%	\$5,641	\$5,753	\$5,869	\$5,986	\$6,106	\$6,228	\$6,352	\$6,479	\$6,609	\$6,741	\$6,876	\$7,013	\$7,154	\$7,297	\$7,443
	<b>Total Effective Gross Income</b>		<b>\$535,865</b>	<b>\$546,582</b>	<b>\$557,514</b>	<b>\$568,664</b>	<b>\$580,037</b>	<b>\$591,638</b>	<b>\$603,471</b>	<b>\$615,540</b>	<b>\$627,851</b>	<b>\$640,408</b>	<b>\$653,216</b>	<b>\$666,280</b>	<b>\$679,606</b>	<b>\$693,198</b>	<b>\$707,062</b>
	<b>EXPENSES:</b>	Fixed:															
Real Estate Taxes		\$38,189	\$39,335	\$40,515	\$41,730	\$42,982	\$44,272	\$45,600	\$46,968	\$48,377	\$49,828	\$51,323	\$52,863	\$54,448	\$56,082	\$57,764	
Insurance		\$134,132	\$138,156	\$142,301	\$146,570	\$150,967	\$155,496	\$160,161	\$164,965	\$169,914	\$175,012	\$180,262	\$185,670	\$191,240	\$196,977	\$202,887	
Variable:																	
Management Fee		Percentage: 6.00%	\$32,152	\$32,795	\$33,451	\$34,120	\$34,802	\$35,498	\$36,208	\$36,932	\$37,671	\$38,424	\$39,193	\$39,977	\$40,776	\$41,592	\$42,424
General and Administrative		\$14,625	\$15,064	\$15,516	\$15,981	\$16,461	\$16,954	\$17,463	\$17,987	\$18,527	\$19,082	\$19,655	\$20,244	\$20,852	\$21,477	\$22,122	
Payroll Expenses		\$66,300	\$68,289	\$70,338	\$72,448	\$74,621	\$76,860	\$79,166	\$81,541	\$83,987	\$86,506	\$89,102	\$91,775	\$94,528	\$97,364	\$100,285	
Utilities		\$16,380	\$16,871	\$17,378	\$17,899	\$18,436	\$18,989	\$19,559	\$20,145	\$20,750	\$21,372	\$22,013	\$22,674	\$23,354	\$24,055	\$24,776	
Marketing and Advertising		\$3,900	\$4,017	\$4,138	\$4,262	\$4,389	\$4,521	\$4,657	\$4,797	\$4,940	\$5,089	\$5,241	\$5,399	\$5,560	\$5,727	\$5,899	
Maintenance and Repairs/Pest Control		\$23,790	\$24,504	\$25,239	\$25,996	\$26,776	\$27,579	\$28,407	\$29,259	\$30,136	\$31,041	\$31,972	\$32,931	\$33,919	\$34,936	\$35,985	
Grounds Maintenance and Landscaping		\$5,265	\$5,423	\$5,586	\$5,753	\$5,926	\$6,104	\$6,287	\$6,475	\$6,670	\$6,870	\$7,076	\$7,288	\$7,507	\$7,732	\$7,964	
Reserve for Replacements		\$11,700	\$11,700	\$11,700	\$11,700	\$11,700	\$11,700	\$11,700	\$11,700	\$11,700	\$11,700	\$11,700	\$12,051	\$12,413	\$12,785	\$13,168	\$13,564
<b>Total Expenses</b>			<b>\$346,433</b>	<b>\$356,153</b>	<b>\$366,159</b>	<b>\$376,458</b>	<b>\$387,060</b>	<b>\$397,973</b>	<b>\$409,206</b>	<b>\$420,769</b>	<b>\$432,672</b>	<b>\$444,924</b>	<b>\$457,888</b>	<b>\$471,232</b>	<b>\$484,969</b>	<b>\$499,111</b>	<b>\$513,668</b>
<b>Net Operating Income</b>			<b>\$189,432</b>	<b>\$190,429</b>	<b>\$191,355</b>	<b>\$192,206</b>	<b>\$192,977</b>	<b>\$193,665</b>	<b>\$194,265</b>	<b>\$194,771</b>	<b>\$195,179</b>	<b>\$195,484</b>	<b>\$195,328</b>	<b>\$195,048</b>	<b>\$194,636</b>	<b>\$194,087</b>	<b>\$193,394</b>
<b>Debt Service Payments</b>																	
First Mortgage -	\$102,202	\$102,202	\$102,202	\$102,202	\$102,202	\$102,202	\$102,202	\$102,202	\$102,202	\$102,202	\$102,202	\$102,202	\$102,202	\$102,202	\$102,202	\$102,202	
Second Mortgage - HOME Loan	\$750	\$750	\$750	\$750	\$750	\$750	\$750	\$750	\$750	\$750	\$750	\$750	\$750	\$750	\$750	\$750	
Second Mortgage Fees - Compliance & Servicing	\$13,680	\$13,776	\$13,875	\$13,977	\$14,082	\$14,190	\$14,302	\$14,417	\$14,535	\$14,656	\$14,782	\$14,911	\$15,044	\$15,181	\$15,322		
<b>Total Debt Service Payments</b>	<b>\$116,632</b>	<b>\$116,728</b>	<b>\$116,827</b>	<b>\$116,929</b>	<b>\$117,034</b>	<b>\$117,142</b>	<b>\$117,253</b>	<b>\$117,368</b>	<b>\$117,486</b>	<b>\$117,608</b>	<b>\$117,734</b>	<b>\$117,863</b>	<b>\$117,996</b>	<b>\$118,133</b>	<b>\$118,274</b>		
Cash Flow after Debt Service	\$72,800	\$73,701	\$74,528	\$75,277	\$75,943	\$76,523	\$77,011	\$77,403	\$77,693	\$77,876	\$77,995	\$77,185	\$76,641	\$75,954	\$75,120		
<b>Debt Service Coverage Ratios</b>																	
DSC - First Mortgage plus Fees	1.85	1.86	1.87	1.88	1.89	1.89	1.90	1.91	1.91	1.91	1.91	1.91	1.91	1.90	1.90	1.89	
DSC - Second Mortgage plus Fees	1.62	1.63	1.64	1.64	1.65	1.65	1.66	1.66	1.66	1.66	1.66	1.66	1.65	1.65	1.64	1.64	
<b>Financial Ratios</b>																	
Operating Expense Ratio	64.65%	65.16%	65.68%	66.20%	66.73%	67.27%	67.81%	68.36%	68.91%	69.48%	70.10%	70.73%	71.36%	72.00%	72.65%		
Break-even Economic Occupancy Ratio (all debt)	82.39%	82.49%	82.60%	82.72%	82.86%	83.01%	83.18%	83.35%	83.54%	83.75%	84.02%	84.29%	84.59%	84.89%	85.21%		