

**I. Legal**

- A. [In Re: Morris Manor, LLLP; FHFC Case No. 2024-059VW](#)
- B. [In Re: Notre Maison I, LLLP; FHFC Case No. 2024-056VW](#)
- C. [In Re: Sovereign at Parkside East, LLC; FHFC Case No. 2024-057VW](#)
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**II. Multifamily Bonds**

- A. [Request Approval of the Credit Underwriting Report and Authorizing Resolutions for Hermosa North Fort Myers II \(RFA 2023-205 / 2024-032BSN / 2023-521C\)](#)
- B. [Request Approval of the Updated Credit Underwriting Report, Amended Authorizing Resolutions, and RFA Waiver to Change the Organizational Structure of the Applicant Entity for Citadelle Village \(RFA 2017-108 / 2018-033BS / RFA 2023-211 / 2023-261V / 2016-586C\)](#)
- C. [Request Approval of the Credit Underwriting Report and Authorizing Resolutions for Palms Landing \(RFA 2023-304 / 2023-216BR / 2022-545C\)](#)
- D. [Request Approval of the Credit Underwriting Report and Authorizing Resolutions for Lakewood Senior Housing \(2023-304 / 2023-206BR / 2022-547C\)](#)
- E. [Request Approval of the Credit Underwriting Report and Authorizing Resolutions for Bayshore Pines \(2023-101B / 2023-544C\)](#)
- F. [Request Approval of the Method of Bond/Note Sale Recommendation from Florida Housing's Independent Registered Municipal Advisor and Assignment of Recommended Professional](#)
- G. [Request Approval of the Credit Underwriting Update Letter and Amended Authorizing Resolutions for The Enclave at Canopy Park \(RFA 2022-205 / 2023-160BSN / 2022-542C\)](#)
- H. [Request Approval of Partial Release of Land for The Salix on Vine \(2024 Series E / 2021-110B / 2021-561C / RFA 2023-211 / 2023-256V\)](#)
- I. [Request Approval to Execute Acknowledgement Resolutions](#)
- J. [Request Approval of the Transfer of Ownership of Lake Shore Apartment \(2004 Series H / 2003-010BS / 2004-505C\)](#)
- K. [Request Approval of a Developer Entity Change and RFA Waiver to Replace the Individual Meeting the General Development Experience Requirement for Ekos Magnolia Oaks \(2021 Series F / RFA 2019-111 / 2020-074BR / 2019-546C\)](#)
- L. [Request Approval of the Extension of the MMRN Loan for Walden Pond Villas \(2009 Series B / 2009A-2010B / 92-095 / 2009-502C\)](#)

**III. Multifamily Programs**

- A. [Request Approval of Credit Underwriting Report for Lake Bradford Apartments \(RFA 2023-205 / 2024-028S / 2023-522C\)](#)
- B. [Request Approval for Firm Loan Commitment Issuance Deadline Extension for Legacy Park II \(RFA 2023-304 / 2023-220BR / 2022-548C\)](#)
- C. [Request Approval of Firm Loan Commitment Issuance Deadline Extension for Lofts on Lemon Phase II \(RFA 2023-304 / 2023-201R / 2022-544C\)](#)
- D. [Request Approval of Firm Loan Commitment Issuance Deadline Extension for The Landings at Sugarloaf Key \(RFA 2023-212 / 2024-064CS\)](#)
- E. [Request Approval for RFA Waiver for Firm Loan Commitment Issuance Deadline Extension for Gardens at Casa Familia \(RFA 2023-106 / 2023-185CGN\)](#)
- F. [Request Approval of RFA Waiver for Credit Underwriting Report Deadline for Osprey Sound \(Non-Competitive Application / 2021-107B / 2021-522C & RFA 2023-211 / 2023-258V\)](#)
- G. [Request Approval of RFA Waiver for Credit Underwriting Report Deadline for Pollywog Creek Mews \(RFA 2021-206 / 2022-242H & RFA 2023-211 / 2023-238V\)](#)
- H. [Request Approval of Credit Underwriting Report and Applicant Entity Change for Southpointe Vista II \(RFA 2023-205 / 2024-036SN / 2023-526C\)](#)
- I. [Request Approval for Firm Loan Commitment Issuance Deadline Extension for New York Avenue Apartments \(RFA 2023-304 / 2023-226BR / 2022-549C\)](#)
- J. [Request Approval of an RFA Waiver to Allow Construction Feature and Amenity Options for Durham Place \(RFA 2020-103/2020-480CSN/2021-341CSN\)](#)

**IV. Predevelopment Loan Program (PLP)**

- A. [Request Approval of PLP Loan for Habitat for Humanity of Bay County, Inc., a not-for-profit entity, for Habitat Village \(PLP 2024--009P-09\)](#)
- B. [Request Approval of PLP Loan Maturity Extension for EcoTech Visions Foundation, Inc., a not-for-profit entity, for Armstrong Building \(PLP 2021--004P-09\)](#)
- C. [Request Approval of PLP Loan Budget Revision for Casa Familia, Inc., a not-for-profit entity, for Gardens at Casa Familia \(PLP 2023--010P-09\)](#)
- D. [Request Approval of PLP Loan Increase and Budget Revision for Abundant Life Ministries-Hope House, Inc., a not-for-profit entity, for Phoenix Crossings \(PLP 2019--005P-09\)](#)
- E. [Request Approval of Credit Underwriting Report for Sandcastles Foundation, Inc., a not-for-profit entity, for Sandcastle Preserve \(PLP 2024--004P-09\)](#)

**V. Special Assets**

- A. [Request Approval of the Renegotiation of the SAIL Loan for Volunteers of America of Florida, Inc. for Lake City Cabins for Veterans | RFP 2008-01-03](#)
- B. [Request Approval of the Transfer of the CHS Treasure Coast LURA Restrictions \(RFP 2006/01-01YAFC\)](#)
- C. [Request Approval of the Extension of SAIL Loan for Rural Neighborhoods, Inc. for Orchid Grove \(RFP 2009-04 / 2009-061CTX\)](#)
- D. [Request Approval of the Transfer of General Partner Interest and Release and Replacement of Guarantors, and Assumption of SAIL and NHTF Loans for Warley Park, Ltd., a Florida Limited Partnership, for Warley Park Apartments \(RFA 2017-103/2017-258CSN/2018-359CSN\)](#)



- E. [Request Approval to Amend the Articles and Bylaws of the Borrower Entity and Replacement of Board Members for Workforce Housing of Okeechobee, Inc. f/k/a as Southwest Florida GWI Housing XVII, Inc., a Florida not-for-profit corporation for Sugar Country \(RFP 2014-109 2014-406H\)](#)

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**I. LEGAL**

**A. In Re: Morris Manor, LLLP**

**FHFC Case No. 2024-059VW**

<b>Development Name:</b>	Morris Manor	<b>Location:</b>	Duval County
<b>Applicant / Borrower:</b>	Morris Manor, LLLP	<b>Developers:</b>	SHAG Morris Manor Developer, LLC
<b>Principal(s):</b>	Darren Smith	<b>Co-Developer(s):</b>	N/A
<b>Owner:</b>	Morris Manor, LLLP		
<b>Parent Owner:</b>	SHAG Development, LLC		
<b>Development Category:</b>	Acquisition and Preservation	<b>Development Type:</b>	Garden
<b>Demographic Category:</b>	Elderly, Non-ALF	<b>Total Units:</b>	168
<b>Funding Amount(s) Requested:</b>		<b>Set Aside Units:</b>	
HC-9%	\$1,868,000	34 Units @ 30% (HC-9%)	
		134 Units @ 60% (HC-9%)	

**1. Background:**

- a) Morris Manor, LLLP (“Petitioner”) successfully applied for funding to assist in the acquisition and preservation of Morris Manor, a 168-unit development located in Duval County, Florida (the “Development”). On October 3, 2024, Florida Housing received a Petition for Waiver from Rule 67-48.004(3)(j), F.A.C. (the “Petition”) to reduce its total set-aside percentage. A copy of the Petition is attached as [Exhibit A](#).

**2. Present Situation:**

- a) Rule 67-48.004(3)(j), Fla. Admin. Code (2020), provides in relevant part:

. . .notwithstanding any other provision of these rules, the following as identified in the Application must be maintained and cannot be changed by the Applicant after the applicable submission, unless provided otherwise below:...

(j) For the SAIL and HC Programs, the Total Set-Aside Percentage as stated in the total set-aside breakdown chart for the program(s) applied for in the Set-Aside Commitment Section of the Application. . . .
- b) Petitioner requests a waiver of the above rule to reduce its total set-aside percentage from 100% (168 units) to 99.41% (167 units). As justification for its request, Petitioner states that an elderly, long term tenant who was income qualified when they moved into the development in 2007 is now no longer income qualified. Petitioner requests the waiver to allow that resident to renew their lease and remain in their unit. Petitioner receives no competitive advantage by granting this request and would have still been funded under the terms of the RFA.
- c) On October 4, 2024, the Notice of Petition was published in the Florida Administrative Register in Volume 50, Number 195. To date, Florida Housing

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has received no comments concerning the Petition.

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

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

### 3. **Recommendation:**

- a) Staff recommends the Board GRANT the requested waiver of Rule 67-48.004(3)(j), Fla. Admin. Code (2020), to allow Petitioner to reduce its total set-aside percentage from 100% (168 units) to 99.405% (167 units).

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**B. In Re: Notre Maison I, LLLP**

**FHFC Case No. 2024-056VW**

<b>Development Name:</b>	Notre Maison	<b>Location:</b>	Miami-Dade County
<b>Applicant / Borrower:</b>	Notre Maison I, LLLP	<b>Developers:</b>	Carrfour Supportive Housing, Inc.
<b>Principal(s):</b>	Stephanie Berman	<b>Co-Developer(s):</b>	N/A
<b>Development Category:</b>	New Construction	<b>Development Type:</b>	High-Rise
<b>Demographic Category:</b>	Homeless	<b>Total Units:</b>	75
<b>Funding Amount(s) Requested:</b>		<b>Set Aside Units:</b>	
SAIL	\$3,733,300	7 Units @ 22% (NHTF)	
HC-9%	\$2,850,000	12 Units @ 28% (ELI & HC-9%)	
NHTF	\$2,625,000	56 Units @ 60% (SAIL & HC-9%)	
ELI	\$466,700		

**1. Background:**

- a) Notre Maison I, LLLP (“Petitioner”) successfully applied for funding to assist in the construction of Notre Maison, a 75-unit development located in Miami-Dade County, Florida (the “Development”). On October 2, 2024, Florida Housing received a Petition for Waiver of Rules 67-48.0072(4)(c) and 67-48.0072(21)(b), F.A.C. (07/06/2022) (the “Petition”) for an extension to Petitioner’s firm loan commitment deadline. A copy of the Petition is attached as [Exhibit B](#).

**2. Present Situation:**

- a) Rule 67-48.0072(4)(c), Fla. Admin. Code (2022), provides in relevant part:

For SAIL and HOME, the credit underwriting process must be completed within the time frame outlined in subsection 67-48.0072(21), F.A.C., below and the loan must close within the time frame outlined in subsection 67-48.0072(26), F.A.C., below.

- b) Rule 67-48.0072(21)(b), Fla. Admin. Code (2022), provides in relevant part:

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

(b) For SAIL and HOME, unless stated otherwise in a competitive solicitation, the firm loan commitment must be issued within twelve (12) months of the Applicant’s acceptance to enter credit underwriting, which may be automatically extended to the next scheduled meeting of the Board of Directors that is after the twelve (12) month deadline. Unless an extension is approved by the Corporation in writing, failure to achieve issuance of a firm loan commitment by the specified deadline shall result in withdrawal of the preliminary commitment. Applicants may request one (1) extension of up to six (6) months, which may be automatically extended to the next scheduled meeting of the Board of Directors that is after the six (6) month extension deadline, to secure a firm loan commitment. All extension requests must be submitted in writing to the program administrator and contain the specific reasons for requesting the

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

- c) Petitioner requests a waiver of the above rules for an extension to Petitioner's firm loan commitment deadline. As justification for its request, Petitioner states that the Development has encountered substantial delay due to the City of Miami's review of its site plan. Petitioner states that it has previously addressed the City's initial review comments and is presently addressing comments from a second round of review. To mitigate the impact, Petitioner has hired a permit expediter and a private provider to submit draft construction documents for review to the necessary external governmental agencies (such as the Miami-Dade Water and Sewer Department and the Miami-Dade Department of Environmental Resources Management).
- d) Petitioner accepted its invitation to credit underwriting on March 31, 2023, its initial firm loan commitment deadline was March 31, 2024. FHFC previously granted a six-month extension under the above rule extending the firm loan commitment deadline to September 30, 2024. Petitioner now requests an additional six-month extension.
- e) The Petitioner anticipates receiving the necessary firm loan commitments by March 31, 2025, and completing the Development within fourteen months following closing.
- f) On October 4, 2024, the Notice of Petition was published in the Florida Administrative Register in Volume 50, Number 195. 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 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

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in the state” (§420.5099, Fla. Stat.), would still be achieved if the waiver is granted.

**3. Recommendation:**

- a) Staff recommends the Board GRANT the requested waiver of Rules 67-48.0072(4)(c) and 67-48.0072(21)(b), Fla. Admin. Code (2022), to extend Petitioners firm loan commitment deadline to March 31, 2025.



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**C. In Re: Sovereign at Parkside East, LLC**

**FHFC Case No. 2024-057VW**

<b>Development Name:</b>	Sovereign at Parkside East	<b>Location:</b>	Charlotte County
<b>Applicant / Borrower:</b>	Sovereign at Parkside East, LLC	<b>Developers:</b>	Strategic Sovereign Developers, LLC
<b>Principal(s):</b>		<b>Co-Developer(s):</b>	N Vision Communities, Inc.
<b>Development Category:</b>	New Construction	<b>Development Type:</b>	Garden
<b>Demographic Category:</b>	Elderly	<b>Total Units:</b>	32
<b>Funding Amount(s) Requested:</b>		<b>Set Aside Units:</b>	
MMRB	\$6,010,000	7 Units @ 50% (HOME & HC-4%)	
HOME	\$5,653,571	25 Units @ 60% (HOME, HC-4% & MMRB)	
HC-4%	\$540,524		

**1. Background:**

- a) Sovereign at Parkside East, LLC (“Petitioner”) successfully applied for funding to assist in the construction of Sovereign at Parkside East, a 32-unit development located in Charlotte County, Florida (the “Development”). On October 3, 2024, Florida Housing received a Petition for Waiver of Rule 67-48.0072(21)(b) (the “Petition”) for an extension to Petitioner's firm loan commitment deadline. A copy of the Petition is attached as [Exhibit C](#).

**2. Present Situation:**

- a) Rule 67-48.0072(21)(b), Fla. Admin. Code (2022), provides in relevant part:

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

(b) For SAIL and HOME, unless stated otherwise in a competitive solicitation, the firm loan commitment must be issued within twelve (12) months of the Applicant's acceptance to enter credit underwriting, which may be automatically extended to the next scheduled meeting of the Board of Directors that is after the twelve (12) month deadline. Unless an extension is approved by the Corporation in writing, failure to achieve issuance of a firm loan commitment by the specified deadline shall result in withdrawal of the preliminary commitment. Applicants may request one (1) extension of up to six (6) months, which may be automatically extended to the next scheduled meeting of the Board of Directors that is after the six (6) month extension deadline, to secure a firm loan commitment. All extension requests must be submitted in writing to the program administrator and contain the specific reasons for requesting the extension and shall detail the time frame to achieve a firm loan commitment. In determining whether to grant an extension, the Corporation shall consider the facts and circumstances of the Applicant's request, inclusive of the responsiveness of the Development team and its ability to deliver the Development timely. The Corporation shall charge a non-refundable extension fee of one (1) percent of each loan amount if the request to extend the credit underwriting and firm loan commitment process beyond the initial twelve (12) month deadline is approved. If an

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approved extension is utilized, Applicants must pay the extension fee not later than seven (7) Calendar Days after the original twelve (12) month deadline. If, by the end of the extension period, the Applicant has not received a firm loan commitment, then the preliminary commitment shall be withdrawn.

- b) Petitioner requests a waiver of the above rule for an extension to Petitioner's firm loan commitment deadline. As justification for its request, Petitioner states that the extension is needed to finalize a restructuring of the ownership of its applicant and developer. Petitioner states that it is working diligently to finalize its proposed restructuring and has made substantial progress towards finalizing the proposed changes to the applicant and developer entities. In the interim, Petitioner has completed preliminary architectural and civil engineering work, the Development's survey, environmental reports, and geotechnical reports.
- c) Petitioner accepted its invitation to credit underwriting on May 26, 2023, and its initial firm loan commitment deadline was May 26, 2024. FHFC previously granted a six-month extension under the above rule, extending the firm loan commitment deadline to November 26, 2024. Petitioner now requests an additional six-month extension.
- d) On October 4, 2024, the Notice of Petition was published in the Florida Administrative Register in Volume 50, Number 195. To date, Florida Housing has received no comments concerning the Petition.
- e) Section 120.542(2), Florida Statutes provides in pertinent part:

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

### 3. **Recommendation:**

- a) Staff recommends the Board GRANT the requested waiver of Rule 67-48.0072(21)(b), Fla. Admin. Code (2022), to extend Petitioners firm loan commitment deadline to May 26, 2025.

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**D. In Re: Sovereign at Harbor West, LLC**

**FHFC Case No. 2024-058VW**

<b>Development Name:</b>	Sovereign at Harbor West	<b>Location:</b>	Charlotte County
<b>Applicant / Borrower:</b>	Sovereign at Harbor West, LLC	<b>Developers:</b>	Strategic Sovereign Developers, LLC
<b>Principal(s):</b>		<b>Co-Developer(s):</b>	N Vision Communities, Inc.
<b>Development Category:</b>	New Construction	<b>Development Type:</b>	Garden
<b>Demographic Category:</b>	Family	<b>Total Units:</b>	32
<b>Funding Amount(s) Requested:</b>		<b>Set Aside Units:</b>	
MMRB	\$6,655,000	7 Units @ 50% (HOME & HC-4%)	
HOME	\$6,173,749	25 Units @ 60% (HOME & MMRB & HC-4%)	
HC-4%	\$581,210		

**1. Background:**

- a) Sovereign at Harbor West, LLC (“Petitioner”) successfully applied for funding to assist in the construction of Sovereign at Harbor West, a 32-unit development located in Charlotte County, Florida (the “Development”). On October 3, 2024, Florida Housing received a Petition for Waiver of Rule 67-48.0072(21)(b) (the “Petition”) for an extension to Petitioner's firm loan commitment deadline. A copy of the Petition is attached as [Exhibit D](#).

**2. Present Situation:**

- a) Rule 67-48.0072(21)(b), Fla. Admin. Code (2022), provides in relevant part:

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

(b) For SAIL and HOME, unless stated otherwise in a competitive solicitation, the firm loan commitment must be issued within twelve (12) months of the Applicant's acceptance to enter credit underwriting, which may be automatically extended to the next scheduled meeting of the Board of Directors that is after the twelve (12) month deadline. Unless an extension is approved by the Corporation in writing, failure to achieve issuance of a firm loan commitment by the specified deadline shall result in withdrawal of the preliminary commitment. Applicants may request one (1) extension of up to six (6) months, which may be automatically extended to the next scheduled meeting of the Board of Directors that is after the six (6) month extension deadline, to secure a firm loan commitment. All extension requests must be submitted in writing to the program administrator and contain the specific reasons for requesting the extension and shall detail the time frame to achieve a firm loan commitment. In determining whether to grant an extension, the Corporation shall consider the facts and circumstances of the Applicant's request, inclusive of the responsiveness of the Development team and its ability to deliver the Development timely. The Corporation shall charge a non-refundable extension fee of one (1) percent of each loan amount if the request to extend the credit underwriting and firm loan commitment

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process beyond the initial twelve (12) month deadline is approved. If an approved extension is utilized, Applicants must pay the extension fee not later than seven (7) Calendar Days after the original twelve (12) month deadline. If, by the end of the extension period, the Applicant has not received a firm loan commitment, then the preliminary commitment shall be withdrawn.

- b) Petitioner requests a waiver of the above rules for an extension to Petitioner's firm loan commitment deadline. As justification for its request, Petitioner states that the extension is needed to finalize a restructuring of the ownership of its applicant and developer. Petitioner states that it is working diligently to finalize its proposed restructuring and has made substantial progress towards finalizing the proposed changes to the applicant and developer entities. In the interim, Petitioner has completed preliminary architectural and civil engineering work, the Development's survey, environmental reports, and geotechnical reports.
- c) Petitioner accepted its invitation to credit underwriting on May 26, 2023, and its initial firm loan commitment deadline was May 26, 2024. FHFC previously granted a six-month extension under the above rule, extending the firm loan commitment deadline to November 26, 2024. Petitioner now requests an additional six-month extension.
- d) On October 4, 2024, the Notice of Petition was published in the Florida Administrative Register in Volume 50, Number 195. To date, Florida Housing has received no comments concerning the Petition.
- e) Section 120.542(2), Florida Statutes provides in pertinent part:

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

### 3. **Recommendation:**

- a) Staff recommends the Board GRANT the requested waiver of Rule 67-48.0072(21)(b), Fla. Admin. Code (2022), to extend Petitioners firm loan commitment deadline to May 26, 2025.

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**E. In Re: Phoenix Crossings, LLC**

**FHFC Case No. 2024-060VW**

<b>Development Name:</b>	Phoenix Crossings	<b>Location:</b>	Flagler County
<b>Applicant / Borrower:</b>	Phoenix Crossings, LLC	<b>Developers:</b>	Rural Neighborhoods, Inc.
<b>Principal(s):</b>		<b>Co-Developer(s):</b>	
<b>Owner:</b>	Rural Neighborhoods, Inc.		
<b>Development Category:</b>	New Construction	<b>Development Type:</b>	Garden
<b>Demographic Category:</b>	Family	<b>Total Units:</b>	28
<b>Funding Amount(s) Requested:</b>		<b>Set Aside Units:</b>	
HOME	\$6,250,000	6 Units @ 50% (HOME)	
		22 Units @ 60% (HOME)	

**1. Background:**

- a) Phoenix Crossings, LLC (“Petitioner”) successfully applied for funding to assist in the construction of Phoenix Crossings, a 28-unit development located in Flagler County, Florida (the “Development”). On October 3, 2024, Florida Housing received a Petition for Waiver of Rule 67-48.0072(21)(B) (the “Petition”) for an extension to Petitioner’s firm loan commitment deadline. A copy of the Petition is attached as [Exhibit E](#).

**2. Present Situation:**

- a) Rule 67-48.0072(21)(b), Fla. Admin. Code (2022), provides in relevant part:

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

(b) For SAIL and HOME, unless stated otherwise in a competitive solicitation, the firm loan commitment must be issued within twelve (12) months of the Applicant's acceptance to enter credit underwriting, which may be automatically extended to the next scheduled meeting of the Board of Directors that is after the twelve (12) month deadline. Unless an extension is approved by the Corporation in writing, failure to achieve issuance of a firm loan commitment by the specified deadline shall result in withdrawal of the preliminary commitment. Applicants may request one (1) extension of up to six (6) months, which may be automatically extended to the next scheduled meeting of the Board of Directors that is after the six (6) month extension deadline, to secure a firm loan commitment. All extension requests must be submitted in writing to the program administrator and contain the specific reasons for requesting the extension and shall detail the time frame to achieve a firm loan commitment. In determining whether to grant an extension, the Corporation shall consider the facts and circumstances of the Applicant's request, inclusive of the responsiveness of the Development team and its ability to deliver the Development timely. The Corporation shall charge a non-refundable extension fee of one (1) percent of each loan amount if the request to extend the credit underwriting and firm loan commitment process beyond the initial twelve (12) month deadline is approved. If an

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approved extension is utilized, Applicants must pay the extension fee not later than seven (7) Calendar Days after the original twelve (12) month deadline. If, by the end of the extension period, the Applicant has not received a firm loan commitment, then the preliminary commitment shall be withdrawn.

- b) Petitioner requests a waiver of the above rules for an extension to Petitioner's firm loan commitment deadline. As justification for its request, Petitioner states it had encountered difficulty in procuring general contractors to construct the Development at a feasible price; however, Petitioner engaged the project architect to value engineer the Development, which has produced cost savings but slowed the credit underwriting process. Petitioner further states that environmental reviews and soil borings identified unanticipated conditions on the property, including wetlands requiring public agency delineation and unstable soils inadequate to support the Development. Petitioner has redesigned the site to accommodate the unforeseen conditions and resubmitted plans for permitting. To assist in financing the budget overages, Petitioner has applied to Federal Home Loan Bank of Atlanta under the Affordable Housing Program and received an award of \$750,000.
- c) Petitioner accepted its invitation to credit underwriting on May 25, 2023, and its initial firm loan commitment deadline was May 25, 2024. FHFC previously granted a six-month extension under the above rule, extending the firm loan commitment deadline to November 25, 2024. Petitioner now requests an additional six-month extension.
- d) On October 4, 2024, the Notice of Petition was published in the Florida Administrative Register in Volume 50, Number 195. To date, Florida Housing has received no comments concerning the Petition.
- e) Section 120.542(2), Florida Statutes provides in pertinent part:

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

### 3. **Recommendation:**

- a) Staff recommends the Board GRANT the requested waiver of Rule 67-48.0072(21)(b), Fla. Admin. Code (2022), to extend Petitioners firm loan commitment deadline to May 26, 2025.



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*Consent*

**F. In Re: Pollywog Creek Mews, LLC**

**FHFC Case No. 2024-061VW**

<b>Development Name:</b>	Pollywog Creek Mews	<b>Location:</b>	Hendry County
<b>Applicant / Borrower:</b>	Pollywog Creek Mews, LLC	<b>Developers:</b>	Rural Neighborhoods, Inc.
<b>Principal(s):</b>		<b>Co-Developer(s):</b>	Odyssey Development Group, LLC
<b>Development Category:</b>	New Construction	<b>Development Type:</b>	Garden
<b>Demographic Category:</b>	Family	<b>Total Units:</b>	28
<b>Funding Amount(s) Requested:</b>		<b>Set Aside Units:</b>	
HOME	\$5,690,000	6 Units @ 50% (HOME)	
Viability	\$2,475,000	22 Units @ 60% (HOME)	

**1. Background:**

- a) Pollywog Creek Mews, LLC (“Petitioner”) successfully applied for funding to assist in the construction of Pollywog Creek Mews, a 28-unit development located in Hendry County, Florida (the “Development”). On October 3, 2024, Florida Housing received a Petition for Waiver of Rule 67-48.0072(21)(B) (the “Petition”) for an extension to Petitioner's firm loan commitment deadline. A copy of the Petition is attached as [Exhibit F](#).

**2. Present Situation:**

- a) Rule 67-48.0072(21)(b), Fla. Admin. Code (2021), provides in relevant part:

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

(b) For SAIL, EHCL, and HOME, unless stated otherwise in a competitive solicitation, the firm loan commitment must be issued within twelve (12) months of the Applicant's acceptance to enter credit underwriting. Unless an extension is approved by the Corporation in writing, failure to achieve credit underwriting report approval and issuance of a firm loan commitment by the specified deadline shall result in withdrawal of the preliminary commitment. Applicants may request one (1) extension of up to six (6) months to secure a firm loan commitment. All extension requests must be submitted in writing to the program administrator and contain the specific reasons for requesting the extension and shall detail the time frame to achieve a firm loan commitment. In determining whether to grant an extension, the Corporation shall consider the facts and circumstances of the Applicant's request, inclusive of the responsiveness of the Development team and its ability to deliver the Development timely. The Corporation shall charge a nonrefundable extension fee of one (1) percent of each loan amount if the request to extend the credit underwriting and firm loan commitment process beyond the initial twelve (12) month deadline is approved. If an approved extension is utilized, Applicants must pay the extension fee not later than seven (7) Calendar Days after the original twelve (12) month deadline. If, by the end of the extension period, the Applicant has not

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received a firm loan commitment, then the preliminary commitment shall be withdrawn.

- b) Petitioner requests a waiver of the above rule for an extension to Petitioner's firm loan commitment deadline. As justification for its request, Petitioner states that it has been impacted by a series of interest rate increases to its construction and permanent loans, requiring it to seek additional financing. Further, negotiations with multiple general contractors revealed that the budget was insufficient to meet project labor and materials cost inflation. Petitioner has sought additional FHFC funding (Viability) and outside funding from the Federal Home Loan Bank of Atlanta. Petitioner states that it has completed its site control, environmental assessment and clearance, geotechnical report, architectural and civil engineering plans, and municipal approval for project tie-ins of water distribution and sewer collection systems. Petitioner's architect has value-engineered the architectural plans, and a new general contractor has been selected that meets the current budget.
- c) Petitioner accepted its invitation to credit underwriting on April 4, 2022, and its initial firm loan commitment deadline was April 4, 2023. FHFC previously granted a six-month extension under the above rule, extending the firm loan commitment deadline to October 4, 2023. Petitioner was granted a first waiver of the above rule to extend its firm loan commitment deadline to June 4, 2024. Petitioner was granted a second waiver of the above rule to extend its firm loan commitment deadline to December 4, 2024. Petitioner now requests an additional six-month extension.
- d) On October 4, 2024, the Notice of Petition was published in the Florida Administrative Register in Volume 50, Number 195. To date, Florida Housing has received no comments concerning the Petition.
- e) Section 120.542(2), Florida Statutes provides in pertinent part:

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

### 3. **Recommendation:**

- a) Staff recommends the Board GRANT the requested waiver of Rule 67-48.0072(21)(b), Fla. Admin. Code (2021), to extend Petitioners firm loan commitment deadline to June 4, 2025.

**LEGAL**

*Consent*

**G. In Re: Federation Gould Preservation, LP**

**FHFC Case No. 2024-067VW**

<b>Development Name:</b>	Gould House	<b>Location:</b>	Palm Beach County
<b>Applicant / Borrower:</b>	Federation Gould Preservation, LP	<b>Developer(s):</b>	FA Developer FL LLC
<b>Principal(s):</b>	Bryan Hartnett	<b>Co-Developer(s):</b>	N/A
<b>Owner:</b>	Federation Gould Preservation LP		
<b>Parent Owner:</b>	Affordable Housing Institute, Inc.		
<b>Parent Owner:</b>	Fairstead Capital LLC		
<b>Development Category:</b>	Acquisition and Rehabilitation	<b>Development Type:</b>	Mid-Rise, 4-Stories
<b>Demographic Category:</b>	Elderly, Non-ALF	<b>Total Units:</b>	101
<b>Funding Amount(s) Requested:</b>		<b>Set-Aside Units:</b>	
HC-4%	\$1,612,794	101 Units @ 60% (HC-4%)	

**1. Background:**

- a) Federation Gould Preservation, LP (“Petitioner”) successfully applied for funding to assist in the acquisition and rehabilitation of Gould House, a 101-unit development located in Palm Beach County, Florida (the “Development”). On October 4, 2024, Florida Housing received a Petition for Waiver of Rule 67-21.027(6) (2019) (the “Petition”) to allow submission of Petitioner's Final Cost Certification Application Package ("FCCAP") with an Agreed Upon Procedures Report ("AUP") approved by the Corporation in lieu of (i) the General Contractor Cost Certification ("GCCC"); (ii) a certified public accountant opinion letter; and/or (iii) an audit report prepared by an independent certified public accountant. A copy of the Petition is attached as [Exhibit G](#).

**2. Present Situation:**

- a) Rule 67-21.027(6), Fla. Admin. Code (2019), provides in relevant part:

The Final Cost Certification Application Package (Form FCCAP) shall be used 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 67-21.026, F.A.C. Such form package shall be completed, executed and submitted to the Corporation in both hard copy format and electronic files of the Microsoft Excel spreadsheets for the HC Development Final Cost Certification (DFCC) and the General Contractor Cost Certification (GCCC) included in the form package, along with the executed Extended Use Agreement and appropriate recording fees, IRS Tax Information Authorization Form 8821 for all Financial Beneficiaries if requested by the Corporation, a copy of the syndication agreement disclosing the rate and all terms, the required certified public accountant opinion letter for both the DFCC and GCCC, an unmodified audit report prepared by an independent certified public accountant for both the DFCC and GCCC, photographs of the completed Development, the monitoring fee, and

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documentation of the placed-in-service date as specified in the Form FCCAP instructions. The Final Housing Credit Allocation will not be issued until such time as all required items are received and processed by the Corporation. The Final Cost Certification Application Package (Form FCCAP) is adopted and incorporated herein by reference, effective 04-2019, and is available on the Corporation's website under the Multifamily Programs link labeled Non-Competitive Funding Programs or from <http://www.flrules.org/Gateway/reference.asp?No=Ref-10773>, or by contacting the Housing Credit Program at 227 North Bronough Street, Suite 5000, Tallahassee, Florida 32301-1321.

- b) Petitioner requests a waiver of the above rule to allow submission of Petitioner's FCCAP with an AUP approved by the Corporation in lieu of (i) the GCCC; (ii) a certified public accountant opinion letter; and/or (iii) an audit report prepared by an independent certified public accountant. As justification for its request, Petitioner states that the Development was substantially completed by its General Contractor, J4 Development, Inc. ("J4"), on December 15, 2021. However, since then, J4 has discontinued its business operations, and its principals have declared bankruptcy. Despite multiple requests, J4 has failed to provide the information necessary to complete the FCCAP. The FCCAP requires the completion and inclusion of the GCCC, and a CPA opinion letter and audit report for the GCCC without any modifications which cannot be completed without input from J4.
- c) Petitioner states that the FCCAP is substantially complete, and Petitioner is aware of no disputes or disagreements regarding the costs to be reported. Nonetheless, Petitioner cannot satisfy the technical requirements of the Rule as it is unable to obtain the J4's signature for the GCCC and J4's accounting firm will not finalize the CPA opinion letter without J4's cooperation.
- d) On October 7, 2024, the Notice of Petition was published in the Florida Administrative Register in Volume 50, Number 196. To date, Florida Housing has received no comments concerning the Petition.
- e) Section 120.542(2), Florida Statutes provides in pertinent part:

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

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3. **Recommendation:**

- a) Staff recommends the Board GRANT the requested waiver of Rule 67-21.027(6), Fla. Admin. Code (2019), to allow Petitioner to submit its Final Cost Certification Application Package utilizing Agreed Upon Procedures that will be developed with, and approved by, Florida Housing Staff to provide assurance of the reasonableness and accuracy of costs in lieu of (i) the General Contractor Cost Certification; (ii) a certified public accountant opinion letter; and/or (iii) an audit report prepared by an independent certified public accountant. Florida Housing Staff will determine the acceptability of the content of the Agreed Upon Procedures report when the report is completed.

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*Consent*

**H. In Re: Federation Davie Preservation, LP**

**FHFC Case No. 2024-068VW**

<b>Development Name:</b>	Federation Davie	<b>Location:</b>	Broward County
<b>Applicant / Borrower:</b>	Federation Davie Preservation, LP	<b>Developer(s):</b>	FA Developer FL LLC
<b>Principal(s):</b>	Bryan Hartnett	<b>Co-Developer(s):</b>	N/A
<b>Owner:</b>	Federation Davie Preservation LP		
<b>Parent Owner:</b>	Affordable Housing Institute, Inc.		
<b>Development Category:</b>	Acquisition and Rehabilitation	<b>Development Type:</b>	Garden Apartments
<b>Demographic Category:</b>	Elderly, Non-ALF	<b>Total Units:</b>	80
<b>Funding Amount(s) Requested:</b>		<b>Set-Aside Units:</b>	
HC-4%	\$850,217	80 Units @ 60% (HC-4%)	

**1. Background:**

- a) Federation Davie Preservation, LP (“Petitioner”) successfully applied for funding to assist in the acquisition and rehabilitation of Federation Davie Apartments, an 80-unit development located in Broward County, Florida (the “Development”). On October 4, 2024, Florida Housing received a Petition for Waiver of Rule 67-21.027(6) (6/23/20) (the “Petition”) to allow submission of Petitioner's Final Cost Certification Application Package ("FCCAP") with an Agreed Upon Procedures Report ("AUP") approved by the Corporation in lieu of (i) the General Contractor Cost Certification ("GCCC"); (ii) a certified public accountant opinion letter; and/or (iii) an audit report prepared by an independent certified public accountant. A copy of the Petition is attached as [Exhibit H](#).

**2. Present Situation:**

- a) Rule 67-21.027(6), Fla. Admin. Code (2020), provides in relevant part:

The Final Cost Certification Application Package (Form FCCAP) shall be used 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 67-21.026, F.A.C. Such form package shall be completed, executed and submitted to the Corporation in both hard copy format and electronic files of the Microsoft Excel spreadsheets for the HC Development Final Cost Certification (DFCC) and the General Contractor Cost Certification (GCCC) included in the form package, along with the executed Extended Use Agreement and appropriate recording fees, IRS Tax Information Authorization Form 8821 for all Financial Beneficiaries if requested by the Corporation, a copy of the syndication agreement disclosing the rate and all terms, the required certified public accountant opinion letter for both the DFCC and GCCC, an unmodified audit report prepared by an independent certified public accountant for both the DFCC and GCCC, photographs of the completed Development, the monitoring fee, and documentation of the placed-in-service date as specified in the Form FCCAP instructions. The Final Housing Credit Allocation will not be



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issued until such time as all required items are received and processed by the Corporation. The Final Cost Certification Application Package (Form FCCAP) is adopted and incorporated herein by reference, effective 04-2020, and is available on the Corporation's website under the Multifamily Programs link labeled Non-Competitive Funding Programs or from <http://www.flrules.org/Gateway/reference.asp?No=Ref-1217>, or by contacting the Housing Credit Program at 227 North Bronough Street, Suite 5000, Tallahassee, Florida 32301-1321.

- b) Petitioner requests a waiver of the above rule to allow submission of Petitioner's FCCAP with an AUP approved by the Corporation in lieu of (i) the GCCC; (ii) a certified public accountant opinion letter; and/or (iii) an audit report prepared by an independent certified public accountant. As justification for its request, Petitioner states that the Development was substantially completed by its General Contractor, J4 Development, Inc. ("J4"), on December 15, 2021. However, since then, J4 has discontinued its business operations, and its principals have declared bankruptcy. Despite multiple requests, the GC has failed to provide the information necessary to complete the FCCAP. The FCCAP requires the completion and inclusion of the GCCC and a CPA opinion letter and audit report for the GCCC without any modifications, which cannot be completed without input from J4.
- c) Petitioner states that the FCCAP is substantially complete and is aware of no disputes or disagreements regarding the costs to be reported. Nonetheless, Petitioner cannot satisfy the technical requirements of the Rule as it is unable to obtain J4's signature for the GCCC, and J4's accounting firm will not finalize the CPA opinion letter without J4's cooperation.
- d) On October 7, 2024, the Notice of Petition was published in the Florida Administrative Register in Volume 50, Number 196. To date, Florida Housing has received no comments concerning the Petition.
- e) Section 120.542(2), Florida Statutes provides in pertinent part:

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

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

- a) Staff recommends the Board GRANT the requested waiver of Rule 67-21.027(6), Fla. Admin. Code (2020), to allow Petitioner to submit its Final Cost Certification Application Package utilizing Agreed Upon Procedures that will be developed with, and approved by, Florida Housing Staff to provide assurance of the reasonableness and accuracy of costs in lieu of (i) the General Contractor Cost Certification; (ii) a certified public accountant opinion letter; and/or (iii) an audit report prepared by an independent certified public accountant. Florida Housing Staff will determine the acceptability of the content of the Agreed Upon Procedures report when the report is completed.

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*Consent*

**I. In Re: Goodlette Arms Preservation, LP**

**FHFC Case No. 2024-069VW**

<b>Development Name:</b>	Goodlette Arms	<b>Location:</b>	Collier County
<b>Applicant / Borrower:</b>	Goodlette Arms Preservation, LP	<b>Developers:</b>	Goodlette Arms Developer LLC
<b>Principal(s):</b>	Bryan Hartnett	<b>Co-Developer(s):</b>	N/A
<b>Development Category:</b>	Acquisition and Rehabilitation	<b>Development Type:</b>	Mid Rise, 4-Stories
<b>Demographic Category:</b>	Elderly, Non-ALF	<b>Total Units:</b>	250
<b>Funding Amount(s) Requested:</b>		<b>Set Aside Units:</b>	
HC -4%	\$3,572,112	250 Units @ 60% (HC-4%)	

**1. Background:**

- a) Goodlette Arms Preservation, LP (“Petitioner”) successfully applied for funding to assist in the acquisition and rehabilitation of Goodlette Arms Apartments, a 250-unit development located in Collier County, Florida (the “Development”). On October 4, 2024, Florida Housing received a Petition for Waiver of Rules 67-21.027(6), 67-21.003(1)(b) and 67-21.026(12)(b) (6/23/20) and the Non-Competitive Application Instructions (Rev. 04-2020) (the “Petition”) to allow
- (1) submission of Petitioner's Final Cost Certification Application Package ("FCCAP") with an Agreed Upon Procedures Report ("AUP") approved by the Corporation in lieu of (i) the General Contractor Cost Certification ("GCCC"); (ii) a certified public accountant opinion letter; and/or (iii) an audit report prepared by an independent certified public accountant; and
  - (2) allow Petitioner to exceed the General Contractor's fee maximum of 14% of actual construction cost.
- b) A copy of the Petition is attached as [Exhibit I](#).

**2. Present Situation:**

- a) Rule 67-21.027(6), Fla. Admin. Code (2020), provides in relevant part:

The Final Cost Certification Application Package (Form FCCAP) shall be used 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 67-21.026, F.A.C. Such form package shall be completed, executed and submitted to the Corporation in both hard copy format and electronic files of the Microsoft Excel spreadsheets for the HC Development Final Cost Certification (DFCC) and the General Contractor Cost Certification (GCCC) included in the form package, along with the executed Extended Use Agreement and appropriate recording fees, IRS Tax Information Authorization Form 8821 for all Financial Beneficiaries if requested by the Corporation, a copy of the syndication agreement disclosing the rate and all terms, the required certified public accountant opinion letter for both the DFCC and GCCC, an unmodified audit report prepared by an independent certified public accountant for both the DFCC and GCCC,

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photographs of the completed Development, the monitoring fee, and documentation of the placed-in-service date as specified in the Form FCCAP instructions. The Final Housing Credit Allocation will not be issued until such time as all required items are received and processed by the Corporation. The Final Cost Certification Application Package (Form FCCAP) is adopted and incorporated herein by reference, effective 04-2020, and is available on the Corporation's website under the Multifamily Programs link labeled Non-Competitive Funding Programs or from <http://www.flrules.org/Gateway/reference.asp?No=Ref-1217>, or by contacting the Housing Credit Program at 227 North Bronough Street, Suite 5000, Tallahassee, Florida 32301-1321.

- b) Rule 67-21.026(12)(b), Fla. Admin. Code (2020), provides in relevant part:

The Developer Fee and General Contractor fee shall be limited to: ... The General Contractor's fee shall be limited to a maximum of 14 percent of the actual construction costs. For the purpose of any necessity to prepare a HUD subsidy layering review, if there exists an Identity of Interest as defined herein between the Applicant or Developer and the General Contractor, the allowable fees shall in no case exceed the amount allowable pursuant to the HUD subsidy layering review requirements.

- c) Rule 67-21.003(1)(b), Fla. Admin. Code (2020), incorporates the Non-Competitive Application Instructions (2020) ("NCA") by reference. The NCA provides in relevant part:

General Contractor's fee is limited to 14% of actual construction cost (for Application purposes, this is represented by A1. 1. Column 3), rounded down to nearest dollar. The General Contractor's fee must be disclosed. The General Contractor's fee includes General Conditions, Overhead, and Profit. A General Contractor's Cost Certification will need to be completed prior to the issuance of IRS form 8609 and that certification may further restrict the overall General Contractor's fee. It is advised to review that certification process as early as possible.

\*\*\*

A 1.2. General Contractor Fee see Note (3) (Max 14% of A 1.1., column 3)

- d) Petitioner first requests a waiver of the above rules to allow submission of Petitioner's FCCAP with an AUP approved by the Corporation in lieu of (i) the GCCC; (ii) a certified public accountant opinion letter; and/or (iii) an audit report prepared by an independent certified public accountant. As justification for its request, Petitioner states that before the Development was completed by its General Contractor, J4 Development, Inc. ("J4"), J4 discontinued its business operations, and its principals declared bankruptcy. Some subcontractors have claimed they have not been fully paid, but Petitioner does not have access to J4's files to verify the amount paid to each respective subcontractor, outstanding sums, or the scope of work. Discussions are ongoing.
- e) J4 and its surety, Liberty Mutual, were sent notices of default and termination and a Petitioner has sent a demand for relief under the bond to the surety. To date, the

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surety has not agreed to compensate Petitioner for any losses. However, Petitioner completed the work, and the Development is now complete.

- f) Despite multiple requests, J4 has failed to provide the information necessary to complete the FCCAP. The FCCAP requires the completion and inclusion of the GCCC, and a CPA opinion letter and audit report for the GCCC without any modifications which cannot be fully completed without input from J4. Petitioner cannot satisfy the technical requirements of the Rule as it is unable to obtain the J4's signature for the GCCC and J4's accounting firm will not finalize the CPA opinion letter without J4's cooperation.
- g) Petitioner also requests a waiver to allow Petitioner to exceed the General Contractor's fee maximum of 14%. On June 1, 2023, Petitioner paid \$12,613,774.74 to J4, which was the total amount due under the contract after the setoff. Because Petitioner does not have access to J4's files, Petitioner cannot substantiate all of J4's costs. Since Petitioner can only include costs that could be substantiated in the GCCC, which total only \$10,894,960, the lower cost of work value caused the General Contractor's fee to exceed the 14% GC cap by 7.81%.
- h) On October 7, 2024, the Notice of Petition was published in the Florida Administrative Register in Volume 50, Number 196. To date, Florida Housing has received no comments concerning the Petition.
- i) 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.
- j) Granting the requested waiver does not impact any other participants in funding programs administered by Florida Housing, nor does it detrimentally impact Florida Housing or the Development. Petitioner has demonstrated that strict application of the above Rules under these circumstances would constitute a substantial hardship. Petitioner has also demonstrated that the purpose of the underlying statute, which is to "encourage development of low-income housing in the state" (§420.5099, Fla. Stat.), would still be achieved if the waiver is granted.

### 3. **Recommendation:**

- a) Staff recommends the Board GRANT the requested waiver of Rules 67-21.027(6), 67-21.003(1)(b) and 67-21.026(12)(b), Fla. Admin. Code (2020), and the referenced portion of the Non-Competitive Application Instructions (2020) to allow Petitioner
  - (1) To submit its Final Cost Certification Application Package utilizing Agreed Upon Procedures that will be developed with, and approved by, Florida Housing Staff to provide assurance of the reasonableness and accuracy of costs in lieu of (i) the General Contractor Cost Certification; (ii) a certified public accountant opinion letter; and/or (iii) an audit report prepared by an independent certified public accountant. Florida Housing

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Staff will determine the acceptability of the content of the Agreed Upon Procedures report when the report is completed. and

- (2) To exceed the General Contractor's fee maximum of 14% of actual construction cost. The amount over 14% shall be paid out of Developer's profit and reflected as a subset of the Developer Fee on the Development Final Cost Certification.



MULTIFAMILY BONDS

Consent

II. MULTIFAMILY BONDS

A. Request Approval of the Credit Underwriting Report and Authorizing Resolutions for Hermosa North Fort Myers II (RFA 2023-205 / 2024-032BSN / 2023-521C)

<b>Development Name: Hermosa North Fort Myers II</b>	<b>Location: Lee County</b>
<b>Applicant/Borrower: Hermosa NFTM 41 II, Ltd.</b>	<b>Set-Asides:</b> 40% @ 60% AMI (MMRB) 10% @ 40% AMI (SAIL, ELI, & 4% HC) 90% @ 60% AMI (SAIL & 4% HC) 3 Units @ 22% AMI (NHTF)
<b>Developers/Principals: Revital Development Group, LLC / Michael Allan; DDER Development, LLC / Deion R. Lowery; LCHA Developer, LLC / Marcus Goodson</b>	<b>Demographic/Number of Units</b> Elderly / 88 Units
<b>Requested Amounts:</b> \$14,000,000 Multifamily Mortgage Revenue Bonds (MMRB) \$5,500,000 State Apartment Incentive Loan (SAIL) Base Loan \$580,500 Extremely Low Income (ELI) \$870,000 National Housing Trust Fund (NHTF) \$1,330,867 Housing Credits (4% HC)	<b>Development Category/Type:</b> New Construction / Mid-Rise (4-Stories)

1. Background/Present Situation:

- a) On July 5, 2023, Florida Housing issued a Request for Applications (RFA) 2023-205 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 28, 2023, the Board approved final scores and recommendations for the RFA and directed staff to proceed with all necessary credit underwriting activities.
- c) 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. Staff issued a preliminary commitment letter and invitation to enter credit underwriting to the Applicant on December 20, 2023. The acceptance was acknowledged on December 21, 2023.
- d) On October 8, 2024, staff received a final credit underwriting report with a positive recommendation for MMRB, SAIL, ELI, and NHTF funding ([Exhibit A](#)). Staff has reviewed this report and finds that the Development meets all requirements of the RFA.
- e) Staff reviewed the authorizing resolutions ([Exhibit B](#)) authorizing the sale and issuance of Multifamily Mortgage Revenue Bonds to finance this affordable housing Development within the State of Florida. Staff requests approval for the execution of the resolutions.

## MULTIFAMILY BONDS

### *Consent*

2. **Recommendation:**

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

**MULTIFAMILY BONDS**

*Consent*

**B. Request Approval of the Updated Credit Underwriting Report, Amended Authorizing Resolutions, and RFA Waiver to Change the Organizational Structure of the Applicant Entity for Citadelle Village (RFA 2017-108 / 2018-033BS / RFA 2023-211 / 2023-261V / 2016-586C)**

<b>Development Name: Citadelle Village</b>	<b>Location: Miami-Dade County</b>
<b>Applicant/Borrower: Citadelle Village, LLC</b>	<b>Set-Asides:</b> 40% @ 60% AMI (MMRN) 15 Units @ 30% AMI (SAIL, ELI, & 4% HC) 63 Units @ 60% AMI (SAIL & 4% HC) 18 Units @ 80% AMI (SAIL & 4% HC)
<b>Developers/Principals: Citadelle Village Developer, LLC / Joey Chapman</b>	<b>Demographic/Number of Units: Family / 96 Units</b>
<b>Requested Amounts:</b> \$25,000,000 Multifamily Mortgage Revenue Notes (MMRN) \$4,300,000 Construction Inflation Response Viability Funding (Viability) \$3,600,000 State Apartment Incentive Loan (SAIL) \$600,000 Extremely Low Income (ELI) \$2,159,849 Housing Credits (4% HC)	<b>Development Category/Type: New Construction / High Rise</b>

**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 a preliminary commitment letter and invitation to enter credit underwriting to the Applicant on May 4, 2018. The acceptance was acknowledged on May 4, 2018.
- d) On February 1, 2019, the Board approved the Applicant's request to extend the firm loan commitment issuance deadline from February 4, 2019 to August 4, 2019. Beginning on August 2, 2019, the Board granted multiple petitions to the firm loan commitment issuance deadline, extending the 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 BONDS

### *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.
- g) On July 21, 2023, the Board approved the credit underwriting report with a positive recommendation for MMRN, Viability, SAIL, and ELI funding and directed staff to proceed with the closing activities.
- h) On February 2, 2024, the Board approved the request to extend a loan closing deadline from January 22, 2024 to April 22, 2024. On May 10, 2024, the Board granted a petition to extend the loan closing deadline from April 22, 2024 to October 22, 2024.
- i) On April 1, 2022, the Board delegated authority to staff to approve the 20% / 31% Subcontractor Limitation set forth in Rule Chapter 67-48.0072(17)(g), Rule Chapter 67-21.014(r)(7), and Rule Chapter 67-21.026(13)(f). On September 4, 2024, staff received a request from the Applicant to exceed the 31% Subcontractor Limitation. First Housing Development Corporation reviewed this request and provided a positive recommendation. Staff approved the Applicant's request on October 8, 2024.
- j) On September 11, 2024, staff approved a request to increase the MMRN amount from \$23,250,000 to \$25,000,000.
- k) On October 8, 2024, staff received a request, for an RFA Waiver to change the organizational structure of the Applicant Entity ([Exhibit C](#)). The Applicant requests changes to Little Haiti Housing Association, Inc. (Little Haiti), the sole Member of HACDC Citadelle Village, LLC, Manager of the Applicant Entity. The proposed change would update Little Haiti's current Board members with 2024 Board members. Per RFA 2017-108, the Applicant entity shall be the borrowing entity and cannot be changed in any way (materially or non-materially) until after loan closing. Therefore, the change to the Applicant entity requires an RFA waiver. Staff has reviewed and finds that the Development meets all other requirements of the RFA.
- l) On October 9, 2024, staff received an updated final credit underwriting report with a positive recommendation for MMRN, Viability, SAIL and ELI funding ([Exhibit D](#)). Staff has reviewed this report and finds that the Development meets all requirements of the RFA.
- m) Staff reviewed the amended authorizing resolutions ([Exhibit E](#)) authorizing the sale and issuance of Multifamily Mortgage Revenue Notes to finance this affordable housing Development within the State of Florida. Staff requests approval for the execution of the resolutions.

### 2. **Recommendation:**

- a) Approve the final updated credit underwriting report, amended authorizing resolutions, and RFA waiver 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

C. Request Approval of the Credit Underwriting Report and Authorizing Resolutions for Palms Landing (RFA 2023-304 / 2023-216BR / 2022-545C)

<b>Development Name: Palms Landing</b>	<b>Location: Lee County</b>
<b>Applicant/Borrower: SP Palms LLC</b>	<b>Set-Asides:</b> 40% @ 60% AMI (MMRB) 15 Units @ 30% AMI (RRLP, ELI, & 4% HC) 14 Units @ 50% AMI (RRLP & 4% HC) 26 Units @ 60% AMI (RRLP & 4% HC) 23 Units @ 70% AMI (RRLP & 4% HC) 18 Units @ 80% AMI (RRLP & 4% HC)
<b>Developers/Principals: Southport Development, Inc. dba Southport Development Services, Inc. / J. David Page</b>	<b>Demographic/Number of Units:</b> Family / 96 Units
<b>Requested Amounts:</b> \$20,000,000 Multifamily Mortgage Revenue Bonds (MMRB) \$6,540,000 Rental Recovery Loan Program (RRLP) \$856,200 Extremely Low Income (ELI) \$1,673,131 Housing Credits (4% HC)	<b>Development Category/Type:</b> New Construction / Garden Apartments

1. **Background/Present Situation:**

- a) On April 12, 2023, Florida Housing issued a Request for Applications (RFA) 2023-304 RRLP Financing To Be Used for Rental Developments in Hurricane Ian And Hurricane Nicole Impacted Counties.
- b) On June 9, 2023, the Board approved final scores and recommendations for the RFA and directed staff to proceed with all necessary credit underwriting activities.
- c) On August 29, 2023, staff issued a preliminary commitment letter and invitation to enter credit underwriting to the Applicant. The acceptance was acknowledged on August 31, 2023.
- d) On October 9, 2024, staff received a final credit underwriting report with a positive recommendation for MMRB, RRLP, and ELI funding ([Exhibit F](#)). Staff has reviewed this report and finds that the Development meets all requirements of the RFA.
- e) Staff reviewed the authorizing resolutions ([Exhibit G](#)) authorizing the sale and issuance of Multifamily Mortgage Revenue Bonds to finance this affordable housing Development within the State of Florida. Staff requests approval for the execution of the resolutions.

2. **Recommendation:**

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

**MULTIFAMILY BONDS**

*Consent*

**D. Request Approval of the Credit Underwriting Report and Authorizing Resolutions for Lakewood Senior Housing (2023-304 / 2023-206BR / 2022-547C)**

<b>Development Name: Lakewood Senior Housing</b>	<b>Location: Volusia County</b>
<b>Applicant/Borrower: Lakewood Senior Housing, LLLP</b>	<b>Set-Asides:</b> 40% @ 60% AMI (MMRB) 9 Units @ 30% AMI (RRLP, ELI, & 4% HC) 20 Units @ 60% AMI (RRLP & 4% HC) 27 Units @ 70% AMI (RRLP & 4% HC)
<b>Developers/Principals: ACRUVA Community Developers, LLC / Daniel Acosta; Neighborhood Renaissance, Inc. / Terri Murray</b>	<b>Demographic/Number of Units: Elderly / 56 units</b>
<b>Requested Amounts:</b> \$8,750,000 Multifamily Mortgage Revenue Bonds (MMRB) \$5,080,000 Rental Recovery Loan Program (RRLP) \$314,400 Extremely Low Income (ELI) \$758,760 Housing Credits (4% HC)	<b>Development Category/Type: New Construction / Mid-Rise (4 stories)</b>

**1. Background/Present Situation:**

- a) On April 12, 2023, Florida Housing issued a Request for Applications (RFA) 2023-304 RRLP Financing To Be Used for Rental Developments in Hurricane Ian And Hurricane Nicole Impacted Counties.
- b) On June 9, 2023, the Board approved final scores and recommendations for the RFA and directed staff to proceed with all necessary credit underwriting activities.
- c) On August 29, 2023, staff issued a preliminary commitment letter and invitation to enter credit underwriting to the Applicant. The acceptance was acknowledged on August 30, 2023.
- d) On October 1, 2024, staff approved a request to increase the MMRB amount from \$8,000,000 to \$8,750,000.
- e) On October 9, 2024, staff received a final credit underwriting report with a positive recommendation for MMRB, RRLP, and ELI funding ([Exhibit H](#)). Staff has reviewed this report and finds that the Development meets all requirements of the RFA.
- f) Staff reviewed the authorizing resolutions ([Exhibit I](#)) authorizing the sale and issuance of Multifamily Mortgage Revenue Bonds to finance this affordable housing Development within the State of Florida. Staff requests approval for the execution of the resolutions.

## MULTIFAMILY BONDS

### *Consent*

2. **Recommendation:**

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

**MULTIFAMILY BONDS**

*Consent*

**E. Request Approval of the Credit Underwriting Report and Authorizing Resolutions for Bayshore Pines (2023-101B / 2023-544C)**

<b>Development Name: Bayshore Pines</b>	<b>Location: Lee County</b>
<b>Applicant/Borrower: OHG FL Lee I Bayshore LP</b>	<b>Set-Asides: 40% @ 60% AMI (MMRN) 100% @ 60% AMI (4% HC)</b>
<b>Developers/Principals: OHG FL Lee I Bayshore Developer LLC / David Hirschfeld</b>	<b>Demographic/Number of Units: Family / 180 Units</b>
<b>Requested Amounts: \$35,043,000 Multifamily Mortgage Revenue Notes (MMRN) \$3,199,909 Housing Credits (4% HC)</b>	<b>Development Category/Type: New Construction / Mid-Rise (4 stories)</b>

**1. Background/Present Situation:**

- a) The Applicant submitted a 2023 Non-Competitive Application package requesting tax-exempt MMRN in the amount of \$37,100,000 and Non-Competitive Housing Credits in the amount of \$3,365,904. Subsequently, the MMRN request amount was decreased to \$35,043,000.
- b) On May 2, 2024, staff issued an invitation to enter credit underwriting to the Applicant. The acceptance was acknowledged on May 2, 2024.
- c) On October 10, 2024, staff received a final credit underwriting report with a positive recommendation for MMRN funding ([Exhibit J](#)). Staff has reviewed this report and finds that the Development meets all requirements of the Non-Competitive Application.
- d) Staff reviewed the authorizing resolutions ([Exhibit K](#)) authorizing the sale and issuance of Multifamily Mortgage Revenue Notes to finance this affordable housing Development within the State of Florida. Staff requests approval for the execution of the resolutions.

**2. Recommendation:**

- a) Approve the final credit underwriting report and 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*

#### F. 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 Developments referenced below, the final credit underwriting reports are being presented to the Board for approval simultaneously with this request to assign the appropriate professionals for the transactions and approval of the recommended methods of sale. A brief description of the Developments 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 structures by the Independent Registered Municipal Advisor (IRMA) in order to make a recommendation to the Board for the methods of bond/note sale for the developments. Caine Mitter and Associates Incorporated has prepared an analysis and recommendation for the methods of bond/note sale for the Developments. The recommendation letters are attached as Exhibits L through P.

##### 2. Present Situation

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

##### 3. Recommendation

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

Development Name	Location of Development	Number of Units	Method of Bond Sale	Recommended Professional	Exhibit
Hermosa North Fort Myers II	Lee County	88	Public Offering / Private Placement	Raymond James & Associates, Inc.	<a href="#">Exhibit L</a>
Citadelle Village	Miami-Dade County	96	Private Placement	RBC Capital Markets, LLC	<a href="#">Exhibit M</a>
Palms Landing	Lee County	96	Public Offering / Private Placement	Stifel, Nicolaus & Co., Inc.	<a href="#">Exhibit N</a>
Lakewood Senior Housing	Volusia County	56	Private Placement	RBC Capital Markets, LLC	<a href="#">Exhibit O</a>
Bayshore Pines	Lee County	180	Private Placement	RBC Capital Markets, LLC	<a href="#">Exhibit P</a>

**MULTIFAMILY BONDS**

*Consent*

**G. Request Approval of the Credit Underwriting Update Letter and Amended Authorizing Resolutions for The Enclave at Canopy Park (RFA 2022-205 / 2023-160BSN / 2022-542C)**

<b>Development Name: The Enclave at Canopy Park</b>	<b>Location: Orange County</b>
<b>Applicant/Borrower: The Enclave at Canopy Partners, LLC</b>	<b>Set-Asides:</b> <b>40% @ 60% AMI (MMRB)</b> <b>16 Units @ 30% AMI (SAIL, ELI, &amp; 4% HC)</b> <b>11 Units @ 50% AMI (SAIL &amp; 4% HC)</b> <b>48 Units @ 60% AMI (SAIL &amp; 4% HC)</b> <b>29 Units @ 80% AMI (SAIL &amp; 4% HC)</b> <b>5 Units @ 22% AMI (NHTF)</b>
<b>Developers/Principals: The Enclave at Canopy Park Developer, LLC / Brett Green</b>	<b>Demographic/Number of Units:</b> <b>Family / 104 Units</b>
<b>Requested Amounts:</b> <b>\$17,250,000 Multifamily Mortgage Revenue Bonds (MMRB)</b> <b>\$7,900,000 State Apartment Incentive Loan (SAIL)</b> <b>\$750,000 Extremely Low Income (ELI)</b> <b>\$1,375,000 National Housing Trust Fund (NHTF)</b> <b>\$1,523,224 Housing Credits (4% HC)</b>	<b>Development Category/Type:</b> <b>New Construction / Garden Apartments</b>

**1. Background/Present Situation:**

- a) On November 14, 2022, Florida Housing issued a Request for Applications (RFA) 2022-205 SAIL Financing of Affordable Multifamily Housing Developments To Be Used In Conjunction With Tax-Exempt Bonds and Non-Competitive Housing Credits.
- b) On January 27, 2023, the Board approved final scores and recommendations for the RFA and directed staff to proceed with all necessary credit underwriting activities.
- c) On July 21, 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. Staff issued a preliminary commitment letter and invitation to enter credit underwriting to the Applicant on July 27, 2023. The acceptance was acknowledged on July 31, 2023.
- d) On August 23, 2024, the Board approved the credit underwriting report with a positive recommendation for funding and directed staff to proceed with the closing activities.
- e) On September 17, 2024, staff received a request from the Applicant to approve additional subordinate funding from Orange County Housing and Community Development Division in the amount of \$3,000,000. An additional request from the Applicant was received on October 7, 2024, to increase the MMRB from \$16,500,000 to \$17,250,000.

## MULTIFAMILY BONDS

### *Consent*

- f) On October 7, 2024, staff received a final credit underwriting update letter with a positive recommendation for additional subordinate debt from Orange County Housing and Community Development Division in the amount of \$3,000,000 and to increase the MMRB amount to \$17,250,000 ([Exhibit Q](#)).
- g) Staff reviewed the amended authorizing resolutions ([Exhibit R](#)) authorizing the sale and issuance of Multifamily Mortgage Revenue Bonds to finance this affordable housing Development within the State of Florida. Staff requests approval for the execution of the resolutions.

### 2. **Recommendation:**

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

**MULTIFAMILY BONDS**

*Consent*

**H. Request approval of Partial Release of Land for The Salix on Vine (2024 Series E / 2021-110B / 2021-561C / RFA 2023-211 / 2023-256V)**

<b>Development Name: The Salix on Vine</b>	<b>Location: Osceola County</b>
<b>Applicant/Borrower: Vineland Family Apartments, Ltd.</b>	<b>Set-Asides: 100% @ 60% AMI (MMRB &amp; 4% HC)</b>
<b>Developers/Principals: Vineland Family Developer LLC / Jeremy Bronfman</b>	<b>Demographic/Number of Units: Family / 252 units</b>
<b>Requested Amounts: \$50,000,000 Multifamily Mortgage Revenue Bonds (MMRB) \$4,300,000 Construction Inflation Response Viability Funding (Viability) \$4,676,388 Housing Credits (4% HC)</b>	<b>Development Category/Type: New Construction / Garden Apartments</b>

**1. Background/Present Situation:**

- a) The Applicant submitted a 2021 Non-Competitive Application package requesting tax-exempt MMRB in the amount of \$35,900,000 and Non-Competitive Housing Credits in the amount of \$3,060,938. Subsequently, the MMRB request amount was increased to \$50,000,000.
- b) On February 23, 2022, staff issued an invitation to enter credit underwriting to the Applicant. The acceptance was acknowledged on February 23, 2022.
- c) 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 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 cost.
- d) On March 26, 2024, the Board approved the final credit underwriting report with a positive recommendation for funding and directed staff to proceed with closing activities. On June 12, 2024, the Applicant closed on the MMRB and Viability Funding.
- e) The Applicant request Florida Housing release collateral from the MMRB and Viability loan documents. The Development will deed a small portion of the land to Osceola County for a roadway Right of Way. In addition, the Development will deed a portion of the land to the Tohopekaliga Water Authority to accommodate water utilities for the Development. A total of 0.442 acres will be released and should have no impact on the value of the site. AmeriNat® has reviewed this request and provided a positive recommendation ([Exhibit S](#)).

## MULTIFAMILY BONDS

### *Consent*

2. **Recommendation:**

- a) Approve the partial release of land and direct staff to proceed with amending the MMRB and Viability loan documents, subject to further approvals and verifications by the credit underwriter, Bond Counsel, Special Counsel, and the appropriate Florida Housing staff.

**MULTIFAMILY BONDS**

*Consent*

**I. Request Approval to Execute Acknowledgement 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 the 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 are attached as Exhibit T through W.

**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>Southward Village CNI Phase 4</b>	<b>Southward Village Phase 4, LP</b>	<b>Lee County</b>	<b>143</b>	<b>RFA 2024-214 / 2025-123BS</b>	<a href="#"><u>Exhibit T</u></a>
<b>Towne Villas</b>	<b>Towne Villas SJ LLC</b>	<b>Miami-Dade</b>	<b>180</b>	<b>RFA 2024-214 / 2025-125BS</b>	<a href="#"><u>Exhibit U</u></a>
<b>Towne Villas II</b>	<b>Towne Villas II LLC</b>	<b>Miami-Dade</b>	<b>180</b>	<b>RFA 2024-214 / 2025-126BS</b>	<a href="#"><u>Exhibit V</u></a>
<b>Culmer Place V</b>	<b>Atlantic Pacific Communities III, Ltd.</b>	<b>Miami-Dade</b>	<b>375</b>	<b>RFA 2024-216 / 2025-156BS</b>	<a href="#"><u>Exhibit W</u></a>

MULTIFAMILY BONDS

Consent

J. Request Approval of the Transfer of Ownership of Lake Shore Apartment (2004 Series H / 2003-010BS / 2004-505C

<b>Development Name: Lake Shore Apartments</b>	<b>Location: Palm Beach County</b>
<b>Applicant/Borrower: Lakeshore Apartments, LLC</b>	<b>Set-Asides: 7% @ 30% AMI &amp; 78% @ 60% AMI (MMRB) 7% @ 30% AMI &amp; 93% @ 60% AMI (SAIL) 100% @ 60% AMI (4% HC)</b>
<b>Developers/Principals: Richman Group of Florida / Kristin Miller</b>	<b>Demographic/Number of Units: Family / 192</b>
<b>Requested Amounts: \$7,900,000 Multifamily Mortgage Revenue Bonds (MMRB) \$2,000,000 State Apartment Incentive Loan (SAIL) \$457,595 Housing Credits (4% HC)</b>	<b>Development Category/Type: New Construction / Garden Apartments</b>

1. **Background/Present Situation:**

- a) Florida Housing financed the above referenced Development in 2003 with \$7,900,000 in tax exempt MMRB designated as 2003 Series H and a \$2,000,000 SAIL loan. In addition, \$457,595 in 4% Housing Credits was allocated to this Development.
- b) The Applicant has requested Florida Housing’s consent to the transfer of the Development to Richman Lakeshore Apartments, LLC an affiliate of The Richman Group. First Housing Development Corporation has reviewed this request and provided a positive recommendation for the transfer, the assignment and assumption of the MMRB Land Use Restriction Agreement (MMRB LURA), the SAIL Land Use Restriction Agreement (SAIL LURA) and the Extended Low-Income Housing Agreement (ELIHA), and the subordination of the MMRB LURA, SAIL LURA and ELIHA to the new first mortgage lender Citibank, N.A. ([Exhibit X](#)). The MMRB will be redeemed and the SAIL loan will be paid off from the proceeds of the refinancing.

2. **Recommendation:**

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

**MULTIFAMILY BONDS**

*Consent*

**K. Request Approval to Change the Organizational Structure of the Developer Entity and RFA Waiver to Replace the Individual Meeting the General Development Experience Requirement for Ekos Magnolia Oaks (2021 Series F / RFA 2019-111 / 2020-074BR / 2019-546C)**

<b>Development Name: Ekos Magnolia Oaks f/k/a Magnolia Oaks</b>	<b>Location: Leon County</b>
<b>Applicant/Borrower: MHP Magnolia Oaks, LLC</b>	<b>Set-Asides: 100% @ 60% AMI (MMRN &amp; 4% HC) 10% @ 33% AMI (RRLP &amp; ELI) 90% @ 60% AMI (RRLP)</b>
<b>Developers/Principals: MHP Magnolia Oaks Developer, LLC / Christopher Shear</b>	<b>Demographic/Number of Units: Family / 110</b>
<b>Requested Amounts: \$12,500,000 Multifamily Mortgage Revenue Note (MMRN) \$5,985,000 Rental Recovery Loan Program (RRLP) \$807,400 Extremely Low Income (ELI) \$1,114,160 Housing Credits (4% HC)</b>	<b>Development Category/Type: New Construction / Garden Apartments</b>

**1. Background/Present Situation:**

- a) Florida Housing financed the above referenced Development in 2021 with \$12,500,000 in tax exempt MMRN designated as 2021 Series F, a \$5,985,000 RRLP loan, and \$807,400 ELI Loan. In addition, \$1,114,160 in 4% Housing Credits has been allocated to this Development. This Development closed on July 14, 2021 and was completed as of August 2023.
- b) On July 19, 2024, staff received a request to change the organizational structure of the Developer Entity, MHP Magnolia Oaks Developer, LLC ([Exhibit Y](#)). The Applicant requests the removal of Heartland Development Group, LLC ("Heartland"), a 2.5% Member of the Developer Entity. The proposed change removes Martin M. Wohl, sole Member/Manager of Heartland who is the individual that provided the General Developer Experience required in the RFA. Therefore, the Applicant request to waive the RFA requirement that the individual meeting the General Development Experience must remain with the Development for three years following the issuance of the final certificate of occupancy. Furthermore, the Applicant request Christopher Shear, Sole Member/Manager of Shear Development Company, LLC, replace Martin M. Wohl as the Natural Person meeting the General Development Experience. Christopher Shear will remain with the Development for a minimum of three years following the issuance of the final certificate of occupancy.

**2. Recommendation:**

- a) Approve the change to the organizational structure of the Developer Entity and RFA waiver to replace the individual meeting the General Development Experience requirements.



MULTIFAMILY BONDS

Consent

L. Request Approval of the Extension of the MMRN Loan for Walden Pond Villas (2009 Series B / 2009A-2010B / 92-095 / 2009-502C

<b>Development Name: Walden Pond Villas</b>	<b>Location: Miami-Dade County</b>
<b>Applicant/Borrower: Walden Pond Preservation, L.P.</b>	<b>Set-Asides: 85% @ 60% AMI (MMRN) 100% @ 60% AMI (4% HC &amp; 9% HC)</b>
<b>Developers/Principals: Walden Pond Developer, LLC / Matthew Allen</b>	<b>Demographic/Number of Units: Family / 120</b>
<b>Requested Amounts: \$1,072,537 Housing Credits (9% HC) \$13,700,000 Multifamily Mortgage Revenue Notes (MMRN) \$825,631 Housing Credits (4% HC)</b>	<b>Development Category/Type: Acquisition &amp; Rehabilitation / Garden Apartments</b>

1. **Background/Present Situation:**

- a) Florida Housing financed the above referenced Development in 1992 with an allocation of \$1,072,537 in 9% Housing Credits. The Development was rehabilitated in 2009 with \$13,700,000 in tax exempt MMRN designated as 2009 Series B and an allocation of \$825,631 in 4% Housing Credits.
- b) On August 5, 2024, staff received a request from the Applicant for approval to extend the term of the MMRN loan, from December 1, 2024 to December 1, 2025 ([Exhibit Z](#)). The Applicant is working on new financing to rehabilitate the Development and is anticipating closing in the 3rd quarter of 2025. This one year extension of the maturity date is needed to secure the new financing. The funding lender and noteholder, Citibank, has agreed to the extension.

2. **Recommendation:**

- a) Approve the extension of the MMRN loan at its current terms from December 1, 2024 to December 1, 2025, and direct staff to proceed with loan modification activities, subject to further approvals and verifications by the Credit Underwriter, Note Counsel, Special Counsel, and appropriate Florida Housing staff.

MULTIFAMILY PROGRAMS

Consent

III. MULTIFAMILY PROGRAMS

A. Request Approval of Credit Underwriting Report for Lake Bradford Apartments (RFA 2023-205 / 2024-028S / 2023-522C)

<b>Development Name: Lake Bradford Apartments</b>	<b>Location: Leon County</b>
<b>Applicant/Borrower: ECG Lake Bradford, LP</b>	<b>Set-Asides:</b> 39 units @ 30% AMI (SAIL, ELI & 4% HC) 17 units @ 60% AMI (SAIL & 4% HC) 87 units @ 70% AMI (SAIL & 4% HC) 15 units @ 80% AMI (SAIL & 4% HC)
<b>Developer/Principal: Lake Bradford Developer, LLC/C. Hunter Nelson</b>	<b>Demographic/Number of Units: Family/158 units</b>
<b>Requested Amounts:</b> \$5,434,700 State Apartment Incentive Loan (SAIL) \$750,000 Extremely Low Income (ELI) \$2,499,153 Housing Credits (4% HC)	<b>Development Category/Type: New Construction/Mid-Rise (4 stories)</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.

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. On December 20, 2023, staff issued an invitation to enter credit underwriting to the Applicant giving them a firm loan commitment issuance deadline of December 20, 2024.

c) On October 9, 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 RFA.

2. Recommendation:

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

**MULTIFAMILY PROGRAMS**

*Consent*

**B. Request Approval for Firm Loan Commitment Issuance Deadline Extension for Legacy Park II (RFA 2023-304 / 2023-220BR / 2022-548C)**

<b>Development Name: Legacy Park II</b>	<b>Location: Lee County</b>
<b>Applicant/Borrower: HTG Legacy II, Ltd.</b>	<b>Set-Asides:</b> 40% @ 60% AMI (MMRB) 12 Units @ 30% AMI (RRLP, ELI, & 4% HC) 32 Units @ 60% AMI (RRLP & 4% HC) 36 Units @ 70% AMI (RRLP & 4% HC)
<b>Developer/Principal: HTG Legacy II Developer, LLC/Matthew A. Rieger</b>	<b>Demographic/Number of Units: Elderly Non-ALF/80 units</b>
<b>Requested Amounts:</b> \$25,000,000 Multifamily Mortgage Revenue Bonds (MMRB) \$8,300,000 Rental Recovery Loan Program (RRLP) \$650,600 Extremely Low Income (ELI) \$1,235,458 Housing Credits (4% HC)	<b>Development Category/Type:</b> New Construction/Mid-Rise (5-6 Stories)

**1. Background/Present Situation:**

- a) On April 12, 2023, Florida Housing issued a Request for Applications (RFA) 2023-304 RRLP Financing To Be Used for Rental Developments in Hurricane Ian And Hurricane Nicole Impacted Counties.
- b) On June 9, 2023, the Board approved final scores and recommendations for the RFA and directed staff to proceed with all necessary credit underwriting activities.
- c) On August 29, 2023, staff issued an invitation to enter credit underwriting to the Applicant giving them a firm loan commitment issuance deadline of August 29, 2024. Per the RFA, Applicants may request one (1) extension of up to 6 months to secure a firm loan commitment.
- d) On July 15, 2024, staff received a request from the Applicant to extend the firm loan issuance commitment deadline from August 29, 2024, to March 1, 2025 ([Exhibit B](#)). The addition of new Lee County CDBG-DR funding along with increasing the unit count of the Development, required revising plans and specs which ultimately delayed credit underwriting, site plan approval and permit ready letter. Staff has reviewed this request and finds that it meets all requirements of the RFA.

**2. Recommendation:**

- a) Approve the request for a firm loan commitment issuance deadline extension from August 29, 2024, to March 1, 2025, subject to payment of the required non-refundable extension fee of one percent of each loan amount, pursuant to the requirements of the RFA.

**MULTIFAMILY PROGRAMS**

*Consent*

**C. Request Approval of Firm Loan Commitment Issuance Deadline Extension for Lofts on Lemon Phase II (RFA 2023-304 / 2023-201R / 2022-544C)**

<b>Development Name: Lofts on Lemon Phase II</b>	<b>Location: Sarasota County</b>
<b>Applicant/Borrower: Lofts on Lemon II, LLC</b>	<b>Set-Asides:</b> <b>25 Units @ 30% AMI (RRLP, ELI, &amp; 4% HC)</b> <b>8 Units @ 60% AMI (RRLP &amp; 4% HC)</b> <b>59 Units @ 70% AMI (RRLP &amp; 4% HC)</b> <b>8 Units @ 80% AMI (RRLP &amp; 4% HC)</b>
<b>Developers/Principals: Lofts II Fortis Developer, LLC/Darren Smith, SHA Affordable Development, LLC</b>	<b>Demographic/Number of Units: Family/100 Units</b>
<b>Requested Amounts:</b> <b>\$9,765,000 Rental Recovery Loan Program (RRLP)</b> <b>\$892,100 Extremely Low Income (ELI)</b> <b>\$1,595,157 Housing Credits (4% HC)</b>	<b>Development Category/Type: New Construction/Mid-Rise</b>

**1. Background/Present Situation:**

- a) On April 12, 2023, Florida Housing issued a Request for Applications (RFA) 2023-304 RRLP Financing To Be Used for Rental Developments in Hurricane Ian And Hurricane Nicole Impacted Counties.
- b) On June 9, 2023, the Board approved final scores and recommendations for the RFA and directed staff to proceed with all necessary credit underwriting activities.
- c) On August 29, 2023, staff issued an invitation to enter credit underwriting to the Applicant giving them a firm loan commitment issuance deadline of August 29, 2024. Per the RFA, Applicants may request one (1) extension of up to 6 months to secure a firm loan commitment.
- d) On September 4, 2024, staff received a request from the Applicant to extend the firm loan issuance commitment deadline from August 29, 2024, to March 1, 2025 ([Exhibit C](#)). Delays in underwriting have been caused by design, permitting and construction costs. Additionally, an underground sewer main needs to be relocated and FPL overhead lines need to be routed underground. Based on the above and other factors, the development also changed from a proposed high rise to midrise development to make it financially feasible. Staff has reviewed this request and finds that it meets all requirements of the RFA.

**2. Recommendation:**

- a) Approve the request for a firm loan commitment issuance deadline extension from August 29, 2024, to March 1, 2025, subject to payment of the required non-refundable extension fee of one percent of each loan amount, pursuant to the requirements of the RFA.

**MULTIFAMILY PROGRAMS**

*Consent*

**D. Request Approval of Firm Loan Commitment Issuance Deadline Extension for The Landings at Sugarloaf Key (RFA 2023-212 / 2024-064CS)**

<b>Development Name: The Landings at Sugarloaf Key</b>	<b>Location: Monroe County</b>
<b>Applicant/Borrower: The Landings at Sugarloaf Key, LLC</b>	<b>Set-Asides:</b> <b>6 Units @ 30% AMI (SAIL, ELI, &amp; 9% HC)</b> <b>14 Units @ 50% AMI (SAIL &amp; 9% HC)</b> <b>6 Units @ 60% AMI (SAIL &amp; 9% HC)</b> <b>26 Units @ 70% AMI (SAIL, 9% HC &amp; Workforce)</b> <b>3 Units @ 80% AMI (SAIL, 9% HC &amp; Workforce)</b> <b>1 Unit @ 120% AMI (Workforce)</b>
<b>Developers/Principals: Rural Neighborhoods, Inc./Steven C. Kirk; JCG Real Estate Ventures, LLC; Advanced Housing Corp.</b>	<b>Demographic/Number of Units: Family (Workforce)/56 Units</b>
<b>Requested Amounts:</b> <b>\$4,900,400 State Apartment Incentive Loan (SAIL)</b> <b>\$2,375,000 Housing Credits (9% HC)</b>	<b>Development Category/Type: New Construction/Garden Apartments</b>

**1. Background/Present Situation:**

- a) On July 19, 2023, Florida Housing issued a Request for Applications (RFA) 2023-212 Housing Credit Viability Funding for Developments located in Monroe County that have an Active Award of SAIL Financing and 9 Percent Housing Credits.
- b) On September 8, 2023, the Board approved final scores and recommendations for the RFA and directed staff to proceed with all necessary credit underwriting activities.
- c) On September 15, 2023, staff issued an invitation to enter credit underwriting to the Applicant giving them a firm loan commitment issuance deadline of September 15, 2024. Per the RFA, Applicants may request one (1) extension of up to 6 months to secure a firm loan commitment.
- d) On September 24, 2024, staff received a request from the Applicant to extend the firm loan issuance commitment deadline from September 15, 2024 to March 15, 2025 ([Exhibit D](#)). Economic conditions, construction increases, and the bidding process have caused significant delays. The development team has since secured an experienced general contractor to move ahead with credit underwriting. Staff has reviewed this request and finds that it meets all requirements of the RFA.

**2. Recommendation:**

- a) Approve the request for a firm loan commitment issuance deadline extension from September 15, 2024 to March 15, 2025, subject to payment of the required non-refundable extension fee of one percent of the loan amount, pursuant to the requirements of the RFA.

MULTIFAMILY PROGRAMS

Consent

E. Request Approval for RFA Waiver for Firm Loan Commitment Issuance Deadline Extension for Gardens at Casa Familia (RFA 2023-106 / 2023-185CGN)

<b>Development Name: Gardens at Casa Familia</b>	<b>Location: Miami-Dade County</b>
<b>Applicant/Borrower: Gardens at Casa Familia, LLC</b>	<b>Set-Asides: 15% @ 28% AMI (Grant &amp; 9% HC) 85% @ 60% AMI (Grant &amp; 9% HC) 10% @ 22% AMI (NHTF)</b>
<b>Developer/Principal: Casa Familia Housing Developer, LLC/Deborah Lawrence</b>	<b>Demographic/Number of Units: Persons with Developmental Disabilities/50 units</b>
<b>Requested Amounts: \$4,600,000 Grant \$1,600,000 National Housing Trust Fund (NHTF) \$2,100,000 Housing Credits (9% HC)</b>	<b>Development Category/Type: New Construction/Mid-Rise (5-6 stories)</b>

1. **Background/Present Situation:**

- a) On November 3, 2022, Florida Housing Finance Corporation issued a Request for Applications (RFA) 2023-106 for Financing for the Development of Housing for Persons with a Disabling Condition or Developmental Disabilities.
- b) On March 10, 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 March 31, 2023, 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 April 5, 2023, giving them a firm loan commitment issuance deadline of April 5, 2024.
- d) On May 10, 2024, the Board approved extending the firm loan issuance commitment deadline from April 5, 2024, to October 7, 2024.
- a) On September 17, 2024, staff received a request from the Applicant for an additional extension of the firm loan issuance commitment deadline from October 7, 2024, to June 30, 2025 ([Exhibit E](#)). With the challenges of Phase I being addressed and construction now underway, significant progress has been made with the entitlement and design for the Gardens at Casa Familia. Also, additional time is needed for the construction drawings and bidding before finalizing a GMP Contract with the selected general contractor. Per the RFA, Applicants may request one extension up to six months to secure a firm commitment. Therefore, an RFA waiver is required.

2. **Recommendation:**

- a) Approve the request for an RFA Waiver for an additional firm loan commitment issuance deadline extension from October 7, 2024, to June 30, 2025.

**MULTIFAMILY PROGRAMS**

*Consent*

**F. Request Approval of RFA Waiver for Credit Underwriting Report Deadline for Osprey Sound (Non-Competitive Application / 2021-107B / 2021-522C & RFA 2023-211 / 2023-258V)**

<b>Development Name: Osprey Sound</b>	<b>Location: Orange County</b>
<b>Applicant/Borrower: Osprey Sound Apartments, L.P.</b>	<b>Set-Asides: 100% @ 60% AMI (MMRB &amp; 4%HC)</b>
<b>Developers: Osprey Sound Developer, LLC / Jonathan Gruskin</b>	<b>Demographic/Number of Units: Elderly/294 units</b>
<b>Requested Amounts: \$42,000,000 Multifamily Mortgage Revenue Bonds (MMRB) \$4,300,000 Viability Loan \$3,651,500 Housing Credits (4% HC)</b>	<b>Development Category/Type: New Construction/Mid-Rise (5 to 6 stories)</b>

**1. Background/Present Situation**

- a) On February 4, 2022, the Applicant applied for Corporation-issued MMRB and 4 Percent Housing Credit through the Non-Competitive Application. Staff approved the Application, and on February 16, 2022, an invitation was issued to the Applicant to enter credit underwriting and the acceptance was acknowledged on February 16, 2022.
- b) On May 1, 2023, Florida Housing Finance Corporation issued a Request for Applications (RFA) 2023-211 for Construction Inflation Response Viability Funding (Viability Loan) to assist competitive projects in the development pipeline experiencing cost increases related to market inflation. Viability Loan funding is intended to fill the funding gap experienced due to increased construction costs. On June 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 14, 2023.
- c) On March 26, 2024, the Board approved the RFA waiver request for a CUR Deadline extension from March 31, 2024 to October 22, 2024.
- d) On September 5, 2024, staff received an additional request from the Applicant for an RFA waiver to extend the CUR deadline from October 22, 2024 to January 24, 2025 ([Exhibit F](#)). Due to circumstances outside the Applicant’s control, they were unable to meet the RFA Credit Underwriting Timing Requirement. Delays are due to the County having a backlog. The Development’s required final site plan submission had a few complexities that increased the amount of coordination needed amongst the design team, county reviewers, and others. The Applicant will ensure that site control is maintained while Applicant completes (1) the building permit review process with Orange County, and (2) the credit underwriting approval process with Florida Housing. In addition, the Applicant applied for Orange County Housing Trust Funds of \$7 million and was awarded the requested funds in September 2024. Per the RFA, Applicants that are awarded funding through this RFA must meet the following requirement: The Credit Underwriting Report will be completed or updated as applicable prior to March 31, 2024. Therefore, an additional RFA waiver is required.

## MULTIFAMILY PROGRAMS

### *Consent*

#### 2. **Recommendation**

- a) Approve an RFA waiver request for a credit underwriting report deadline extension from October 22, 2024 to January 24, 2025.



**MULTIFAMILY PROGRAMS**

*Consent*

**G. Request Approval of RFA Waiver for Credit Underwriting Report Deadline for Pollywog Creek Mews (RFA 2021-206 / 2022-242H & RFA 2023-211 / 2023-238V)**

<b>Development Name: Pollywog Creek Mews</b>	<b>Location: Hendry County</b>
<b>Applicant/Borrower: Pollywog Creek Mews, LLC</b>	<b>Set-Asides: 20% @ 50% AMI (HOME) 80% @ 60% AMI (HOME)</b>
<b>Developers/Principals: Rural Neighborhoods, Incorporated/Steven Kirk; Odyssey Development Group, LLC / Jason Goldfarb</b>	<b>Demographic/Number of Units: Family/28 units</b>
<b>Requested Amounts: \$2,475,000 Viability Loan \$5,690,000 HOME Investment Partnerships Program (HOME)</b>	<b>Development Category/Type: New Construction/Garden</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. 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 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. The acceptance was acknowledged on April 4, 2022, giving them a firm loan commitment issuance deadline of April 4, 2023.
- b) On March 10, 2023, the Board approved extending the firm loan commitment issuance deadline for HOME from April 4, 2023, to October 4, 2023. Subsequently, on October 13, 2023, the Board approved a Rule waiver extending the firm loan commitment issuance deadline from October 4, 2023 to June 4, 2024.
- c) On May 1, 2023, Florida Housing Finance Corporation issued a Request for Applications (RFA) 2023-211 for Construction Inflation Response Viability Funding (Viability Loan) to assist competitive projects in the development pipeline experiencing cost increases related to market inflation. Viability Loan funding is intended to fill the funding gap experienced due to increased construction costs. On June 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.
- d) On March 26, 2024, the Board approved the RFA waiver request for a Viability Loan CUR Deadline extension from March 31, 2024 to June 28, 2024.
- e) On June 28, 2024, the Board approved an additional RFA waiver request for a Viability Loan CUR Deadline extension from June 28, 2024 to October 22, 2024 and an additional Rule waiver extending the firm loan commitment issuance deadline for HOME from June 4, 2024 to December 4, 2024.

## MULTIFAMILY PROGRAMS

### *Consent*

- f) On September 23, 2024, staff received a request from the Applicant for an additional RFA waiver to extend the CUR deadline from October 22, 2024 to January 24, 2025 ([Exhibit G](#)). The extension is needed due to the high construction costs experienced by the Development, and the significant actions that had to be undertaken by the Applicant to bring the costs into alignment. The residential buildings were redesigned to meet various contractor value engineering suggestions and still maintain ESS construction. The Applicant had difficulty identifying General Contractors willing to build in the rural Hendry County Market and it took additional time to solicit bids from two additional GCs. As a result, a GC was able to be identified and selected for the Development. In addition, Rural Neighborhoods agreed to defer additional Developer Fee to make the Development financially feasible. Per the RFA, Applicants that are awarded funding through this RFA must meet the following requirement: The Credit Underwriting Report will be completed or updated as applicable prior to March 31, 2024. Therefore, an additional RFA waiver is required.
- g) Simultaneous to this request, the Applicant has filed a Rule Waiver to extend the HOME funds firm loan commitment issuance deadline of December 4, 2024 to June 4, 2025, for funding awarded to the Development under RFA 2021-206.

## 2. **Recommendation**

- a) Approve an RFA waiver request for a credit underwriting report deadline extension from October 22, 2024 to June 4, 2025.

**MULTIFAMILY PROGRAMS**

*Consent*

**H. Request Approval of Credit Underwriting Report and Applicant Entity Change for Southpointe Vista II (RFA 2023-205 / 2024-036SN / 2023-526C)**

<b>Development Name: Southpointe Vista II</b>	<b>Location: Miami-Dade County</b>
<b>Applicant/Borrower MHP FL IX LLLP</b>	<b>Set-Asides:</b> 34 Units @ 30% AMI (SAIL, ELI & 4% HC) 72 Units @ 60% AMI (SAIL & 4% HC) 102 Units @ 70% AMI (SAIL & 4% HC) 3 Units @ 30% AMI (NHTF)
<b>Developer/Principal: MHP FL IX Developer, LLC; Christopher L. Shear</b>	<b>Demographic/Number of Units: Family/ 208 units</b>
<b>Requested Amounts:</b> \$8,478,000 State Apartment Incentive Loan (SAIL) \$750,000 Extremely Low Income (ELI) \$1,110,000 National Housing Trust Fund (NHTF) \$2,978,827 Housing Credits (4% HC)	<b>Development Category/Type: New Construction/High-Rise</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 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. Staff issued an invitation to enter credit underwriting to the Applicant on December 20, 2023. The acceptance was acknowledged on December 20, 2023, giving them a firm loan commitment issuance deadline of December 20, 2024.
- d) On August 20, 2024, staff received a request from the Applicant to change the organizational structure of the Applicant Entity ([Exhibit H](#)). The Applicant Entity, MHP FL IX LLLP, requests changes to the General Partner, MHP FL IX GP, LLC (MHP FL), by transferring ownership interest of MHP FL from Archipelago Housing II, LLC (Member/Manager) to W. Patrick McDowell 2001 Trust (Existing Member/Manager of MHP FL). The changes to are in connection with the reorganization of various entities affiliated with McDowell Housing Partners on several Developments. Per the RFA, prior to loan closing, any change (materially or non-materially) in the ownership structure of the named Applicant will require review and recommendation of the Corporation, as well as Board approval prior to the change. Staff has reviewed this request and finds that the Development meets all other requirements of the RFA.
- e) The request letter mentioned as Exhibit H also requests changes to the Developer entity, which will be approved at staff level as allowed by the RFA.

## MULTIFAMILY PROGRAMS

### *Consent*

- f) On October 10, 2024, staff received a final credit underwriting report with a positive recommendation for funding ([Exhibit I](#)). Staff has reviewed this report and finds that the Development meets all requirements of the RFA.

### 2. **Recommendation:**

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

**MULTIFAMILY PROGRAMS**

*Consent*

**I. Request Approval for Firm Loan Commitment Issuance Deadline Extension for New York Avenue Apartments (RFA 2023-304 / 2023-226BR / 2022-549C)**

<b>Development Name: New York Avenue Apartments</b>	<b>Location: Volusia County</b>
<b>Applicant/Borrower: Blue Ian, LLC</b>	<b>Set-Asides:</b> 13 Units @ 30% AMI (RRLP, ELI & 4% HC) 52 Units @ 60% AMI (RRLP & 4% HC) 19 Units @ 80% AMI (RRLP & 4% HC)
<b>Developer/Principal: Blue Ian Developer, LLC; Shawn Wilson</b>	<b>Demographic/Number of Units: Family/84 units</b>
<b>Requested Amounts:</b> \$14,000,000 Multifamily Mortgage Revenue Bonds (MMRB) \$8,820,000 Rental Recovery Loan Program (RRLP) \$533,500 Extremely Low Income (ELI) \$1,216,219 Housing Credits (4% HC)	<b>Development Category/Type:</b> New Construction/ Mid -Rise (4 Stories)

**1. Background/Present Situation:**

- a) On April 12, 2023, Florida Housing Finance Corporation issued a Request for Applications (RFA) 2023-304 for Rental Recovery Loan Program (RRLP) Financing to be Used for Rental Developments in Hurricane Ian and Hurricane Nicole Impacted Counties.
- b) On June 9, 2023, the Board approved the final scores and recommendations for the RFA and directed staff to proceed with all necessary credit underwriting activities. On August 29, 2023, staff issued an invitation to enter credit underwriting to the Applicant, giving them a firm loan commitment issuance deadline of August 29, 2024. Per the RFA, Applicants may request one (1) extension of up to 6 months to secure a firm loan commitment.
- c) On September 30, 2024, staff received a request from the Applicant to extend the firm loan issuance commitment deadline from August 29, 2024, to March 1, 2025 ([Exhibit J](#)). The Development has experienced construction cost increases, but Volusia County has made additional CDBG-DR funding available for which the Applicant will apply. The extension is requested to secure the additional local funding from Volusia County. Staff has reviewed this request and finds that it meets all requirements of the RFA.

**2. Recommendation:**

- a) Approve the request for a firm loan commitment issuance deadline extension from August 29, 2024, to March 1, 2025, subject to payment of the required non-refundable extension fee of one percent of each loan amount, pursuant to the requirements of the RFA.

**MULTIFAMILY PROGRAMS**

*Consent*

**J. Request Approval of an RFA Waiver to Allow Construction Feature and Amenity Options for Durham Place (RFA 2020-103/2020-480CSN/2021-341CSN)**

<b>Development Name: Durham Place</b>	<b>Location: Orange County</b>
<b>Applicant/Borrower: Durham Place, LTD.</b>	<b>Set-Asides: 10% @ 45% AMI 90% @ 60% AMI</b>
<b>Developer/Principal: Durham Place Developer, LLC/Jonathan Wolf Step Up Developer, LLC/Tod Lipka</b>	<b>Demographic/Number of Units: Homeless / 102 Units</b>
<b>Requested Amounts: \$4,771,550 State Apartment Incentive Loan (SAIL) \$359,500 Extremely Low-Income (ELI) \$872,000 National Housing Trust Fund (NHTF) \$2,375,000 9% Housing Credits</b>	<b>Development Category/Type: New Construction/Garden</b>

**1. Background/Present Situation:**

a) Durham Place, LTD applied for and was awarded funding from Request for Application (RFA) 2020-103 Housing Credit and SAIL Financing for Homeless Housing Developments Located in Medium and Large Counties. The funds are being utilized to finance the new construction of a 102-unit Homeless development in Orange County. On July 21, 2020, staff issued an invitation to the Applicant to enter credit underwriting and subsequently executed a Carryover Allocation Agreement on December 23, 2020. The SAIL, ELI and NHTF loan funding closed on December 15, 2021 and the Development has since completed construction and submitted their draft Final Cost Certification Application Package.

b) The Development consists of two separate buildings and on May 21, 2024, staff received a letter from the Owner requesting to provide an on-site laundry facility in building 1 and washer and dryer hook ups in building 2, rather than providing washer and dryer hook ups or an on-site laundry facility for the entire Development as required by the RFA. As reported by the Applicant, the Development completed construction and was built using the combination of options to apply best practices to each formerly homeless population served at Durham Place. The letter is attached as [Exhibit K](#).

c) Per the RFA, Owners are expected to provide the following General Features:

Washer and dryer hook ups in each of the Development's units or an on-site laundry facility for resident use. If the proposed Development will have an on-site laundry facility, the following requirements must be met:

- There must be a minimum of one Energy Star certified washer and one Energy Star certified 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; and
- If the proposed Development consists of Scattered Sites, the laundry facility shall be located on each of the Scattered Sites, or no more than

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### *Consent*

1/16 mile from the scattered Site with the most units, or a combination of both.

- d) The Owner proposes to utilize a combination of laundry hook ups and an on-site laundry facility, more specifically:

An on-site laundry facility for resident use in building 1 and washer and dryer hook ups in each unit (49 units) in building 2. Regarding the on-site laundry facility, the following requirements must be met:

- There must be a minimum of one Energy Star certified washer and one Energy Star certified dryer per every 15 units (in building 1). To determine the required number of washers and dryers for the on-site laundry facility; divide the total number of the units in building 1 by 15, and then round the equation's total up to the nearest whole number; and
- 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.

- e) Staff reviewed this request and finds that the Development meets all other requirements of the RFA.

### 2. **Recommendation:**

- a) Approve the request to waive the RFA requirement for laundry features and amenities and allow a combination of the features consisting of an on-site laundry facility for resident use in building 1 and washer and dryer hook ups in each unit (49 units) in building 2.

**PREDEVELOPMENT LOAN PROGRAM (PLP)**

*Consent*

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

**A. Request Approval of PLP Loan for Habitat for Humanity of Bay County, Inc., a not-for-profit entity, for Habitat Village (PLP 2024--009P-09).**

DEVELOPMENT NAME (“Development”):	Habitat Village
APPLICANT/DEVELOPER (“Developer”):	Habitat for Humanity of Bay County, Inc.
CO-DEVELOPER:	N/A
NUMBER OF UNITS:	15 homeownership units
LOCATION (“County”):	Bay
TYPE:	Family
MINIMUM SET ASIDE:	50% @ 80% AMI and 50% @ 120% AMI
PLP LOAN AMOUNT:	\$231,900
ADDITIONAL COMMENTS:	N/A

**1. Background:**

- a) On July 15, 2024, the Applicant submitted a PLP application for a loan for Habitat Village requesting \$200,000.

**2. Present Situation:**

- a) On September 27, 2024, staff received a recommendation ([Exhibit A](#)) from the assigned technical assistance provider recommending a PLP loan in the adjusted amount of \$231,900.
- b) Staff has reviewed the development plan and recommendation and believes that all proposed items are PLP eligible.

**3. Recommendation:**

- a) Approve the PLP loan in the amount of \$231,900 to Habitat for Humanity of Bay County, Inc. for Habitat Village and allow staff to commence with the loan closing process.



**PREDEVELOPMENT LOAN PROGRAM (PLP)**

*Consent*

**B. Request Approval of PLP Loan Maturity Extension for EcoTech Visions Foundation, Inc., a not-for-profit entity, for Armstrong Building (PLP 2021--004P-09).**

DEVELOPMENT NAME (“Development”):	Armstrong Building
APPLICANT/DEVELOPER (“Developer”):	EcoTech Visions Foundation, Inc.
CO-DEVELOPER:	N/A
NUMBER OF UNITS:	48 homeownership units
LOCATION (“County”):	Miami-Dade
TYPE:	Family
MINIMUM SET ASIDE:	50% @ 80% AMI and 50% @ 120% AMI
PLP LOAN AMOUNT:	\$500,000
ADDITIONAL COMMENTS:	N/A

**1. Background:**

- a) On October 22, 2021, the Board approved a PLP loan for Armstrong Building in the amount of \$500,000.
- b) On January 5, 2022, the PLP loan closed establishing the maturity date as January 5, 2025. To date, \$419,410.32 has been drawn from the loan.

**2. Present Situation:**

- a) On September 30, 2024, staff received a recommendation ([Exhibit B](#)) from the assigned technical assistance provider recommending a one-year extension to the maturity date on the PLP loan. The new maturity date would be January 5, 2026.
- b) Staff has reviewed the request and believes the extension is warranted in order for the development to proceed.

**3. Recommendation:**

- a) Approve the one-year maturity extension to the PLP loan for EcoTech Visions Foundation, Inc. for Armstrong Building and allow staff to commence with the loan document amendment process.

**PREDEVELOPMENT LOAN PROGRAM (PLP)**

*Consent*

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

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

**1. Background:**

- a) On September 8, 2023, the Board approved a PLP loan for Gardens at Casa Familia in the amount of \$500,000.
- b) On June 25, 2024, the Applicant closed on the PLP loan. The maturity date is June 25, 2027. To date, \$454,747.50 has been disbursed on this loan.

**2. Present Situation:**

- a) On September 30, 2024, staff received a letter ([Exhibit C](#)) from the assigned technical assistance provider recommending the budget revisions to the PLP loan.
- b) Staff has reviewed the recommendation and believes that the budget revisions are necessary to allow the development to move forward.

**3. Recommendation:**

- a) Approve the budget revisions to the PLP loan for Gardens at Casa Familia and allow staff to revise loan documents as necessary.

**PREDEVELOPMENT LOAN PROGRAM (PLP)**

*Consent*

**D. Request Approval of PLP Loan Increase and Budget Revision for Abundant Life Ministries-Hope House, Inc., a not-for-profit entity, for Phoenix Crossings (PLP 2019--005P-09).**

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

**1. Background:**

- a) On October 31, 2019, the Board approved a PLP loan for Phoenix Crossings in the amount of \$464,500.
- b) On June 5, 2020, the PLP loan closed. The Developer has received two one-year extensions with a maturity date of June 5, 2025. To date, \$296,307.86 has been drawn on the loan.

**2. Present Situation:**

- a) On September 30, 2024, staff received a recommendation ([Exhibit D](#)) from the assigned technical assistance provider recommending an increase to the PLP loan with a new amount of \$500,000.
- b) The technical assistance provider has also recommended budget revisions due to the increase and changes in the original budgeted items.
- c) Staff has reviewed the recommendation and believes that the increase and budget revisions are necessary to move the development forward.

**3. Recommendation:**

- a) Approve the PLP loan increase and budget revisions in the new amount of \$500,000 to Mary Abundant Life Ministries-Hope House, Inc. for Phoenix Crossings and allow staff to commence with the loan document amendment process.

**PREDEVELOPMENT LOAN PROGRAM (PLP)**

*Consent*

**E. Request Approval of Credit Underwriting Report for Sandcastles Foundation, Inc., a not-for-profit entity, for Sandcastle Preserve (PLP 2024--004P-09).**

DEVELOPMENT NAME (“Development”):	Sandcastle Preserve
APPLICANT/DEVELOPER (“Developer”):	Sandcastles Foundation, Inc.
CO-DEVELOPER:	N/A
NUMBER OF UNITS:	23 rental units
LOCATION (“County”):	Taylor
TYPE:	Family
MINIMUM SET ASIDE:	20% @ 50% AMI
PLP LOAN AMOUNT:	\$748,500
ADDITIONAL COMMENTS:	N/A

**1. Background:**

- a) On June 28, 2024, the Board approved a PLP loan for Sandcastle Preserve in the amount of \$748,500. The loan has not closed.

**2. Present Situation:**

- a) On September 9, 2024, staff received a credit underwriting report from the assigned underwriter with a recommendation ([Exhibit E](#)) for approval of the acquisition portion of the PLP loan.
- b) Staff has reviewed the recommendation and accepts the report of the credit underwriter.

**3. Recommendation:**

- a) Approve the credit underwriting report for Sandcastle Preserve to Sandcastles Foundation, Inc and allow staff to commence with the loan closing process.

**SPECIAL ASSETS**

*Consent*

**VI. SPECIAL ASSETS**

**A. Request Approval of the Renegotiation of the SAIL Loan for Volunteers of America of Florida, Inc. for Lake City Cabins for Veterans | RFP 2008-01-03**

<b>Development Name:</b>	Lake City Cabins for Veterans	<b>Location:</b>	Columbia County
<b>Applicant / Borrower:</b>	Volunteers of America of Florida, Inc.	<b>Developers:</b>	
<b>Principal(s):</b>		<b>Co-Developer(s):</b>	
<b>Owner:</b>			
<b>Parent Owner:</b>	Volunteers of America of Florida Inc.		
<b>Development Category:</b>	New Construction	<b>Development Type:</b>	Quadrplexes
<b>Demographic Category:</b>	Homeless	<b>Total Units:</b>	32
<b>Funding Amount(s) Requested:</b>		<b>Set Aside Units:</b>	
SAIL	\$1,600,000	10 Units @ 40% (SAIL)	
		22 Units @ 60% (SAIL)	

**1. Background:**

- a) Florida Housing Finance Corporation (“Florida Housing”) issued a SAIL Loan (“SAIL”) in the amount of \$1,600,000 to Volunteers of America of Florida Inc. (“Borrower”), a Florida Corporation, for construction of a 32-unit multifamily development in Columbia County, Florida. The loan closed on February 13, 2009, with a 0% interest rate. The loan matures October 29, 2024.

**2. Present Situation:**

- a) The Borrower has requested approval to renegotiate the loan terms to a 1% interest rate and extend the maturity date for 15 years. The LURA term will also be extended for 15 years. The Development will make monthly payments of interest. The Borrower also requests to continue the ELI Set Asides for 15 years and an additional \$400,000 to be forgiven at maturity if the Development maintains its ELI Set Asides.
- b) First Housing Development Corporation has reviewed these requests and provided a positive recommendation ([Exhibit A](#)) for the renegotiation of the loan terms, extension of the loan maturity date and extension of the LURA and ELI set-asides terms.

**3. Recommendation:**

- a) Approve the renegotiation of the loan terms with required monthly payments of interest, extension of the loan maturity date and extension of the LURA term, all subject to the conditions outlined in the credit underwriter's report, further approvals and verifications by the credit underwriter, counsel and appropriate FHFC staff, and direct staff to proceed with loan document modification activities, as needed.

**SPECIAL ASSETS**

*Consent*

**B. Request Approval of the Transfer of the CHS Treasure Coast LURA Restrictions (RFP 2006/01-01YAFC)**

<b>Development Name:</b>	CHS – Treasure Coast	<b>Location:</b>	Indian River County
<b>Applicant / Borrower:</b>		<b>Developers:</b>	
	Centennial Holdings (Treasure Coast), LLC		
	Children’s Home Society of Florida		
<b>Principal(s):</b>		<b>Co-Developer(s):</b>	
<b>Owner:</b>			
<b>Parent Owner:</b>	Children’s Home Society of Florida		
<b>Development Category:</b>	New Construction	<b>Development Type:</b>	
<b>Demographic Category:</b>	Special Needs	<b>Total Units:</b>	9
<b>Funding Amount(s) Requested:</b>		<b>Set Aside Units:</b>	
Demo	\$750,000	1 Unit @ NR (Demo)	
		8 Units @ 80% (Demo)	

**1. Background:**

- a) Florida Housing Finance Corporation ("Florida Housing") issued a Demonstration loan ("Demo") in the amount of \$750,000 to Childrens Home Society ("CHS") for the construction of a 9-unit development in Indian River County, Vero Beach Florida for a Youth Aging out of Foster Care ("YAFC") development. The loan was paid off on June 17, 2021.

**2. Present Situation:**

- a) CHS requests FHFC to transfer the LURA requirements from CHS Treasure Coast to another one of their YAFC developments - CHS Buckner.
- b) After reviewing HUD changes for YAFC developments and the declining need for the units in Indian River County, staff has agreed to support the transfer of the units to a CHS 10-unit development in Duval County, Jacksonville, FL that also provides YAFC programs.
- c) The LURA has approximately 2 years remaining on the term. The LURA restrictions will be transferred to CHS Buckner with the remaining years to be added to the term of the CHS Buckner LURA which term currently ends 10/26/24 and will be extended to 7/21/2026.

**3. Recommendation:**

- a) Approve the transfer of the LURA restrictions from CHS Treasure Coast to CHS Buckner and extend the CHS Buckner LURA term to July 21, 2026, with further approvals and verifications by counsel and appropriate FHFC staff, and direct staff to proceed with loan document modification activities, as needed.

**SPECIAL ASSETS**

*Consent*

**C. Request Approval of the Extension of SAIL Loan for Rural Neighborhoods, Inc. for Orchid Grove (RFP 2009-04 / 2009-061CTX)**

<b>Development Name:</b>	Orchid Grove	<b>Location:</b>	Miami-Dade County
<b>Applicant / Borrower:</b>		<b>Developers:</b>	
	Orchid Grove Apartments, Ltd.		
<b>Principal(s):</b>		<b>Co-Developer(s):</b>	
<b>Owner:</b>	Orchid Grove Apartments, Ltd.		
<b>Parent Owner:</b>	Everglades Housing Group Inc.		
<b>Development Category:</b>	New Construction	<b>Development Type:</b>	Garden Apartments
<b>Demographic Category:</b>	FW CFW	<b>Total Units:</b>	80
<b>Funding Amount(s) Requested:</b>		<b>Set Aside Units:</b>	
Exchange	\$12,674,248	1 Units @ 60% (HOME)	
TCAP	\$3,430,567	1 Units @ 50% (HOME)	
HOME	\$115,900	16 Units @ 33% (HC-9%)	
HC-9%	\$100	16 Units @ 40% (HC-9%)	
		48 Units @ 60% (HC-9%)	

**1. Background:**

- a) Florida Housing Finance Corporation (“Florida Housing”) issued a Tax Credit Assistance Program ("TCAP") Loan in the amount of \$2,750,567.00 along with a TCAP Supplemental Loan in the amount of \$680,000 for a total principal of \$3,430,657. Florida Housing also issued a HOME loan in the amount of \$115,900 for the construction of an 80-unit multifamily development in Miami-Dade County. The Borrower also received \$12,674,248 from the Tax Credit Exchange Program ("TCEP"). These loans closed on April 29, 2010.

**2. Present Situation**

- a) Borrower is seeking the extension of the TCAP Supplemental Loan maturity date of April 29, 2025 to be co-terminus with the maturity date of the TCAP Loan on February 16, 2027. The Borrower is proposing the release of \$537,900 from the development's operating deficit reserve to pay off the HOME Loan and apply the remainder to the Supplemental Loan. Aligning the maturity dates to be co-terminus would simplify the future refinancing of the development.
- b) Seltzer Management has reviewed these requests and provided a positive recommendation ([Exhibit B](#)) for the renegotiation of the loan terms, extension of the loan maturity date and extension of the LURA set-asides terms.

**3. Recommendation**

- a) Approve the extension of the Supplemental Loan to be co-terminus with the TCAP Loan and the release of the deficit reserve funds for the HOME Loan payoff and paydown of the Supplemental Loan all subject to the conditions outlined in the credit underwriter's report, further approvals and verifications by the credit underwriter, counsel and appropriate FHFC staff, and direct staff to proceed with loan document modification activities, as needed.

**SPECIAL ASSETS**

*Consent*

**D. Request Approval of the Transfer of General Partner Interest and Release and Replacement of Guarantors, and Assumption of SAIL and NHTF Loans for Warley Park, Ltd., a Florida Limited Partnership, for Warley Park Apartments (RFA 2017-103/2017-258CSN/2018-359CSN)**

<b>Development Name:</b>	Warley Park	<b>Location:</b>	Seminole County
<b>Applicant / Borrower:</b>		<b>Developers:</b>	
	Warley Park, Ltd.		Step Up Developer, LLC
			Warley Park Developer, LLC
<b>Principal(s):</b>		<b>Co-Developer(s):</b>	
<b>Owner:</b>	Warley Park, Ltd.		
<b>Parent Owner:</b>	Wendover Housing Partners, LLC		
<b>Development Category:</b>	New Construction	<b>Development Type:</b>	Garden Apartments
<b>Demographic Category:</b>	Homeless	<b>Total Units:</b>	81
<b>Funding Amount(s) Requested:</b>		<b>Set Aside Units:</b>	
SAIL	\$2,825,000	8 Units @ 22% (NHTF)	
HC-9%	\$1,510,000	9 Units @ 40% (SAIL & HC-9%)	
NHTF	\$1,307,714	72 Units @ 60% (SAIL & HC-9%)	
		73 Units @ NR (NHTF)	

**1. Background:**

- a) During the 2017 funding cycle, Florida Housing Finance Corporation (“Florida Housing”) awarded funds from the State Apartment Incentive Loan (“SAIL”) in the amount of \$2,825,000 and the National Housing Trust Fund (“NHTF”) Program in the amount of \$1,307,714.48, to Warley Park, Ltd. (“Borrower”), a Florida limited partnership, for the development of an 81-unit property in Seminole County, Florida. The SAIL and NHTF loans each mature on October 16, 2051. The Development also received a 2018 allocation of low-income housing tax credits (“HC”) of \$1,510,000.

**2. Present Situation**

- a) The Borrower requests consent from the Board to transfer the general partner interest of the Development from Step Up In Warley Park, LLC to Berkley Warley GP, LLC, and the assumption of the SAIL and NHTF loan documents and the Extended Low-Income Housing Agreement (“ELIHA”).
- b) The Borrower also requests the release of Step Up In Warley Park, LLC and Step Up Developer, LLC as guarantors. Berkley Warley GP, LLC will be the replacement guarantor.
- c) Staff received a credit underwriting report ([Exhibit C](#)) from First Housing Development Corporation with a positive recommendation for approval of the transfer of the general partner interest, assumption of the SAIL and NHTF loan documents and the ELIHA, and the release and replacement of guarantors.



## SPECIAL ASSETS

### *Consent*

#### 3. **Recommendation**

- a) Approve the transfer of general partner interest, assumption of the SAIL and NHTF loan documents and the ELIHA, and the release and replacement of guarantors, subject to the conditions provided in the credit underwriter's report, further approvals and verifications by the credit underwriter, counsel, and appropriate Florida Housing staff, and direct staff to proceed with loan document modification activities, as needed.

**SPECIAL ASSETS**

*Consent*

- E. Request Approval to Amend the Articles and Bylaws of the Borrower Entity and Replacement of Board Members for Workforce Housing of Okeechobee, Inc. f/k/a as Southwest Florida GWI Housing XVII, Inc., a Florida not-for-profit corporation for Sugar Country (RFP 2014-109 2014-406H)**

<b>Development Name:</b>	Sugar Country	<b>Location:</b>	Glades County
<b>Applicant / Borrower:</b>		<b>Developers:</b>	
	Workforce Housing of Okeechobee, Inc.		GHD Construction Services Inc.
<b>Principal(s):</b>		<b>Co-Developer(s):</b>	
<b>Owner:</b>	Workforce Housing of Okeechobee, Inc.		
<b>Parent Owner:</b>	Workforce Housing Ventures, Inc		
<b>Development Category:</b>	New Construction	<b>Development Type:</b>	Single Family
<b>Demographic Category:</b>	Family	<b>Total Units:</b>	50
<b>Funding Amount(s) Requested:</b>		<b>Set Aside Units:</b>	
HOME	\$4,783,500	10 Units @ 50% (HOME)	
		40 Units @ 60% (HOME)	

**1. Background**

- a) During the 2014 funding cycle, Florida Housing Finance Corporation (“Florida Housing”) awarded funds from the HOME Investment Partnership Loan (“HOME”) in the amount of \$4,783,500 to Southwest Florida GWI Housing XVII, Inc. (“Borrower”), a Florida not-for-profit corporation, for the development of a 50-unit property in Glades County, Florida. The HOME loan will mature on August 18, 2036.

**2. Present Situation**

- a) The Borrower requests consent from the Board to adopt a resolution to amend the Articles and the Bylaws to admit new Board members and replace existing Board of Directors. The current board members and board of directors are preparing for retirement and will be stepping away from their roles.
- b) Staff received a credit underwriting report ([Exhibit D](#)) from First Housing Development Corporation with a positive recommendation for approval of the replacement of the board members and modification of the articles and bylaws subject to the conditions of the report are met.

**3. Recommendation**

- a) Approve the replacement board members and modification of the articles and bylaws, subject to the conditions provided in the credit underwriter’s report, further approvals and verifications by the credit underwriter, counsel, and appropriate Florida Housing staff, and direct staff to proceed with loan document modification activities, as needed.

BEFORE THE FLORIDA HOUSING FINANCE CORPORATION

MORRIS MANOR, LLLP

Petitioner,

FHFC CASE NO. 2024-059VW \_\_\_\_\_

vs.

APPLICATION NO. 2021-037C

FLORIDA HOUSING FINANCE CORP.,

Respondent.

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FLORIDA HOUSING  
FINANCE CORPORATION

**PETITION FOR WAIVER FROM RULE  
67-48.004(3)(j), F.A.C.**

MORRIS MANOR, LLLP, a Florida limited liability limited partnership (“Petitioner”), by and through its undersigned counsel, hereby petitions the Florida Housing Finance Corporation (the “Corporation”) for waiver from Rule 67-48.004(3)(j) Florida Administrative Code (2020). This Petition is filed pursuant to Section 120.542, Florida Statutes and Chapter 28-104, Florida Administrative Code.

**THE PETITIONER**

1. The address, telephone and facsimile number of the Petitioner is:

Morris Manor, LLLP  
1100 N.W. 4<sup>th</sup> Avenue  
Delray Beach, FL 33444  
Phone: (561) 859-8520  
E-mail: dsmith@smithhenzy.com

2. The address, telephone and facsimile number of Petitioner’s counsel is:

Terry M. Lovell, Esq.  
Bilzin Sumberg Baena Price & Axelrod LLP  
1450 Brickell Avenue, 23rd Floor  
Miami, Florida 33131  
Phone: (305) 350-2428  
Fax: (305) 351-2126  
Email: tlovell@bilzin.com

3. Petitioner successfully applied for an allocation of low income housing federal tax credits (“HC”) in the Request for Applications 2020-204 (“RFA”). Petitioner’s application number in the RFA was 2021-037C (the “Application”). Petitioner applied for an HC allocation of \$1,868,000 to finance a portion of the cost of acquiring and rehabilitating a multi-family rental apartment complex located in Jacksonville, Florida known as Morris Manor (the “Development”). The Development is a 168 unit elderly apartment complex.

4. Petitioner was awarded an allocation of \$1,868,000 of HC, and closed on its HC financing in December 22, 2021.

5. In connection with its RFA application, Petitioner selected the 40% of units at 60% or lower set-aside commitment and committed to setting aside one hundred (100%) percent, or 168, of the dwelling units in the Development to be occupied and rented as follows: 34 units at 30% AMI and 134 units at 60% AMI, all as evidenced in the Total Set-Aside Breakdown Chart contained in the Application. Due to circumstances described below, Petitioner now seeks to change the Total Set-Aside Breakdown Chart from 100% to 99.405% (167 out of 168 units). In particular, Petitioner seeks to remove one unit from the 60% AMI income band and reallocate such unit as a market rate unit. Such reallocation will cause the total set-aside percentage to decrease from 100% to 99.405%, and will still enable the Petitioner to maintain an overall income average below 60% AMI and therefor satisfy the 40% of units at 60% or lower set-aside commitment.

**THE RULES FROM WHICH WAIVER IS SOUGHT**

6. Petitioner requests a waiver from a portion of Rule 67-48.004(3)(j), Florida Administrative Code (2020).

7. The Development is an existing elderly development which Petitioner has rehabilitated utilizing HC funding. Completion of the Development occurred in April 2023.

8. Rule 67-48.004(3) provides that “. . . notwithstanding any other provision of these rules, the following as identified in the Application must be maintained and cannot be changed by the Applicant after the applicable submission, unless provided otherwise below:

[. . .] (j) For the SAIL and HC Programs, the Total Set-Aside Percentage as stated in the total set-aside breakdown chart for the program(s) applied for in the Set-Aside Commitment Section of the Application. . . .”

In its Application, Petitioner provided for a Total Set-Aside Percentage of one hundred (100%) percent, or 168 units.

9. Petitioner requests a waiver from Rule 67-48.004(3)(j), to permit a reduction in the total Set-Aside from 100% to 99.405%. Petitioner agrees to continue to satisfy the ELI Set-Aside by setting aside 34 units at the 30% ELI level.

10. Upon completion of the rehabilitation of the Development in April 2023 and during rent up of the Development, it was brought to Applicant’s attention that one (1) unit was rented to a tenant whose income exceeded the 60% AMI limit. The tenant has been a tenant at the Development since 2007, and the Development’s property manager has confirmed that the tenant was income qualified at original move-in based on the income qualifications in place at that time for Project Based Rental Assistance (PBRA)<sup>1</sup>. The tenant in question is currently 81 years old and has expressed a strong desire to remain at the development he has called home for the last 17 years. Applicant would also prefer to allow such tenant to remain a tenant of the Development. As such, Petitioner requests

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<sup>1</sup> Petitioner notes that it will continue to receive PBRA for 166 units at the Development pursuant to, and consistent with the terms under, the applicable Housing Assistance Payments Contract.

a waiver from or variance to the Rule, to enable Petitioner to revise the Total Set-Aside Breakdown Chart in order to redesignate one 60% AMI unit as a market rate unit in order to resolve the situation regarding the tenant. Such redesignation will result in Petitioner maintaining an overall income average at or below 60% AMI and to continue to satisfy the 40% of units at 60% or lower set-aside commitment.

11. The waiver request is permanent in nature.

**STATUTES IMPLEMENTED BY THE RULE**

12. Rule 67-48.004(3)(j) implements, among other sections of the Florida Housing Finance Corporation Act, the statute that created the HC Program. See Section 420.5099, Florida Statutes.

13. Petitioner requests a waiver of Rule 67-48.004(3)(j) (which prohibits a change in the total set-aside commitment) to permit the reduction of the total set-aside commitment for the Development from 100% of 99.405% (168 to 167 units).

14. Had Petitioner initially indicated (in its RFA application) that 167 of the 168 units of the Development were to be set aside for qualifying tenants, Applicant would have still been funded under the RFA. No scoring reduction would have resulted in its RFA application, and Petitioner has sufficient basis in the Development to generate the requested amount of HC, regardless of whether the “applicable fraction” for purpose of computing the amount of HC was one hundred (100%) percent or 99.405%. In computing the “leveraging” rankings under the RFA, Applicant would have still been in the “A Group”. No competitive advantage would be gained by Applicant by virtue of decreasing the total set-aside commitment from 100% to 99.405%. Due to the scarcity of nearby affordable housing, required relocation of such tenant would impose severe hardship upon such

tenant. No public policy objective is served or furthered by requiring Applicant to evict and relocate the tenant at the Development.

15. The Corporation has the authority pursuant to Section 120.542(1), Florida Statutes, to provide relief from its rules if strict application of the rule will lead to unreasonable, unfair and unintended consequences in particular instances. In addition, the financial viability and well-being of the Development will be furthered by permitting Petitioner to allow the tenant who is currently over-income to remain as a resident of the Development. Loss of such resident will result in loss of income to the Development until such time as a qualifying replacement tenant can be located. In addition, Petitioner would not have to incur relocation expense in connection with relocating such tenant. As noted above, Petitioner gained no competitive advantage in the RFA by representing that one hundred (100%) percent of its tenants would be income eligible, as compared to 99.405% requested hereunder. Petitioner agrees to continue to set-aside twenty (20%) percent of the 168 units (34 units) at or below the 30% ELI level.

**WAIVER WILL SERVE THE UNDERLYING PURPOSE OF THE STATUTE**

16. Petitioner believes that a waiver of these rules will serve the purposes of Section 420.5099 and the Act which is implemented by the rules, because one of their goals is to facilitate the availability of decent, safe and sanitary housing in the State of Florida to low-income persons and households by ensuring:

The maximum use of available tax credits in order to encourage development of low-income housing in the State, taking into consideration the timeliness of the application, the location of the proposed housing project, the relative need in the area for low-income housing and the availability of such housing, the economic feasibility of the project, and the ability of the Applicant to proceed to completion of the project in the calendar year for which credit is sought. Section 420.5099(2), Fla. Stat.

The Florida Housing Finance Corporation Act (Section 420.501, et seq.) was passed in order to encourage private and public investment in persons of low income. The creation of the Housing Credit program stimulates private sector initiatives to increase the supply of affordable housing. By granting this request, the Corporation would recognize the goal of increasing the supply of affordable housing through private investment in persons of low-income.

**TYPE OF WAIVER**

17. The waiver being sought is permanent in nature.

**ACTION REQUESTED – TOTAL SET ASIDE PERCENTAGE**

18. Petitioner requests the following:
- (a) Grant the Petition and all relief requested herein; and
  - (b) That the Corporation grant this waiver allowing for 167 (or 99.405%) of the 168 units in the Development be set-aside for qualifying low-income tenants.

19. A copy of the Petition has been provided to the Joint Administrative Procedures Committee, Room 680, Pepper Building, 111 W. Madison Street, Tallahassee, FL 32399-1400.

Respectfully submitted this 3<sup>rd</sup> day of October, 2024.

BILZIN SUMBERG BAENA PRICE &  
AXELROD LLP  
1450 Brickell Avenue, 23rd Floor  
Miami, Florida 33131  
Tel: (305) 374-7580  
Fax: (305) 351-2126  
E-mail: tlovell@bilzin.com

/s/ Terry M. Lovell



**CERTIFICATE OF SERVICE**

The Petition is being served via e-mail for filing with the Clerk for the Florida Housing Finance Corporation, CorporationClerk@FloridaHousing.org, with copies served electronically and by U.S. Mail on the Joint Administrative Procedures Committee, Pepper Building, Room 680, 111 West Madison Street, Tallahassee, Florida 32399-1400; (Joint.Admin.Procedures@leg.state.fl.us), this 3<sup>rd</sup> day of October, 2024.

/s/Terry M. Lovell

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FLORIDA HOUSING FINANCE CORPORATION

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NOTRE MAISON I, LLLP,  
a Florida limited liability limited partnership,

FLORIDA HOUSING  
FINANCE CORPORATION

Petitioner,

CASE NO. 2024-056VW

vs.

Application No. 2023-176CSN

FLORIDA HOUSING FINANCE  
CORPORATION,

RFA 2023-103

Respondent.

\_\_\_\_\_ /

**PETITION FOR WAIVER OF RULES  
67-48.0072(4)(c) and 67-48.0072(21)(b), F.A.C. (07/06/2022)**

The petitioner, Notre Maison I, LLLP, a Florida limited liability limited partnership (the “Petitioner”), hereby petitions the Florida Housing Finance Corporation (the “Corporation”) for a waiver of Rules 67-48.0072(4)(c) and 67-48.0072(21)(b) of the Florida Administrative Code (July 6, 2022) pertaining to the required date by when an Applicant must receive a firm loan commitment (collectively, the “Subordinate Loan Deadline Rules”). Accordingly, pursuant to Section 120.542 of the Florida Statutes (2022) and Rules 28-104.001 through 28-104.006 of the Florida Administrative Code (2022), the Petitioner hereby requests a waiver of the Subordinate Loan Deadline Rules to allow for an extension of the required date by when the Petitioner must receive a firm loan commitment in connection with the Petitioner’s Subordinate Loans (as defined hereinafter), from the current date of September 30, 2024 (the “Current Loan Commitment Receipt Deadline”) to a new date of March 31, 2025.

In support of this Petition, the Petitioner states the following:

**A. THE PETITIONER**

1. The name, mailing address, telephone number and email address for the Petitioner and its qualified representative are:

Notre Maison I, LLLP  
Attention: Stephanie Berman  
1398 SW 1<sup>st</sup> Street, 12<sup>th</sup> Floor  
Miami, Florida 33135  
Telephone: (305) 371-8300  
E-mail: sberman@carrfour.org

2. For purposes of this Petition, the name, mailing address, telephone number and email address of the Petitioner’s attorney are:

Bilzin Sumberg Baena Price & Axelrod LLP  
Attention: Terry M. Lovell, Esquire  
1450 Brickell Avenue, 23<sup>rd</sup> Floor  
Miami, Florida 33131  
Telephone: (305) 350-2428  
E-mail: tlovell@bilzin.com

**B. THE DEVELOPMENT**

3. The Petitioner timely submitted its Application No. 2023-176CSN (the “Application”) on January 26, 2023 in response to the Corporation’s RFA 2023-103 (Housing Credit and SAIL Financing for Homeless Housing Developments Located in Medium and Large Counties) issued on November 1, 2022 (the “RFA”) for the development named “Notre Maison” (the “Development”).

4. The Application was submitted by the Petitioner for (i) competitive Housing Credits under the Corporation’s Housing Credit Program (the “Housing Credits”), and (ii) loan funding under the State Apartment Incentive Loan Program (SAIL).

5. Equity raised from the Housing Credits will be used for the development, construction and operation of the Development. Additionally, loan proceeds generated from the Petitioner’s Subordinate Loans will be used for the development, construction and operation of the Development.

6. The following information pertains to the Development:

- Development Name: Notre Maison
- Development Location: City of Miami, Miami-Dade County, State of Florida
- Type of Construction: New Construction
- Number of Total Units: 75
- Number of Residential Buildings: 1

- Development Type: Mid-Rise (6 Stories)
- Demographics: Homeless
- Set-Asides: 15% (12 units) at or below 28% AMI and 85% (63 units) at or below 60% AMI, with 7 units at or below 22% AMI (NHTF); at least 50% of units will be set-aside for Homeless individuals and families; and at least 20% of units will be set-aside for Persons with Special Needs (which may be the same units set aside for Homeless individuals and families)
- Funding: 9% Housing Credits at an annual amount of \$2,850,000; SAIL financing of \$3,733,300; ELI financing of \$466,700; and NHTF financing of \$2,625,000

7. The Application was preliminarily selected for funding by the Corporation, the Petitioner was invited by the Corporation to enter into credit underwriting, and the Petitioner accepted the invitation to credit underwriting on March 31, 2023.

8. Under the Subordinate Loan Deadline Rules, the Applicant (who is the Petitioner) must receive a firm loan commitment for the Petitioner's Subordinate Loans within twelve (12) months of the Applicant's acceptance to enter into credit underwriting. Further, under the Subordinate Loan Deadline Rules, the Applicant may request one (1) extension, not to exceed six (6) months, to the required deadline to receive a firm loan commitment for the Petitioner's Subordinate Loans. In the event that the Applicant has not received a firm loan commitment for the Petitioner's Subordinate Loans in accordance with the aforementioned deadlines, then the preliminary loan commitment for the Petitioner's Subordinate Loans shall be withdrawn.

9. As previously noted, the Petitioner accepted the invitation to credit underwriting on March 31, 2023. As such, the twelve (12) month deadline for the Petitioner to receive a firm loan commitment for the Petitioner's Subordinate Loans expired on March 31, 2024. However, the Petitioner requested, and the Corporation granted, a six (6) month extension on May 10, 2024 such that the deadline for the Petitioner to receive a firm loan commitment for the Petitioner's Subordinate Loans was extended to September 30, 2024 (which is the Current Loan Commitment Receipt Deadline).

10. A further extension of the deadline for the Petitioner to receive a firm loan commitment for the Petitioner's Subordinate Loans cannot be granted by the Corporation without a waiver of the Subordinate Loan Deadline Rules.

11. As explained in greater detail below, the Petitioner will not be able to receive a firm loan commitment for the Petitioner's Subordinate Loans by the Current Loan Commitment Receipt Deadline; and therefore, the Petitioner is requesting an extension of the required date by when the Petitioner must receive a firm loan commitment in connection with the Petitioner's Subordinate Loans from the Current Loan Commitment Receipt Deadline to a new deadline of March 31, 2025.

12. The requested waiver and relief set forth in this Petition will not adversely affect the Development or the Corporation. However, a denial of this Petition: (i) would result in substantial hardship to the Petitioner,<sup>1</sup> including substantial economic hardship because the Petitioner has more than \$688,675 invested and at risk in the Development, (ii) would deprive the City of Miami and Miami-Dade County of desperately needed affordable housing units, particularly housing for Homeless individuals and families, (iii) would prevent or hinder the implementation of the Corporation's Housing Credit Program and the State Apartment Incentive Loan Program (SAIL), and (iv) would violate principles of fairness.<sup>2</sup>

**C. RULES FROM WHICH WAIVER IS REQUESTED**

13. The Petitioner hereby requests a waiver from the Subordinate Loan Deadline Rules.

14. Rule 67-48.0072(4)(c) of the Florida Administrative Code (July 6, 2022) provides for the following:

For SAIL and HOME, the credit underwriting process must be completed within the time frame outlined in subsection 67-48.0072(21), F.A.C., below and the loan must close within the time frame outlined in subsection 67-48.0072(26), F.A.C., below.

15. Rule 67-48.0072(21)(b) of the Florida Administrative Code (July 6, 2022) provides, in relevant part, for the following:

Information required by the Credit Underwriter shall be provided as follows: [ . . . ] For SAIL and HOME, unless stated otherwise in a competitive solicitation, the firm loan commitment must be issued within twelve (12) months of the Applicant's acceptance to enter credit underwriting, which may be automatically extended to the next scheduled

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<sup>1</sup> "Substantial hardship" means a demonstrated economic, technological, legal or other type of hardship to the person requesting the variance or waiver. *See* Section 120.542(2) of the Florida Statutes (2022).

<sup>2</sup> "Principles of fairness" are violated when the literal application of a rule affects a particular person in a manner significantly different from the way it affects other similarly situated persons who are subject to the rule. *See* Section 120.542(2) of the Florida Statutes (2022).

meeting of the Board of Directors that is after the twelve (12) month deadline. [ . . . ] Applicants may request one (1) extension of up to six (6) months, which may be automatically extended to the next scheduled meeting of the Board of Directors that is after the six (6) month extension deadline, to secure a firm loan commitment. [ . . . ] If, by the end of the extension period, the Applicant has not received a firm loan commitment, then the preliminary commitment shall be withdrawn.

**D. STATUTES IMPLEMENTED BY THE RULES**

16. The Subordinate Loan Deadline Rules are implementing the Florida Housing Finance Corporations Act (the “Act”),<sup>3</sup> the statute that designates the Corporation as the administrator of the State Apartment Incentive Loan Program (SAIL) for the purpose of providing loans to sponsors (including the Petitioner) to provide affordable housing to low-income persons. Accordingly, the Corporation is responsible for, and is authorized to establish and implement, the procedures for the State Apartment Incentive Loan Program (SAIL); and therefore, the Subordinate Loan Deadline Rules effectuate, among other sections of the Act, the statutory power and authority for the Corporation’s establishment and implementation of the State Apartment Incentive Loan Program (SAIL).

**E. JUSTIFICATION FOR GRANTING THE REQUESTED WAIVER**

17. Under Section 120.542(1) of the Florida Statutes (2022) and Chapter 28-104 of the Florida Administrative Code (2022), the Corporation has the power and authority to grant waivers to its rule requirements when strict application of such rules or requirements would lead to unreasonable, unfair and unintended consequences in particular instances. Pursuant to Section 120.542(2) of the Florida Statutes (2022), a waiver shall be granted when: (i) the person subjected to the rule demonstrates that application of the rule would either create a substantial hardship or violate principles of fairness; and (ii) the purpose of the underlying statute has been, or otherwise will be, achieved by other means by the person.

18. The Petitioner timely submitted the Application on January 26, 2023 in response to the RFA, the Petitioner was invited by the Corporation to enter into credit underwriting on March 31, 2023, and the Petitioner accepted the invitation. In turn, the Petitioner received a preliminary loan commitment, in accordance with the Act, for a SAIL loan in the principal amount of \$3,733,300, an ELI loan in the principal amount of \$466,700, and a NHTF loan in the principal amount of \$2,625,000 (collectively, the “Petitioner’s Subordinate Loans”).

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<sup>3</sup> The Florida Housing Finance Corporation Act is set forth in Sections 420.501 through 420.55 of the Florida Statutes (2022).

19. Pursuant to the Subordinate Loan Deadline Rules, the Petitioner must receive a firm loan commitment for the Petitioner's Subordinate Loans by no later than the Current Loan Commitment Receipt Deadline.

20. Since the Petitioner entered into credit underwriting for the Development on March 31, 2023, the Development has encountered events that unmistakably demonstrate that the Petitioner will not be able to receive a firm loan commitment for the Petitioner's Subordinate Loans by the Current Loan Commitment Receipt Deadline.

21. The Development has encountered substantial delay due to the review process by the City of Miami of the site plan for the Development. The initial round of Development site plan comments has been completed by the Petitioner with the City of Miami. However, the second round of Development site plan comments is currently in process between the Petitioner and the City of Miami, and the Petitioner is diligently addressing the various site plan comments provided by the City of Miami to the Petitioner.

22. Given the extended time of review by the City of Miami during the site plan approval process, plus the need for review of the site plan for the Development by external governmental agencies (such as the Miami-Dade Water and Sewer Department and the Miami-Dade Department of Environmental Resources Management), additional time is needed to receive permit approvals that will extend beyond the Current Loan Commitment Receipt Deadline. Further, in order to mitigate the impact of these governmental agency reviews, the Petitioner has hired a permit expediter as well as submitted the Petitioner's draft construction documents to these governmental agencies using a private provider. The goal is for these additional steps to reduce the necessary review time.

23. As of the date hereof, the Petitioner continues to progress through the underwriting and development process for the Development, and the Petitioner currently anticipates (i) completion of the credit underwriting process by March 31, 2025, (ii) receipt of a firm loan commitment for the Petitioner's Subordinate Loans by March 31, 2025, (iii) closing on the necessary financing (equity and debt) for the Development by March 31, 2025, and (iv) completion of the development and construction of the Development within fourteen (14) months following such closing (i.e., completion of the development and construction of the Development by May 31, 2026).



24. As outlined above, the delays have been caused by circumstances outside the control of the Petitioner and not by any fault of the Petitioner. As a result, such delays currently make it impossible for the Petitioner to receive a firm loan commitment for the Petitioner's Subordinate Loans by the Current Loan Commitment Receipt Deadline; and as such, the Petitioner currently requests the relief set forth in this Petition.

25. Additionally, the Petitioner respectfully requests the Corporation's acknowledgement of the fact that the Petitioner continues to act in good faith and with due diligence to complete the Development pursuant to the RFA and the Application, as demonstrated by (i) the Petitioner's recent completion of permit plans for the Development with the City of Miami, and (ii) the Petitioner's engagement of a pre-construction general contractor in order to expedite the pricing of plans and underwriting for the Development and to finalize the construction budget for the Development.

26. Because the Petitioner knows that circumstances outside the control of the Petitioner will prevent the Petitioner's receipt of a firm loan commitment for the Petitioner's Subordinate Loans by the Current Loan Commitment Receipt Deadline, the Petitioner hereby respectfully requests (i) a waiver of the requirement that the Petitioner receive a firm loan commitment for the Petitioner's Subordinate Loans by September 30, 2024, and (ii) a grant of an extension for the Petitioner to receive a firm loan commitment for the Petitioner's Subordinate Loans to a new deadline of March 31, 2025.

27. As demonstrated above, the Petitioner meets the standards for a waiver of the Subordinate Loan Deadline Rules because the Petitioner (i) has demonstrated the hardships and other circumstances which justify the Petitioner's requests set forth in this Petition and (ii) has acted in good faith and with proper diligence to complete the underwriting process for the Development pursuant to the RFA and the Application.

28. The granting of this Petition will not adversely impact the Development or the Corporation; and rather, the granting of this Petition will ensure that much needed affordable housing units will be made available for the Homeless population in Miami-Dade County.

29. If this Petition is not granted, then the Petitioner and the Development will suffer substantial and irrevocable hardship because the Development will need to be abandoned (as the Petitioner will not have sufficient time to receive a firm loan commitment for the Petitioner's Subordinate Loans by September 30, 2024, leading to the preliminary loan commitment for the



Petitioner's Subordinate Loans being withdrawn). Consequently, granting this Petition will (i) ensure the availability of the Petitioner's Subordinate Loans for the Development, which may otherwise be lost due to the aforementioned delays, (ii) promote principles of fundamental fairness in the development of affordable housing, (iii) permit the development and construction of new affordable housing units via the Development, (iv) enable the Petitioner to utilize (and not lose) its significant investments made to-date in connection with the Development, (v) allow the Petitioner to obtain the necessary financing in order to proceed with the development and construction of the Development, (vi) encourage private and public investment in facilities benefiting persons of low income (including Homeless individuals and families), (vii) promote the goal of increasing the supply of affordable housing through private investment through the Corporation's Housing Credit Program, and (viii) promote participation by experienced non-profit developers (such as Carrfour Supportive Housing, Inc.) in providing affordable housing units to extremely underserved tenant populations (such as Homeless individuals and families).

30. Further, this Petition should be granted, as opposed to withdrawing the preliminary loan commitment for the Petitioner's Subordinate Loans, because Miami-Dade County is currently experiencing a shortage of affordable housing units, particularly housing for Homeless individuals and families. Granting this Petition will result in the delivery of seventy-five (75) affordable housing units in Miami-Dade County (increasing the availability of decent, safe, affordable and sanitary housing for individuals and families living in Miami-Dade County) much faster than would a reallocation of funds to a new development. As such, the granting of this Petition would serve the purposes of the Act and the RFA.<sup>4</sup>

31. Should the Corporation require any additional information, a representative of the Petitioner is available to answer questions and to provide information necessary for the Corporation's review and consideration of this Petition.

**F. PERMANENCY OF WAIVER**

32. The waiver being sought is permanent in nature.

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<sup>4</sup> One of the primary goals of the Act is to facilitate the availability of decent, safe and sanitary housing in the State of Florida to low-income individuals and households by ensuring: "the maximum use of available tax credits in order to encourage development of low-income housing in the state, taking into consideration the timeliness of the application, the location of the proposed housing project, the relative need in the area for low-income housing and the availability of such housing, the economic feasibility of the project, and the ability of the applicant to proceed to completion of the project in the calendar year for which the credit is sought." *See* Section 420.5099(2) of the Florida Statutes (2022).

**G. ACTIONS REQUESTED**

For the reasons set forth in this Petition, the Petitioner respectfully requests that the Corporation:

- a. Grant this Petition and all of the relief requested herein;
- b. Waive the requirement that the Petitioner receive a firm loan commitment for the Petitioner's Subordinate Loans by September 30, 2024;
- c. Grant an extension for the Petitioner to receive a firm loan commitment for the Petitioner's Subordinate Loans by no later than March 31, 2025; and
- d. Award or grant such further relief as may be deemed appropriate.

Respectfully submitted,

Bilzin Sumberg Baena Price & Axelrod LLP  
1450 Brickell Avenue, 23<sup>rd</sup> Floor  
Miami, Florida 33131  
Tel: (305) 350-2428  
Fax: (305) 351-2126  
E-mail: [tlovell@bilzin.com](mailto:tlovell@bilzin.com)

/s/ Terry M. Lovell

**CERTIFICATE OF SERVICE**

This Petition is being served via electronic transmission for filing with the Corporation Clerk for the Florida Housing Finance Corporation (CorporationClerk@FloridaHousing.org), with a copy being served by U.S. Mail on the Joint Administrative Procedures Committee, Pepper Building, Room 680, 111 West Madison Street, Tallahassee, Florida 32399-1400, as of this 2<sup>nd</sup> day of October, 2024.

/s/ Terry M. Lovell

11906505.5

STATE OF FLORIDA  
FLORIDA HOUSING FINANCE CORPORATION

FHFC CASE NO.: 2024-057VW  
APPLICATION NO.: 2023-166BH

SOVEREIGN AT PARKSIDE EAST, LLC,

Petitioner,

vs.

FLORIDA HOUSING FINANCE  
CORPORATION,

Respondent.

RECEIVED

OCT 3 2024 9:36 AM

FLORIDA HOUSING  
FINANCE CORPORATION

**PETITION FOR WAIVER OF RULE 67-48.0072(21)(b)**

Sovereign at Parkside East, LLC, a Florida limited liability company (the “Petitioner”), by and through its undersigned counsel, hereby petitions the Florida Housing Finance Corporation (the “Corporation”) for a waiver of Rule 67-48.0072(21)(b), Florida Administrative Code (“F.A.C”) (July 6, 2022) (the “Rule”), in effect at the time Petitioner submitted its Application (as defined below) in response to the Corporation’s RFA (as defined below), to allow Petitioner to extend its deadline to secure a firm loan commitment for an additional six (6) months. Petitioner seeks a waiver of, or variance from, the Rule for reasons set forth below. This Petition is filed pursuant to Section 120.542, Florida Statutes, and Chapter 28-104, Florida Administrative Code. In support, the Petitioner states as follows:

**A. THE PETITIONER**

1. The mailing address, telephone number and email of the Petitioner is as follows:

Sovereign at Parkside East, LLC  
575 Pharr Road NE, #550069  
Atlanta, GA 30355

Telephone: (404) 963-6657  
Attention: James Freeman, III  
Email: jwf@thestrategicgroup.com

2. The mailing address, telephone number and email of the Petitioner’s legal counsel is as follows:

Nicholas W. Heckman, Esq.  
Nelson Mullins Riley & Scarborough LLP  
390 N. Orange Ave., Suite 1400  
Orlando, Florida 32801  
Telephone: (407) 669-4241  
Facsimile: (407) 425-8377  
Email: nick.heckman@nelsonmullins.com

3. On January 24, 2023, Petitioner submitted an application (the “Application”) in response to RFA 2022-206 HOME Financing to be used for Rental Developments in Certain Hurricane Ian Impacted Counties (the “RFA”) requesting a loan financed by Corporation-issued Multifamily Mortgage Revenue Bonds in an amount up to \$6,010,000 (the “MMRB Loan”) and a HOME Investment Partnership Program funds in an amount up to \$5,653,571 (the “HOME Loan”) to finance the development of a 32-unit elderly residential housing development to be located in the city of Charlotte County, Florida, to be commonly known as Sovereign at Parkside East (the “Development”). The Petitioner received -and subsequently accepted - correspondence from the Corporation providing a preliminary commitment for the HOME Loan and the MMRB Loan (the HOME Loan and MMRB Loan, collectively referred to herein as the “Loans”) and inviting the Petitioner to enter credit underwriting. Pursuant to the Rule, the Petitioner must receive a firm loan commitment within twelve (12) months of the Petitioner accepting its invitation to enter into credit underwriting. On November 20, 2023, the Petitioner requested the approval of the Corporation to extend the Petitioner’s deadline to secure a firm loan commitment by six (6) months. On May 10, 2024, the Corporation approved the Petitioner’s request and approved the deadline to be extended

through November 26, 2024. Petitioner paid a one (1) percent extension fee in connection with approval of the foregoing extension.

**B. THE RULE FROM WHICH WAIVER IS SOUGHT**

4. The Petitioner requests a waiver of or variance from Rule 67-48.0072(21)(b), F.A.C (effective July 6, 2022), which provides in part:

**67-48.0072 Credit Underwriting and Loan Procedures.**

\*\*\*

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

\*\*\*

(b) For SAIL and HOME, unless stated otherwise in a competitive solicitation, the firm loan commitment must be issued within twelve (12) months of the Applicant's acceptance to enter credit underwriting, which may be automatically extended to the next scheduled meeting of the Board of Directors that is after the twelve (12) month deadline. Unless an extension is approved by the Corporation in writing, failure to achieve issuance of a firm loan commitment by the specified deadline shall result in withdrawal of the preliminary commitment. **Applicants may request one (1) extension of up to six (6) months, which may be automatically extended to the next scheduled meeting of the Board of Directors that is after the six (6) month extension deadline, to secure a firm loan commitment.** All extension requests must be submitted in writing to the program administrator and contain the specific reasons for requesting the extension and shall detail the time frame to achieve a firm loan commitment. In determining whether to grant an extension, the Corporation shall consider the facts and circumstances of the Applicant's request, inclusive of the responsiveness of the Development team and its ability to deliver the Development timely. The Corporation shall charge a non-refundable extension fee of one (1) percent of each loan amount if the request to extend the credit underwriting and firm loan commitment process beyond the initial twelve (12) month deadline is approved. If an approved extension is utilized, Applicants must pay the extension fee not later than seven (7) Calendar Days after the original twelve (12) month deadline. If, by the end of the extension period, the Applicant has not received a firm loan commitment, then the preliminary commitment shall be withdrawn.

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**(Emphasis added.)**

**C. STATUTES IMPLEMENTED BY THE RULES**

5. The Rule is implementing, among other sections of the Florida Housing Finance Corporation Act (the “Act”), the statute that designated the Corporation to administer the HOME Investment Partnership Program. *See* Fla. Stat. § 420.5089.

**D. JUSTIFICATION FOR PETITIONER’S REQUESTED WAIVER**

6. Petitioner was previously granted an extension to secure a firm loan commitment for the Loans to November 26, 2024. Petitioner respectfully requests an extension of the deadline to secure a firm loan commitment for the Loans for an additional six months in order for Petitioner to finalize its plans to restructure the applicant and developer structures for the Development. Petitioner recently entered into a verbal agreement with a well experienced partner that will greatly assist Petitioner with the closing of the financing, construction, operation and development of the Development. Such proposed restructure was recently submitted to the Corporation for their review and approval and Petitioner is working diligently with the Corporation to finalize the structure as soon as possible. Petitioner hereby formally requests a waiver of the Rule or variance from the Rule, in order to extend the Petitioner’s firm loan commitment deadline for an additional six months to allow for Petitioner to finalize its new proposed structure with the Corporation.

7. Under Section 120.542(1), Fla. Stat., and Chapter 28-104, F.A.C., the Corporation has the power and 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. A waiver 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<sup>1</sup> *or* violate principles 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), Fla. Stat.

8. Petitioner is working diligently and quickly to finalize its proposed plans to restructure the ownership structure of the applicant entity and the developers. The petitioner has made substantial progress towards finalizing the proposed changes to the applicant and developer entities. The Petitioner recently submitted its proposed structure to the Corporation and is working diligently with the Corporation to receive their approval. The proposed restructuring of the applicant entity and developer entities only benefits the Development as the Petitioner will be adding a partner that has significant affordable housing development experience. Moreover, Petitioner has completed the following tasks with respect to the Development: preliminary architectural and civil engineering work, completion of the Development's survey, environmental reports, and geotechnical reports (collectively the "Predevelopment Items"). The Petitioner used its own money to cover the costs of the Predevelopment Items. In addition to the 1% fee paid by the Petitioner for the previous extension, and Petitioner's payment of the expenses related to the Predevelopment Items, the Petitioner also purchased the land for the Development using its own money to ensure that the Development proceeds to completion. A denial of the request would result in substantial economic hardship to the Petitioner as it has incurred substantial costs to date insuring that the Development proceeds to completion and if not granted would otherwise cause the Petitioner to lose its award.

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<sup>1</sup> "Substantial hardship" means a demonstrated economic, technological, legal or other type of hardship to the person requesting the variance or waiver. Further, "principles of fairness" are violated when the literal application of a rule affects a particular person in a manner significantly different from the way it affects other similarly situated persons who are subject to the rule. *See* Fla. Stat. § 120.542.



9. The Corporation would benefit by granting the requested waiver of, or variance of the Rule. If granted, it will allow the Petitioner to finalize its structure and bring in an experienced partner to successfully assist the Petitioner with the construction and operation the Development, which will provide 32 much-needed elderly affordable housing units in Charlotte County, Florida.

10. The Florida Housing Finance Corporation Act (Section 420.501, *et seq.*) was passed to encourage private and public investment in facilities for persons of low-income. The purposes of Section 420.5089, Fla. Stat. and the Act that are implemented by Chapter 67-48, as one of the goals is for Corporation financing to be used to facilitate the availability of decent, safe and sanitary housing in the State of Florida to low-income persons and households. Further, the Act was passed in order to stimulate and prioritize initiatives to increase the supply of affordable housing. By granting the requested waivers, the Corporation would promote the goal of providing persons of low-income with of affordable housing through private investment. The requested waivers or variances will not adversely impact the Development or the Corporation or provide Petitioner with an unfair advantage, and will ensure that the 32 affordable elderly housing units of the Development will be made available for the target population in Charlotte County to obtain decent, safe, and sanitary housing.

**E. TYPE OF WAIVER**

11. The waiver being sought is permanent in nature.

**F. ACTION REQUESTED**

12. For the reasons set forth herein, the Petitioner respectfully requests the Corporation (i) grant a waiver of the Rule to extend the November 26, 2024 deadline to secure a firm loan commitment for an additional six months; (ii) grant this Petition and all the relief requested herein; and (iii) grant such further relief as it may deem appropriate.

Respectfully submitted the 3<sup>rd</sup> day of October, 2024.

Respectfully submitted,



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Nicholas W. Heckman, Esq.  
Fla. Bar No. 0127356  
Nelson Mullins Riley & Scarborough LLP  
390 N. Orange Ave., Suite 1400  
Orlando, FL 32801  
Telephone: (407) 669-4241  
Facsimile: (407) 425-8377  
Email: [nick.heckman@nelsonmullins.com](mailto:nick.heckman@nelsonmullins.com)  
COUNSEL FOR PETITIONER

CERTIFICATE OF SERVICE

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

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

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

This 3<sup>rd</sup> day of October, 2024.

By:   
\_\_\_\_\_  
Nicholas W. Heckman, Esq.  
Fla. Bar No. 0127356

STATE OF FLORIDA  
FLORIDA HOUSING FINANCE CORPORATION

FHFC CASE NO.: 2024-058VW  
APPLICATION NO.: 2023-165BH

SOVEREIGN AT HARBOR WEST, LLC,

Petitioner,

vs.

FLORIDA HOUSING FINANCE  
CORPORATION,

Respondent.

RECEIVED

OCT 3 2024 9:36 AM

FLORIDA HOUSING  
FINANCE CORPORATION

**PETITION FOR WAIVER OF RULE 67-48.0072(21)(b)**

Sovereign at Harbor West, LLC, a Florida limited liability company (the “Petitioner”), by and through its undersigned counsel, hereby petitions the Florida Housing Finance Corporation (the “Corporation”) for a waiver of Rule 67-48.0072(21)(b), Florida Administrative Code (“F.A.C”) (July 6, 2022) (the “Rule”), in effect at the time Petitioner submitted its Application (as defined below) in response to the Corporation’s RFA (as defined below), to allow Petitioner to extend its deadline to secure a firm loan commitment for an additional six (6) months. Petitioner seeks a waiver of, or variance from, the Rule for reasons set forth below. This Petition is filed pursuant to Section 120.542, Florida Statutes, and Chapter 28-104, Florida Administrative Code. In support, the Petitioner states as follows:

**A. THE PETITIONER**

1. The mailing address, telephone number and email of the Petitioner is as follows:

Sovereign at Harbor West, LLC  
575 Pharr Road NE, #550069  
Atlanta, GA 30355

Telephone: (404) 963-6657  
Attention: James Freeman, III  
Email: jwf@thestrategicgroup.com

2. The mailing address, telephone number and email of the Petitioner’s legal counsel is as follows:

Nicholas W. Heckman, Esq.  
Nelson Mullins Riley & Scarborough LLP  
390 N. Orange Ave., Suite 1400  
Orlando, Florida 32801  
Telephone: (407) 669-4241  
Facsimile: (407) 425-8377  
Email: nick.heckman@nelsonmullins.com

3. On January 24, 2023, Petitioner submitted an application (the “Application”) in response to RFA 2022-206 HOME Financing to be used for Rental Developments in Certain Hurricane Ian Impacted Counties (the “RFA”) a loan financed by Corporation-issued Multifamily Mortgage Revenue Bonds in an amount up to \$6,655,000 (the “MMRB Loan”) requesting a HOME Investment Partnership Program funds (the “HOME Loan”) to finance the development of a 32-unit multifamily residential housing development to be located in the city of Charlotte County, Florida, to be commonly known as Sovereign at Harbor West (the “Development”). The Petitioner received - and subsequently accepted - correspondence from the Corporation providing a preliminary commitment for the HOME Loan and the MMRB Loan (the HOME Loan and MMRB Loan, collectively referred to herein as the “Loans”) and inviting the Petitioner to enter credit underwriting. Pursuant to the Rule, the Petitioner must receive a firm loan commitment within twelve (12) months of the Petitioner accepting its invitation to enter into credit underwriting. On November 20, 2023, the Petitioner requested the approval of the Corporation to extend the Petitioner’s deadline to secure a firm loan commitment by six (6) months. On May 10, 2024, the Corporation approved the Petitioner’s request and approved the deadline to be extended

through November 26, 2024. Petitioner paid a one (1) percent extension fee in connection with approval of the foregoing extension.

**B. THE RULE FROM WHICH WAIVER IS SOUGHT**

4. The Petitioner requests a waiver of or variance from Rule 67-48.0072(21)(b), F.A.C (effective July 6, 2022), which provides in part:

**67-48.0072 Credit Underwriting and Loan Procedures.**

\*\*\*

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

\*\*\*

(b) For SAIL and HOME, unless stated otherwise in a competitive solicitation, the firm loan commitment must be issued within twelve (12) months of the Applicant's acceptance to enter credit underwriting, which may be automatically extended to the next scheduled meeting of the Board of Directors that is after the twelve (12) month deadline. Unless an extension is approved by the Corporation in writing, failure to achieve issuance of a firm loan commitment by the specified deadline shall result in withdrawal of the preliminary commitment. **Applicants may request one (1) extension of up to six (6) months, which may be automatically extended to the next scheduled meeting of the Board of Directors that is after the six (6) month extension deadline, to secure a firm loan commitment.** All extension requests must be submitted in writing to the program administrator and contain the specific reasons for requesting the extension and shall detail the time frame to achieve a firm loan commitment. In determining whether to grant an extension, the Corporation shall consider the facts and circumstances of the Applicant's request, inclusive of the responsiveness of the Development team and its ability to deliver the Development timely. The Corporation shall charge a non-refundable extension fee of one (1) percent of each loan amount if the request to extend the credit underwriting and firm loan commitment process beyond the initial twelve (12) month deadline is approved. If an approved extension is utilized, Applicants must pay the extension fee not later than seven (7) Calendar Days after the original twelve (12) month deadline. If, by the end of the extension period, the Applicant has not received a firm loan commitment, then the preliminary commitment shall be withdrawn.

\*\*\*

**(Emphasis added.)**

**C. STATUTES IMPLEMENTED BY THE RULES**

5. The Rule is implementing, among other sections of the Florida Housing Finance Corporation Act (the “Act”), the statute that designated the Corporation to administer the HOME Investment Partnership Program. *See* Fla. Stat. § 420.5089.

**D. JUSTIFICATION FOR PETITIONER’S REQUESTED WAIVER**

6. Petitioner was previously granted an extension to secure a firm loan commitment for the Loans to November 26, 2024. Petitioner respectfully requests an extension of the deadline to secure a firm loan commitment for the Loans for an additional six months in order for Petitioner to finalize its plans to restructure the applicant and developer structures for the Development. Petitioner recently entered into a verbal agreement with a well experienced partner that will greatly assist Petitioner with the closing of the financing, construction, operation and development of the Development. Such proposed restructure was recently submitted to the Corporation for their review and approval and Petitioner is working diligently with the Corporation to finalize the structure as soon as possible. Petitioner hereby formally requests a waiver of the Rule or variance from the Rule, in order to extend the Petitioner’s firm loan commitment deadline for an additional six months to allow for Petitioner to finalize its new proposed structure with the Corporation.

7. Under Section 120.542(1), Fla. Stat., and Chapter 28-104, F.A.C., the Corporation has the power and 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. A waiver 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<sup>1</sup> *or* violate principles 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), Fla. Stat.

8. Petitioner is working diligently and quickly to finalize its proposed plans to restructure the ownership structure of the applicant entity and the developers. The petitioner has made substantial progress towards finalizing the proposed changes to the applicant and developer entities. The Petitioner recently submitted its proposed structure to the Corporation and is working diligently with the Corporation to receive their approval. The proposed restructuring of the applicant entity and developer entities only benefits the Development as the Petitioner will be adding a partner that has significant affordable housing development experience. Moreover, Petitioner has completed the following tasks with respect to the Development: preliminary architectural and civil engineering work, completion of the Development's survey, environmental reports, and geotechnical reports (collectively the "Predevelopment Items"). The Petitioner used its own money to cover the costs of the Predevelopment Items. In addition to the 1% fee paid by the Petitioner for the previous extension, and Petitioner's payment of the expenses related to the Predevelopment Items, the Petitioner also purchased the land for the Development using its own money to ensure that the Development proceeds to completion. A denial of the request would result in substantial economic hardship to the Petitioner as it has incurred substantial costs to date insuring that the Development proceeds to completion and if not granted would otherwise cause the Petitioner to lose its award.

---

<sup>1</sup> "Substantial hardship" means a demonstrated economic, technological, legal or other type of hardship to the person requesting the variance or waiver. Further, "principles of fairness" are violated when the literal application of a rule affects a particular person in a manner significantly different from the way it affects other similarly situated persons who are subject to the rule. *See* Fla. Stat. § 120.542.



9. The Corporation would benefit by granting the requested waiver of, or variance of the Rule. If granted, it will allow the Petitioner to finalize its structure and bring in an experienced partner to successfully assist the Petitioner with the construction and operation the Development, which will provide 32 much-needed affordable housing units in Charlotte County, Florida.

10. The Florida Housing Finance Corporation Act (Section 420.501, *et seq.*) was passed to encourage private and public investment in facilities for persons of low-income. The purposes of Section 420.5089, Fla. Stat. and the Act that are implemented by Chapter 67-48, as one of the goals is for Corporation financing to be used to facilitate the availability of decent, safe and sanitary housing in the State of Florida to low-income persons and households. Further, the Act was passed in order to stimulate and prioritize initiatives to increase the supply of affordable housing. By granting the requested waivers, the Corporation would promote the goal of providing persons of low-income with of affordable housing through private investment. The requested waivers or variances will not adversely impact the Development or the Corporation or provide Petitioner with an unfair advantage, and will ensure that the 32 affordable housing units of the Development will be made available for the target population in Charlotte County to obtain decent, safe, and sanitary housing.

**E. TYPE OF WAIVER**

11. The waiver being sought is permanent in nature.

**F. ACTION REQUESTED**

12. For the reasons set forth herein, the Petitioner respectfully requests the Corporation (i) grant a waiver of the Rule to extend the November 26, 2024 deadline to secure a firm loan commitment for an additional six months; (ii) grant this Petition and all the relief requested herein; and (iii) grant such further relief as it may deem appropriate.

Respectfully submitted the 3<sup>rd</sup> day of October, 2024.

Respectfully submitted,



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Nicholas W. Heckman, Esq.  
Fla. Bar No. 0127356  
Nelson Mullins Riley & Scarborough LLP  
390 N. Orange Ave., Suite 1400  
Orlando, FL 32801  
Telephone: (407) 669-4241  
Facsimile: (407) 425-8377  
Email: [nick.heckman@nelsonmullins.com](mailto:nick.heckman@nelsonmullins.com)  
COUNSEL FOR PETITIONER


CERTIFICATE OF SERVICE

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

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

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

This 3<sup>rd</sup> day of October, 2024.

By:   
\_\_\_\_\_  
Nicholas W. Heckman, Esq.  
Fla. Bar No. 0127356

**RECEIVED**

OCT 03 2024 2:09 PM

STATE OF FLORIDA

FLORIDA HOUSING FINANCE CORPORATION

PHOENIX CROSSINGS, LLC

Petitioner,

FHFC Case # 2024-060VW

v.

APPLICATION NO. 2023-164H

FLORIDA HOUSING FINANCE  
CORPORATION,

Respondent.

FLORIDA HOUSING  
FINANCE CORPORATION

**PETITION FOR WAIVER OF RULE 67-48.0072(21)(B)**

Petitioner, Phoenix Crossings, LLC, a Florida limited liability company (the "Petitioner") submits its petition to Respondent, Florida Housing Finance Corporation (the "Corporation"), for a waiver of Rule 67-48.0072(21)(b), F.A.C. (July 6, 2022) (the "Rule") in effect at the time Petitioner submitted its application in response to the Corporation's Request for Applications 2022-206 (the "RFA"), to allow Petitioner to extend the Firm Loan Commitment deadline for HOME Funding allocated to Petitioner pursuant to the RFA. In support of this petition (the "Petition"), Petitioner states as follows:

**A. Petitioner and the Development.**

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

Phoenix Crossings, LLC  
c/o Rural Neighborhoods, Inc.  
19308 SW 380<sup>th</sup> Street  
Florida City, FL 33034  
(305) 242-2142  
[SteveKirk@ruralneighborhoods.org](mailto:SteveKirk@ruralneighborhoods.org)

The name, address, telephone, and facsimile numbers of Petitioner's attorneys are:

Gary J. Cohen, Esq.  
Shutts & Bowen LLP  
200 S. Biscayne Blvd., Ste. 4100  
Miami, FL 33131  
Telephone: (305) 347-7308  
Facsimile: (305) 347-7808  
Email: [gcohen@shutts.com](mailto:gcohen@shutts.com)

2. Pursuant to the RFA, Petitioner timely submitted its application for HOME funding. See Application No. 2023-164H (the "Application"). Petitioner was preliminarily awarded Six Million Two Hundred Fifty Thousand Dollars (\$6,250,000.00) in HOME funding under the RFA (the "HOME Award"). Pursuant to the Rule, Applicant was required to complete credit underwriting and execute a HOME firm commitment within twelve (12) months of the date of the invitation to enter into credit underwriting. The invitation to credit underwriting was accepted on May 24, 2023, and, as such, the original firm commitment deadline was May 25, 2024.

3. On May 25, 2024, Petitioner requested approval of extension of the firm commitment deadline until November 25, 2024, which request was approved at the Corporation's June 28, 2024 Board meeting. Petitioner paid a one (1%) percent extension fee in connection with approval of the foregoing extension. For the reasons explained more fully below, the HOME Award Firm Loan Commitment will not be issued by the November 25, 2024 deadline. Petitioner is requesting an extension of the Firm Loan Commitment issuance deadline until May 26, 2025.

4. The HOME Award is a critical part of the financing for the new construction of affordable family housing to be known as Phoenix Crossings, serving income qualifying persons (the "Development"). The development is located in Flagler County.

**B. Rules from Which the Waiver is Sought.**

5. The relevant portions of the Rules in effect at the time the HOME funds were awarded for which this waiver is sought, provide as follows:

(b) Rule 67-48.0072 provides that “(21) Information required by the Credit Underwriter shall be provided as follows:

\*\*\*

(b) For SAIL and HOME, unless stated otherwise in a competitive solicitation, the firm loan commitment must be issued within twelve (12) months of the Applicant’s acceptance to enter credit underwriting, which may be automatically extended to the next scheduled meeting of the Board of Directors that is after the twelve (12) month deadline. Unless an extension is approved by the Corporation in writing, failure to achieve issuance of a firm loan commitment by the specified deadline shall result in withdrawal of the preliminary commitment. Applicants may request one (1) extension of up to six (6) months, which may be automatically extended to the next scheduled meeting of the Board of Directors that is after the twelve (12) month deadline, to secure a firm loan commitment. All extension requests must be submitted in writing to the program administrator and contain the specific reasons for requesting the extension and shall detail the time frame to achieve a firm loan commitment. In determining whether to grant an extension, the Corporation shall consider the facts and circumstances of the Applicant’s request, inclusive of the responsiveness of the Development team and its ability to deliver the Development timely. The Corporation shall charge a non-refundable extension fee of one (1) percent of each loan amount if the request to extend the credit underwriting and firm loan commitment process beyond the initial twelve (12) month deadline is approved. If an approved extension is utilized, Applicants must pay the extension fee not later than seven (7) Calendar Days after the original twelve (12) month deadline. If, by the end of the extension period, the Applicant has not received a firm loan commitment, then the preliminary commitment shall be withdrawn.” Rule 67-48.0072(21)(b), F.A.C. (2022).

**C. Statute Implemented.**

6. The Rule for which a waiver is requested is implementing, among other sections of the Florida Housing Finance Corporation Act (the “Act”), the statute that created the HOME program. See § 420.5089, Florida Statutes (2022).

7. Pursuant to Chapter 120.542(1), Florida Statutes, “strict application of uniformly applicable rule requirements can lead to unreasonable, unfair, and unintended results in particular instances. The Legislature finds that it is appropriate in such cases to adopt a procedure for

agencies to provide relief to persons subject to regulation.” Therefore, under Section 120.542(1), Florida Statutes and Chapter 28-104, F.A.C., the Corporation has the authority to grant waivers to its requirements when strict application of these requirements would lead to unreasonable, unfair, and unintended consequences in particular instances. Specifically, Section 120.542(2) states:

“Variances and waivers shall be granted when the person subject to the rule demonstrates that the purpose of the underlying statute will be or has been achieved by other means by the person and when application of a rule would create a substantial hardship or would violate principles of fairness. For purposes of this section, “substantial hardship” means a demonstrated economic, technological, legal, or other type of hardship to the person requesting the variance or waiver. For purposes of this section, “principles of fairness” are violated when the literal application of a rule affects a particular person in a manner significantly different from the way it affects other similarly situated persons who are subject to the rule.” Section 120.542(2), Florida Statutes.

8. In this instance, Petitioner meets the standards for a waiver.

**D. Justification for Petitioner’s Requested Waiver**

9. Petitioner was previously granted an extension to secure a firm loan commitment of the HOME Award to November 25, 2024. Petitioner is requesting an extension of the deadline to secure a Firm Loan Commitment for the HOME Award until May 26, 2025. This extension may not be granted without a waiver of the Rule. The reasons for this request are as set forth below.

10. Petitioner has made substantial progress towards closing of financing and commencement of construction of the Development. Previously, Petitioner had encountered difficulty in procuring interest from general contractors in constructing the Development at a feasible price. However, Petitioner engaged the project architect to value engineer the Development, which has produced costs savings but slowed the credit underwriting process.

11. In addition, environmental reviews and soil borings identified unanticipated conditions at the subject property, including wetlands requiring public agency delineation and

unstable soils inadequate to support the Development. Petitioner has undertaken additional environmental and engineering studies, and, as a result, has resolved to expand the retainage pond on the property in order to address these concerns. The concerned parties have preliminarily agreed to this solution, and Petitioner has revised construction drawings and resubmitted same for permitting.

12. In order to increase the financial feasibility of the Development, Petitioner has applied to Federal Home Loan Bank of Atlanta under the Affordable Housing Program and received an award of \$750,000.

13. The foregoing events should enable Petitioner to complete credit underwriting in a timely manner.

14. The requested waiver will ensure the availability of HOME funding which will otherwise be lost as a consequence of the failure to obtain the executed HOME firm commitment by the prescribed date.

#### **E. Conclusion**

15. The facts set forth in Sections 10 through 14 of this Petition demonstrate the hardship and other circumstances which justify Petitioner's request for a Rule waiver. A denial of the Petition would (a) result in substantial economic hardship to Petitioner, as it has incurred substantial costs to date insuring that the Development proceeds to completion; (b) deprive Flagler County and the City of Bunnell of the provision of much needed affordable housing; and (c) violate principles of fairness. Section 120.52(2), Florida Statutes. As discussed above, the above-described delays have been caused by circumstances outside Petitioner's control, and make it impossible to meet the November 25, 2024 deadline for issuance of a Firm Loan Commitment.

16. As demonstrated above, the requested waiver serves the purposes of Section 420.5089, Florida Statutes, and the Act, as a whole, because one of their primary goals is to



facilitate the availability of decent, safe, and sanitary housing in the State of Florida to low income persons and households. Further, by granting the requested waiver, the Corporation would recognize principles of fundamental fairness in the development of affordable rental housing.

17. The waiver being sought is permanent in nature. Should the Corporation require additional information, a representative of Petitioner is available to answer questions and to provide all information necessary for consideration of this Petition.

WHEREFORE, Petitioner respectfully requests that the Corporation:

- A. Grant this Petition and all the relief requested therein;
- B. Grant a waiver of the Rule to extend the deadline to secure a Firm Loan Commitment from November 25, 2024 to May 26, 2025, and not require that an additional extension fee be imposed;
- C. Award such further relief as may be deemed appropriate.

Respectfully submitted,



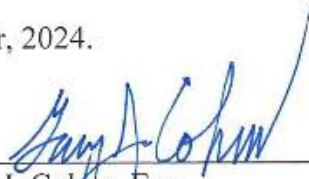
---

Gary J. Cohen, Esq.  
Shutts & Bowen LLP  
Counsel for Phoenix Crossings, LLC  
200 S. Biscayne Blvd., Ste. 4100  
Miami, FL 33131  
Telephone: (305) 347-7308  
Fax: (305) 347-7808  
E-Mail: [gcohen@shutts.com](mailto:gcohen@shutts.com)

#### **CERTIFICATE OF SERVICE**

The original Petition is being served by overnight delivery, with a copy served by electronic transmission for filing with the Corporation Clerk for the Florida Housing Finance Corporation, 227 North Bronough Street, Tallahassee, Florida 32301, with copies served by overnight delivery

on the Joint Administrative Procedures Committee, 680 Pepper Building, 111 W. Madison Street,  
Tallahassee, Florida 32399-1400, this 3<sup>rd</sup> day of October, 2024.



---

Gary J. Cohen, Esq.  
Shutts & Bowen LLP  
Counsel for Phoenix Crossings, LLC  
200 S. Biscayne Blvd., Ste. 4100  
Miami, FL 33131  
Telephone: (305) 347-7308  
Fax: (305) 347-7808  
E-Mail: [gcohen@shutts.com](mailto:gcohen@shutts.com)

RECEIVED

STATE OF FLORIDA

FLORIDA HOUSING FINANCE CORPORATION

OCT 03 2024 2:11 PM

POLLYWOG CREEK MEWS, LLC

Petitioner,

FHFC Case # 2024-061VW

v.

APPLICATION NO. 2022-242H/2023-  
238V

FLORIDA HOUSING FINANCE  
CORPORATION,

Respondent.

FLORIDA HOUSING  
FINANCE CORPORATION

**PETITION FOR WAIVER OF RULE 67-48.0072(21)(B)**

Petitioner, Pollywog Creek Mews, LLC, a Florida limited liability company (the "Petitioner") submits its petition to Respondent, Florida Housing Finance Corporation (the "Corporation"), for a waiver of Rule 67-48.0072(21)(b), F.A.C. (May 18, 2021) (the "Rule") in effect at the time Petitioner submitted its application in response to the Corporation's Request for Applications 2021-206 (the "RFA"), to allow Petitioner to extend the Firm Loan Commitment deadline for HOME Funding allocated to Petitioner pursuant to the RFA. In support of this petition (the "Petition"), Petitioner states as follows:

**A. Petitioner and the Development.**

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

Pollywog Creek Mews, LLC  
c/o Rural Neighborhoods, Inc.  
19308 SW 380<sup>th</sup> Street  
Florida City, FL 33034  
(305) 242-2142  
[SteveKirk@ruralneighborhoods.org](mailto:SteveKirk@ruralneighborhoods.org)

The name, address, telephone, and facsimile numbers of Petitioner's attorneys are:

Gary J. Cohen, Esq.  
Shutts & Bowen LLP  
200 S. Biscayne Blvd., Ste. 4100  
Miami, FL 33131  
Telephone: (305) 347-7308  
Facsimile: (305) 347-7808  
Email: [gcohen@shutts.com](mailto:gcohen@shutts.com)

2. Pursuant to the RFA, Petitioner timely submitted its application for HOME funding. See Application No. 2022-242H (the "Application"). Petitioner was preliminarily awarded Five Million Six Hundred Ninety Thousand Dollars (\$5,690,000.00) in HOME funding under the RFA (the "HOME Award"). Pursuant to the Rule, Applicant was required to complete credit underwriting and execute a HOME firm commitment within twelve (12) months of the date of the invitation to enter into credit underwriting. The invitation to credit underwriting was accepted on April 4, 2022, and, as such, the original firm commitment deadline was April 4, 2023.

3. On February 15, 2023, Petitioner requested approval of extension of the firm commitment deadline until October 4, 2023, which request was approved at the Corporation's March 10, 2023 Board meeting. Petitioner paid a one (1%) percent extension fee in connection with approval of the foregoing extension. On September 29, 2023, Petitioner submitted a Petition for Rule Waiver seeking a further extension of said deadline to June 4, 2024, which request was approved at the Corporation's October 27, 2023 Board meeting. On June 7, 2024, Petitioner submitted a Petition for Rule Waiver seeking a further extension of said deadline to December 4, 2024, which request was approved at the Corporation's June 28, 2024 Board meeting. For the reasons explained more fully below, the HOME Award Firm Loan Commitment will not be issued by the December 4, 2024 deadline. Petitioner is requesting an extension of the Firm Loan Commitment issuance deadline until June 4, 2025.

4. On May 15, 2023, Petitioner timely submitted its application for Construction Inflation Response Viability Funding pursuant to RFA 2023-2011 (“Viability RFA”). See application No. 2023-238V. Petitioner was preliminarily awarded \$2,475,000.00 of funding under the Viability RFA (“Viability Award”) on June 9, 2023.

5. The HOME Award is a critical part of the financing for the new construction of affordable family housing to be known as Pollywog Creek Mews, serving income qualifying persons (the “Development”). The development is located in Hendry County.

**B. Rules from Which the Waiver is Sought.**

6. The relevant portions of the Rules in effect at the time the HOME funds were awarded for which this waiver is sought, provide as follows:

(b) Rule 67-48.0072 provides that “(21) Information required by the Credit Underwriter shall be provided as follows:

\*\*\*

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

**C. Statute Implemented.**

7. The Rule for which a waiver is requested is implementing, among other sections of the Florida Housing Finance Corporation Act (the “Act”), the statute that created the HOME program. See § 420.5089, Florida Statutes (2021).

8. Pursuant to Chapter 120.542(1), Florida Statutes, “strict application of uniformly applicable rule requirements can lead to unreasonable, unfair, and unintended results in particular instances. The Legislature finds that it is appropriate in such cases to adopt a procedure for agencies to provide relief to persons subject to regulation.” Therefore, under Section 120.542(1), Florida Statutes and Chapter 28-104, F.A.C., the Corporation has the authority to grant waivers to its requirements when strict application of these requirements would lead to unreasonable, unfair, and unintended consequences in particular instances. Specifically, Section 120.542(2) states:

“Variances and waivers shall be granted when the person subject to the rule demonstrates that the purpose of the underlying statute will be or has been achieved by other means by the person and when application of a rule would create a substantial hardship or would violate principles of fairness. For purposes of this section, “substantial hardship” means a demonstrated economic, technological, legal, or other type of hardship to the person requesting the variance or waiver. For purposes of this section, “principles of fairness” are violated when the literal application of a rule affects a particular person in a manner significantly different from the way it affects other similarly situated persons who are subject to the rule.” Section 120.542(2), Florida Statutes.

9. In this instance, Petitioner meets the standards for a waiver.

**D. Justification for Petitioner’s Requested Waiver**

10. Petitioner was previously granted an extension to secure a firm loan commitment of the HOME Award to December 4, 2024. Petitioner is requesting an extension of the deadline to secure a Firm Loan Commitment for the HOME Award until June 4, 2025. This extension may not be granted without a waiver of the Rule. The reasons for this request are as set forth below.



11. Petitioner has made substantial progress towards closing of financing and commencement of construction of the Development. Previously, Petitioner had obtained a financial commitment for first mortgage construction and permanent financing, had completed building and civil engineering plans and had obtained permit approvals to construct the Development. Notwithstanding the foregoing, the Development stalled due to a series of interest rate increases to its construction and permanent loans that reduced the amount of available first mortgage financing, which in turn required Petitioner to seek additional financing sources.

12. In addition, initial negotiations with multiple general contractors resulted in a determination that budgeted construction costs were insufficient to meet construction labor and materials cost inflation. This situation was further exacerbated by the fact that the Development's rural location negatively impacted the availability of general contractors and subcontractors.

13. In response to these difficulties, Petitioner submitted its application under the Viability RFA and received Board approval of a Viability Award of \$2,475,000 on June 9, 2023. In addition, Petitioner applied to Federal Home Loan Bank of Atlanta under the Affordable Housing Program and received an award of \$750,000 on August 15, 2023.

14. Currently, Petitioner has completed the following tasks with respect to the Development: site control, environmental assessment and clearance, geotechnical report, architectural and civil engineering plans, municipal approval for project tie-ins of water distribution and sewer collection systems by the Development's civil engineer. Due to the redesign of the Development caused by increasing construction costs, the Development's architect has completed value engineered architectural plans and a new general contractor has been selected at a price which renders the Development economically feasible. This will enable Petitioner to complete credit underwriting in a timely manner.

15. The requested waiver will ensure the availability of HOME funding which will otherwise be lost as a consequence of the failure to obtain the executed HOME firm commitment by the prescribed date.

**E. Conclusion**

16. The facts set forth in Sections 10 through 14 of this Petition demonstrate the hardship and other circumstances which justify Petitioner's request for a Rule waiver. A denial of the Petition would (a) result in substantial economic hardship to Petitioner, as it has incurred substantial costs to date insuring that the Development proceeds to completion; (b) deprive Hendry County and the City of LaBelle of the provision of much needed affordable housing; and (c) violate principles of fairness. Section 120.52(2), Florida Statutes. As discussed above, the above-described delays have been caused by circumstances outside Petitioner's control, and make it impossible to meet the December 4, 2024 deadline for issuance of a Firm Loan Commitment.

17. As demonstrated above, the requested waiver serves the purposes of Section 420.5089, Florida Statutes, and the Act, as a whole, because one of their primary goals is to facilitate the availability of decent, safe, and sanitary housing in the State of Florida to low income persons and households. Further, by granting the requested waiver, the Corporation would recognize principles of fundamental fairness in the development of affordable rental housing.

18. The waiver being sought is permanent in nature. Should the Corporation require additional information, a representative of Petitioner is available to answer questions and to provide all information necessary for consideration of this Petition.

WHEREFORE, Petitioner respectfully requests that the Corporation:


A. Grant this Petition and all the relief requested therein;



B. Grant a waiver of the Rule to extend the deadline to secure a Firm Loan Commitment from December 4, 2024 to June 4, 2025, and not require that an additional extension fee be imposed;

C. Award such further relief as may be deemed appropriate.

Respectfully submitted,

  
\_\_\_\_\_  
Gary J. Cohen, Esq.  
Shutts & Bowen LLP  
Counsel for Pollywog Creek Mews, LLC  
200 S. Biscayne Blvd., Ste. 4100  
Miami, FL 33131  
Telephone: (305) 347-7308  
Fax: (305) 347-7808  
E-Mail: [gcohen@shutts.com](mailto:gcohen@shutts.com)

**CERTIFICATE OF SERVICE**

The original Petition is being served by overnight delivery, with a copy served by electronic transmission for filing with the Corporation Clerk for the Florida Housing Finance Corporation, 227 North Bronough Street, Tallahassee, Florida 32301, with copies served by overnight delivery on the Joint Administrative Procedures Committee, 680 Pepper Building, 111 W. Madison Street, Tallahassee, Florida 32399-1400, this 3<sup>rd</sup> day of October, 2024.

  
\_\_\_\_\_  
Gary J. Cohen, Esq.  
Shutts & Bowen LLP  
Counsel for Pollywog Creek Mews, LLC  
200 S. Biscayne Blvd., Ste. 4100  
Miami, FL 33131  
Telephone: (305) 347-7308  
Fax: (305) 347-7808  
E-Mail: [gcohen@shutts.com](mailto:gcohen@shutts.com)

STATE OF FLORIDA  
FLORIDA HOUSING FINANCE CORPORATION

FEDERATION GOULD PRESERVATION LP,  
a Florida limited partnership,

Petitioner,

FHFC CASE NO. 2024-067VW  
Application No. 2019-539C

RECEIVED

FLORIDA HOUSING FINANCE  
CORPORATION,

OCT 04 2024 11:06 AM

Respondent.

FLORIDA HOUSING  
FINANCE CORPORATION

**PETITION FOR WAIVER OF RULE 67-21.027(6), F.A.C. (07/11/2019)**

Petitioner, Federation Gould Preservation LP, a Florida limited partnership (the "Petitioner") pursuant to Section 120.542, Florida Statutes, and Chapter 28-104, Florida Administrative Code ("F.A.C."), submits its Petition to Respondent, Florida Housing Finance Corporation (the "Corporation"), for a waiver of Rule 67-21.027(6), F.A.C., effective 07/11/2019 (the "Rule"). Work on the development was substantially completed on December 15, 2021. The GC's accountant spent the next several months reviewing invoices and documents necessary to complete the General Contractor Cost Certification ("GCCC") and submitted a draft on November 14, 2022. Unfortunately, that draft was not signed by the General Contractor ("GC") before it became non-responsive on or about June 1, 2023. Petitioner has been advised that the GC has discontinued its business, is in litigation over a surety bond (*Frankenmuth Mutual Ins. Co. v. J4 Development, Inc., et al.*, Case No. 3:23-cv-1440-L, filed in the Northern District of Texas on 6/28/23), and that its natural person principals declared bankruptcy (*In re: John C. Darby and Nancy Michele Darby*, Case No. 23-31991-swe7, filed in the Northern District of Texas on 9/7/23). The GC has not responded to Petitioner's inquiries related to

completing the GCCC. Despite numerous attempts, Petitioner has been unable to secure the GC's signature on the GCCC prepared by the GC's accountant and the GC's accounting firm will not finalize the certified public accountant opinion letter without the GC's cooperation. Petitioner has no control over the GC's accounting firm and cannot force it to provide the opinion letter and/or audit report required by the Rule. However, the GC's accountant cooperated with Petitioner's certified public accountant ("CPA") to provide advice regarding preparing an agreed upon procedures ("AUP") report that is based upon the GCCC that was prepared by the GC's accountant in November 2022 in accordance with the Corporation's requirements and standard accounting guidelines. Accordingly, Petitioner seeks a Rule waiver to allow the Final Cost Certification Application Package to contain only an AUP report approved by the Corporation, instead of an opinion letter and audit. If this Petition is granted, and Petitioner submits an AUP, Petitioner will not be required to submit a GCCC. Regardless of whether the Petition is granted, Petitioner will submit the unqualified CPA opinion letter and unmodified audit report for the Development Final Cost Certification ("DFCC").

In support of this Petition for Rule Waiver, Petitioner states as follows:

**A. Petitioner.**

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

Bryan Hartnett  
Federation Gould Preservation LP  
250 W 55th Street, 35th Floor  
New York, NY 10019  
Telephone: (704)575-1268  
Fax: N/A  
Email: [BHartnett@ahidevelopment.com](mailto:BHartnett@ahidevelopment.com)

2. The name, address, telephone, and facsimile numbers of Petitioner's counsel are:

Brian J. McDonough, Esquire  
Stearns Weaver Miller Weissler  
Alhadeff & Sitterson, P.A.  
150 West Flagler Street  
Miami, Florida 33130  
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Stearns Weaver Miller Weissler  
Alhadeff & Sitterson, P.A.  
106 E. College Ave. Ste 700  
Tallahassee, Florida 32301  
Telephone: (850)329-4852  
Facsimile: (850)329-4864  
E-mail: [BSmitha@stearnsweaver.com](mailto:BSmitha@stearnsweaver.com)

**B. The Development.**

3. This Petition is submitted on behalf of the following development (“Development”):

- Development Name: Gould House
- Developer: FA Developer FL LLC
- Address: 21000 Ruth and Baron Coleman Blvd, Boca Raton, FL 33428
- County: Palm Beach
- Number of Units: 101 (Acquisition and Rehabilitation)
- Type: Mid-Rise, 4-stories
- Set Asides: 100% of units at 60% or lower AMI
- Demographics: Elderly, Non-ALF
- Funding Request: 4% Non-Competitive Housing Credit allocation in an annual amount of \$1,612,794

**C. Rule from which Waiver is Sought.**

4. The Rule provides:

The Final Cost Certification Application Package (Form FCCAP) shall be used 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 67-21.026, F.A.C. Such form package shall be completed, executed and submitted to the Corporation in both hard copy format and electronic files of the Microsoft Excel spreadsheets for the HC Development Final Cost Certification (DFCC) and the General Contractor Cost Certification (GCCC) included in the form package, along with the executed Extended Use Agreement and appropriate recording fees, IRS Tax Information



Authorization Form 8821 for all Financial Beneficiaries if requested by the Corporation, a copy of the syndication agreement disclosing the rate and all terms, the required certified public accountant opinion letter for both the DFCC and GCCC, an unmodified audit report prepared by an independent certified public accountant for both the DFCC and GCCC, photographs of the completed Development, the monitoring fee, and documentation of the placed-in-service date as specified in the Form FCCAP instructions. The Final Housing Credit Allocation will not be issued until such time as all required items are received and processed by the Corporation. The Final Cost Certification Application Package (Form FCCAP) is adopted and incorporated herein by reference, effective 04-2019, and is available on the Corporation's website under the Multifamily Programs link labeled Non-Competitive Funding Programs or from <http://www.flrules.org/Gateway/reference.asp?No=Ref-10773>, or by contacting the Housing Credit Program at 227 North Bronough Street, Suite 5000, Tallahassee, Florida 32301-1321.

*See Rule 67-21.027(6), F.A.C. (07/11/2019).*

**D. Statute Implemented.**

5. The Rule from which waiver is sought implements the statute governing the allocation of federal low-income housing tax credits (Section 420.5099, Florida Statutes).

**E. Justification for the Requested Waiver**

6. Petitioner submitted its Non-Competitive Application Form, Application No. 2019-539C (the "Application"), to the Corporation on or about June 22, 2020.

7. J4 Development, Inc. (a Texas corporation f/k/a J4 Development, LP.) served as the GC for the Development. The GC was created in February 2004 as a multifamily construction firm to specialize in large-scale asset renovation and repositioning, including Affordable Housing, Marketrate, Historic, Student, Military and Senior Housing. Around the time of the Application, J4 had built in excess of 15 LITHC multifamily developments in 14 states representing more than \$400,000,000 in completed projects.

8. The renovation of the Development was substantially complete on December 15, 2021 and Petitioner has no new business with the GC. Unfortunately, Petitioner was advised that the GC subsequently discontinued its business and its natural person principals declared bankruptcy. The GC has not responded to Petitioner's communications since approximately

June 1, 2023. Despite multiple requests, the GC has failed to provide the information necessary to complete the Final Cost Certification Application Package ("FCCAP").

9. Pursuant to the Rule, Petitioner must submit the FCCAP to itemize the costs and expenses incurred with the Development. Because the Rule incorporates the FCCAP by reference, both the Rule and FCCAP require: (a) completion and inclusion of a GCCC, and (b) a CPA opinion letter and audit report for the GCCC without any modifications.

10. The FCCAP provides the GCCC instructions, which identify the requirements and audit procedures for the GCCC audit.

11. The FCCAP also includes a form, entitled "General Contractor Costs Certification - GC Certification," that must be executed by the GC and the CPA ("GC Certification"). The GC Certification certifies the accuracy of the GC's costs.

12. Receipt by Petitioner of the remaining portion of the tax credit investor's capital contributions are dependent upon the issuance of the Form 8609. The Corporation cannot issue Form 8609 until it has reviewed the FCCAP.

13. Despite numerous requests, the GC has failed to execute the GC Certification, and other certificates and affidavits that must be provided to the GC's accountant in order to enable the CPA to issue its opinion letter and audit report for the GCCC. Accordingly, the GC's accountant has refused numerous requests to provide the opinion letter and audit report. Absent same, the Corporation has not, and cannot, issue Form 8609. To be clear, neither the GC, nor the GC's accountant, have refused to sign the GCCC based upon any information, or lack of information in the GCCC that was prepared by the GC's accountant. Rather, because the GC has dissolved, no one can, or is willing to, act on the GC's behalf. Moreover, the GC's accountant

initially agreed to prepare the AUP based upon his draft GCCC, but was prevented by a subsequent lapse in his assurance licensure.

14. The FCCAP is substantially complete and Petitioner is aware of no disputes or disagreements regarding the costs to be reported. Nonetheless, Petitioner cannot satisfy the technical requirements of the Rule as it is unable to obtain the GC's signature for the GC Certification. Additionally, the GC's accounting firm will not finalize the CPA opinion letter without the GC's cooperation. Thus, Petitioner cannot obtain an unqualified CPA opinion letter or audit report with respect to the GCCC because it cannot obtain the requested documentation from the GC.

15. Petitioner respectfully requests that the Corporation waive the requirement that the GC execute the GC Certification, and that the GC's CPA provide an opinion letter and audit report for the GCCC. Instead, if this Petition is granted, Petitioner will provide the AUP report.

16. Because the GC's accountant was unable to provide the opinion letter and audit report required by the Rule for the reasons described above, Petitioner reached out to Petitioner's independent CPA to prepare the audit of the GCCC. In an effort to provide records to Petitioner's CPA to perform the audit, Petitioner reached out to the GC for records and then directly to past vendors to provide records. The vendors either no longer have the records, or failed to respond despite multiple requests. Since the GC and vendors did not provide requisite access to their accounting records, Petitioner's CPA was unable to prepare an audit of the GCCC. An AUP report was therefore deemed to be the best option to provide the Corporation with subcontractor and vendor costs and expenses incurred for the Development. In addition, the AUP calculated the percentage of General Conditions and Contractor profit and overhead

charged to the project to ensure the allowable limits established by the Corporation were not exceeded.

17. All of the invoices in the AUP were successfully vouched by the GC's CPA, Adam Childers, who submitted a GCCC on November 14, 2022 (the "Childers GCCC"), as signed and certified by him in the statement of fact attached as Exhibit C to the AUP report. Put simply, the AUP report contains the information from the Childers GCCC that vouched all of the invoices in accordance with the Corporation's procedures after the development was substantially complete and no subsequent costs were incurred.<sup>1</sup> The AUP report also relies upon Mr. Childers' draft Independent Auditors' Report, which states: "In my opinion, the Gould House project cost presents fairly, in all material respects, the actual costs of J4 Development, LP through September 30, 2022 on the basis of accounting described above." See AUP report, Exhibit B at p. 16. Mr. Childers described that accounting as: "auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the project costs are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts. An audit also includes assessing the accounting

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<sup>1</sup> As attested to by Mr. Childers in the statement of fact attached as Exhibit C to the AUP report, Mr. Childers reviewed the physical invoices at the GC's office to prepare the GCCC, but did not retain copies of same. For preparation of the AUP report, Mr. Childers met with Petitioner and the CPA to discuss completion of the GCCC and GC invoice vouching. Mr. Childers agreed to complete the AUP report, but subsequently learned that his license for assurance work had lapsed in the interim, preventing him from completing the AUP report. Mr. Childers was nonetheless able to provide: Job Cost Details, Job Cost Overviews, Job Cost Detail by Subcontractors, and template spreadsheets required by the Corporation for completing the GCCC.



principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe that the overall audit provides a reasonable basis for our opinion.” *Id.*

18. Petitioner submitted a draft of the AUP report detailing costs and expenses incurred under the construction contract to the Corporation. As set forth in the AUP report, the CPA took steps to independently verify the costs and expenses incurred by the GC. For example, to arrive at their conclusions, the CPA:

- Obtained from the GC, and recomputed the mathematical accuracy of, the Childers GCCC, which was prepared by the GC using the accrual method of accounting. The CPA examined the mathematical accuracy of the Childers GCCC and found no exceptions.
- Obtained from the Owner a detailed listing of costs incurred by the Project as of December 31, 2021 that are included in the AUP report. Using a sampling method, the CPA vouched a sample of costs supporting evidence to verify that the costs were incurred by the Project and the amount, date, and classification of the cost were accurately recorded in the Childers GCCC. The CPA found no exceptions. The AUP report included the Childers GCCC, which identifies the total costs incurred by the Project that were vouched by Mr. Childers.
- Obtained from the Owner a detailed listing of costs incurred by the Project as of December 31, 2021 that are included in the AUP report. The CPA selected the three largest subcontractors to send direct confirmation to verify that the costs were incurred by the Project and the amount, date, and classification of the cost were accurately recorded

in the Childers GCCC. The CPA found no exceptions.

Additional detail regarding the information the CPA was able to verify and how the CPA was able to verify the costs is contained within the AUP report.

19. The CPA cannot issue an audit opinion here since an audit entails more than simply verifying numbers (*e.g.*, testing internal controls, testing journal entries, performing cash disbursement tests, performing interviews with the GC for fraud and gaining an understanding of their accounting system, obtaining representations from the GC, etc.) and is not possible here. Accordingly, an audit report would violate professional standards and cannot be issued. The GCCC forms contain contractor trade categories that require a level of detail that is not available. No assurances can be provided for the sub-categories because no documentation exists with which to agree the numbers to. Because the Childers GCCC was prepared in conformance with the Corporation's procedures based upon Mr. Childers's personal review of the underlying documentation, and the only thing that has changed is that the underlying documentation is no longer available due to the bankruptcy of the GC and the unresponsiveness of the subcontractors, the AUP – which is based on the Childers GCCC – should be accepted with the same confidence as though the GC had signed the Childers GCCC.

20. Petitioner believes that the procedures performed in conjunction with the AUP report are sufficient to allow completion of the cost certification process and issuance of the Form 8609. Any deficiencies caused by the GC's failure to cooperate would likely only understate the eligible costs and credits. Petitioner's CPA will be issuing an AUP report on the final construction costs of the Development, along with amounts incurred by each subcontractor/vendor by trade line item.

21. Petitioner requests via this Petition that the Corporation waive the requirement that the Final Cost Certification Application Package contain a GCCC and/or CPA opinion letter and audit report for the GCCC. By granting the Petition, Petitioner will be permitted to instead satisfy the Rule by providing the AUP report prepared by the CPA detailing the costs and expenses incurred by the GC, as presented in the schedule attached to the AUP report.

22. Under Section 120.542(1), Florida Statutes, Florida Housing has the authority to grant waivers to, or variances from, its requirements when strict application of the requirements would lead to unreasonable, unfair, and unintended consequences in particular instances. Specifically, Section 120.542(2) states:

Variances and waivers shall be granted when the person subject to the rule demonstrates that the purpose of the underlying statute will be or has been achieved by other means by the person and when application of a rule would create a substantial hardship or would violate principles of fairness. For purposes of this section, “substantial hardship” means a demonstrated economic, technological, legal, or other type of hardship to the person requesting the variance or waiver. For purposes of this section, “principles of fairness” are violated when the literal application of a rule affects a particular person in a manner significantly different from the way it affects other similarly situated persons who are subject to the rule.

The controlling statutes and the Corporation’s Rules are designed to allow the flexibility necessary to provide relief when strict application, in particular circumstances, would lead to unreasonable, unfair, or unintended results. Granting the requested variance in this instance would allow Petitioner to finalize the cost certification process and pursue issuance of the housing credits.

23. Additionally, by granting this waiver, the Corporation would recognize the goal of increasing private investment and participation in increasing the supply of affordable housing and promote the principles of fundamental fairness in developing affordable rental housing. The purpose of the underlying statute, which is to “encourage development of low-income housing in

the state” as identified in Section 420.5099(2), Fla. Stat., would still be achieved if the variance is granted. The requested waiver serves the purpose of the Statutes that are implemented by the Rule. The Florida Housing Finance Corporation Act, Section 420.501, *et seq.* (“Act”) was passed in order to encourage private and public investment in facilities for persons of low-income. The purpose of the creation of the Housing Tax Credit Program is to stimulate creative private sector initiatives to increase the supply of affordable housing. By granting this waiver, the Corporation would recognize the principles of fundamental fairness in the development of affordable housing.

24. The Corporation has jurisdiction to grant a waiver of the Rule and Petitioner meets the standard for a waiver of the Rule.

25. Petitioner would suffer a substantial hardship if this Petition is denied. Specifically, Petitioner will lose the opportunity to access a large portion of the tax credit equity financing available to the Development if the Petition is not granted. Further, Petitioner would be required to repay all of the capital contribution previously made by the tax credit investor, with interest and penalties, thus causing the Development to fail and for the lender to likely foreclose. Petitioner is unable, through no fault of its own, to obtain the information necessary to complete the FCCAP (*i.e.*, Petitioner cannot provide all of the information required by the GCCC nor obtain an opinion letter or an audit report from the GC’s accounting firm), much less obtain the GC’s execution of the GCCC. Accordingly, absent the Corporation granting this Petition, it cannot issue Form 8609 to Petitioner.

26. As demonstrated above, the requested waiver serves the purposes of Section 420.5099, Florida Statutes, and the Act, as a whole, because one of their primary goals is to

facilitate the availability of decent, safe, and sanitary housing in the State of Florida to low income persons and households.

27. A representative of Petitioner is available to answer any questions should the Corporation require additional information.

**G. Type of Waiver.**

28. The waiver being sought is permanent in nature.

**H. Action Requested.**

29. Petitioner respectfully requests that the Corporation:

- a. Grant this Petition and all the relief requested therein;
- b. Grant a waiver of Rule 67-21.027(6), F.A.C. (07/11/2019) to permit submission of the Final Cost Certification Application Package with an Agreed Upon Procedures Report approved by the Corporation instead of:  
(i) the General Contractor Cost Certification; (ii) a certified public accountant opinion letter; and/or (iii) an audit report prepared by an independent certified public accountant; and
- c. Award such further relief as may be deemed appropriate.

Respectfully submitted,

STEARNS WEAVER MILLER WEISSLER  
ALHADEFF & SITTERSON, P.A.  
*Counsel for Petitioner*  
150 West Flagler Street, Suite 150  
Miami, Florida 33131  
Tel: (305) 789-3350  
Fax: (305) 789-3395  
E-mail: bmcdonough@swmwas.com

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

**CERTIFICATE OF SERVICE**

This Petition is being served via e-mail for filing with the Corporation Clerk for the Florida Housing Finance Corporation, CorporationClerk@FloridaHousing.org, with a copy served by U.S. Mail on the Joint Administrative Procedures Committee, Pepper Building, Room 680, 111 West Madison Street, Tallahassee, Florida 32399-1400, this 4th of October, 2024.

*s/ Brian J. McDonough* \_\_\_\_\_  
BRIAN J. MCDONOUGH, ESQ.

STATE OF FLORIDA  
FLORIDA HOUSING FINANCE CORPORATION

Federation Davie Preservation LP,  
a Florida limited partnership,

Petitioner,

FHFC CASE NO. 2024-068VW  
Application No. 2020-510C

RECEIVED

FLORIDA HOUSING FINANCE  
CORPORATION,

OCT 04 2024 11:06 AM

Respondent.

FLORIDA HOUSING  
FINANCE CORPORATION

**PETITION FOR WAIVER OF RULE 67-21.027(6), F.A.C. (6/23/20)**

Petitioner, Federation Davie Preservation LP, a Florida limited partnership (the "Petitioner") pursuant to Section 120.542, Florida Statutes, and Chapter 28-104, Florida Administrative Code ("F.A.C."), submits its Petition to Respondent, Florida Housing Finance Corporation (the "Corporation"), for a waiver of Rule 67-21.027(6), F.A.C., effective 06/23/20 (the "Rule"). Work on the development was substantially completed on December 15, 2021. The GC's accountant spent the next year reviewing invoices and documents necessary to complete the General Contractor Cost Certification ("GCCC") and submitted a draft on January 23, 2023. Unfortunately, that draft was not signed by the General Contractor ("GC") before it became non-responsive on or about June 1, 2023. Petitioner has been advised that the GC has discontinued its business, is in litigation over a surety bond (*Frankenmuth Mutual Ins. Co. v. J4 Development, Inc., et al.*, Case No. 3:23-cv-1440-L, filed in the Northern District of Texas on 6/28/23), and that its natural person principals declared bankruptcy (*In re: John C. Darby and Nancy Michele Darby*, Case No. 23-31991-swe7, filed in the Northern District of Texas on 9/7/23). The GC has not responded to Petitioner's inquiries related to completing the GCCC.



Despite numerous attempts, Petitioner has been unable to secure the GC's signature on the GCCC prepared by the GC's accountant and the GC's accounting firm will not finalize the certified public accountant opinion letter without the GC's cooperation. Petitioner has no control over the GC's accounting firm and cannot force it to provide the opinion letter and/or audit report required by the Rule. However, the GC's accountant cooperated with Petitioner's certified public accountant ("CPA") to provide advice regarding preparing an agreed upon procedures ("AUP") report that is based upon the GCCC that was prepared by the GC's accountant in January 2023 in accordance with the Corporation's requirements and standard accounting guidelines. Accordingly, Petitioner seeks a Rule waiver to allow the Final Cost Certification Application Package to contain only an AUP report approved the Corporation, instead of an opinion letter and audit. If this Petition is granted, and Petitioner submits an AUP, Petitioner will not be required to submit a GCCC. Regardless of whether the Petition is granted, Petitioner will submit the unqualified CPA opinion letter and unmodified audit report for the Development Final Cost Certification ("DFCC").

In support of this Petition for Rule Waiver, Petitioner states as follows:

**A. Petitioner.**

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

Bryan Hartnett  
Federation Davie Preservation LP  
250 W 55th Street, 35th Floor  
New York, NY 10019  
Telephone: (704)575-1268  
Fax: N/A  
Email: [BHartnett@ahidevelopment.com](mailto:BHartnett@ahidevelopment.com)

2. The name, address, telephone, and facsimile numbers of Petitioner's counsel are:



Brian J. McDonough, Esquire  
Stearns Weaver Miller Weissler  
Alhadeff & Sitterson, P.A.  
150 West Flagler Street  
Miami, Florida 33130  
Telephone: (305)789-3350  
Facsimile: (305)789-3395  
E-mail: [bmcdonough@stearnsweaver.com](mailto:bmcdonough@stearnsweaver.com)

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106 E. College Ave. Ste 700  
Tallahassee, Florida 32301  
Telephone: (850)329-4852  
Facsimile: (850)329-4864  
E-mail: [BSmitha@stearnsweaver.com](mailto:BSmitha@stearnsweaver.com)

**B. The Development.**

3. This Petition is submitted on behalf of the following development (“Development”):

- Development Name: Federation Davie Apartments
- Developer: FA Developer FL LLC
- Address: 5701 SW 82nd Avenue, Davie, FL 33328
- County: Broward
- Number of Units: 80 (Acquisition and Rehabilitation)
- Type: Garden Apartments
- Set Asides: 100% of units at 60% or lower AMI
- Demographics: Elderly, Non-ALF
- Funding Request: 4% Non-Competitive Housing Credit allocation in an annual amount of \$850,217

**C. Rule from which Waiver is Sought.**

4. The Rule provides:

The Final Cost Certification Application Package (Form FCCAP) shall be used 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 67-21.026, F.A.C. Such form package shall be completed, executed and submitted to the Corporation in both hard copy format and electronic files of the Microsoft Excel spreadsheets for the HC Development Final Cost Certification (DFCC) and the General Contractor Cost Certification (GCCC)

included in the form package, along with the executed Extended Use Agreement and appropriate recording fees, IRS Tax Information Authorization Form 8821 for all Financial Beneficiaries if requested by the Corporation, a copy of the syndication agreement disclosing the rate and all terms, the required certified public accountant opinion letter for both the DFCC and GCCC, an unmodified audit report prepared by an independent certified public accountant for both the DFCC and GCCC, photographs of the completed Development, the monitoring fee, and documentation of the placed-in-service date as specified in the Form FCCAP instructions. The Final Housing Credit Allocation will not be issued until such time as all required items are received and processed by the Corporation. The Final Cost Certification Application Package (Form FCCAP) is adopted and incorporated herein by reference, effective 04-2020, and is available on the Corporation's website under the Multifamily Programs link labeled Non-Competitive Funding Programs or from <http://www.flrules.org/Gateway/reference.asp?No=Ref-12017>, or by contacting the Housing Credit Program at 227 North Bronough Street, Suite 5000, Tallahassee, Florida 32301-1321.

*See Rule 67-21.027(6), F.A.C. (06/23/20).*

**D. Statute Implemented.**

5. The Rule from which waiver is sought implements the statute governing the allocation of federal low-income housing tax credits (Section 420.5099, Florida Statutes).

**E. Justification for the Requested Waiver**

6. Petitioner submitted its Non-Competitive Application Form, Application No. 2020-510C (the "Application"), to the Corporation on September 10, 2020.

7. J4 Development, Inc. (a Texas corporation f/k/a J4 Development, LP.) served as the GC for the Development. The GC was created in February 2004 as a multifamily construction firm to specialize in large-scale asset renovation and repositioning, including Affordable Housing, Marketrate, Historic, Student, Military and Senior Housing. Around the time of the Application, J4 had built in excess of 15 LITHC multifamily developments in 14 states representing more than \$400,000,000 in completed projects.

8. The renovation of the Development was substantially complete on December 15, 2021 and Petitioner has no new business with the GC. Unfortunately, Petitioner was advised that

the GC subsequently discontinued its business and its natural person principals declared bankruptcy. The GC has not responded to Petitioner's communications since approximately June 1, 2023. Despite multiple requests, the GC has failed to provide the information necessary to complete the Final Cost Certification Application Package ("FCCAP").

9. Pursuant to the Rule, Petitioner must submit the FCCAP to itemize the costs and expenses incurred with the Development. Because the Rule incorporates the FCCAP by reference, both the Rule and FCCAP require: (a) completion and inclusion of a GCCC, and (b) a CPA opinion letter and audit report for the GCCC without any modifications.

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12. Receipt by Petitioner of the remaining portion of the tax credit investor's capital contributions are dependent upon the issuance of the Form 8609. The Corporation cannot issue Form 8609 until it has reviewed the FCCAP.

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dissolved, no one can, or is willing to, act on the GC's behalf. Moreover, the GC's accountant initially agreed to prepare the AUP based upon his draft GCCC, but was prevented by a subsequent lapse in his assurance licensure.

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15. Petitioner respectfully requests that the Corporation waive the requirement that the GC execute the GC Certification, and that the GC's CPA provide an opinion letter and audit report for the GCCC. Instead, if this Petition is granted, Petitioner will provide the AUP report.

16. Because the GC's accountant was unable to provide the opinion letter and audit report required by the Rule for the reasons described above, Petitioner reached out to Petitioner's independent CPA to prepare the audit of the GCCC. In an effort to provide records to Petitioner's CPA to perform the audit, Petitioner reached out to the GC for records and then directly to past vendors to provide records. The vendors either no longer have the records, or failed to respond despite multiple requests. Since the GC and vendors did not provide requisite access to their accounting records, Petitioner's CPA was unable to prepare an audit of the GCCC. An AUP report was therefore deemed to be the best option to provide the Corporation with subcontractor and vendor costs and expenses incurred for the Development. In addition, the

AUP calculated the percentage of General Conditions and Contractor profit and overhead charged to the project to ensure the allowable limits established by the Corporation were not exceeded.

17. All of the invoices in the AUP were successfully vouched by the GC's CPA, Adam Childers, who submitted a GCCC on January 23, 2023 (the "Childers GCCC"), as signed and certified by him in the statement of fact attached as Exhibit C to the AUP report. Put simply, the AUP report contains the information from the Childers GCCC that vouched all of the invoices in accordance with the Corporation's procedures after the development was substantially complete and no subsequent costs were incurred.<sup>1</sup> The AUP report also relies upon Mr. Childers' draft Independent Auditors' Report, which states: "In my opinion, the Federation Davie project costs present fairly, in all material respects, the actual costs of J4 Development, LP through June 5, 2022 on the basis of accounting described above." *See* AUP report, Exhibit B. Mr. Childers described that accounting as: "auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the project costs are free of material misstatement. An audit includes examining, on a test basis, evidence

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supporting the amounts. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe that the overall audit provides a reasonable basis for our opinion.” *Id.*

18. Petitioner submitted a draft of the AUP report detailing costs and expenses incurred under the construction contract to the Corporation. As set forth in the AUP report, the CPA took steps to independently verify the costs and expenses incurred by the GC. For example, to arrive at their conclusions, the CPA:

- Obtained from the GC, and recomputed the mathematical accuracy of, the Childers GCCC, which was prepared by the GC using the accrual method of accounting. The CPA examined the mathematical accuracy of the Childers GCCC and found no exceptions.
- Obtained from the Owner a detailed listing of costs incurred by the Project as of December 31, 2021 that are included in the AUP. Using a sampling method, the CPA vouched a sample of costs supporting evidence to verify that the costs were incurred by the Project and the amount, date, and classification of the cost were accurately recorded in the Childers GCCC.
- Obtained from the Owner a detailed listing of costs incurred by the Project as of December 31, 2021 that are included in the AUP. The CPA selected the three largest subcontractors to send direct confirmations to verify that the costs were incurred by the Project and the amount, date, and classification of the cost were accurately recorded in the Childers GCCC. The CPA found no exceptions.

Additional detail regarding the information the CPA was able to verify and how the CPA was



able to verify the costs is contained within the AUP report.

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20. Petitioner believes that the procedures performed in conjunction with the AUP report are sufficient to allow completion of the cost certification process and issuance of the Form 8609. Any deficiencies caused by the GC's failure to cooperate would likely only understate the eligible costs and credits. Petitioner's CPA will be issuing an AUP report on the final construction costs of the Development, along with amounts incurred by each subcontractor/vendor by trade line item.

21. Petitioner requests via this Petition that the Corporation waive the requirement that the Final Cost Certification Application Package contain a GCCC and/or CPA opinion letter

and audit report for the GCCC. By granting the Petition, Petitioner will be permitted to instead satisfy the Rule by providing the AUP report prepared by the CPA detailing the costs and expenses incurred by the GC, as presented in the schedule attached to the AUP report.

22. Under Section 120.542(1), Florida Statutes, Florida Housing has the authority to grant waivers to, or variances from, its requirements when strict application of the requirements would lead to unreasonable, unfair, and unintended consequences in particular instances. Specifically, Section 120.542(2) states:

Variances and waivers shall be granted when the person subject to the rule demonstrates that the purpose of the underlying statute will be or has been achieved by other means by the person and when application of a rule would create a substantial hardship or would violate principles of fairness. For purposes of this section, “substantial hardship” means a demonstrated economic, technological, legal, or other type of hardship to the person requesting the variance or waiver. For purposes of this section, “principles of fairness” are violated when the literal application of a rule affects a particular person in a manner significantly different from the way it affects other similarly situated persons who are subject to the rule.

The controlling statutes and the Corporation’s Rules are designed to allow the flexibility necessary to provide relief when strict application, in particular circumstances, would lead to unreasonable, unfair, or unintended results. Granting the requested variance in this instance would allow Petitioner to finalize the cost certification process and pursue issuance of the housing credits.

23. Additionally, by granting this waiver, the Corporation would recognize the goal of increasing private investment and participation in increasing the supply of affordable housing and promote the principles of fundamental fairness in developing affordable rental housing. The purpose of the underlying statute, which is to “encourage development of low-income housing in the state” as identified in Section 420.5099(2), Fla. Stat., would still be achieved if the variance is granted. The requested waiver serves the purpose of the Statutes that are implemented by the



Rule. The Florida Housing Finance Corporation Act, Section 420.501, *et seq.* (“Act”) was passed in order to encourage private and public investment in facilities for persons of low-income. The purpose of the creation of the Housing Tax Credit Program is to stimulate creative private sector initiatives to increase the supply of affordable housing. By granting this waiver, the Corporation would recognize the principles of fundamental fairness in the development of affordable housing.

24. The Corporation has jurisdiction to grant a waiver of the Rule and Petitioner meets the standard for a waiver of the Rule.

25. Petitioner would suffer a substantial hardship if this Petition is denied. Specifically, Petitioner will lose the opportunity to access a large portion of the tax credit equity financing available to the Development if the Petition is not granted. Further, Petitioner would be required to repay all of the capital contribution previously made by the tax credit investor, with interest and penalties, thus causing the Development to fail and for the lender to likely foreclose. Petitioner is unable, through no fault of its own, to obtain the information necessary to complete the FCCAP (*i.e.*, Petitioner cannot provide all of the information required by the GCCC nor obtain an opinion letter or an audit report from the GC’s accounting firm), much less obtain the GC’s execution of the GCCC. Accordingly, absent the Corporation granting this Petition, it cannot issue Form 8609 to Petitioner.

26. As demonstrated above, the requested waiver serves the purposes of Section 420.5099, Florida Statutes, and the Act, as a whole, because one of their primary goals is to facilitate the availability of decent, safe, and sanitary housing in the State of Florida to low income persons and households.

27. A representative of Petitioner is available to answer any questions should the Corporation require additional information.

**G. Type of Waiver.**

28. The waiver being sought is permanent in nature.

**H. Action Requested.**

29. Petitioner respectfully requests that the Corporation:

- a. Grant this Petition and all the relief requested therein;
- b. Grant a waiver of Rule 67-21.027(6), F.A.C. (06/23/20) to permit submission of the Final Cost Certification Application Package with an Agreed Upon Procedures Report approved by the Corporation instead of:  
(i) the General Contractor Cost Certification; (ii) a certified public accountant opinion letter; and/or (iii) an audit report prepared by an independent certified public accountant; and
- c. Award such further relief as may be deemed appropriate.

Respectfully submitted,

STEARNS WEAVER MILLER WEISSLER  
ALHADEFF & SITTERSON, P.A.  
*Counsel for Petitioner*  
150 West Flagler Street, Suite 150  
Miami, Florida 33131  
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E-mail: bmcdonough@swmwas.com

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

**CERTIFICATE OF SERVICE**

This Petition is being served via e-mail for filing with the Corporation Clerk for the Florida Housing Finance Corporation, CorporationClerk@FloridaHousing.org, with a copy served by U.S. Mail on the Joint Administrative Procedures Committee, Pepper Building, Room 680, 111 West Madison Street, Tallahassee, Florida 32399-1400, this 4th of October, 2024.

*s/ Brian J. McDonough*  
\_\_\_\_\_  
BRIAN J. MCDONOUGH, ESQ.

STATE OF FLORIDA  
FLORIDA HOUSING FINANCE CORPORATION

Goodlette Arms Preservation LP,  
a Florida limited partnership,

Petitioner,

FHFC CASE NO. 2024-069VW  
Application No. 2020-517C

RECEIVED

FLORIDA HOUSING FINANCE  
CORPORATION,

OCT 04 2024 11:20 AM

Respondent.

FLORIDA HOUSING  
FINANCE CORPORATION

**PETITION FOR WAIVER OF RULES 67-21.027(6), 67-21.003(1)(b) and 67-21.026(12)(b)**  
**F.A.C. (6/23/20) AND THE NON-COMPETITIVE APPLICATION INSTRUCTIONS**  
**(REV. 04-2020)**

Petitioner, Goodlette Arms Preservation LP, a Florida limited partnership (the "Petitioner") pursuant to Section 120.542, Florida Statutes, and Chapter 28-104, Florida Administrative Code ("F.A.C."), submits its Petition to Respondent, Florida Housing Finance Corporation (the "Corporation"), for a waiver of Rule 67-21.027(6), F.A.C., effective 6/23/20 (the "Rule"). On June 1, 2023, before the project was completed, the General Contractor disappeared and the developer had to step in and complete the rehabilitation with no help from the surety. Petitioner learned that the General Contractor had discontinued its business, is in litigation over a surety bond (*Frankenmuth Mutual Ins. Co. v. J4 Development, Inc., et al.*, Case No. 3:23-cv-1440-L, filed in the Northern District of Texas on 6/28/23), and that its natural person principals declared bankruptcy (*In re: John C. Darby and Nancy Michele Darby*, Case No. 23-31991-swe7, filed in the Northern District of Texas on 9/7/23). The General Contractor has not responded to Petitioner's inquiries and Petitioner is not able to verify that it has a complete list of development costs. Petitioner believes it will not be able to secure the GC's signature on the

GCCC nor will the GC's accounting firm finalize the certified public accountant ("CPA") opinion letter without the GC's cooperation. Petitioner has no control over the GC's accounting firm and cannot force it to provide the opinion letter and/or audit report required by the Rule. Accordingly, Petitioner seeks a Rule waiver to allow the Final Cost Certification Application Package to contain only a CPA agreed upon procedures ("AUP") report approved by the Corporation, instead of an opinion letter and audit. If this Petition is granted, and Petitioner submits an AUP, Petitioner will not be required to submit a GCCC. Regardless of whether the Petition is granted, Petitioner will submit the unqualified CPA opinion letter and unmodified audit report for the Development Final Cost Certification ("DFCC").

Petitioner also seeks a waiver of the prohibition under Rules 67-21.003(1)(b) and 67-21.026(12)(b), Florida Administrative Code ("F.A.C.") (6/23/20) and the incorporated Non-Competitive Application Instructions (collectively, the "Rules") against exceeding the General Contractor's fee maximum of 14% of actual construction cost. While the information available for the AUP reflects that the 14% cap was exceeded by 7.81%, claims filed with the surety suggest that additional costs exist that would have increased the actual construction cost (thereby decreasing the percentage of the GC's fee). Because these costs cannot be substantiated, they were not included in the AUP report. If the waiver is granted, Petitioner agrees that any amount of the GC Fee (overall) in excess of 14% will be paid as a subset of the Developer Fee and reflected as such in the Development Final Cost Certification ("DFCC"); *i.e.*, the amount exceeding 14% will be ineligible and not subject to a developer fee.

In support of this Petition for Rule Waiver, Petitioner states as follows:

**A. Petitioner.**

1. The name, address, telephone, and facsimile numbers for Petitioner and its qualified

representative are:

Bryan Hartnett  
Goodlette Arms Preservation LP  
250 W 55th Street, 35th Floor  
New York, NY 10019  
Telephone: (704)575-1268  
Fax: N/A  
Email: [BHartnett@ahidevelopment.com](mailto:BHartnett@ahidevelopment.com)

2. The name, address, telephone, and facsimile numbers of Petitioner's counsel are:

Brian J. McDonough, Esquire  
Stearns Weaver Miller Weissler  
Alhadeff & Sitterson, P.A.  
150 West Flagler Street  
Miami, Florida 33130  
Telephone: (305)789-3350  
Facsimile: (305)789-3395  
E-mail: [bmcdonugh@stearnsweaver.com](mailto:bmcdonugh@stearnsweaver.com)

Bridget Smitha, Esquire  
Stearns Weaver Miller Weissler  
Alhadeff & Sitterson, P.A.  
106 E. College Ave. Ste 700  
Tallahassee, Florida 32301  
Telephone: (850)329-4852  
Facsimile: (850)329-4864  
E-mail: [BSmitha@stearnsweaver.com](mailto:BSmitha@stearnsweaver.com)

**B. The Development.**

3. This Petition is submitted on behalf of the following development (“Development”):

- Development Name: Goodlette Arms Apartments
- Developer: Goodlette Arms Developer LLC
- Address: 950 Goodlette-Frank Road N, Naples, FL 34102
- County: Collier
- Number of Units: 250 (Acquisition and Rehabilitation)
- Type: Mid-Rise, 4-stories
- Set Asides: 100% at or below 60%
- Demographics: Elderly, Non-ALF
- Funding Request: 4% Non-Competitive Housing Credit allocation in an annual amount of \$3,572,112

**C. Rules from which Waiver is Sought.**

4. Petitioner seeks a waiver of Rule 67-21.027(6), F.A.C. (6/23/20), which provides:

The Final Cost Certification Application Package (Form FCCAP) shall be used 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 67-21.026, F.A.C. Such form package shall be completed, executed and submitted to the Corporation in both hard copy format and electronic files of the Microsoft Excel spreadsheets for the HC Development Final Cost Certification (DFCC) and the General Contractor Cost Certification (GCCC) included in the form package, along with the executed Extended Use Agreement and appropriate recording fees, IRS Tax Information Authorization Form 8821 for all Financial Beneficiaries if requested by the Corporation, a copy of the syndication agreement disclosing the rate and all terms, the required certified public accountant opinion letter for both the DFCC and GCCC, an unmodified audit report prepared by an independent certified public accountant for both the DFCC and GCCC, photographs of the completed Development, the monitoring fee, and documentation of the placed-in-service date as specified in the Form FCCAP instructions. The Final Housing Credit Allocation will not be issued until such time as all required items are received and processed by the Corporation. The Final Cost Certification Application Package (Form FCCAP) is adopted and incorporated herein by reference, effective 04-2020, and is available on the Corporation's website under the Multifamily Programs link labeled Non-Competitive Funding Programs or from <http://www.flrules.org/Gateway/reference.asp?No=Ref-12017>, or by contacting the Housing Credit Program at 227 North Bronough Street, Suite 5000, Tallahassee, Florida 32301-1321.

*See Rule 67-21.027(6), F.A.C. (6/23/20).*

5. Petitioner also requests a waiver of Rule 67-21.026(12)(b), F.A.C. (6/23/20),

which states:

The Developer Fee and General Contractor fee shall be limited to: . . . The General Contractor's fee shall be limited to a maximum of 14 percent of the actual construction costs. For the purpose of any necessity to prepare a HUD subsidy layering review, if there exists an Identity of Interest as defined herein between the Applicant or Developer and the General Contractor, the allowable fees shall in no case exceed the amount allowable pursuant to the HUD subsidy layering review requirements.

6. Lastly, Petitioner requests a waiver of Rule 67-21.003(1)(b), F.A.C. (6/23/20),

which provides in pertinent part:

(1) Applicants shall apply for MMRB, Non-Competitive HC, or a combination of MMRB and Non-Competitive HC as set forth below. For purposes of this subsection only, the term NC Award shall refer to MMRB, Non-Competitive HC,



or a combination of MMRB and Non-Competitive HC, and funding from the following Corporation programs will not be considered to be other Corporation funding: Predevelopment Loan Program (PLP) and Elderly Housing Community Loan (EHCL) Program.

\*\*\*

(b) If the NC Award will not be in conjunction with other Corporation funding made available through the competitive solicitation funding process outlined in rule Chapter 67-60, F.A.C., the Applicant shall utilize the Non-Competitive Application Package in effect at the time the Applicant submits the Application. The Non-Competitive Application Package or NCA (Rev. 04-2020) is adopted and incorporated herein by reference and consists of the forms and instructions available, without charge, on the Corporation's website under the Multifamily Programs link labeled Non-Competitive Programs or from <http://www.flrules.org/Gateway/reference.asp?No=Ref-12011>, which shall be completed and submitted to the Corporation in accordance with this rule chapter.

*Id.* Rule 67-21.003(1)(b), F.A.C. (6/23/20) incorporates by reference the Non-Competitive Application Package (Rev. 04-2020) ("NCA"). The NCA includes the following requirement:

General Contractor's fee is limited to 14% of actual construction cost (for Application purposes, this is represented by A1.1. Column 3), rounded down to nearest dollar. The General Contractor's fee must be disclosed. The General Contractor's fee includes General Conditions, Overhead, and Profit. A General Contractor's Cost Certification will need to be completed prior to the issuance of IRS form 8609 and that certification may further restrict the overall General Contractor's fee. It is advised to review that certification process as early as possible

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A1.2. General Contractor Fee see Note (3) (Max 14% of A1.1., column 3)

*Id.* at Note (3).

#### **D. Statute Implemented.**

7. The Rules implement, among other sections of the Florida Housing Finance Corporation Act (the "Act"):

- Section 420.502, Legislative findings.
- Section 420.507, Powers of the corporation.
- Section 420.508, Special powers; multifamily and single-family projects.



- Section 420.509, Revenue bonds.
- Section 420.5099, Allocation of the low-income housing tax credit.

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

**E. Timeline.**

- 6/1/23 - GC abandoned the site and became unresponsive
- 10/19/23 - Notice of Default sent to GC and Surety
- 10/24/23 - Surety responds to Notice/Bond claim, requesting significant production of records.
- 10/25/23 - Developer began providing the documents requested by Surety and coordinated with Surety regarding inspections.
- 11/09/23 -Notice of Termination sent to GC and Surety.
- 2/29/2024 -Developer sent Notice to Surety regarding its obligations and election under Performance bond
- The Developer and Surety counsel exchange several correspondences regarding need for GC project files. Surety Counsel is slow to respond, necessitating multiple follow ups.
- 4/8/2024 - Developer and counsel for Surety attend call to address GC's contractual obligations and ways to navigate the personal bankruptcy of the GC's owners.
- 04/16/2024 – Developer meets with Petitioner's CPA to discuss the documents needed to complete the AUP report
- 04/17/2024 – 4/22/2024 – Developer sends multiple requests to Surety Counsel requesting additional documentation.
- 4/9/2024 -5/2/2024 - Counsel for Surety is slow to respond to demands and informs Developer of difficulties obtaining cooperation from the GC's representatives.
- 5/2/24 – 5/30/24- Developer begins reaching out to all trade contractors to request they produce their records related to work performed under the GC. Trade contractors do not fully cooperate, fail to respond, refuse production unless payment is made, or state that they are no longer in possession of invoices/records.

- 5/9/2024 – Developer identifies and retains specialized Surety counsel. Counsel requires waiver from Surety which takes two weeks to procure.
- 5/31/2024 – Developer’s Surety counsel sends a revised demand to Surety and GC, including demand to perform under the bond, complete audit requirements, and demand to pay subcontractor.
- 6/3/24 – 6/18/24 – Developer counsel contacts surety counsel to coordinate a meeting with Surety and GC representatives.
- 6/19/2024 – Developer attends meeting with surety counsel and GC. Surety counsel indicates that GC has entered into an agreement in his personal bankruptcy proceeding that includes his obligation to cooperate in good faith. Developer renews request for verified cost reports, account payable reports, Subcontractor status report, all final and partial lien waivers, and all supplier and subcontractor invoices.
- 6/24/2024 - Developer sends letter memorializing the parties’ 6/19/2024 meeting and agreeing to grant Developer authority for J4’s account to provide any records in its possession.
- 7/18/2024 – Developer reviews records provided by GC’s accountant and identifies significant deficiencies. Developer sends letter to Surety outlining deficiencies and renews request for GC to provide the Project files for the Goodlette, Gould and Davie projects, including but not limited to, all invoices from subcontractor and suppliers. Developer further offers to review the records at GC’s office, make copies of those records through a vendor and/or collect any hard files and return them upon completion of the cost certification process, whichever is more convenient to GC and Surety.
- 7/31/24 – Developer’s counsel and Surety counsel hold meeting to discuss 7/18/2024 request. Counsel for Surety, for the first time, indicates that records no longer exist.
- 8/9/24 – Developer sends demand letter to Surety regarding the destruction of GC’s project files, requesting GC’s permission to renew GC’s Pro-Core subscription to access any saved or recoverable project files. Developer further requests information regarding how GC typically maintained its project files and how GC’s accounts payable and billing was processed.
- 8/10/24 – 9/12/2024- Developer’s counsel and Surety counsel exchange various letters and email correspondence regarding subcontractor claims and complaints and discuss mediation.

**F. Justification for the Requested Waiver.**

7. Petitioner submitted its Non-Competitive Application Form, Application No. 2020-517C (the “Application”), to the Corporation on or about February 8, 2021.

8. J4 Development, Inc. (a Texas corporation f/k/a J4 Development, LP.), was disclosed in the Application as, and served as, the General Contractor (“GC”) for the Development. The GC was created in February 2004 as a multifamily construction firm to specialize in large-scale asset renovation and repositioning, including Affordable Housing, Market rate, Historic, Student, Military and Senior Housing. At the time of the Application, J4 had built in excess of 15 LITHC multifamily developments in 14 states representing more than \$400,000,000 in completed projects.

9. By June 1, 2023, before the renovation of the Development was complete, the GC abandoned the site and became nonresponsive. At that point, Developer had paid to the GC \$12,613,774.74, which was the total amount due under the contract after setoff. In contrast, only the hard costs that could be substantiated were included in the GCCC, which total only \$10,894,960. This inability to substantiate all hard costs in the contract caused the 14% GC cap to be exceeded by 7.81%, necessitating a Rule waiver.<sup>1</sup>

10. Developer is aware of claims made by subcontractors alleging that they have not been fully paid, but does not have access to the GC’s documents to verify: (a) the amount the GC paid to each respective subcontractor, (b) any sums that may be outstanding, or (c) whether the GC had rights to set off or revised the scope of each subcontractor. For the subcontractors that alleged non-payment, Developer has provided the GC’s payment applications to Developer and redacted bank records showing bank wires that match the amount billed in each payment

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<sup>1</sup> Petitioner received AIAs from the GC through the construction process that tie to the contract. While the available information technically reflects GC fees exceeding the 14% cap, Petitioner believes, for the reasons set forth above, there are additional costs that have not been captured. If Petitioner had full access to the invoices, it believes cost overruns by the subcontractors would be disclosed, diluting the percentage of the GC’s fee, decreasing their fee margins, in compliance with the 14% cap.

application. Those payment applications show each time that the respective subcontractor's line items were billed up to 100% of that line was billed, reflecting that Developer paid the GC for all work completed by the subcontractors.

11. The GC and the surety (Liberty Mutual) were sent notices of default on October 19, 2023, notice of termination on November 9, 2023, and a supplemental demand for relief under the bond and damages summary on or around June 11, 2024. The surety has not agreed to any settlement or to compensate the Developer for any losses.

12. Accordingly, Developer completed the work without involvement from the GC or surety.

13. Petitioner has no new business with the GC. The GC has not responded to Petitioner's communications and requests for documentation. Despite multiple requests, the GC has failed to provide the information necessary to satisfy all of the requirements for the FCCAP.

14. Pursuant to the Rule, Petitioner must submit the FCCAP to itemize the costs and expenses incurred with the Development. Because the Rule incorporates the FCCAP by reference, both the Rule and FCCAP require: (a) completion and inclusion of a GCCC and (b) a CPA opinion letter and audit report for the GCCC without any modifications.

15. The FCCAP provides the GCCC instructions, which identify the requirements and audit procedures for the GCCC audit.

16. The FCCAP also includes a form, entitled "General Contractor Costs Certification - GC Certification," that must be executed by the GC and the CPA ("GC Certification"). The GC Certification certifies the accuracy of the GC's costs.

17. Receipt by Petitioner of the remaining portion of the tax credit investor's capital contributions are dependent upon the issuance of the Form 8609. The Corporation cannot issue

Form 8609 until it has reviewed the FCCAP.

18. Despite numerous requests,<sup>2</sup> the GC has failed to execute the GC Certification, and other certificates and affidavits that must be provided to the CPA in order to enable the CPA to issue its opinion letter and audit report. Accordingly, the Corporation has not, and cannot, issue Form 8609.

19. Prior to the GC appearing to cease operations, Petitioner was able to obtain from the GC a cost schedule and invoices.<sup>3</sup> An independent CPA (*i.e.*, Dauby, O'Connor & Zaleski, LLC, "DOZ") tested the GC's schedule and invoices to satisfy the 40% testing requirement. However, because the GC appears to have discontinued its business and has become unresponsive,<sup>4</sup> DOZ was unable to fully complete the GCCC. Accordingly, while the information obtained from the GC is likely very close to complete, it cannot be *verified* as complete without confirmation from the GC. Additionally, the information provided by the GC has limited invoice detail and some questions for the GC related to classification, complete vendor names, etc. could

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<sup>2</sup> For example, Petitioner: (1) emailed the GC's representatives, Ida Bustnes, J.D. Wilson, and Josh Gilot, on June 21, 2023 requesting confirmation of a wire sent for pay application #25; (2) called Ms. Bustnes, Mr. Wilson, and Mr. Gilot on their individual cell phones on June 20-21, 2023; (3) emailed Ms. Bustnes, Mr. Wilson, and Mr. Gilot on June 20, 2023 regarding a warranty claim for a roof leak; (4) texted Mr. Wilson on June 20, 2023 asking him to confirm that the GC received a wire for Draw #25; and (5) emailed Ms. Bustnes, Mr. Wilson, and Mr. Gilot June 14, 2023 related to amounts due to AJ Madison Appliances. The GC has not, to date, responded to the foregoing communications. Petitioner has subsequently made other attempts to contact the GC, as well as attempted to contact the GC through the GC's accounting firm, all to no avail.

<sup>3</sup> The entire contracted amount has been paid to the GC. While all of the subcontractors have not been paid to date, Petitioner is in the process of doing so. Petitioner has requested a statement of accounts from the subcontractors and is in communication with them. The total outstanding costs of the subcontractors exceeds the currently held retainage by approximately \$400,000.

<sup>4</sup> DOZ sent multiple emails, and made several calls, to the GC that went unanswered. After many failed attempts to communicate with the GC, DOZ reached out to Petitioner who informed DOZ that Petitioner likewise had been unable to reach the GC.

not be verified. While we believe the total actual construction costs to be higher, the claims submitted to the surety that could not be substantiated were not included in the AUP, resulting in a GC fee overage of 7.81%. As set forth herein, the GC overage will be treated as a subset of the developer fee and be ineligible. Because the GC subsequently became unresponsive, DOZ cannot confirm the cost listing is complete. The percentages listed on Exhibit A of the AUP report are a percent of total actual construction costs which represent 59.16% of the total actual construction costs incurred (*i.e.*, 59.16% of \$10,894,960).

20. The AUP report is based upon the draft GCCC attached thereto as Exhibit A. DOZ obtained the draft GCCC from the GC, recomputed the mathematical accuracy, and found no exceptions. The AUP report is also based upon a detailed listing of costs incurred by the Project as of November 30, 2022 that are included in the draft GCCC. Using a sampling method, DOZ vouched a sample of costs supporting evidence to verify that the costs were incurred by the Project and the amount, date, and classification of the cost were accurately recorded in the draft GCCC. DOZ's sample of costs vouched to supporting evidence represents over 40% of the total costs incurred by the Project as of November 30, 2022. DOZ found no exceptions. DOZ also selected the three largest subcontractors to send direct confirmations to verify that the costs were incurred by the Project and the amount, date, and classification of the cost were accurately recorded in the draft GCCC. DOZ's costs confirmed by the subcontractors represent 36.18% of the total costs incurred by the Project as of November 30, 2022, for which DOZ found no exceptions.

21. The draft GCCC attached to the AUP report states the following related to the three largest subcontractors: (a) Valle Del Sol Contracting, LLC - \$1,681,883 total - \$1,681,883 confirmed - 15.44% of total actual const. costs; (b) Arcor Electric, LLC - \$1,209,517 total -

\$1,209,517 confirmed - 11.10% of total actual const. costs; and (c) Roofing Painting by Hertzell, Inc. - \$1,050,751 total - \$1,050,751 confirmed - 9.64% of total actual const. costs.

22. The draft GCCC further states, in relation to “randomly selected subcontractors”:

(a) Innovative Comfort Solutions - \$972,475 total - \$499,544 verified - 4.59% of total actual const. costs; (b) Jetliner, LLC - \$795,408 total - \$612,568 verified - 5.62% of total actual const. costs; (c) AC Products, Inc. - \$443,115 total - \$393,743 verified - 3.61% of total actual const. costs; (d) Crowther Roofing & Sheet Metal of Florida, Inc. - \$596,430 total - \$561,835 verified - 5.16% of total actual const. costs; and (e) 4S Construction, Inc. - \$718,531 total - \$436,321 verified - 4.00% of total actual const. costs.

23. Per the draft GCCC: “The total of the three largest subcontractors confirmed and the randomly selected subcontractors detailed above account for 59.16% of total actual const. costs incurred.”

24. In the draft GCCC:

- a. the percentage of costs to GC Costs and Fees were calculated to confirm it is at or below 14%;
- b. the total construction cost in the contract cost schedule agrees to the original contract plus approved change order
- c. all payments made by the owner to the contractor were tested as part of both the GCCC and DFCC
- d. the last page outlines the confirmation procedures completed to obtain written confirmation of construction amounts from as many subcontractors as possible.



- e. the last page outlines the invoice testing procedures completed to obtain other documentation of construction amounts for any remaining subcontractors not confirmed
- f. the last page outlines the confirmation testing procedures completed to identify the three largest dollar amount subcontractors
- g. includes a column for identifying any reported identity of interests, but none were listed because Petitioner was not made aware of any.

The procedures listed in the opinion state that the total costs confirmed/verified were at least 40% of the total construction costs.

25. Petitioner cannot verify that it has the subcontractor information necessary to provide a complete contractor cost certification. Since the GC did not respond to requests to provide access to its accounting records, the CPA was unable to prepare an audit of the GCCC. However, the information available will be presented in the Development Final Cost Certification (“DFCC”) format.

26. The CPA cannot issue an audit opinion here since an audit entails more than simply verifying numbers (*e.g.*, testing internal controls, testing journal entries, performing cash disbursement tests, performing interviews with the GC for fraud and gaining an understanding of their accounting system, obtaining representations from the GC, etc.) and is not possible here since the development cost records are not complete. Accordingly, an audit report would violate professional standards and cannot be issued. The GCCC forms contain contractor trade categories that require a level of detail that is not available here.

27. Due to the GC’s failure to provide the requested documentation and/or cooperate,



the CPA cannot issue an opinion letter or unmodified<sup>5</sup> audit report and Petitioner is unable to complete the GCCC, much less obtain the GC's signature on the GCCC or other requisite certificates and affidavits; thereby necessitating this Petition for Rule waiver.

28. Petitioner requests via this Petition that the Corporation waive the requirement that the FCCAP contain a GCCC and/or CPA opinion letter and audit report for the GCCC. By granting the Petition, Petitioner will be permitted to instead satisfy the Rule by providing the AUP report prepared by the CPA detailing the costs and expenses incurred by the GC, as presented in the schedule attached to the AUP report.

29. Under Section 120.542(1), Florida Statutes, Florida Housing has the authority to grant waivers to, or variances from, its requirements when strict application of the requirements would lead to unreasonable, unfair, and unintended consequences in particular instances. Specifically, Section 120.542(2) states:

Variances and waivers shall be granted when the person subject to the rule demonstrates that the purpose of the underlying statute will be or has been achieved by other means by the person and when application of a rule would create a substantial hardship or would violate principles of fairness. For purposes of this section, "substantial hardship" means a demonstrated economic, technological, legal, or other type of hardship to the person requesting the variance or waiver. For purposes of this section, "principles of fairness" are violated when the literal application of a rule affects a particular person in a manner significantly different from the way it affects other similarly situated persons who are subject to the rule.

The controlling statutes and the Corporation's Rules are designed to allow the flexibility necessary to provide relief when strict application, in particular circumstances, would lead to unreasonable,

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<sup>5</sup> The AUP is being submitted in the place of the audit report. The only modification DOZ made is stating that, while DOZ was able to verify more than 40% of the construction contract, the listing cannot be entirely verified. Without the GC being available to sign a representation letter, answer questions and/or verify the completeness of the form, any report DOZ issued on the GCCC would require a modification of some type.

unfair, or unintended results. Granting the requested variance in this instance would allow Petitioner to finalize the cost certification process and pursue issuance of the housing credits.

30. Additionally, by granting this waiver, the Corporation would recognize the goal of increasing private investment and participation in increasing the supply of affordable housing and promote the principles of fundamental fairness in developing affordable rental housing. The purpose of the underlying statute, which is to “encourage development of low-income housing in the state” as identified in Section 420.5099(2), Fla. Stat., would still be achieved if the variance is granted. The requested waiver serves the purpose of the Statutes that are implemented by the Rule. The Florida Housing Finance Corporation Act, Section 420.501, *et seq.* (“Act”) was passed in order to encourage private and public investment in facilities for persons of low-income. The purpose of the creation of the Housing Tax Credit Program is to stimulate creative private sector initiatives to increase the supply of affordable housing. By granting this waiver, the Corporation would recognize the principles of fundamental fairness in the development of affordable housing.

31. The Corporation has jurisdiction to grant a waiver of the Rule and Petitioner meets the standard for a waiver of the Rule.

32. Petitioner would suffer a substantial hardship if this Petition is denied. Specifically, Petitioner will lose the opportunity to access a large portion of the tax credit equity financing available to the Development if the Petition is not granted. Further, Petitioner would be required to repay all of the capital contribution previously made by the tax credit investor, with interest and penalties, thus causing the Development to fail and for the lender to likely foreclose. Petitioner is unable, through no fault of its own, to obtain the information necessary to complete the FCCAP (*i.e.*, Petitioner cannot provide all of the information required by the GCCC nor obtain a CPA opinion letter without qualification or an unmodified audit report for the GCCC), much less obtain

the GC's execution of the GCCC. Accordingly, absent the Corporation granting this Petition, it cannot issue Form 8609 to Petitioner.

33. As demonstrated above, the requested waiver serves the purposes of Section 420.5099, Florida Statutes, and the Act, as a whole, because one of their primary goals is to facilitate the availability of decent, safe, and sanitary housing in the State of Florida to low income persons and households.

34. A representative of Petitioner is available to answer any questions should the Corporation require additional information.

**G. Type of Waiver.**

35. The waiver being sought is permanent in nature.

**H. Action Requested.**

26. Petitioner respectfully requests that the Corporation:

- a. Grant this Petition and all the relief requested therein;
- b. Grant a waiver of Rule 67-21.027(6), F.A.C. (6/23/20) to permit submission of the Final Cost Certification Application Package with an Agreed Upon Procedures Report approved by the Corporation instead of: (i) the General Contractor Cost Certification; (ii) a certified public accountant opinion letter; and/or (iii) an audit report prepared by an independent certified public accountant;
- c. Grant a waiver of Rules 67-21.003(1)(b) and 67-21.026(12)(b) F.A.C. (6/23/20) and the Non-Competitive Application Instructions (REV. 04-2020); and allow Petitioner to exceed the General Contractor's fee maximum of 14% of actual construction cost; and

- d. Award such further relief as may be deemed appropriate.

Respectfully submitted,

STEARNS WEAVER MILLER WEISSLER  
ALHADEFF & SITTERSON, P.A.  
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By: s/ Brian J. McDonough  
BRIAN J. MCDONOUGH, ESQ.

**CERTIFICATE OF SERVICE**

This Petition is being served via e-mail for filing with the Corporation Clerk for the Florida Housing Finance Corporation, CorporationClerk@FloridaHousing.org, with a copy served by U.S. Mail on the Joint Administrative Procedures Committee, Pepper Building, Room 680, 111 West Madison Street, Tallahassee, Florida 32399-1400, this 4th of October, 2024.

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

# **Florida Housing Finance Corporation**

## **Credit Underwriting Report**

### **Hermosa North Fort Myers II**

**Tax-Exempt Multifamily Mortgage Revenue Bond (“MMRB” or “Bond”),  
State Apartment Incentive Loan (“SAIL”), Extremely Low Income Loan  
 (“ELI”), and 4% Non-Competitive Housing Credits (“HC”)**

**RFA 2023-205 (2024-032BSN / 2023-521C)**

**SAIL Financing of Affordable Multifamily Housing Development to be Used  
in Conjunction with Tax-Exempt Bond Financing and Non-Competitive  
Housing Credits**

#### **Section A: Report Summary**

**Section B: MMRB, SAIL, ELI, NHTF, and HC Special and General  
Conditions**

**Section C: Supporting Information and Schedules**

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**Prepared by**

**First Housing Development Corporation of Florida**

**FINAL REPORT**

**October 8, 2024**

**Hermosa North Fort Myers II**

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

**Recommendation**

First Housing Development Corporation of Florida (“First Housing”, “FHDC”, or “Servicer”) recommends a MMRB in the amount of \$14,000,000, a total SAIL Loan in the amount of \$6,080,500, comprised of a SAIL Base Loan in the amount of \$5,500,000 (“SAIL Base Loan”) plus an ELI Loan in the amount of \$580,500 (“ELI Loan”), a NHTF Loan in the amount of \$870,000 and an annual 4% HC Allocation of \$1,330,867 for the construction and permanent financing of Hermosa North Fort Myers II (“Development”). The recommendation is only valid for six months from the date of the report.

DEVELOPMENT & SET-ASIDES			
Development Name:	Hermosa North Fort Myers II		
RFA/Program Numbers:	RFA 2023-205	/	2024-032BSN 2023-521C
Address	West side of N. Cleveland Avenue, approximately 1,500 feet north of the interesection of N. Cleveland Avenue and Littleton Road		
City:	Unincorporated Lee County	Zip Code:	33903 County: Lee County Size: Medium
Development Category:	New Construction	Development Type:	Mid-Rise (4 Stories)
Construction Type:	Masonry	Number of Stories:	4
Demographic Commitment:			
Primary:	Elderly, Non-ALF	for	80% of the Units
Preference:	Veterans	for	5% of the Units
Link Units:	Persons with Special Needs	for	5.6% of the Units
NHTF Units:	Persons with Special Needs	for	3.4% of the Units
Unit Composition:			
# of ELI Units:	9	ELI Units Are Restricted to	40% AML, or less. Min % of Units @ ELI: 10%
# of Link Units:	5	# of Preference units:	5 IRS Minimum Set-Aside Commitment: 40/60
# of NHTF Units:	3	# of units w/ PBRA?	0 TSP Approval Date: 08/15/2024
Buildings: Residential -	1	Non-Residential -	0
Parking: Parking Spaces -	206	Accessible Spaces -	4
DDA: No SADD: No QCT: Yes Multi-Phase Boost: Yes QAP Boost: No QAP Type:			
Site Acreage:	4.000	Density:	22.0000 Flood Zone Designation: AE
Zoning:	C-1A	Flood Insurance Required?:	Yes



Credit Underwriter: <u>First Housing Development Corporation</u>	Date of Application: <u>08/03/2023</u>
Date of Final CUR: <u>10/08/2024</u>	Minimum 1st Mortgage per Rule <u>N/A</u>
TDC PU Limitation at Application: <u>\$397,500</u>	TDC PU Limitation at Credit Underwriting <u>\$397,500</u>
Actual TDC PU for Limitation: <u>\$273,274</u>	Amount Dev. Fee Reduced for TDC Limit: <u>\$0</u>

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

Prepared by:



Stephanie Petty  
Senior Credit Underwriter

Reviewed by:



Ed Busansky  
Senior Vice President

**Set Asides & 15-Year Operating Proforma**

Set Asides:

Program	% of Units	# of Units	% AMI	Term (Years)
MMRN	40%	36	60%	50
ELI	10%	9	40%	50
SAIL	90%	79	60%	50
HC-4%	10%	9	40%	50
HC-4%	90%	79	60%	50
NHTF	3.4%	3	22%	50
Local CDBG	3.4%	3	22%	99
Local CDBG	10%	9	40%	99
Local CDBG	86.6%	76	60%	99

Persons with Special Needs Set-Aside Commitment: 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 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 MOU was approved by Florida Housing Finance Corporation (“Florida Housing” or “FHFC”) on September 6, 2024.

As required by the Federal Fair Housing Act, at least 80% of the total units will be rented to residents that qualify as Elderly.

Veteran Preference in Elderly Developments Commitment: The proposed Development committed to offer a preference to Veterans on occupancy applications and waitlists throughout the 50-year Compliance Period with a goal of at least five percent (5%) of the units (5 units) in the Development being occupied by one or more Veterans. Veteran Households that meet the Link units or other Area Median Income (“AMI”) Set-Aside requirements will also count towards the goal of at least five percent (5%) of the units (5 units) in the Development being occupied by one or more Veterans.

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 fifty percent (50%) requirement for ELI set-aside units. Therefore, the Development will have a total of 8 units targeted for Link units for Persons with Special Needs (ELI - 5 units, NHTF - 3 units). The Persons with Special Needs set-aside commitment must be maintained throughout the entire 50- year Compliance Period.

After 30 years, all of the NHTF Link units (3 units) may convert to serve residents at or below 60% AMI.

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

Lee County, Cape Coral-Fort 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	2	746	22%			\$386	\$78	\$308		\$308	\$308	\$308	7,392
1	1.0	6	746	40%			\$702	\$78	\$624		\$624	\$624	\$624	44,928
1	1.0	48	746	60%			\$1,053	\$78	\$975		\$975	\$975	\$975	561,600
2	2.0	1	1011	22%			\$463	\$93	\$370		\$370	\$370	\$370	4,440
2	2.0	3	1011	40%			\$842	\$93	\$749		\$749	\$749	\$749	26,964
2	2.0	28	1011	60%			\$1,263	\$93	\$1,170		\$1,170	\$1,170	\$1,170	393,120
		88	74,128											1,038,444

**MMRB, SAIL, ELI, NHTF & HC CREDIT UNDERWRITING REPORT**

**15-Year Operating Pro Forma**

FINANCIAL COSTS:	Year 1	Year 1 Per Unit	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	\$1,038,444	\$11,801	\$1,059,213	\$1,080,397	\$1,102,005	\$1,124,045	\$1,146,526	\$1,169,457	\$1,192,846	\$1,216,703	\$1,241,037	\$1,265,857	\$1,291,175	\$1,316,998	\$1,343,338	\$1,370,205
Other Income: (4.96%)																
Miscellaneous	\$51,480	\$585	\$52,510	\$53,560	\$54,631	\$55,724	\$56,838	\$57,975	\$59,134	\$60,317	\$61,523	\$62,754	\$64,009	\$65,289	\$66,595	\$67,927
Gross Potential Income	\$1,089,924	\$12,386	\$1,111,722	\$1,133,957	\$1,156,636	\$1,179,769	\$1,203,364	\$1,227,431	\$1,251,980	\$1,277,020	\$1,302,560	\$1,328,611	\$1,355,183	\$1,382,287	\$1,409,933	\$1,438,132
Less:																
Economic Loss    Percentage: 1.00%	\$10,899	\$124	\$11,117	\$11,340	\$11,566	\$11,798	\$12,034	\$12,274	\$12,520	\$12,770	\$13,026	\$13,286	\$13,552	\$13,823	\$14,099	\$14,381
Physical Vac. Loss   Percentage: 4.00%	\$43,597	\$495	\$44,469	\$45,358	\$46,265	\$47,191	\$48,135	\$49,097	\$50,079	\$51,081	\$52,102	\$53,144	\$54,207	\$55,291	\$56,397	\$57,525
<b>Total Effective Gross Income</b>	<b>\$1,035,428</b>	<b>\$11,766</b>	<b>\$1,056,136</b>	<b>\$1,077,259</b>	<b>\$1,098,804</b>	<b>\$1,120,780</b>	<b>\$1,143,196</b>	<b>\$1,166,060</b>	<b>\$1,189,381</b>	<b>\$1,213,169</b>	<b>\$1,237,432</b>	<b>\$1,262,181</b>	<b>\$1,287,424</b>	<b>\$1,313,173</b>	<b>\$1,339,436</b>	<b>\$1,366,225</b>
Annual Escalation Rate (Income): 2.00%																
Fixed:																
Real Estate Taxes	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Insurance	\$154,000	\$1,750	\$158,620	\$163,379	\$168,280	\$173,328	\$178,528	\$183,884	\$189,401	\$195,083	\$200,935	\$206,963	\$213,172	\$219,567	\$226,154	\$232,939
Variable:																
Management Fee    Percentage: 5.00%	\$51,771	\$588	\$52,807	\$53,863	\$54,940	\$56,039	\$57,160	\$58,303	\$59,469	\$60,658	\$61,872	\$63,109	\$64,371	\$65,659	\$66,972	\$68,311
General and Administrative	\$35,024	\$398	\$36,075	\$37,157	\$38,272	\$39,420	\$40,602	\$41,820	\$43,075	\$44,367	\$45,698	\$47,069	\$48,481	\$49,936	\$51,434	\$52,977
Payroll Expenses	\$123,200	\$1,400	\$126,896	\$130,703	\$134,624	\$138,663	\$142,823	\$147,107	\$151,520	\$156,066	\$160,748	\$165,570	\$170,538	\$175,654	\$180,923	\$186,351
Utilities	\$70,400	\$800	\$72,512	\$74,687	\$76,928	\$79,236	\$81,613	\$84,061	\$86,583	\$89,181	\$91,856	\$94,612	\$97,450	\$100,374	\$103,385	\$106,486
Marketing and Advertising	\$4,400	\$50	\$4,532	\$4,668	\$4,808	\$4,952	\$5,101	\$5,254	\$5,411	\$5,574	\$5,741	\$5,913	\$6,091	\$6,273	\$6,462	\$6,655
Maintenance and Repairs/Pest Control	\$70,400	\$800	\$72,512	\$74,687	\$76,928	\$79,236	\$81,613	\$84,061	\$86,583	\$89,181	\$91,856	\$94,612	\$97,450	\$100,374	\$103,385	\$106,486
Reserve for Replacements	\$26,400	\$300	\$26,400	\$26,400	\$26,400	\$26,400	\$26,400	\$26,400	\$26,400	\$26,400	\$26,400	\$27,192	\$28,008	\$28,848	\$29,713	\$30,605
<b>Total Expenses</b>	<b>\$535,595</b>	<b>\$6,086</b>	<b>\$550,354</b>	<b>\$565,544</b>	<b>\$581,180</b>	<b>\$597,274</b>	<b>\$613,840</b>	<b>\$630,891</b>	<b>\$648,443</b>	<b>\$666,509</b>	<b>\$685,106</b>	<b>\$705,041</b>	<b>\$725,561</b>	<b>\$746,684</b>	<b>\$768,428</b>	<b>\$790,811</b>
Annual Escalation Rate (Expenses): 3.00%																
<b>Net Operating Income</b>	<b>\$499,832</b>	<b>\$5,680</b>	<b>\$505,783</b>	<b>\$511,715</b>	<b>\$517,624</b>	<b>\$523,507</b>	<b>\$529,356</b>	<b>\$535,169</b>	<b>\$540,938</b>	<b>\$546,659</b>	<b>\$552,326</b>	<b>\$557,140</b>	<b>\$561,864</b>	<b>\$566,489</b>	<b>\$571,008</b>	<b>\$575,414</b>
<b>Debt Service Payments</b>																
First Mortgage - FHFC/Gti	\$253,272	\$2,878	\$253,272	\$253,272	\$253,272	\$253,272	\$253,272	\$253,272	\$253,272	\$253,272	\$253,272	\$253,272	\$253,272	\$253,272	\$253,272	\$253,272
Second Mortgage - FHFC - SAIL	\$55,000	\$625	\$55,000	\$55,000	\$55,000	\$55,000	\$55,000	\$55,000	\$55,000	\$55,000	\$55,000	\$55,000	\$55,000	\$55,000	\$55,000	\$55,000
Third Mortgage - FHFC - NHTF	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Fourth Mortgage - Lee County	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
First Mortgage Fees - FHFC/Gti	\$20,956	\$238	\$21,062	\$21,172	\$21,284	\$21,400	\$21,520	\$21,643	\$21,770	\$21,900	\$22,035	\$22,173	\$22,316	\$22,463	\$22,615	\$22,771
Second Mortgage Fees - FHFC - SAIL	\$12,622	\$143	\$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 - NHTF	\$3,970	\$45	\$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
Fourth Mortgage Fees - Lee County	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>Total Debt Service Payments</b>	<b>\$345,820</b>	<b>\$3,930</b>	<b>\$345,926</b>	<b>\$346,035</b>	<b>\$346,148</b>	<b>\$346,264</b>	<b>\$346,383</b>	<b>\$346,507</b>	<b>\$346,633</b>	<b>\$346,764</b>	<b>\$346,898</b>	<b>\$347,037</b>	<b>\$347,180</b>	<b>\$347,327</b>	<b>\$347,478</b>	<b>\$347,634</b>
Cash Flow after Debt Service	\$154,013	\$1,750	\$159,857	\$165,680	\$171,477	\$177,243	\$182,973	\$188,662	\$194,305	\$199,895	\$205,427	\$210,103	\$214,684	\$219,162	\$223,530	\$227,780
<b>Debt Service Coverage Ratios</b>																
DSC - First Mortgage plus Fees	1.82x		1.84x	1.86x	1.89x	1.91x	1.93x	1.95x	1.97x	1.99x	2.01x	2.02x	2.04x	2.05x	2.07x	2.08x
DSC - Second Mortgage plus Fees	1.46x		1.48x	1.50x	1.51x	1.53x	1.55x	1.56x	1.58x	1.59x	1.61x	1.62x	1.64x	1.65x	1.66x	1.67x
DSC - Third Mortgage plus Fee	1.45x		1.46x	1.48x	1.50x	1.51x	1.53x	1.54x	1.56x	1.58x	1.59x	1.61x	1.62x	1.63x	1.64x	1.66x
DSC - Fourth Mortgage plus Fees	1.45x		1.46x	1.48x	1.50x	1.51x	1.53x	1.54x	1.56x	1.58x	1.59x	1.61x	1.62x	1.63x	1.64x	1.66x
<b>Financial Ratios</b>																
Operating Expense Ratio	51.73%		52.11%	52.50%	52.89%	53.29%	53.70%	54.10%	54.52%	54.94%	55.37%	55.86%	56.36%	56.86%	57.37%	57.88%
Break-even Econ Occup Ratio (all debt)	81.12%		80.87%	80.64%	80.42%	80.23%	80.04%	79.88%	79.73%	79.60%	79.48%	79.44%	79.41%	79.39%	79.40%	79.41%
Break-even Econ Occup Ratio (must pay debt)	74.55%															

Notes to the 15 Year Operating Pro Forma and Ratios:

1. The MMRB program does not impose any rent restrictions. However, in conjunction with the MMRB, the Development will be utilizing Housing Credits, SAIL, ELI, and NHTF which will impose rent restrictions. The rent levels are based on the 2024 maximum LIHTC rents published on FHFC's website for Lee County less the applicable utility allowance.
2. The Utility Allowances are based on an Energy Consumption Model ("ECM") Utility Allowance Estimate prepared by Matern Professional Engineering, Inc. FHFC's approval of the Utility Allowances for Credit Underwriting Purposes is a condition close.
3. The appraisal included a vacancy and collection loss of 3.00%, First Housing has estimated a vacancy and collection loss of 5.00% to be more conservative.
4. The Appraisal projected Miscellaneous Income of \$51,480 which is comprised of revenue from washer/dryer income, application fees, forfeited security deposits, bad debt recoveries, pet fees, cancellation fees, and damages recovered. The Development will offer washer/dryers to the tenants at a rate of \$35/month. The appraiser has estimated a penetration rate of 75%, which equates to \$27,720 in annual income.
5. Based upon operating data from comparable properties, third-party reports (appraisal and market study) and First Housing's independent due diligence, First Housing represents that, in its professional opinion, estimates for Rental Income, Vacancy, Other Income, and Operating Expenses fall within a band of reasonableness.
6. The Development will seek ad valorem property tax exemption under Florida Statute 196.1975. The Development's ownership will be a Florida limited partnership, with the sole general partner that is a not-for-profit corporation. A real estate counsel's opinion letter verifying the proposed organizational structure meets the requirements under this statute, is a condition to close.
7. First Housing received a Management Agreement, dated July 31, 2024, and a LIHTC Addendum, among Hermosa NFTM 41 II, Ltd. ("Owner") and Professional Management, Inc. ("Agent"). According to the Agreement, the Agent shall receive a monthly fee of \$3,500 per month or 5% of the monthly gross receipts from operations, whichever is the greater amount. Additionally, the management company will be compensated for a compliance administrative fee of \$4 per unit per month. First Housing has concluded to a management fee of 5% and has included the administrative fee within General and Administrative.

8. The landlord will pay for trash, water, sewer, and common area electric. The tenant will be responsible for electricity, cable, and internet.
9. Replacement Reserves of \$300 per unit per year are required which meets the RFA and Rules 67-21 and 67-48 minimum requirement.
10. The 15-Year Pro Forma reflects rental income increasing at an annual rate of 2% and expenses increasing at an annual rate of 3%.

**MMRB, SAIL, ELI, NHTF & HC CREDIT UNDERWRITING REPORT**

**Sources Overview**

**Construction Financing Information:**

CONSTRUCTION FINANCING INFORMATION										
Lien Position	First	Second	Second	Third	Fourth				Totals	
Source	FHFC - MMRB	FHFC - SAIL	FHFC - SAIL ELI	FHFC - NHTF	Local CDBG	FHFC - HC 4%	Def. Dev. Fee	Other		Cash Collateral Source
Lender/Grantor	FHFC	FHFC	FHFC	FHFC	Lee County	Bank of America, N.A.	Revital Development Group, LLC, DDER Development, LLC, LCHA Developer, LLC	Reinvestment Income		Bank of America
Construction Amount	\$14,000,000	\$5,500,000	\$580,500	\$870,000	\$5,095,775	\$1,856,373	\$419,449	\$1,050,000	\$29,372,097	\$14,000,000
All In Interest Rate	3.05%	1.00%	0.00%	0.00%	0.00%					8.714%
Debt Service During Construction	\$427,000	\$55,000	\$0	\$0	\$0				\$482,000	\$1,219,960
Bond Structure (if applicable)	Public Offering									

First Mortgage:

First Housing received correspondence from Raymond James, dated August 21, 2024 and September 6, 2024, where Raymond James will underwrite and market the Bonds via a Public Offering in the amount of \$14,000,000. The MMRB will initially be secured by cash collateralization and/or permitted investments that will secure the repayment of the MMRB until permanent loan conversion. The release of the MMRB proceeds to fund the acquisition and construction of the Development will be restricted, contingent upon a like sum being funded to the Trustee and placed in the Collateral Fund. The principal and interest of the MMRB will be secured by a cash source, or Permitted Investments at all times until they are fully repaid. The source of MMRB collateral is expected to be a taxable loan provided by Bank of America, N.A. (“BoA”). The Applicant will pay interest only until the paydown and exchange for the permanent tax-exempt loan, of which the MMRB will bear interest at a fixed rate that is payable semiannually. It is anticipated that the MMRB will mature up

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to 36 months following the date of issuance and will pay interest only semiannually at a fixed rate estimated to be 3.05% assuming a Mandatory Tender Date with a 24-month term. Based on market conditions and the expected length of the construction period, a longer or shorter maturity may be selected provided sufficient eligible funds are deposited with the Trustee to make payment of all principal and interest on the bonds through the earlier to occur of the maturity date or mandatory tender/redemption date. First Housing has assumed a 30 month term for the MMRB. It is not anticipated that the MMRB will have any negative arbitrage at this time. The MMRB will be collateralized by a cash source at all times with funds on deposit in the Project Fund, the collateral Fund and Capitalized Interest Account, each held and administered by the Trustee. At conversion, the MMRB are to be converted to and/or exchanged for a Tax-Exempt Governmental Note and placed with Citibank, N.A.

First Housing has received a letter, dated August 27, 2024, which indicates that BoA will provide a construction loan in the lesser of: 1) \$14,000,000, 2) 85% Loan to Cost, 3) 80% Loan to Value. The loan will require interest only payments for the term of the loan, which is expected to be for 30 months from the loan closing. The interest rate of the construction loan will be a floating rate based on the Daily Secured Overnight Financing Rate (“SOFR”), plus the SOFR Adjustment of 0.114%, plus a margin of 2.50%. The construction loan interest is based on the Daily SOFR rate of 5.35% (as of September 4, 2024), the SOFR Adjustment of 0.114%, a margin of 2.50%, plus a 0.75% underwriting cushion for an interest rate of 8.714%.

The annual FHFC Issuer Fee of 24 bps and the annual Trustee Fee of \$4,500 are included in the Uses section of this report.



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**Permanent Financing Information:**

PERMANENT FINANCING INFORMATION									
Lien Position	First	Second	Second	Third	Fourth				Totals
Source	FHFC - MMRN	FHFC - SAIL	FHFC - SAIL ELI	FHFC - NHTF	Local CDBG	FHFC - HC 4%	Def. Dev. Fee	Other	
Lender/Grantor	FHFC/Citi	FHFC	FHFC	FHFC	Lee County	Bank of America, N.A.	Revital Development Group, LLC, DDER Development, LLC, LCHA Developer, LLC	Reinvestment Income	
Permanent Amount	\$3,900,000	\$5,500,000	\$580,500	\$870,000	\$5,095,775	\$12,375,822	\$0	\$1,050,000	\$29,372,097
Permanent Funding Per Unit	\$44,318	\$62,500	\$6,597	\$9,886	\$57,907	\$140,634	\$0	\$11,932	\$333,774
% of Permanent Funding	13.3%	18.7%	2.0%	3.0%	17.3%	42.1%	0.0%	3.6%	100.0%
Underwritten Interest Rate	5.87%	1.00%	0.00%	0.00%	0.00%				
Loan Term	18	18	18	30	99				
Amortization	40	0	0	0	0				
Must Pay or Cash Flow Dependent	Must-Pay	Cash Flow	Cash Flow	Cash Flow	Cash Flow				
Permanent Debt Service, No Fees	\$253,272	\$55,000	\$0	\$0	\$0				\$308,272
Permanent Debt Service, with Fees	\$274,228	\$67,622	\$0	\$3,970	\$0				\$345,820
Debt Service Coverage, with Fees	1.82x	1.46x	1.46x	1.45x	1.45x				
Operating Deficit & Debt Service Reserves	\$445,335								
# of Months covered by the Reserves	6.6								
Market Rate/Market Financing LTV	21%	50%	54%	58%	86%				
Restricted Market Financing LTV	37%	89%	95%	103%	152%				
Loan to Cost - Cumulative	13%	32%	34%	37%	54%				
Loan to Cost - SAIL Only		19%							

First Mortgage:

First Housing has received a Term Sheet, dated August 2, 2024, for an unfunded forward commitment whereby Citibank, N.A. ("Citi") will provide a tax-exempt permanent loan in the amount of \$4,000,000 or such other loan amount supported by Citi's underwriting at the time of conversion. First Housing has concluded to a loan amount of \$3,900,000, which is based on the Applicant's projections. The Permanent Loan shall have a mandatory prepayment at the end of the 18th year following the closing date. The term of the loan is 18 years, which includes a 2.5-year construction period and a 15.5-year permanent period. Payments of principal and interest will be based on a 40-year amortization schedule. The interest rate will be locked at closing of the construction loan and is currently estimated to be the 18-year SOFR Swap Index (which shall have a floor of 0.75%) plus a spread of 2.40%. According to the term sheet, the current indicative rate is 5.87%. If the conversion to the permanent phase does not occur on or before month 30 following closing, 0.05% will be added to the rate for each 6-month period past the initial 30-month period.

According to the term sheet, Citi will provide an earn-out in an amount not to exceed 10% of the initial Permanent Loan amount, currently estimated to be \$400,000. The amount of earn-out will be determined by Citi in its sole discretion. The rate on the earn-out will be set at conversion and will be equal to the applicable SOFR Swap Index at the time of conversion plus a spread of 2.40%. The earn-out interest rate shall have a floor rate equal to 0.25% below the Permanent Phase Interest Rate. Upon conversion, if the first mortgage loan is increased above the current recommended amount of \$3,900,000, it will be subject to a positive recommendation from the Credit Underwriter and FHFC's approval.

Additional fees included in the Debt Service calculation consist of an annual Permanent Loan Servicing Fee, an annual Compliance Monitoring Fee, an annual Issuer Fee of 24 bps of the outstanding loan balance, but not less than \$10,000 per annum and an annual Fiscal Agent Fee of \$4,500. The annual Permanent Loan Servicing Fee is based upon a fee of 2.3 bps of the outstanding loan amount, with a minimum monthly fee of \$243, and an hourly fee of \$204 for extraordinary services. The annual Compliance Monitoring Fee is based upon a total fee which 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.

The permanent Note will mature 18 years following construction closing. At maturity, the Applicant may satisfy the Note via refinancing or sale of the Development pending market feasibility. In the event the Applicant is unable to refinance or sell the Development, then an event of default would not be triggered under the loan documents. Instead, a "Mortgage Assignment Event" would occur whereby

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Citi agrees to cancel the Note in exchange for an assignment, by the Fiscal Agent, of the mortgage and all other related documents and accounts. The Fiscal Agent would cancel the Note and discharge the lien of the Funding Loan Agreement. The Fiscal Agent would assign the mortgage loan and any other related documents and collateral to Citi, effectively ending the tax-exempt financing provided by FHFC. Under this scenario, the Note will have been redeemed/cancelled not by payment of cash but by the assignment of the mortgage loan documents; therefore, there is no default. As the new direct mortgagee, Citi would then be in a position to work with the Applicant to arrive at a resolution without involvement of either FHFC or the Fiscal Agent (as the Note would have been cancelled and would no longer be outstanding).

**FHFC SAIL Base Loan, ELI Loan and NHTF Loan:**

First Housing reviewed an invitation to enter credit underwriting, dated December 20, 2023, from FHFC that includes a preliminary Total SAIL Loan in the amount of \$6,080,500, which consists of a preliminary SAIL Base Loan in the amount of \$5,500,000 plus a preliminary ELI Loan in the amount of \$580,500. The SAIL Base loan and the ELI loan will be closed as one loan and will have one set of closing documents. In addition, the invitation includes a preliminary NHTF Loan in the amount of \$870,000.

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 2.5 years is for the construction/stabilization period and 15.5 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% per annum over the life of the loan. The ELI Loan will have a total term of 18 years, of which 2.5 years is for the construction/stabilization period and 15.5 years is for the permanent period. Annual payments of all applicable fees will be required. As required by the first mortgage lender and permitted by the RFA, the ELI Loan term will be coterminous with the first mortgage. 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.

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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 32.5 years, of which 2.5 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 Total SAIL 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.

Lee County - CDBG:

According to the Multi-Family Applications-Eval Committee Meeting, the Applicant is expected to receive up to \$5,250,000 in CDBG-DR funds from Lee County; however, a commitment letter is not available at this time. In order to balance sources and uses, First Housing is estimating only \$5,095,775 will be funded. Receipt of a commitment letter is a condition to finalize this report. It is anticipated the interest rate on the loan will be 0% with no repayment until maturity. First Housing has anticipated a 99-year loan term; however, verification of the loan terms is a condition to close.

Reinvestment Income:

The construction MMRB will be marketed by Raymond James & Associates, Inc. (“Raymond James”) through a public offering. Proceeds will be held under the Indenture with the Trustee. On the day of closing, the bond proceeds will be invested in U.S. Treasuries that mature on or before the initial mandatory tender date, approximately 24 months. The U.S. Treasuries will be purchased through a competitive bid process conducted by Raymond James. Based on current market conditions the anticipated earning rate is estimated at 3.75% and the total interest revenue is estimated to be \$1,050,000.

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**Syndication Contributions:**

Capital Contributions	Amount	Percentage of Total	When Due
1st Installment	\$1,856,373	15.00%	Closing
2nd Installment	\$7,920,526	64.00%	100% construction completion, temporary certificates of occupancy, owner's title policy has been amended to remove all mechanics lien exceptions, no earlier than 4/1/2026
3rd Installment	\$2,227,648	18.00%	Three consecutive months of a minimum of 1.15 debt service coverage, 93% occupancy, tax credit units have been leased to qualified tenants at least one time, closing on the permanent loan, permanent certificates of occupancy, all reserves have funded or will be funded with this installment, no earlier than 9/1/2026
4th Installment	\$371,275	3.00%	Form 8609 has been issued, cost certification has been received, extended use agreement received, copy of the compliance audit, caclulations of final adjusters, no earlier than 12/1/2026
<b>Total</b>	<b>\$12,375,822</b>	<b>100.00%</b>	

Syndicator Name	Bank of America, N.A.
Date of LOI	8/27/2024
Total Credits Per Syndication Agreement:	\$13,308,666
Annual Credits Per Syndication Agreement:	\$1,330,867
Calculated HC Exchange Rate:	\$0.93
Limited Partner Ownership Percentage:	99.99%
Proceeds Available During Construction:	\$1,856,373
Annual Credits - Qualified in CUR:	\$1,330,867

The first installment, in the amount of \$1,856,373, is \$0.30 short of meeting the RFA requirement that 15% of the total equity must be contributed at or prior to the closing. Verification that 15% of equity is funded at closing is a condition to close.

Deferred Developer Fee:

To balance the sources and uses of funds during the permanent funding period, the Developer is required to defer \$0 of the total Developer Fee of \$4,328,658.

**Changes from the Application and Additional Information**

<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 - 4.
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?		5
Do the site plans/architectural drawings account for all amenities/features listed in the Application?		5
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?		6
Is the Development feasible using the set-asides committed to in the Application?	X	
If the Development has committed to serve a special target group (e.g. elderly, large family, etc.), do the development and operating plans contain specific provisions for implementation?	X	
HOME ONLY: If points were given for match funds, is the match percentage the same as or greater than that indicated in the Application?	N/A	
HC ONLY: Is the rate of syndication the same as or greater than that shown in the Application?	X	
Is the Development in all other material respects the same as presented in the Application?		7

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

1. Since the Application, the Tax-Exempt permanent loan amount has decreased from \$6,130,000 to \$3,900,000.
2. Since the Application, per the Invitation to Enter Credit Underwriting issued by FHFC on December 20, 2023, the Applicant was awarded FHFC NHTF funding in the loan amount of \$870,000.
3. Since the Application a Lee County Community Development Cloak Grant – Disaster Recover (“CDBG-DR”) loan in the amount of \$5,095,775 has been included as a source of financing.
4. Since the Application, the Syndicator has changed from Raymond James Affordable Housing Investments, Inc. to Bank of America, N.A. The syndication rate has increased from \$0.90 to \$0.93.

5. Receipt of a final Document and Cost Review verifying all features and amenities is a condition to close.
6. The Total Development Cost (“TDC”) has increased by a total of \$4,867,662 from \$24,504,435 to \$29,372,097 or 19.86% since the Application. The change is mainly due to an increase in construction costs.
7. The 21-Day Requirements identified the General Contractor (“GC”) as NDC Construction Company; however, the GC is now Marmer Construction, Inc. First Housing received the Florida Housing Finance Corporation General Contractor or Qualifying Agent of General Contractor Certification for Marmer Construction, Inc. along with the experience chart.

The above changes have no substantial material impact to the MMRB, SAIL, ELI, NHTF or HC recommendation for this Development.

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

According to the FHFC Asset Management Noncompliance Report, dated 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 September 12, 2024, 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 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.

Waiver Requests/Special Conditions:

None

Issues and Concerns:

None

Mitigating Factors:

None

Additional Information:

1. The Applicant’s financing structure involves a Public Offering of cash-collateralized bonds that convert into a tax-exempt loan from Citi. This cash-backed forward structure contemplates that the Applicant will simultaneously close on two construction loans: a taxable construction loan in senior lien position with BoA and a tax-exempt loan of tax-exempt bond proceeds issued by FHFC.

The construction MMRB will be marketed by Raymond James through a public offering. Proceeds will be held under the Indenture with the Trustee. Concurrent with closing, the Applicant will also close on a \$14,000,000 construction loan with BoA. As MMRB are drawn to pay for development costs, a like amount will be drawn from the construction loan and deposited with the Trustee ensuring that at all times the MMRB will be fully cash collateralized. The Trustee will invest the MMRB proceeds in US Treasuries to offset debt payments on the MMRB. In the current market, it is anticipated that investment earnings will be in excess of the MMRB rate. Additionally, the Applicant has applied to Citi to provide permanent funding for the Development. 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 by Citi on behalf of FHFC (“Governmental Lender”). The proceeds of the Funding Loan will be used by FHFC to fund a mortgage loan with matching economic terms (“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 FHFC 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 MMRN structure, the Funding Loan replaces the purchase by Citi of tax-exempt bonds.



2. The Applicant is required to provide a certification executed by the General Contractor for compliance with debarment and suspension regulations. First Housing has been in receipt of this certification.
  
3. The Applicant is required to comply with the HUD environmental requirements as provided in 24 CFR 93.301(f)(1) and (2). Receipt of an Environmental Review verifying the Development is in compliance with the Property Standards a 24 CFR 93.301(f)(1) and (2) is a condition to close.
  
4. The Applicant is required to provide evidence demonstrating that the Development is consistent with the applicable Consolidated Plan. First Housing has been in receipt of this certification.

**Uses of Funds**

CONSTRUCTION COSTS:	Applicant Costs	Revised Applicant Costs	Underwriters Total Costs - CUR	Cost Per Unit	HC Ineligible Costs - CUR
New Rental Units	\$12,753,866	\$12,447,800	\$12,447,800	\$141,452	\$101,200
Site Work	\$0	\$2,006,732	\$2,006,732	\$22,804	\$200,673
Constr. Contr. Costs subject to GC Fee	\$12,753,866	\$14,454,532	\$14,454,532	\$164,256	\$301,873
General Conditions (6.0%)	\$1,785,541	\$867,272	\$867,271	\$9,855	\$0
Overhead (2.0%)	\$0	\$289,091	\$289,090	\$3,285	\$0
Profit (6.0%)	\$0	\$867,272	\$867,271	\$9,855	\$0
General Liability Insurance	\$0	\$65,045	\$65,045	\$739	\$0
Payment and Performance Bonds	\$0	\$165,432	\$165,432	\$1,880	\$0
<b>Total Construction Contract/Costs</b>	<b>\$14,539,407</b>	<b>\$16,708,644</b>	<b>\$16,708,641</b>	<b>\$189,871</b>	<b>\$301,873</b>
Hard Cost Contingency (5.0%)	\$711,970	\$827,161	\$835,432	\$9,494	\$0
FF&E paid outside Constr. Contr.	\$0	\$176,000	\$176,000	\$2,000	\$0
<b>Total Construction Costs:</b>	<b>\$15,251,377</b>	<b>\$17,711,805</b>	<b>\$17,720,073</b>	<b>\$201,364</b>	<b>\$301,873</b>

**Allowances:**

Entrance Signage	\$15,000
Building Signage	\$15,000
BDA Testing	\$6,500
Dumpster Enclosure	\$85,000
<b>Total</b>	<b>\$121,500</b>

**Notes to the Total Construction Costs:**

1. The Applicant has provided an executed construction contract, dated August 6, 2024, in the amount of \$16,708,641. This is a Standard Form of Agreement between Owner, Hermosa NFTM 41 II, Ltd. and Contractor, Marmer Construction, Inc. where the basis of payment is the Cost of the Work Plus a Fee with a Guaranteed Maximum Price (“GMP”). Per the contract, substantial completion is to be achieved not later than 429 calendar days from commencement.
2. First Housing used the Schedule of Values (“SOV”) to break out the construction costs.
3. Receipt of all GC Section 3 contract requirements is a condition to close.
4. The Development will offer washers/dryers to the residents at an additional cost; therefore, the estimated cost of \$101,200 to purchase the washer/dryers is ineligible.
5. First Housing has estimated 10% of the site work to be ineligible.

6. The allowances included in the GC Contract are 0.73% of the GMP. Moran Consultants, LLC (“Moran”) finds the specific allowances are reasonable for this Development.

GENERAL DEVELOPMENT COSTS:	Applicant Costs	Revised Applicant Costs	Underwriters Total Costs - CUR	Cost Per Unit	HC Ineligible Costs - CUR
Accounting Fees	\$0	\$75,000	\$75,000	\$852	\$18,750
Appraisal	\$0	\$15,000	\$7,250	\$82	\$0
Architect's Fees	\$0	\$308,000	\$308,000	\$3,500	\$0
Builder's Risk Insurance	\$237,600	\$242,000	\$242,000	\$2,750	\$0
Building Permits	\$0	\$88,000	\$88,000	\$1,000	\$0
Engineering Fees	\$0	\$165,000	\$165,000	\$1,875	\$0
Environmental Report	\$0	\$22,500	\$22,500	\$256	\$0
FHFC Administrative Fees	\$202,055	\$120,758	\$119,778	\$1,361	\$119,778
FHFC Application Fee	\$0	\$3,000	\$3,000	\$34	\$3,000
FHFC Credit Underwriting Fee	\$0	\$32,500	\$33,937	\$386	\$33,937
Green Building Cert. (LEED, FGBC, NAHB)	\$0	\$24,200	\$24,200	\$275	\$0
Impact Fee	\$0	\$477,783	\$477,783	\$5,429	\$0
Insurance	\$0	\$154,000	\$154,000	\$1,750	\$154,000
Legal Fees - Organizational Costs	\$0	\$517,000	\$517,000	\$5,875	\$310,200
Lender Inspection Fees / Const Admin	\$0	\$60,000	\$60,000	\$682	\$0
Market Study	\$0	\$8,500	\$5,000	\$57	\$5,000
Marketing and Advertising	\$0	\$50,000	\$50,000	\$568	\$50,000
Plan and Cost Review Analysis	\$0	\$8,750	\$5,250	\$60	\$0
Property Taxes	\$1,093,000	\$15,000	\$15,000	\$170	\$7,500
Soil Test	\$0	\$20,000	\$20,000	\$227	\$0
Survey	\$0	\$50,000	\$50,000	\$568	\$0
Title Insurance and Recording Fees	\$980,949	\$171,600	\$171,600	\$1,950	\$115,751
Utility Connection Fees	\$0	\$342,522	\$342,522	\$3,892	\$46,200
Soft Cost Contingency (5.0%)	\$147,500	\$173,050	\$158,541	\$1,802	\$0
Other: Miscellaneous	\$0	\$214,000	\$214,000	\$2,432	\$20,000
Other:	\$436,407	\$0	\$0	\$0	\$0
<b>Total General Development Costs:</b>	<b>\$3,097,511</b>	<b>\$3,358,163</b>	<b>\$3,329,361</b>	<b>\$37,834</b>	<b>\$884,116</b>

Notes to the General Development Costs:

- General Development Costs are the Applicant's updated estimates, which appear reasonable.
- First Housing has utilized actual costs for: Appraisal, FHFC Credit Underwriting, Market Study, and Plan and Cost Review Analysis.
- The FHFC Administrative Fee is based on 9% of the recommended annual 4% Housing Credit allocation.
- The FHFC Credit Underwriting Fee includes an underwriting fee of \$31,927 and a Subsidy Layering Review (“SLR”) fee of \$2,010.

5. The Applicant provided a Professional Services Proposal for NGBS Green Building Certification for Hermosa North Fort Myers II, dated August 1, 2024, from Community Development Reimagined-CDR.
6. Miscellaneous costs include; Private Provider Costs, which First Housing has verified is with a third party consultant, utility allowance study, and other miscellaneous expenses.

FINANCIAL COSTS:	Applicant Costs	Revised Applicant Costs	Underwriters Total Costs - CUR	Cost Per Unit	HC Ineligible Costs - CUR
	Construction Loan Closing Costs	\$0	\$173,500	\$173,500	\$1,972
Construction Loan Commitment Fee	\$0	\$140,000	\$140,000	\$1,591	\$0
Construction Loan Interest	\$1,520,727	\$1,180,645	\$1,252,492	\$14,233	\$500,997
Permanent Loan Application Fee	\$0	\$25,000	\$25,000	\$284	\$25,000
Permanent Loan Closing Costs	\$111,300	\$25,000	\$25,000	\$284	\$25,000
Permanent Loan Commitment Fee	\$0	\$39,000	\$39,000	\$443	\$39,000
FHFC Bond Cost of Issuance	\$0	\$242,000	\$247,623	\$2,814	\$247,623
FHFC Bond Interest	\$0	\$854,000	\$854,000	\$9,705	\$115,290
FHFC Bond Trustee Fee	\$0	\$9,000	\$11,250	\$128	\$11,250
SAIL Commitment Fee	\$0	\$60,800	\$60,805	\$691	\$60,805
Placement Agent/Underwriter Fee	\$0	\$35,000	\$35,000	\$398	\$35,000
Initial TEFRA Fee	\$0	\$1,000	\$1,000	\$11	\$1,000
Other: Syndicator	\$0	\$50,000	\$50,000	\$568	\$50,000
Other: FHFC MMRB Issuer Fee	\$0	\$67,200	\$84,000	\$955	\$84,000
Other:	\$404,200	\$0	\$0	\$0	\$0
<b>Total Financial Costs:</b>	<b>\$2,036,227</b>	<b>\$2,902,145</b>	<b>\$2,998,670</b>	<b>\$34,076</b>	<b>\$1,368,465</b>
<b>Dev. Costs before Acq., Dev. Fee &amp; Reserves</b>	<b>\$20,385,115</b>	<b>\$23,972,113</b>	<b>\$24,048,104</b>	<b>\$273,274</b>	<b>\$2,554,454</b>

Notes to the Financial Costs:

1. The Construction Loan Commitment Fee is based on 1% of the construction loan amount.
2. The Construction Loan Interest of \$1,252,492 is based on an interest rate of 8.714%, a 22-month term, and an average outstanding loan balance of 56%. The GC Contract specifies a substantial completion of not later than 429 calendar days (or approximately 14 months) and considering an 8-month lease-up/stabilization period, First Housing has estimated that a construction term of 22-months is reasonable.
3. The Permanent Loan Commitment Fee is based on 1% of the permanent loan amount.
4. FHFC Bond Cost of Issuance (“COI”) includes MMRB, SAIL/ELI, and NHTF Loan Closing Costs, and expenses of the Trustee, Real Estate Counsel, MMRB Counsel, Disclosure Counsel, and other fees.

5. The FHFC Bond Interest is reflective of the entire bond amount outstanding for a 24-month period based on an interest rate of 3.05%, which consistent with current market conditions
6. The FHFC MMRB Issuer Fee represents 2.5 years of the annual Issuer Fee of 24 basis points of the total MMRB construction amount.
7. The FHFC Bond Trustee Fee represents 2.5 years of the annual Trustee fee of \$4,500 during constructions.
8. SAIL Commitment Fee is based on 1% of the Total SAIL Loan.

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

Notes to the Non-Land Acquisition Costs:

1. Since this is new construction, non-land acquisition costs do not apply.

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	\$3,669,320	\$4,314,980	\$4,328,658	\$49,189	\$0
<b>Total Dev. Fee on Non-Acq. Costs (18.0%):</b>	\$3,669,320	\$4,314,980	\$4,328,658	\$49,189	\$0

LAND ACQUISITION COSTS	Applicant Costs	Revised Applicant Costs	Underwriters Total Costs - CUR	Cost Per Unit	HC Ineligible Costs - CUR
Land	\$450,000	\$475,000	\$450,000	\$5,114	\$450,000
<b>Total Acquisition Costs:</b>	\$450,000	\$475,000	\$450,000	\$5,114	\$450,000

Notes to Acquisition Costs:

1. First Housing received a Purchase Agreement, dated May 16, 2024, between Peregrine Village, LLC and Hermosa NFTM 41 II, Ltd. According to the agreement, the purchase price is \$450,000 and has a closing date of December 30, 2024.

RESERVE ACCOUNTS	Applicant Costs	Revised Applicant Costs	Underwriters Total Costs - CUR	Cost Per Unit	HC Ineligible Costs - CUR
	Operating Deficit Reserves	\$0	\$445,335	\$445,335	\$5,061
Reserves - Start-Up/Lease-up Expenses	\$0	\$100,000	\$100,000	\$1,136	\$100,000
<b>Total Reserve Accounts:</b>	<b>\$0</b>	<b>\$545,335</b>	<b>\$545,335</b>	<b>\$6,197</b>	<b>\$545,335</b>

Notes to Reserve Accounts:

1. Based on the letter of interest, dated August 27, 2024, Bank of America N.A. will require an Operating Deficit Reserve (“ODR”) estimated in the amount of \$445,335 or greater if required by any project lender, to be funded upon permanent loan conversion.

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>\$24,504,435</b>	<b>\$29,307,428</b>	<b>\$29,372,097</b>	<b>\$333,774</b>

RFA Limits	Maximum per RFA (%)	Actual at CUR (%)	Maximum per RFA (\$)	Actual at CUR (\$)
General Contractor Fee	14.00%	14.00%	\$2,023,634	\$2,023,632
Hard Cost Contingency	5.00%	5.00%	\$835,432	\$835,432
Soft Cost Contingency	5.00%	5.00%	\$158,541	\$158,541
Developer Fee	18.00%	18.00%	\$4,328,658	\$4,328,658

**Section B**

**MMRB, SAIL, ELI, NHTF and HC Special and General Conditions**

**Special Conditions**

This recommendation is contingent upon the review and approval of the following items by Florida Housing and First Housing **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 MMRB pricing date and/or MMRB, SAIL, ELI, and NHTF closing date.

1. Firm Commitment from BoA (construction) and Citi (permanent financing) with terms and conditions that are not substantially different than those utilized in this credit underwriting report.
2. Final loan documents for the Lee County funding (construction/permanent financing) with terms which are not substantially different than those utilized in this credit underwriting report.
3. Upon conversion, if the first mortgage loan is increased above the principal amount at closing, it will be subject to FHFC's approval and a positive recommendation from First Housing.
4. Receipt and satisfactory review of the Final signed, sealed "approved for construction" plans and specifications by the Construction Consultant and the Servicer.
5. Satisfactory receipt of a final Document and Cost Review, verifying all features and amenities.
6. FHFC's approval of the ECM utility allowances for credit underwriting purposes.
7. Verification that the first equity contribution is no less than 15% of the total equity contribution.
8. Receipt and satisfactory review of updated financials for the Guarantors, dated within 90 days of closing or Audited Financial Statements within one year.
9. Receipt of a real estate counsel's opinion letter verifying the proposed organizational structure meets the requirements under Florida Statute 196.1975.
10. Receipt of all GC Section 3 contract requirements.
11. Completion of the HUD Section 3 pre-construction conference.
12. The Development shall meet the Section 3 requirements of the Housing and Urban Development Act of 1968 as amended (12 U.S.C. 1701u and 24 CFR Part 75).



13. Receipt of an Environmental Review verifying the Development is in compliance with the Property Standards a 24 CFR 93.301(f)(1) and (2).
14. 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 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 MMRB pricing date and/or loan 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. Moran 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 and Cost Review, prepared by Moran.
14. At the end of the Compliance Period, any remaining balance of the ODR less amounts that may be permitted to be drawn (which includes Deferred Developer Fee, and reimbursements for authorized member/partner and guarantor loan(s) pursuant to the operating/partnership agreement), will be used to pay FHFC loan debt; if there is no FHFC loan debt on the proposed Development at the end of the Compliance Period, any remaining balance shall be used to pay any outstanding FHFC fees. If any balance is remaining in the ODR after the payments above, the amount should be placed in a Replacement Reserve account for the Development. In no event shall the payments of amounts to the Applicant or the Developer from the Reserve Account cause the Developer Fee or General Contractor Fee to exceed the applicable percentage limitations provided for in the Rule. Any and all terms and conditions of the ODR must be acceptable to Florida Housing, its Servicer and its Legal Counsel.
15. A copy of an Amended and Restated Limited Partnership Agreement reflecting purchase of the HC under terms consistent with the assumptions contained within this Credit Underwriting Report. The Amended and Restated Limited Partnership Agreement shall be in a form and of financial substance satisfactory to Servicer and to FHFC and its Legal Counsel.

This recommendation is contingent upon the review and approval of the following items by Florida Housing, and its Legal Counsel **at least 30 days prior to Real Estate Loan Closing**. Failure to

submit and 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 MMRB pricing date and/or 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 Bank of America, N.A. 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 limited partnership or other applicable agreement. Florida Housing shall be satisfied in its sole discretion that all legal and program requirements for the Loan(s) have been satisfied.
7. Evidence of insurance coverage pursuant to the RFA governing this proposed transaction and, as applicable, the FHFC Insurance Guide.
8. Receipt of a legal opinion from the Borrower's Legal Counsel acceptable to Florida Housing addressing the following matters:

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

**Additional Conditions, including HC as Applicable**

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

1. Compliance with all provisions of Sections 420.507, 420.5087, and 420.509 Florida Statutes, Rule Chapter 67-21, F.A.C. (MMRB and 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 MMRB, SAIL, and ELI 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 Bank of America, N.A. or an affiliate, that requires funding of all HC Equity Installments during construction, even if the Borrower is in default under the Limited Partnership Agreement.
4. All amounts necessary to complete construction must be deposited with the Trustee 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 Trustee at the MMRB 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 MMRB, 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 ratio on the permanent first mortgage 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, all for a period equal to 12 consecutive months, all 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. 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.

8. Guarantors to provide the Standard FHFC Environmental Indemnity Guaranty.
9. Guarantors to provide the Standard FHFC Guaranty of Recourse Obligations.
10. 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.
11. Property tax and hazard insurance escrow are to be established and maintained by the First Mortgagee Lender, Trustee, or the Servicer. In the event the reserve account is held by Florida Housing's Loan(s) servicing agent, the release of funds shall be at Florida Housing's sole discretion.
12. 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, Trustee, 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 \$26,400 (one-half the required Replacement Reserves for Years 1 and 2), in order to meet the applicable DSC loan requirements. Applicant can waive this election, if at closing of the loan(s) the required DSC is met without the need to exercise the option. It is currently estimated that Replacement Reserves will be funded from Operations in the amount of \$300 per unit per year for years 1 and 2, followed by \$300 per unit per year thereafter. The initial replacement reserve will have limitations on the ability to be drawn. New construction developments shall not be allowed to draw during the first five (5) years or until the establishment of a minimum balance equal to the accumulation of five (5) years of replacement reserves per unit. The amount established as a replacement reserve shall be adjusted based on a 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.

13. 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 on all payments until 50% completion of the project, at which time, retainage will be reduced to 5%. This meets the RFA and Rule Chapters 67-48 and 67-21 minimum requirements.
14. Closing of all funding sources prior to or simultaneous with the MMRB, SAIL, ELI, and NHTF loans.
15. Satisfactory completion of a pre-loan closing compliance audit conducted by FHFC or Servicer, if applicable.
16. Satisfactory resolution of any outstanding past due and/or noncompliance items.
17. Housing Credits – Receipt of executed FHFC Fair Housing, Section 504 and ADA as-built certification forms 122, 127, and 129.
18. Any other reasonable requirements of the Servicer, Florida Housing, or its Legal Counsel.



## **Section C**

### **Supporting Information & Schedules**

**Additional Development & Third Party Supplemental Information**

Appraisal Summary:

<b>Appraisal Summary Questions</b>	<b>Responses</b>	<b>Note</b>
Appraisal Firm Name	Walter Duke + Partners, Inc.	
Date of Report	10/4/2024	
Confirm certified and prepared for FHFC (Y/N)	Y	
Date appraisers license expires (should be after report date)	11/30/2024	
Occupancy at Stabilization: Economic (%)	99.0%	
Occupancy at Stabilization: Physical (%)	97.0%	
Value: As Is market value of the land	\$1,672,000	
As of date and type of interest (as if vacant land)	8/6/2024, Fee Simple	
Value: "As Complete and Stabilized", subject to unrestricted rents	\$18,620,000	
As of date and type of interest (unrestricted rents)	8/6/2024, Leased Fee	
Value: "As Complete and Stabilized", subject to restricted rents	\$10,520,000	
As of date and type of interest (restricted rents)	8/6/2024, Leased Fee	
Does the As Is value of land or land & improvements to be acquired support the acquisition cost? (Y/N)	Y	

Market Study Summary:

<b>Market Study Summary Questions</b>	<b>Responses</b>	<b>Note</b>
Market Study Firm Name	Walter Duke + Partners, Inc.	
Date of Report	8/30/2024	
Confirm certified and prepared for FHFC (Y/N)	Y	
Number of like-kind developments (existing and proposed) in the Competitive Market Area (CMA)	4	
Short Term and Long Term Impact to existing like-kind developments	N	
Weighted Average Occupancy of like-kind developments (submarket) (must be ≥ 92%)	98.2%	
Number of Guarantee Fund Properties in PMA?	0	
Metrics for 5 mile radius:		
Capture Rate (%)	7.37%	
Absorption Rate	22	
Will the development achieve maximum allowable HC Rents? (Y/N)	Y	
For New Construction Units, is the average market rental rate, based on unit mix and annualized rent concessions at least 110% or greater of a 60 percent of Area Median Income rental rate?	Y	
Does market exist to support both the demographic and income restriction set-asides committed to in the Application or as approved by FHFC or the Board? (Y/N)	Y	

Environmental Report Summary:

<b>Environmental Report Summary Questions</b>	<b>Responses</b>	<b>Note</b>
Preparer Firm Name	Universal Environmental Services LLC	
Date of Report	3/20/2024	
Type of Report	Phase I Environmental Site Assessment	
Confirm certified and prepared for FHFC (Y/N)	Y	
Were any Recognized Environmental Conditions (RECs) noted? (Y/N)	N	
Is any further investigation required? (Y/N)	N	

Soils Test Report Summary:

Soils Test Report Summary Questions	Responses	Note
Preparer Firm Name	Universal Environmental Services LLC	
Date of Report	12/6/2023	
Did the engineer provide recommendations for site prep, foundation, stormwater, and pavement that would make the site suitable for the proposed development? (Y/N)	Y	
Were recommendations outlined consistent with Structural/Engineering Drawings? (Y/N)	Y	

Document and Cost Review Summary:

Property Conditions Report (PCR) Summary Questions	Responses	Note
Preparer Firm Name	Moran Consultants, LLC	
Date of Report	9/26/2024	1.
Confirm certified and prepared for FHFC (Y/N)	Y	
Were all features and amenities in Exhibit B present in the PCA report? (Y/N)	N	2.
Is the GC Contract a Guaranteed Maximum Price Contract? (Y/N)	Y	
General Contract (GC Contract) Amount (PCA should match GC Contract)(\$)	\$16,708,641	
Cost per Unit	\$189,871	
Costs for Similar Type Developments (Include Range)	\$219,975 - \$286,074	
Is the Cost per Unit reasonable? (Y/N)	Y	
Construction schedule to substantial completion	429 days	
Is the development timeline considered feasible? (Y/N)	Y	
Was an ADA Accessibility Review completed? (Y/N)	Y	
Are accessibility requirements met and have executed Florida Housing Fair Housing, Section 504 and ADA Design Certification Forms 121, 126, and 128 been received? (Y/N)	Y	
Does the design conform with all applicable Florida Building and Design Codes? (Y/N)	Y	
Are the drawings and specifications satisfactory for completion and adherence to the scope of the project? (Y/N)	Y	

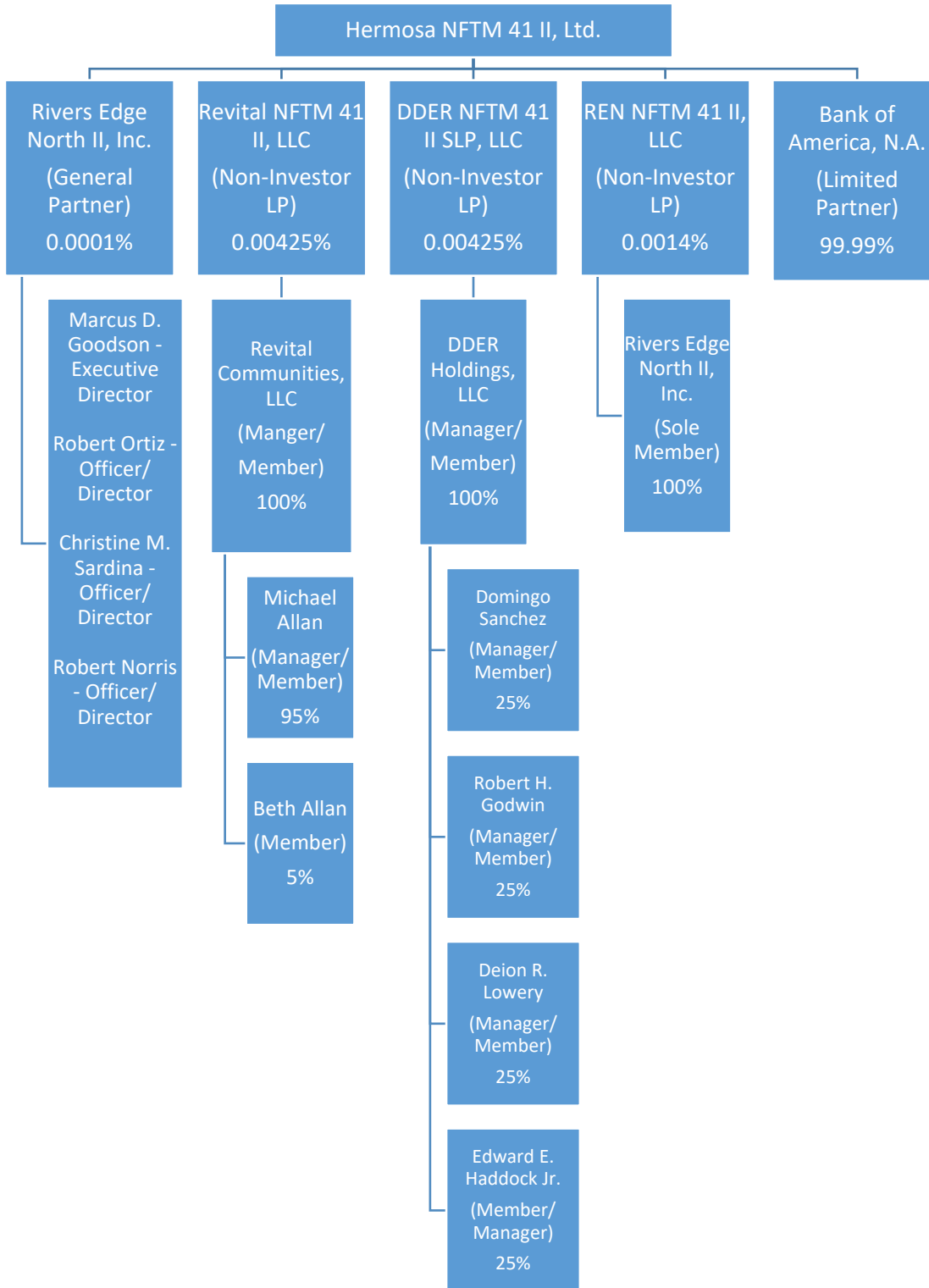
1. Receipt of a final Document and Cost Review is a condition to close.
2. Receipt of a final Document and Cost Review verify all features and amenities are included is a condition to close.

Site Inspection Summary:

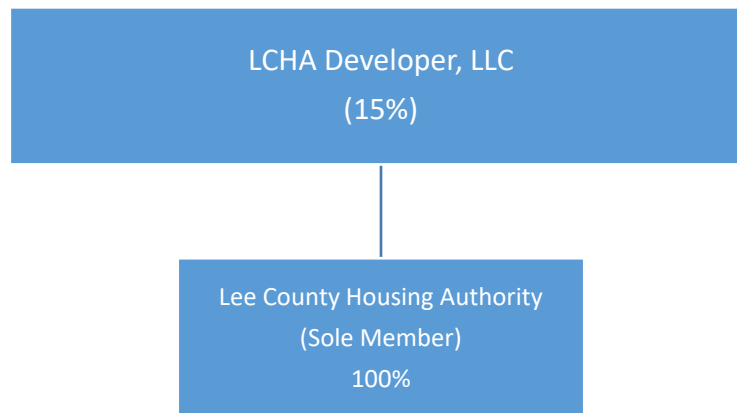
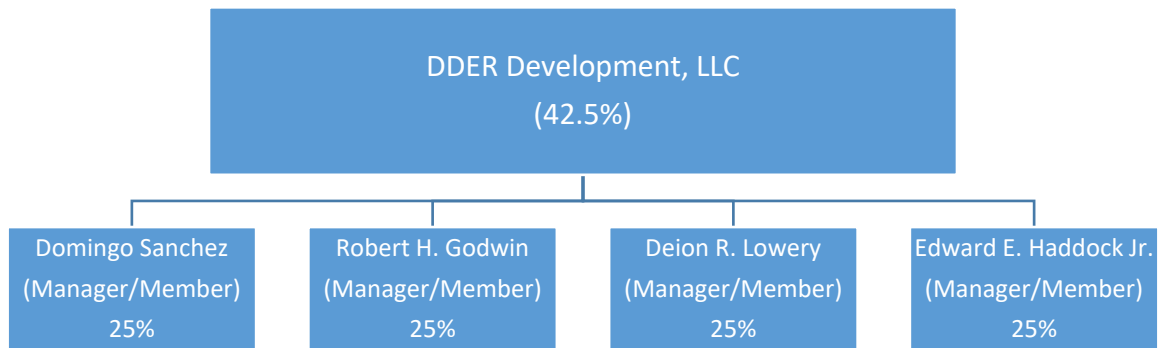
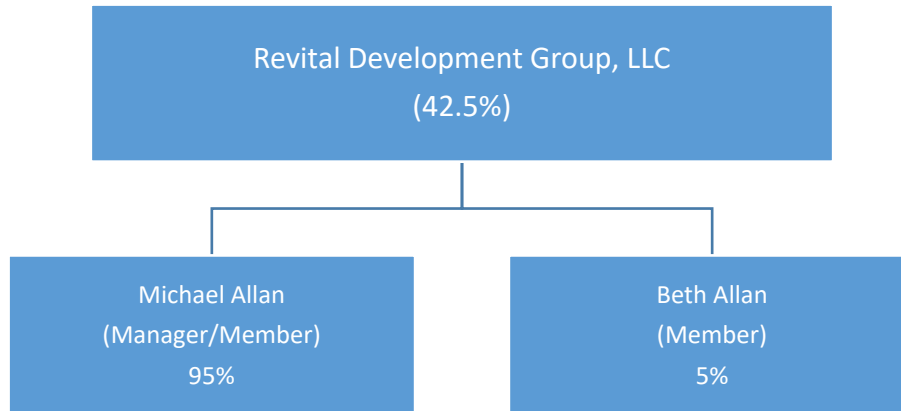
Site Visit Summary Questions	Responses	Note
Name of Inspector	First Housing	
Date of Inspection	3/6/2024	
Were the observation(s) of the insepector in line with the Market Study? (Y/N)	Y	

**Applicant & Related Party Information:**

Applicant Organizational Chart:



Co-Developer Organizational Charts:



**MMRB, SAIL, ELI, NHTF & HC CREDIT UNDERWRITING REPORT**

	Herмоса NFTM 41 II, Ltd.	Rivers Edge North II, Inc.	Revital NFTM 41 II, LLC	Revital Development Group, LLC	Allan, Michael	DDER NFTM 41 II SLP, LLC	DDER Holdings, LLC	DDER Development, LLC	Sanchez, Domingo	Godwin, Robert H.	Lowery, Deion R.	Haddock, Edward E., Jr.	LCHA Developer, LLC	Lee County Housing Authority	Bank of America, N.A.	Marmor Construction, Inc.	Professional Management, Inc.	Note
Relationship Type	Guarantor	Guarantor	Guarantor	Guarantor	Guarantor	Guarantor	Guarantor	Guarantor	Guarantor	Guarantor	Guarantor	Guarantor	Principal	Principal	Syndicator	General Contractor	Management Company	
Contact Person Name & Title	Marcus Goodson, Executive Director														Cassandra Silvermail, Senior Vice President	Marty Wohl, President	Carrie Brewer, CEO	
Contact Information	3750 Gunn Highway, Suite 104 Tampa, FL 33618 239-360-8040 marcus@lchaauthority.org														TXS-800-14-01 800 Capitol St. Houston, Texas 77002 Phone: 713.247.6645 cassandra.silvermail@bofa.com	3321 US HWY 27 South Sebring, FL 33870 863-314-9851 ext 105 marty@marmorconstruction.com	9095 SW 87th Avenue, Suite 777 Miami, FL 33176 305-270-0870 carrieb@pmiflorida.com	
Are Construction Completion, Operating Deficit, Environmental Indemnity and Recourse Obligations required to be signed?	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	N	N	N/A	N/A	N/A	
Does entity have the necessary experience?	Single Purpose Entity	Single Purpose Entity	Single Purpose Entity	Y	Y	Single Purpose Entity	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	
Has a credit evaluation been completed and is it satisfactory?	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	N/A	Y	N/A	
Have bank statements and/or trade references been received and reviewed and are they adequate?	N/A	N/A	N/A	Y	Y	N/A	Y	Y	Y	Y	Y	Y	Y	Y	N/A	N/A	N/A	
Have all financial statements been reviewed and are they adequate?	N/A	N/A	N/A	Y	Y	N/A	Y	Y	Y	Y	Y	Y	N/A	Y	Y	Y	N/A	
Have a Statements of Financial & Credit Affairs been reviewed for contingent liabilities?	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	N/A	Y	N/A	
P&P Bond, or LOC, required and received from company adequately rated as required by Rule?	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	Closing Condition	N/A	
Have the Management Agreement and Plans been received, dated, and executed?	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	Y	
Has the Property Manager been approved by FHFC's Asset Mgmt Dept (and if Rehab have they been approved prior to or at closing)?	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N	1
Does the entity have the relevant experience and possess the financial wherewithal to successfully construct and operate the Development as proposed?	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	

*Note: FHFC reserves the right to request additional information.*

1. Approval of the selection of the management company by FHFC's Asset Management Department is required. As the Development is proposed to be constructed, said approval is not required at closing.



Hermosa North Fort Myers II  
RFA 2023-205 (2024-032BSN / 2023-521C)  
DESCRIPTION OF FEATURES AND AMENITIES

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

88 Units located in 1 Mid-Rise residential building

Unit Mix:

Fifty-six (56) one bedroom/one bath units

Thirty-two (32) two bedroom/two bath units;

88 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. Elderly Developments must have a minimum of one elevator per residential building provided for all Elderly Set-Aside Units that are located on a floor higher than the first floor.
  1. All Elderly (ALF or Non-ALF Demographic Developments must also provide the following:
    - For new construction units, a full-size range and oven must be incorporated in all units.
    - All rehabilitation units are expected to have a full-size range and oven unless found to be not physically feasible within the scope of the rehabilitation work utilizing a capital needs assessment as further explained in Exhibit F of this RFA.

**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.** Accessibility Features in all Developments with the Elderly (ALF or Non-ALF) Demographic must also provide the following features:
- 20 percent of the new construction units must have roll-in showers.
  - Horizontal grab bars in place around each tub and/or shower, or a Corporation-approved alternative approach for grab bar installation. The installation of the grab bars must meet or exceed the 2010 ADA Standards for Accessible Design, Section 609. In addition, the following standards for grab bars are required:
    - a. If a bathtub/shower combination with a permanent seat is provided, grab bars shall be installed to meet or exceed the 2010 ADA Standards for Accessible Design, Section 607.4.1.
    - b. If a bathtub/shower combination without a permanent seat is provided, grab bars shall be installed to meet or exceed the 2010 ADA Standards for Accessible Design, Section 607.4.2.
    - c. If a roll-in shower is provided, grab bars shall be installed to meet or exceed the 2010 ADA Standards for Accessible Design, Section 608.3.2;
  - Reinforced walls for future installation of horizontal grab bars in place around each toilet, or a Corporation-approved alternative approach for grab bar installation. The installation of the grab bars must meet or exceed the 2010 ADA Standards for Accessible Design;
  - All bathrooms in all new construction units must have vanity cabinets with at least one roll-out shelf or drawer in bottom of cabinet.;
  - Adjustable shelving in master bedroom closets (must be adjustable by resident); and
  - In one of the kitchen's base cabinets, there shall be a large bottom drawer that opens beyond full extension, also referred to as an "over-travel feature." Drawers with the over-travel feature allow drawers to extend completely past the cabinet front so all the contents can be accessed. The drawer shall be deep and wide enough to store pots and pans and the drawer slides shall have a weight load rating of a minimum of 100 pounds. The drawers shall be mounted on a pair of metal side rails that are ball-bearing.

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

All new construction units and, as applicable, all common areas must have the features listed below and all rehabilitation units are expected to have all of the following required Green Building features unless found to be not appropriate or feasible within the scope of the rehabilitation work utilizing a capital needs assessment as further explained in Exhibit F of the RFA:

- a. Low or No-VOC paint for all interior walls (Low-VOC means 50 grams per liter or less for flat; 150 grams per liter or less for non-flat paint);
- b. Low-flow water fixtures in bathrooms – WaterSense labeled products or the following specifications:
  - i. Toilets: 1.28 gallons/flush or less,
  - ii. Urinals: 0.5 gallons/flush,
  - iii. Lavatory Faucets: 1.5 gallons/minute or less at 60 psi flow rate,
  - iv. Showerheads: 2.0 gallons/minute or less at 80 psi flow rate;
- c. Energy Star certified refrigerator;
- d. Energy Star certified dishwasher;
- e. Energy Star certified ventilation fan in all bathrooms;
- f. Water heater minimum efficiency specifications:
  - Residential Electric:
    - i. Up to 55 gallons = 0.95 EF or 0.92 UEF; or
    - ii. More than 55 gallons = Energy Star certified; or
    - iii. Tankless = 0.97 EF and Max GPM of  $\geq 2.5$  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.** 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.

Required Resident Program for all Applicants who select the Elderly Demographic (ALF or Non-ALF):

**24 Hour Support to Assist Residents In Handling Urgent Issues**

An important aging in place best practice is providing the residents access to property management support 24 hours per day, 7 days a week to assist them to appropriately and efficiently handle urgent issues or incidents that may arise. These issues may include, but are not limited to, an apartment maintenance emergency, security or safety concern, or a health risk incident in their apartment or on the property. The management's assistance will include a 24/7 approach to receiving residents' requests for assistance that will include a formal written process for relevant property management staff to effectively assess and provide assistance for each request.

This assistance may include staff:

- visiting or coordinating a visit to a resident's apartment to address an urgent maintenance issue;
- responding to a resident being locked out of their apartment;
- contacting on-site security or the police to address a concern;
- providing contact information to the resident and directing or making calls on a resident's behalf to appropriate community-based emergency services or related resources to address an urgent health risk incident;
- calling the resident's informal emergency contact; or
- addressing a resident's urgent concern about another resident.

Property management staff shall be on site at least 8 hours daily, but the 24-hour support approach may include contracted services or technology to assist the management in meeting this commitment, if these methods adequately address the intent of this service. The Development's owner and/or designated property management entity shall develop and implement policies and procedures for staff to immediately receive and handle a resident's call and assess the call based on a resident's request and/or need.

At a minimum, residents shall be informed by the property management, at move-in and via a written notice(s)/instructions provided to each resident and displayed in the Development's common or public areas, that staff are available to receive resident calls at all times. These notices shall also provide contact information and direction to first contact the community-based emergency services if they have health or safety risk concerns.

**I.** Applicants who select the Elderly (ALF or Non-ALF) Demographic, must provide at least three of the resident programs outlined below:

(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) Assistance with Light Housekeeping, Grocery Shopping and/or Laundry

The Applicant or its Management Company must provide residents with a list of qualified service providers for (a) light housekeeping, and/or (b) grocery shopping, and/or (c) laundry and will coordinate, at no cost to the resident, the scheduling of services. The Developer or Management Company shall verify that the services referral information is accurate and up-to-date at least once every six months.

(3) Resident Assurance Check-In Program

Provide and use an established system for checking in with each resident on a pre-determined basis not less than once per day, at no cost to the resident. Residents may opt out of this program with a written certification that they choose not to participate.

## Housing Credit Allocation Calculation

### Qualified Basis Calculation

Section I: Qualified Basis Calculation	
Development Cost	\$29,372,097
Less: Land Cost	(\$450,000)
Less: Federal Funds	\$0
Less: Other Ineligible Cost	(\$3,099,789)
Less: Disproportionate Standard	\$0
Total Eligible Basis	\$25,822,308
Applicable Fraction	100.00%
DDA/QCT Basis Credit	130.00%
Qualified Basis	\$33,569,000
Housing Credit Percentage	4.00%
Annual Housing Credit Allocation	\$1,342,760

#### Notes to the Qualified Basis Calculation:

1. Other ineligible costs include washers/dryers, site work, accounting fees, FHFC Fees, insurance, legal fees, market study, advertising/marketing fees, property taxes, title work, utility connection fees, miscellaneous costs, financial costs, and operating reserves.
2. The Development has a 100% set-aside. Therefore, the Applicable Fraction is 100%.
3. For purposes of this analysis, the Development is located in a HUD-designated QCT and is a subsequent phase of a multiphase Development; therefore, the 130% basis boost was applied.
4. For purposes of this recommendation a HC percentage of 4.00% was applied based on the 4% floor rate, which was established through the Consolidated Appropriations Act of 2021.

**GAP Calculation**

<b>Section II: Gap Calculation</b>	
Total Development Cost (Including Land and Ineligible Costs)	\$29,372,097
Less: Mortgages	(\$16,996,275)
Less: Grants	\$0
Equity Gap	\$12,375,822
Percentage to Investment Partnership	99.99%
HC Syndication Pricing	\$0.930
HC Required to Meet Gap	\$13,308,666
Annual HC Required	\$1,330,867

Notes to the Gap Calculation:

1. The pricing and syndication percentage was taken from letter from Bank of America, N.A., dated August 27, 2024.
2. The Mortgage line includes the interest revenue of \$1,050,000.

**Summary**

<b>Section III: Summary</b>	
HC per Qualified Basis	\$1,342,760
HC per Gap Calculation	\$1,330,867
Annual HC Recommended	\$1,330,867

Syndication Proceeds Based on HC Recommended	\$12,375,822
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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.



**50% Test**

<b>Section III: Tax-Exempt Bond 50% Test</b>	
Total Depreciable Cost	\$25,822,308
Plus: Land Cost	\$450,000
Aggregate Basis	\$26,272,308
Tax-Exempt Bond Amount	\$14,000,000
Less: Debt Service Reserve	\$0
Less: Proceeds Used for Costs of Issuance	(\$247,623)
Plus: Tax-exempt GIC earnings	\$1,050,000
Tax-Exempt Proceeds Used for Building and Land	\$14,802,377
Proceeds Divided by Aggregate Basis	56.34%

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

**FLORIDA HOUSING FINANCE CORPORATION  
AUTHORIZATION RESOLUTION  
HERMOSA NORTH FORT MYERS II**

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

**A RESOLUTION AUTHORIZING THE ISSUANCE OF THE MULTIFAMILY MORTGAGE REVENUE BONDS AND/OR NOTES, 2024 SERIES \_\_\_\_\_ [ONE OR MORE SERIES OR SUBSERIES TO BE DESIGNATED] (HERMOSA NORTH FORT MYERS II) OF THE FLORIDA HOUSING FINANCE CORPORATION (“FLORIDA HOUSING”); PROVIDING FOR A MAXIMUM AGGREGATE PRINCIPAL AMOUNT OF THE MULTIFAMILY MORTGAGE REVENUE BONDS AND/OR NOTES, 2024 SERIES \_\_\_\_\_ [ONE OR MORE SERIES OR SUBSERIES TO BE DESIGNATED] (HERMOSA NORTH FORT MYERS II); APPROVING THE PREPARATION, EXECUTION AND DELIVERY OF ONE OR MORE TRUST INDENTURES AND/OR FUNDING LOAN AGREEMENTS WITH A CORPORATE TRUSTEE AND/OR FISCAL AGENT NAMED THEREIN AND ONE OR MORE LOAN AGREEMENTS, FINANCING AGREEMENTS, PROJECT LOAN AGREEMENTS AND/OR BORROWER LOAN AGREEMENTS BETWEEN FLORIDA HOUSING AND THE BORROWER NAMED THEREIN; AUTHORIZING ONE OR MORE LOANS MADE PURSUANT TO ONE OR MORE LOAN AGREEMENTS, FINANCING AGREEMENTS, PROJECT LOAN AGREEMENTS AND/OR BORROWER LOAN AGREEMENTS TO THE BORROWER NAMED THEREIN; AUTHORIZING THE PREPARATION, EXECUTION AND DELIVERY OF ALL DOCUMENTS NECESSARY FOR THE ISSUANCE AND SALE OF THE BONDS AND/OR NOTES, INCLUDING, BUT NOT LIMITED TO, A BOND PURCHASE AGREEMENT AND A PRELIMINARY AND A FINAL OFFICIAL STATEMENT; AUTHORIZING ALL ACTIONS NECESSARY FOR FINAL APPROVAL OF THE ISSUANCE AND SALE OF THE BONDS AND/OR NOTES AND THE FINANCING OF HERMOSA NORTH FORT MYERS II 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”). Florida Housing is authorized

by the Act to issue its bonds, debentures, notes or other evidence of financial indebtedness from time to time to fulfill its public purposes, which include the financing and refinancing of multifamily residential housing developments for rental to persons and families of low, moderate or middle income; and

WHEREAS, pursuant to the Act, Florida Housing has now determined to authorize the issuance of its Multifamily Mortgage Revenue Bonds and/or Notes, 2024 Series \_\_\_\_\_ [one or more series or subseries to be designated] (Hermosa North Fort Myers II), as tax-exempt or taxable bonds and/or notes (the “Bonds”), for the purpose of making one or more loans to Hermosa NFTM 41 II, Ltd., together with its predecessors, successors, assigns, affiliates and/or related entities (the “Borrower”), to finance the acquisition, new construction and equipping of an approximately 88-unit multifamily residential rental development named Hermosa North Fort Myers II located in unincorporated Lee County, Florida (the “Property”); provided that the maximum aggregate principal amount of the Bonds shall not exceed (a) \$14,000,000 or (b) such greater maximum aggregate principal amount of the Bonds which, at the time of issuance, does not exceed a maximum aggregate principal amount which would result in a debt service coverage ratio for the Bonds, as reflected in the Credit Underwriter Confirmation (as defined below), of less than 1.00x (subject to receipt of private activity bond allocation being made available for the tax-exempt Bonds and compliance with Section 147(f) of the Internal Revenue Code of 1986, as amended); and

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

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

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

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

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

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

1. The Property is hereby given final approval for financing on the terms and conditions as described in the Credit Underwriting Report prepared by First Housing Development Corporation of Florida (the "Credit Underwriter"), presented to and approved by the Board on this date (the "Credit Underwriting Report"), with such deviations as an Authorized Signatory (as defined below), in consultation with the staff of Florida Housing, Bond Counsel and/or Special Counsel to Florida Housing, may approve. Execution of one or more trust indentures and/or funding loan agreements and one or more loan agreements, financing agreements, project loan agreements and/or borrower loan agreements, each as described below, by an Authorized Signatory shall be conclusive evidence of such approval.

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

subseries as Florida Housing shall designate, in a maximum aggregate principal amount that does not exceed (a) \$14,000,000 or (b) such greater maximum aggregate principal amount of the Bonds which does not exceed a maximum aggregate principal amount which would result in a debt service coverage ratio for the Bonds, as reflected in the Credit Underwriter Confirmation, of less than 1.00x (subject to receipt of private activity bond allocation being made available for the tax-exempt Bonds and compliance with Section 147(f) of the Internal Revenue Code of 1986, as amended). The final maximum aggregate principal amount of the Bonds that may be issued shall be determined by an Authorized Signatory after receipt of the Credit Underwriter Confirmation, provided that in no event shall the maximum aggregate principal amount of the Bonds, at the time of issuance, exceed a maximum aggregate principal amount which would result in a debt service coverage ratio for the Bonds, as reflected in the Credit Underwriter Confirmation, of less than 1.00x (subject to receipt of private activity bond allocation being made available for the tax-exempt Bonds and compliance with Section 147(f) of the Internal Revenue Code of 1986, as amended). The “Credit Underwriter Confirmation” is the written confirmation with respect to the Property from the Credit Underwriter, delivered prior to the issuance of the Bonds, that, after taking into account any increase in the maximum aggregate principal amount of the Bonds, the conditions set forth in and the requirements of the Credit Underwriting Report have been satisfied. Conclusive evidence of the determination and approval of any such increase in the maximum aggregate principal amount of the Bonds shall be evidenced by a certificate of an Authorized Signatory.

3. One or more trust indentures and/or funding loan agreements between Florida Housing and a corporate trustee and/or fiscal agent named therein (the “Trustee”) setting out the terms and conditions of the Bonds are hereby authorized to be prepared and delivered, in such

forms as may be approved by any member of the Board, the Executive Director or the Interim Executive Director, the Chief Financial Officer, the Comptroller or any other person designated by separate resolution of the Board (or any person or persons acting in such capacities) (collectively, or each individually, an “Authorized Signatory”), which forms shall set forth as to the Bonds such maturities, interest rates and purchase price as shall be determined in accordance with the Act, including Section 420.509, Florida Statutes, and the execution of such trust indentures and/or funding loan agreements by an Authorized Signatory, and the attestation thereof by the Secretary or any Assistant Secretary of Florida Housing, be and hereby is authorized, and the execution thereof by such persons shall be conclusive evidence of such approval.

4. One or more loan agreements, financing agreements, project loan agreements and/or borrower loan agreements between Florida Housing and the Borrower setting out the terms of one or more loans of the proceeds of the Bonds by Florida Housing to the Borrower (collectively, the “Loan”) and the payment and other obligations of the Borrower with respect to the Loan (including one or more promissory notes made by the Borrower to Florida Housing evidencing the Loan), the Bonds and the Property are hereby authorized to be prepared and delivered, in such forms as may be approved by an Authorized Signatory, and the execution of such loan agreements, financing agreements, project loan agreements and/or borrower loan agreements by an Authorized Signatory, and the attestation thereof by the Secretary or any Assistant Secretary of Florida Housing, be and hereby is authorized, and the execution thereof by such persons shall be conclusive evidence of such approval.

5. One or more preliminary official statements (or preliminary limited offering memorandums) and one or more final official statements (or final limited offering memorandums) are each hereby authorized to be prepared and distributed in connection with the sale of the Bonds

in such forms as shall be approved by an Authorized Signatory, and the execution of such preliminary official statement (or preliminary limited offering memorandum) and final official statement (or final limited offering memorandum), if necessary, by an Authorized Signatory shall be conclusive evidence of such approval.

6. The Bonds shall be sold in accordance with the requirements of the Act, including Section 420.509(12), Florida Statutes. In the event that, pursuant to the Act, the Bonds shall be sold by negotiated sale, an Authorized Signatory is authorized to execute a bond purchase agreement upon approval of the terms thereof by the staff of Florida Housing, Bond Counsel and/or Special Counsel to Florida Housing, and the execution of such bond purchase agreement by an Authorized Signatory shall be conclusive proof of such approval.

7. It is expected that upon the satisfaction of certain conditions of conversion, the Bonds will be paid down and exchanged for a governmental note that will be purchased by Citibank, N.A., or a related entity. An Authorized Signatory is authorized to cause to be prepared by the staff of Florida Housing, Bond Counsel and/or Special Counsel to Florida Housing and to execute and deliver any additional documents necessary for the issuance of the Bonds and the making of the Loan, and the security therefor, and if applicable in connection with the exchange of the Bonds in accordance with the terms and conditions contained in one or more trust indentures and/or funding loan agreements and loan agreements, financing agreements, project loan agreements and/or borrower loan agreements, in each case upon the approval by the staff of Florida Housing, Bond Counsel and/or Special Counsel to Florida Housing. All other actions by Florida Housing necessary for the issuance of the Bonds and the making of the Loan, and the security therefor (including, but not limited to, the changing of the title of the Bonds and the series designation of the Bonds, if desirable), and if applicable in connection with the exchange of the

Bonds in accordance with the terms and conditions contained in one or more trust indentures and/or funding loan agreements and in one or more loan agreements, financing agreements, project loan agreements and/or borrower loan agreements, are hereby authorized.

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

9. The Bonds may be executed either manually or by facsimile signature by an Authorized Signatory or other officer of Florida Housing. In case any Authorized Signatory or officer whose signature or a facsimile of whose signature appears on the Bonds ceases to be an Authorized Signatory or officer before issuance of the Bonds, the signature or facsimile signature is nevertheless valid and sufficient for all purposes as fully and to the same extent as if he or she had remained in office until the issuance of the Bonds.

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



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

12. This Resolution shall take effect immediately upon adoption.

[Remainder of page intentionally left blank]

ADOPTED this 22<sup>nd</sup> day of October, 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:

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

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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 a Resolution adopted at a duly noticed public meeting of the Florida Housing Finance Corporation, legally called and held on the 22nd day of October, 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 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 October, 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  
SALE RESOLUTION  
HERMOSA NORTH FORT MYERS II**

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

**A RESOLUTION AUTHORIZING AND APPROVING THE NEGOTIATED SALE OF THE MULTIFAMILY MORTGAGE REVENUE BONDS AND/OR NOTES, 2024 SERIES \_\_\_\_\_ [ONE OR MORE SERIES OR SUBSERIES TO BE DESIGNATED] (HERMOSA NORTH FORT MYERS II) OF THE FLORIDA HOUSING FINANCE CORPORATION (“FLORIDA HOUSING”); AUTHORIZING THE NEGOTIATION AND EXECUTION OF ONE OR MORE BOND PURCHASE AGREEMENTS, BOND PLACEMENT AGREEMENTS, TRUST INDENTURES AND/OR FUNDING LOAN AGREEMENTS AND SUCH OTHER DOCUMENTS AS ARE NECESSARY FOR THE NEGOTIATED SALE OF THE BONDS AND/OR NOTES; AUTHORIZING THE EXECUTIVE DIRECTOR OR INTERIM EXECUTIVE DIRECTOR, THE CHIEF FINANCIAL OFFICER, THE COMPTROLLER OR ANY MEMBER OF THE BOARD OF DIRECTORS OF FLORIDA HOUSING AND/OR OTHER AUTHORIZED SIGNATORY TO TAKE ANY OTHER ACTIONS NECESSARY TO NEGOTIATE THE SALE OF THE BONDS AND/OR NOTES AND MAKING OTHER PROVISIONS IN CONNECTION THEREWITH; AND PROVIDING AN EFFECTIVE DATE.**

WHEREAS, the Florida Housing Finance Corporation (“Florida Housing”) is a public corporation, created within the Department of 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”). Florida Housing is authorized by the Act to issue its bonds, debentures, notes or other evidence of financial indebtedness from time to time to fulfill its public purposes, which include the financing and refinancing of multifamily residential housing developments for rental to persons or families of low, moderate or middle income; and

WHEREAS, Florida Housing adopted a resolution authorizing the issuance of its Multifamily Mortgage Revenue Bonds and/or Notes, 2024 Series \_\_\_\_\_ [one or more series or subseries to be designated] (Hermosa North Fort Myers II), as tax-exempt or taxable bonds and/or notes (the “Bonds”), for the purpose of making one or more loans to Hermosa NFTM 41 II, Ltd., together with its predecessors, successors, assigns, affiliates and/or related entities (the “Borrower”), to finance the acquisition, new construction and equipping of an approximately 88-unit multifamily residential rental development named Hermosa North Fort Myers II located in unincorporated Lee County, Florida; provided that the maximum aggregate principal amount of the Bonds shall not exceed (a) \$14,000,000 or (b) such greater maximum aggregate principal amount of the Bonds which, at the time of issuance, does not exceed a maximum aggregate principal amount which would result in a debt service coverage ratio for the Bonds of less than 1.00x (subject to receipt of private activity bond allocation being made available for the tax-exempt Bonds and compliance with Section 147(f) of the Internal Revenue Code of 1986, as amended); and

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

WHEREAS, Florida Housing has reviewed the market conditions and trends affecting the issuance and negotiated sale or private placement of the Bonds; and

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

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

WHEREAS, the nature and structure of the Bonds and the current and anticipated market conditions render the Bonds a candidate for a negotiated sale; and

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

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

NOW, THEREFORE, BE IT RESOLVED BY FLORIDA HOUSING:

1. A negotiated sale of the Bonds is in the best interest of Florida Housing and the public for the reasons herein described.

2. The negotiated sale of the Bonds is to be negotiated by Florida Housing with or through Raymond James & Associates, Inc. (hereinafter referred to as the “Underwriter”) and the purchaser or purchasers of the Bonds (collectively, the “Purchaser”).

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

Florida Housing Finance Corporation  
Multifamily Mortgage Revenue Bonds and/or Notes,  
2024 Series \_\_\_\_\_ [one or more series or subseries to be designated]  
(Hermosa North Fort Myers II).

4. Florida Housing shall negotiate with or through the Underwriter and shall execute such documents as are necessary to sell the Bonds to the Purchaser pursuant to this Resolution. It is expected that upon the satisfaction of certain conditions of conversion, the Bonds will be paid down and exchanged for a governmental note that will be purchased by Citibank, N.A., or a related entity. Any member of the Board, the Executive Director or the Interim Executive Director, the Chief Financial Officer, the Comptroller or any other person designated by separate resolution of the Board (or any person or persons acting in such capacities) (collectively, or each individually, an “Authorized Signatory”) is authorized to negotiate the terms of the negotiated sale of the Bonds and to execute a bond purchase agreement upon approval of the terms thereof, and the execution thereof by an Authorized Signatory shall be conclusive evidence of such approval.

5. The authority to execute the bond purchase agreement is predicated upon the bond purchase agreement providing for an interest rate on the Bonds that will not exceed 10% per annum and will provide for a sale of the Bonds in conformance with the applicable program documents.

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

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

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

9. This Resolution shall take effect immediately upon adoption.

[Remainder of page intentionally left blank]



ADOPTED THIS 22<sup>nd</sup> day of October, 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 a Resolution adopted at a duly noticed public meeting of the Florida Housing Finance Corporation, legally called and held on the 22nd day of October, 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 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 October, 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:  
\_\_\_\_\_

October 7, 2024

Tim Kennedy  
Multifamily Loans/Bonds Director  
Florida Housing Finance Corporation (FHFC)  
227 North Bronough Street, Suite 5000  
Tallahassee, FL 32301

Re: Citadelle Village  
RFA 2017-108 (2018-033BS)  
RFA 2023-211 (2023-261V)

Dear Mr. Kennedy,

As per the conditions of Citadelle Village, LLC updated Credit Underwriting Report (CUR), prepared by First Housing Development Corporation of Florida, we are requesting your review of the attached information for submission at the upcoming October Florida Housing Finance Corporation's Board of Directors meeting. Specifically, we are requesting approval of changes made to Little Haiti Housing Association (LHHA) dba Haitian American Community Development Corporation's board of directors from the original credit underwriting report dated July 11, 2023. Please see attached updated Principals Disclosure form for inclusion of LHHA's 2024 new board members in the revised credit underwriting report drafted on September 16, 2024.

Thank you for your kind attention to this matter. Please let us know if you require any further information.

Sincerely yours,

  
Joseph Chapman, IV  
Principal  
Citadelle Village Developer, LLC

Cc: Lisa Walker  
Heather Strickland  
Jade Grubbs  
Rachel Grice

Enclosures



**Original Principal Disclosure Form**

**Principal Disclosures for Applicant**

APPROVED for HOUSING CREDIT APPLICATION  
FHFC Advance Review 10.3.17

Select the organizational structure for the Applicant entity:

The Applicant is a: Limited Liability Company

Provide the name of the Applicant Limited Liability Company:

Citadelle Village, LLC

**First Principal Disclosure Level:**

<u>First Level Entity #</u>	<u>Select Type of Principal of Applicant</u>	<u>Enter Name of First Level Principal</u>	<u>Select organizational structure of First Level Principal identified</u>
1.	Manager	HACDC Citadelle Village, LLC	Limited Liability Company
2.	Investor Member	Little Haiti Housing Association, Inc.	Non-Profit Corporation

**Second Principal Disclosure Level:**

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

Second Level Entity #

Select the type of Principal being associated with the corresponding First Level Principal Entity

Enter Name of Second Level Principal

Select organizational structure of Second Level Principal identified

1. (HACDC Citadelle Village, LLC)	1.A.	Sole Member	Little Haiti Housing Association, Inc.	Non-Profit Corporation
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**Third Principal Disclosure Level:**

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

Select the type of Principal being associated with the corresponding Second Level Principal Entity

Enter Name of Third Level Principal who must be a Natural Person

The organizational structure of Third Level Principal identified Must Be a Natural Person

1.A. (Little Haiti Housing Association, Inc.)	Executive Director	Samuel F. Diller	Natural Person
1.A. (Little Haiti Housing Association, Inc.)	Officer	Maria Pascal	Natural Person
1.A. (Little Haiti Housing Association, Inc.)	Officer	Luis Felipe Malo	Natural Person
1.A. (Little Haiti Housing Association, Inc.)	Officer	Frantz Eloj	Natural Person
1.A. (Little Haiti Housing Association, Inc.)	Officer	Ramses Ismeal	Natural Person
1.A. (Little Haiti Housing Association, Inc.)	Director	Ramon Rodriguez	Natural Person
1.A. (Little Haiti Housing Association, Inc.)	Director	Nickolas Jimenez	Natural Person
1.A. (Little Haiti Housing Association, Inc.)	Director	Maria Pascal	Natural Person
1.A. (Little Haiti Housing Association, Inc.)	Director	Luis Felipe Malo	Natural Person
1.A. (Little Haiti Housing Association, Inc.)	Director	Frantz Eloj	Natural Person
1.A. (Little Haiti Housing Association, Inc.)	Director	Ramses Ismeal	Natural Person

**Principal Disclosures for the Developers**

APPROVED for HOUSING CREDIT APPLICATION  
FHFC Advance Review 10.3.17

How many Developers are part of this Application structure? (Please complete the Principal Disclosures for each of the two Co-Developers below.)

2

Select the organizational structure for the first Co-Developer entity:

The first Co-Developer is a: Non-Profit Corporation

Provide the name of the Developer Non-Profit Corporation:

Little Haiti Housing Association, Inc.

**First Principal Disclosure Level:**

Little Haiti Housing Association, Inc.

<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.	Officer	Samuel F. Diller	Natural Person
2.	Officer	Maria Pascal	Natural Person
3.	Officer	Luis Felipe Malo	Natural Person
4.	Officer	Frantz Eloi	Natural Person
5.	Officer	Ramses Ismeal	Natural Person
6.	Director	Ramon Rodriguez	Natural Person
7.	Director	Nickolas Jimenez	Natural Person
8.	Director	Maria Pascal	Natural Person
9.	Director	Luis Felipe Malo	Natural Person
10.	Director	Frantz Eloi	Natural Person
11.	Director	Ramses Ismeal	<Select an option>

**Principal Disclosures for 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:

Citadelle Village, LLC

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

**First Principal Disclosure Level:**

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>Manager</u>	<u>HACDC Citadelle Village, LLC</u>	<u>Limited Liability Company</u>	<u>0.0100%</u>
2.	<u>Investor Member</u>	<u>Little Haiti Housing Association, Inc.</u>	<u>Non-Profit Corporation</u>	<u>99.9900%</u>

**Second Principal Disclosure Level:**

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. (HACDC Citadelle Village, LLC)</u>	<u>1.A.</u>	<u>Sole Member</u>	<u>Little Haiti Housing Association, Inc.</u>	<u>Non-Profit Corporation</u>	<u>99.9900%</u>
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**Third Principal Disclosure Level:**

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

Select the type of Principal being associated with the corresponding Second Level Principal Entity

Enter Name of Third Level Principal who must be a Natural Person

The organizational structure of Third Level Principal identified Must Be a Natural Person

3rd Level Principal % Ownership of 2nd Level Principal

<u>1.A. (Little Haiti Housing Association, Inc.)</u>	<u>Executive Director</u>	<u>Tessa Petit</u>	<u>Natural Person</u>	<u>100.0000%</u>
<u>1.A. (Little Haiti Housing Association, Inc.)</u>	<u>Officer</u>	<u>Michelle Cilien</u>	<u>Natural Person</u>	<u>100.0000%</u>
<u>1.A. (Little Haiti Housing Association, Inc.)</u>	<u>Officer</u>	<u>Jean Garnier A. Belizaire</u>	<u>Natural Person</u>	<u>100.0000%</u>
<u>1.A. (Little Haiti Housing Association, Inc.)</u>	<u>Officer</u>	<u>Michelle Cilien</u>	<u>Natural Person</u>	<u>100.0000%</u>
<u>1.A. (Little Haiti Housing Association, Inc.)</u>	<u>Officer</u>	<u>Guerline Gracia-Bouzi</u>	<u>Natural Person</u>	<u>100.0000%</u>
<u>1.A. (Little Haiti Housing Association, Inc.)</u>	<u>Director</u>	<u>Tessa Petit</u>	<u>Natural Person</u>	<u>100.0000%</u>
<u>1.A. (Little Haiti Housing Association, Inc.)</u>	<u>Director</u>	<u>Michelle Cilien</u>	<u>Natural Person</u>	<u>100.0000%</u>
<u>1.A. (Little Haiti Housing Association, Inc.)</u>	<u>Director</u>	<u>Jean Garnier A. Belizaire</u>	<u>Natural Person</u>	<u>100.0000%</u>
<u>1.A. (Little Haiti Housing Association, Inc.)</u>	<u>Director</u>	<u>Guerline Gracia-Bouzi</u>	<u>Natural Person</u>	<u>100.0000%</u>
<u>1.A. (Little Haiti Housing Association, Inc.)</u>	<u>Director</u>	<u>Sonny Baptiste</u>	<u>Natural Person</u>	<u>100.0000%</u>
<u>1.A. (Little Haiti Housing Association, Inc.)</u>	<u>Director</u>	<u>Nouchka Placide</u>	<u>Natural Person</u>	<u>100.0000%</u>

**Principal Disclosures for the Developers**

APPROVED for HOUSING CREDIT APPLICATION  
FHFC Advance Review ss 3-7

How many Developers are part of this Application structure? (Please complete the Principal Disclosures for each of the listed Co-Developers below.)

Select the organizational structure for the first Co-Developer entity:  
The first Co-Developer is at Little Haiti Corporation

Provide the name of the Developer Non-Profit Corporation:  
Little Haiti Housing Association, Inc.

**First Principal Disclosure Level:** Little Haiti Housing Association, Inc.

First Level Entity #	Select Type of Principal of Developer	Enter Name of First Level Principal	Select organizational structure of First Level Principal
1	Officer	Tessa Ayle	Natural Person
2	Officer	Michelle Ollan	Natural Person
3	Officer	Neil Gardner & Barbara	Natural Person
4	Officer	Michelle Ollan	Natural Person
5	Officer	Suzanne Gracia-Brown	Natural Person
6	Director	Tessa Ayle	Natural Person
7	Director	Michelle Ollan	Natural Person
8	Director	Neil Gardner & Barbara	Natural Person
9	Director	Suzanne Gracia-Brown	Natural Person
10	Director	Sonny Baptiste	Natural Person
11	Director	Nousky Placide	Natural Person

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Information  
For the various Principal Disclosure Levels below, FHFC will hide the rows that are not being used as a response to shorten the print-out.

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Select the organizational structure for the second Co-Developer entity:  
The second Co-Developer is at \_\_\_\_\_

Provide the name of the Developer Non-Profit Corporation:  
\_\_\_\_\_

**First Principal Disclosure Level:**

First Level Entity #	Select Type of Principal of Developer	Enter Name of First Level Principal	Select organizational structure of First Level Principal
1.			
2.			
3.			
4.			
5.			
6.			

2nd Co-Developer Data  
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2nd Co-Developer Data  
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2nd Co-Developer Data

Information  
For the various Principal Disclosure Levels below, FHFC will hide the rows that are not being used as a response to shorten the print-out.

Information
The type of Principal selected in column 7 is appropriate for the given structure above. This is the final Principal Level for this Principal.
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# **Florida Housing Finance Corporation**

## **Credit Underwriting Report**

### **Citadelle Village**

**Tax-Exempt Multifamily Mortgage Revenue Note (“MMRN” or “Note”),  
State Apartment Incentive Loan (“SAIL”) Program, Extremely Low Income  
 (“ELI”) Loan, 4% Non-Competitive Housing Credits (“HC”), and  
Construction Inflation Response Viability Funding**

**RFA 2017-108 (2018-033BS)**

**RFA 2023-211 (2023-261V)**

**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: MMRN, Viability, SAIL, ELI, and HC Special and General  
Conditions**

#### **Section C: Supporting Information and Schedules**

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**Prepared by**

**First Housing Development Corporation of Florida**

**FINAL REPORT**

**October 9, 2024**



**Citadelle Village**

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

**Recommendation**

First Housing Development Corporation of Florida (“First Housing” or “FHDC” or “Servicer”) recommends a Tax-Exempt Multifamily Mortgage Revenue Note in the amount of \$25,000,000, a Viability Loan in the amount of \$4,300,000, a SAIL Loan in the amount of \$3,600,000, an ELI Loan in the amount of \$600,000, and an annual 4% HC Allocation of \$2,159,849 for the construction and permanent financing of Citadelle Village (“Development”). The recommendation is only valid for six months from the date of the report.

**DEVELOPMENT & SET-ASIDES**

Development Name: Citadelle Village

RFA/Program Numbers: RFA 2017-108 / 2018-033BS RFA 2023-211/2023-261V

Address 181 NE 82nd Street

City: Miami Zip Code: 33138 County: Miami-Dade County Size: Large

Development Category: New Construction Development Type: High-Rise

Construction Type: Masonry Number of Stories: 10

Demographic Commitment:

Primary: Family for 100% of the Units  
 Link Units: Persons with Special Needs for 8.33% of the Units

Unit Composition:

# of ELI Units: 15 ELI Units Are Restricted to 30% AMI, or less. Min % of Units @ ELI: 15%  
 # of Link Units: 8 # of Preference units:            IRS Minimum Set-Aside Commitment: AIT  
 # of NHTF Units:            # of units w/ PBRA? 25 TSP Approval Date:           

Buildings: Residential - 1 Non-Residential - 0  
 Parking: Parking Spaces - 97 Accessible Spaces - 4

DDA: No SADD: No QCT: Yes Multi-Phase Boost: No QAP Boost: N/A QAP Type:             
 Site Acreage: 0.556 Density: 172.6619 Flood Zone Designation: X  
 Zoning: T6-8-O, Urban Core Transect Flood Insurance Required?: No

	A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P	Q	R	S	T	U	V	W	X	Y	Z	AA	AB	AD	AE
177	Credit Underwriter: <u>First Housing Development Corporation</u>																		Date of Application: <u>10/10/2017</u>											
178	Date of Final CUR: <u>10/09/2024</u>																		Minimum 1st Mortgage per Rule: <u>N/A</u>											
179	TDC PU Limitation at Application: <u>\$318,300</u>																		TDC PU Limitation at Credit Underwriting: <u>\$474,350</u>											
180	Actual TDC PU for Limitation: <u>\$468,925</u>																		Amount Dev. Fee Reduced for TDC Limit: <u>\$0</u>											

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

Prepared by:



Stephanie Petty  
Senior Credit Underwriter

Reviewed by:



Ed Busansky  
Senior Vice President

**Set Asides & 15-Year Operating Proforma**

Set Asides:	Program	% of Units	# of Units	% AMI	Term (Years)
	MMRN	40%	39	60%	50
	ELI	15.625%	15	30%	99
	SAIL	65.625%	63	60%	99
	SAIL	18.750%	18	80%	99
	HC-4%	15.625%	15	30%	50
	HC-4%	65.625%	63	60%	50
	HC-4%	18.750%	18	80%	50
	Surtax/SHIP	15.625%	15	30%	30
	Surtax/SHIP	65.625%	63	60%	30
	Surtax/SHIP	18.750%	18	80%	30
	Local HOME	11.5%	11	50%	30
	Local Gov. Subsidy	14.6%	14	30%	30
	Local Gov. Subsidy	55.2%	53	60%	30
	Local Gov. Subsidy	18.8%	18	80%	30

Persons with Special Needs Set-Aside Commitment: The proposed Development must set aside 50% of the ELI set-aside units (8 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). Florida Housing Finance Corporation’s (“Florida Housing”, “FHFC”, or “Corporation”) staff approved the MOU on August 28, 2024. The Persons with Special Needs set-aside commitment must be maintained throughout the entire 50- year Compliance Period.

The Applicant plans to apply for the 100% Ad Valorem Property Tax Exemption under Section 196.1978(4), Florida Statutes, which requires a ninety-nine (99) year total compliance period under a Land Use Restriction Agreement. Therefore, after the initial 50-year Compliance Period required by the RFA ("Compliance Period) expires, all SAIL/ELI set-aside units within the Development shall be rented to households who shall have a household income less than or equal to one hundred and twenty percent (120%) of the Area Median Income for a period of forty-nine (49) years (“Ad Valorem Compliance Period”). The Ad Valorem Compliance Period, together with the Compliance Period shall have a term of ninety-nine (99) years (the “Total Compliance Period”) which will be defined under the SAIL/ELI Land Use Restriction Agreement. The Applicant will be responsible for compliance monitoring fees for 50 years which is to be paid to the Servicer, for years 51-99, compliance monitoring will be self-certified by the Applicant to FHFC. The Applicant will also be responsible for the compliance monitoring fee of \$4,900 (\$100 per year) for years 51-99 Ad Valorem Compliance Period, to be paid at closing to FHFC.

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

Miami-Dade County, Miami-Miami Beach- Kendall HMFA

Bed Rooms	Bath Rooms	Units	Square Feet	AMI%	Low HOME Rents	High HOME Rents	Gross HC Rent	Utility Allow.	Net Restrictd Rents	PBRA Contr Rents	Applicant Rents	Appraiser Rents	CU Rents	Annual Rental Income
1	1.0	8	628	30%			\$638	\$82	\$556	\$1,462	\$1,462	\$1,462	\$1,462	140,352
1	1.0	6	628	50%	\$1,064		\$1,064	\$82	\$982		\$982	\$982	\$982	70,704
1	1.0	5	628	60%			\$1,277	\$82	\$1,195	\$1,462	\$1,462	\$1,462	\$1,462	87,720
1	1.0	25	628	60%			\$1,277	\$82	\$1,195		\$1,195	\$1,195	\$1,195	358,500
1	1.0	10	628	80%			\$1,703	\$82	\$1,621		\$1,621	\$1,621	\$1,621	194,520
2	2.0	6	862	30%			\$765	\$113	\$652	\$1,806	\$1,806	\$1,806	\$1,806	130,032
2	2.0	4	862	50%	\$1,276		\$1,276	\$113	\$1,163		\$1,163	\$1,163	\$1,163	55,824
2	2.0	4	862	60%			\$1,531	\$113	\$1,418	\$1,806	\$1,806	\$1,806	\$1,806	86,688
2	2.0	15	862	60%			\$1,531	\$113	\$1,418		\$1,418	\$1,418	\$1,418	255,240
2	2.0	7	862	80%			\$2,042	\$113	\$1,929		\$1,929	\$1,929	\$1,929	162,036
3	2.0	1	1182	30%			\$855	\$145	\$710	\$2,378	\$2,378	\$2,378	\$2,378	28,536
3	2.0	1	1182	50%	\$1,475		\$1,475	\$145	\$1,330		\$1,330	\$1,330	\$1,330	15,960
3	2.0	1	1182	60%			\$1,770	\$145	\$1,625	\$2,378	\$2,378	\$2,378	\$2,378	28,536
3	2.0	2	1182	60%			\$1,770	\$145	\$1,625		\$1,625	\$1,625	\$1,625	39,000
3	2.0	1	1182	80%			\$2,361	\$145	\$2,216		\$2,216	\$2,216	\$2,216	26,592
		96	72,036											1,680,240

15-Year Operating Pro Forma

FINANCIAL COSTS:	Year 1	Year 1 Per Unit	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	\$1,680,240	\$17,503	\$1,713,845	\$1,748,122	\$1,783,084	\$1,818,746	\$1,855,121	\$1,892,223	\$1,930,068	\$1,968,669	\$2,008,042	\$2,048,203	\$2,089,167	\$2,130,951	\$2,173,570	\$2,217,041
Other Income: (1.71%)																
Miscellaneous	\$28,800	\$300	\$29,376	\$29,964	\$30,563	\$31,174	\$31,798	\$32,433	\$33,082	\$33,744	\$34,419	\$35,107	\$35,809	\$36,525	\$37,256	\$38,001
Gross Potential Income	\$1,709,040	\$17,803	\$1,743,221	\$1,778,085	\$1,813,647	\$1,849,920	\$1,886,918	\$1,924,657	\$1,963,150	\$2,002,413	\$2,042,461	\$2,083,310	\$2,124,976	\$2,167,476	\$2,210,825	\$2,255,042
Less:																
Physical Vac. Loss Percentage: 4.00%	\$68,362	\$712	\$69,729	\$71,123	\$72,546	\$73,997	\$75,477	\$76,986	\$78,526	\$80,097	\$81,698	\$83,332	\$84,999	\$86,699	\$88,433	\$90,202
Collection Loss Percentage: 1.00%	\$17,090	\$178	\$17,432	\$17,781	\$18,136	\$18,499	\$18,869	\$19,247	\$19,631	\$20,024	\$20,425	\$20,833	\$21,250	\$21,675	\$22,108	\$22,550
<b>Total Effective Gross Income</b>	<b>\$1,623,588</b>	<b>\$16,912</b>	<b>\$1,656,060</b>	<b>\$1,689,181</b>	<b>\$1,722,965</b>	<b>\$1,757,424</b>	<b>\$1,792,572</b>	<b>\$1,828,424</b>	<b>\$1,864,992</b>	<b>\$1,902,292</b>	<b>\$1,940,338</b>	<b>\$1,979,145</b>	<b>\$2,018,728</b>	<b>\$2,059,102</b>	<b>\$2,100,284</b>	<b>\$2,142,290</b>
Annual Escalation Rate (Income): 2.00%																
<b>EXPENSES:</b>																
Fixed:																
Real Estate Taxes	\$5,653	\$59	\$5,823	\$5,997	\$6,177	\$6,363	\$6,553	\$6,750	\$6,952	\$7,161	\$7,376	\$7,597	\$7,825	\$8,060	\$8,302	\$8,551
Insurance	\$192,000	\$2,000	\$197,760	\$203,693	\$209,804	\$216,098	\$222,581	\$229,258	\$236,136	\$243,220	\$250,516	\$258,032	\$265,773	\$273,746	\$281,958	\$290,417
Variable:																
Management Fee Percentage: 5.50%	\$89,323	\$930	\$91,109	\$92,931	\$94,790	\$96,686	\$98,619	\$100,592	\$102,604	\$104,656	\$106,749	\$108,884	\$111,061	\$113,283	\$115,548	\$117,859
General and Administrative	\$76,800	\$800	\$79,104	\$81,477	\$83,921	\$86,439	\$89,032	\$91,703	\$94,454	\$97,288	\$100,207	\$103,213	\$106,309	\$109,498	\$112,783	\$116,167
Payroll Expenses	\$175,200	\$1,825	\$180,456	\$185,870	\$191,446	\$197,189	\$203,105	\$209,198	\$215,474	\$221,938	\$228,596	\$235,454	\$242,518	\$249,793	\$257,287	\$265,006
Utilities	\$117,600	\$1,225	\$121,128	\$124,762	\$128,505	\$132,360	\$136,331	\$140,421	\$144,633	\$148,972	\$153,441	\$158,045	\$162,786	\$167,669	\$172,700	\$177,881
Marketing and Advertising	\$2,400	\$25	\$2,472	\$2,546	\$2,623	\$2,701	\$2,782	\$2,866	\$2,952	\$3,040	\$3,131	\$3,225	\$3,322	\$3,422	\$3,524	\$3,630
Maintenance and Repairs/Pest Control	\$38,400	\$400	\$39,552	\$40,739	\$41,961	\$43,220	\$44,516	\$45,852	\$47,227	\$48,644	\$50,103	\$51,607	\$53,155	\$54,749	\$56,392	\$58,083
Grounds Maintenance and Landscaping	\$12,000	\$125	\$12,360	\$12,731	\$13,113	\$13,506	\$13,911	\$14,329	\$14,758	\$15,201	\$15,657	\$16,127	\$16,611	\$17,109	\$17,622	\$18,151
Contract Services	\$36,000	\$375	\$37,080	\$38,192	\$39,338	\$40,518	\$41,734	\$42,986	\$44,275	\$45,604	\$46,972	\$48,381	\$49,832	\$51,327	\$52,867	\$54,453
Reserve for Replacements	\$28,800	\$300	\$29,664	\$30,554	\$31,471	\$32,415	\$33,387	\$34,389	\$35,420	\$36,483	\$37,577	\$38,705	\$39,866	\$41,062	\$42,294	\$43,563
<b>Total Expenses</b>	<b>\$774,176</b>	<b>\$8,064</b>	<b>\$796,508</b>	<b>\$819,492</b>	<b>\$843,147</b>	<b>\$867,494</b>	<b>\$892,552</b>	<b>\$918,342</b>	<b>\$944,886</b>	<b>\$972,207</b>	<b>\$1,000,327</b>	<b>\$1,029,269</b>	<b>\$1,059,058</b>	<b>\$1,089,719</b>	<b>\$1,121,278</b>	<b>\$1,153,761</b>
Annual Escalation Rate (Expenses): 3.00%																
<b>Net Operating Income</b>	<b>\$849,412</b>	<b>\$8,848</b>	<b>\$859,552</b>	<b>\$869,689</b>	<b>\$879,817</b>	<b>\$889,930</b>	<b>\$900,021</b>	<b>\$910,082</b>	<b>\$920,106</b>	<b>\$930,085</b>	<b>\$940,011</b>	<b>\$949,876</b>	<b>\$959,669</b>	<b>\$969,383</b>	<b>\$979,006</b>	<b>\$988,529</b>
<b>Debt Service Payments</b>																
First Mortgage - FHFC/Citi	\$600,458	\$6,255	\$600,458	\$600,458	\$600,458	\$600,458	\$600,458	\$600,458	\$600,458	\$600,458	\$600,458	\$600,458	\$600,458	\$600,458	\$600,458	\$600,458
Second Mortgage - FHFC - Viability	\$43,000	\$448	\$43,000	\$43,000	\$43,000	\$43,000	\$43,000	\$43,000	\$43,000	\$43,000	\$43,000	\$43,000	\$43,000	\$43,000	\$43,000	\$43,000
Third Mortgage - FHFC - SAIL	\$36,000	\$375	\$36,000	\$36,000	\$36,000	\$36,000	\$36,000	\$36,000	\$36,000	\$36,000	\$36,000	\$36,000	\$36,000	\$36,000	\$36,000	\$36,000
Fourth Mortgage - FHFC - SAIL ELI	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Fifth Mortgage - Miami-Dade County	\$34,000	\$354	\$34,000	\$34,000	\$34,000	\$34,000	\$34,000	\$34,000	\$34,000	\$34,000	\$34,000	\$34,000	\$34,000	\$34,000	\$34,000	\$34,000
All Other Mortgages - City of Miami-Dade	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
First Mortgage Fees - FHFC/Citi	\$33,412	\$348	\$33,364	\$33,311	\$33,251	\$33,184	\$33,110	\$33,028	\$32,938	\$32,838	\$32,729	\$32,610	\$32,480	\$32,337	\$32,182	\$32,014
Second Mortgage Fees - FHFC - Viability	\$10,750	\$112	\$10,750	\$10,750	\$10,750	\$10,750	\$10,750	\$10,750	\$10,750	\$10,750	\$10,750	\$10,750	\$10,750	\$10,750	\$10,750	\$10,750
Third Mortgage Fees - FHFC - SAIL	\$10,054	\$105	\$10,054	\$10,054	\$10,054	\$10,054	\$10,054	\$10,054	\$10,054	\$10,054	\$10,054	\$10,054	\$10,054	\$10,054	\$10,054	\$10,054
Fourth Mortgage Fees - FHFC - SAIL ELI	\$3,970	\$41	\$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 - Miami-Dade County	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
All Other Mortgages Fees - City of Miami-Dade	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>Total Debt Service Payments</b>	<b>\$771,644</b>	<b>\$8,038</b>	<b>\$771,596</b>	<b>\$771,542</b>	<b>\$771,482</b>	<b>\$771,416</b>	<b>\$771,342</b>	<b>\$771,260</b>	<b>\$771,169</b>	<b>\$771,070</b>	<b>\$770,961</b>	<b>\$770,842</b>	<b>\$770,711</b>	<b>\$770,569</b>	<b>\$770,414</b>	<b>\$770,246</b>
Cash Flow after Debt Service	\$77,769	\$810	\$87,956	\$98,147	\$108,335	\$118,514	\$128,679	\$138,822	\$148,936	\$159,015	\$169,050	\$179,034	\$188,958	\$198,814	\$208,592	\$218,283
<b>Debt Service Coverage Ratios</b>																
DSC - First Mortgage plus Fees	1.34x		1.36x	1.37x	1.39x	1.40x	1.42x	1.44x	1.45x	1.47x	1.48x	1.50x	1.52x	1.53x	1.55x	1.56x
DSC - Second Mortgage plus Fees	1.24x		1.25x	1.26x	1.28x	1.29x	1.31x	1.32x	1.34x	1.35x	1.37x	1.38x	1.40x	1.41x	1.43x	1.44x
DSC - Third Mortgage plus Fees	1.16x		1.17x	1.19x	1.20x	1.21x	1.23x	1.24x	1.25x	1.27x	1.28x	1.30x	1.31x	1.32x	1.34x	1.35x
DSC - Fourth Mortgage plus Fee	1.15x		1.17x	1.18x	1.19x	1.21x	1.22x	1.23x	1.25x	1.26x	1.28x	1.30x	1.32x	1.33x	1.34x	1.34x
DSC - Fifth Mortgage plus Fees	1.10x		1.11x	1.13x	1.14x	1.15x	1.17x	1.18x	1.19x	1.21x	1.22x	1.23x	1.25x	1.26x	1.27x	1.28x
DSC - All Mortgages and Fees	1.10x		1.11x	1.13x	1.14x	1.15x	1.17x	1.18x	1.19x	1.21x	1.22x	1.23x	1.25x	1.26x	1.27x	1.28x
<b>Financial Ratios</b>																
Operating Expense Ratio	47.68%		48.10%	48.51%	48.94%	49.36%	49.79%	50.23%	50.66%	51.11%	51.55%	52.01%	52.46%	52.92%	53.39%	53.86%
Break-even Econ Occup Ratio (all debt)	90.72%		90.23%	89.76%	89.30%	88.87%	88.46%	88.06%	87.69%	87.33%	87.00%	86.68%	86.38%	86.10%	85.84%	85.60%
Break-even Econ Occup Ratio (must pay debt)	82.66%															

Notes to the 15 Year Operating Pro Forma and Ratios:

1. The MMRN program does not impose any rent restrictions. However, in conjunction with the MMRN this Development will be utilizing Housing Credits, SAIL, and ELI financing which will impose rent restrictions. The LIHTC rent levels are based on the 2024 maximum LIHTC rents published on FHFC's website for Miami-Dade County less the utility allowance.
2. First Housing received a letter, dated May 23, 2024, indicating Public Housing and Community Development has conditionally agreed to approve 25 Project Based Voucher units under a Section 8 Housing Choice Voucher program. Receipt of an Agreement to enter into a Housing Assistance Payment Contract ("AHAP"), is a condition to close.
3. The utility allowances are based on Miami-Dade County utility allowances for High Rise and dated March 1, 2024.
4. The appraisal included a Vacancy and Collection loss rate of 4.00%. First Housing has used a vacancy and collection loss rate of 5% to be more conservative.
5. Miscellaneous Income is comprised of revenue from vending machines, application fees, late charges, and forfeited security deposits. Total miscellaneous income of \$28,800 per year is supported by the appraisal. The office space will be leased for a nominal amount (estimated at \$12 per year), this nominal rent income amount is included in the Miscellaneous Income. Please note, the office space was estimated at \$1 per year in the appraisal.
6. 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.
7. The Applicant plans to apply for the 100% Ad Valorem Property Tax Exemption under Section 196.1978(4), Florida Statutes. Beginning in 2026, the property must apply to Miami-Dade County Property Appraiser by March 1st of the tax year. Applying for this exemption requires a 99-year Total Compliance Period with annual certifications. If the property fails to provide affordable housing under the agreement before the end of the agreement term, there will be a penalty that is equal to 100% of the total amount financed by Florida Housing multiplied by each year remaining in the agreement. Approval from the lenders/parties involved in the transaction, confirming their approval of the terms of



the Ad Valorem Property Tax Exemption, is a condition to close. The appraisal has estimated personal property taxes of \$5,653.

8. First Housing received an executed, but undated, Property Management Agreement, between Citadelle Village, LLC and Royal American Management, Inc. The Agreement reflects a management fee of \$4,865 per month or 5.2% of the gross collections received during the preceding month, whichever is greater. Further, the Management will provide compliance services for the Development and the Managing Agent will be compensated in an amount equal to \$4.25 per unit per month. The Appraisal concluded to a management fee of 6%. First Housing utilized a management fee of 5.2% plus \$4.25 per unit per month for an overall management fee of 5.50%.
9. The tenant is responsible for electric, cable, and internet. The landlord is responsible for water/sewer, common area electric, and trash removal.
10. Replacement Reserves of \$300 per unit per year are required, per RFA 2017-108 and Rule Chapters 67-48 and 67-21. According to the letter from Hudson Housing Capital LLC, dated July 11, 2024, replacement reserves will be increasing 3% annually.
11. The 15-Year Pro Forma reflects rental income increasing at an annual rate of 2%, and expenses increasing at an annual rate of 3%.

**MMRN, VIABILITY, SAIL, ELI & HC CREDIT UNDERWRITING REPORT**

**Sources Overview**

**Construction Financing Information:**

<b>CONSTRUCTION FINANCING INFORMATION</b>										
Lien Position	First	Second	Third	Fourth	Fifth	Sixth	Seventh			Totals
Source	FHFC - MMRN	FHFC - Viability	FHFC - SAIL	FHFC - SAIL ELI	Surtax/SHIP	Local Gov. Subsidy	Local HOME	FHFC - HC 4%	Def. Dev. Fee	
Lender/Grantor	FHFC/Citi	FHFC	FHFC	FHFC	Miami-Dade County	City of Miami-Dade County	City of Miami-Dade County	Hudson Housing Capital LLC	Citadelle Village Developer, LLC	
Construction Amount	\$25,000,000	\$4,300,000	\$3,600,000	\$600,000	\$3,400,000	\$2,000,000	\$990,000	\$2,807,089	\$4,665,336	\$47,362,425
All In Interest Rate	7.86%	1.00%	1.00%	0.00%	0.00%	0.00%	0.00%			
Debt Service During Construction	\$163,750	\$3,583	\$3,000	\$0	\$0	\$0	\$0			\$170,333
Bond Structure (if applicable)	Private Placement									

**First Mortgage:**

First Housing has reviewed a Term Sheet from Citi, dated August 26, 2024, for a Tax-Exempt “Back-to Back” Loan Structure. The construction loan is estimated in the amount of \$25,000,000 but shall not exceed 80% of costs covered through the construction phase. The term is 30 months, plus one 6-month extension. If the 6-month extension is exercised, the permanent phase interest rate will be increased by 5 basis points (“bps”). Payments on the Tax-Exempt loan during the construction phase will be interest only. The interest will be based on a variable rate equal to one-month Term Secured Overnight Finance Rate (“SOFR”), as published by the CME Group, with a floor of 0.50%, plus a spread of 2.00%. The construction loan interest is calculated based on the one-month Term SOFR of 5.11%, as of September 6, 2024, plus a spread of 2.00%, and an underwriting cushion of 0.75% for an all-in rate of 7.86%.

The annual FHFC Issuer Fee of 24 bps and the annual Fiscal Agent Fee of \$4,500 are included in the Uses section of this report.

**MMRN, VIABILITY, SAIL, ELI & HC CREDIT UNDERWRITING REPORT**

**Permanent Financing Information:**

PERMANENT FINANCING INFORMATION										
Lien Position	First	Second	Third	Fourth	Fifth	Sixth	Seventh			Totals
Source	FHFC - MMRN	FHFC - Viability	FHFC - SAIL	FHFC - SAIL ELI	Surtax/SHIP	Local Gov. Subsidy	Local HOME	FHFC - HC 4%	Def. Dev. Fee	
Lender/Grantor	FHFC/Citi	FHFC	FHFC	FHFC	Miami-Dade County	City of Miami-Dade County	City of Miami-Dade County	Hudson Housing Capital LLC	Citadelle Village Developer, LLC	
Permanent Amount	\$9,390,000	\$4,300,000	\$3,600,000	\$600,000	\$3,400,000	\$2,000,000	\$990,000	\$18,713,921	\$4,368,504	\$47,362,425
Permanent Funding Per Unit	\$97,813	\$44,792	\$37,500	\$6,250	\$35,417	\$20,833	\$10,313	\$194,937	\$45,505	\$493,359
% of Permanent Funding	19.8%	9.1%	7.6%	1.3%	7.2%	4.2%	2.1%	39.5%	9.2%	100.0%
Underwritten Interest Rate	5.75%	1.00%	1.00%	0.00%	1.00%	0.00%	0.00%			
Loan Term	15	15	15	15	30	30	30			
Amortization	40	0	0	0	0	0	0			
Must Pay or Cash Flow Dependent	Must-Pay	Cash Flow	Cash Flow	Cash Flow	Cash Flow	Cash Flow	Cash Flow			
Permanent Debt Service, No Fees	\$600,458	\$43,000	\$36,000	\$0	\$34,000	\$0	\$0			\$713,458
Permanent Debt Service, with Fees	\$633,870	\$53,750	\$46,054	\$3,970	\$34,000	\$0	\$0			\$771,644
Debt Service Coverage, with Fees	1.34x	1.24x	1.16x	1.15x	1.10x	1.10x	1.10x			
Operating Deficit & Debt Service Reserves	\$745,000									
# of Months covered by the Reserves	6.3									
Market Rate/Market Financing LTV	34%	49%	62%	64%	76%	83%	87%			
Restricted Market Financing LTV	55%	80%	101%	104%	124%	136%	142%			
Restricted Favorable Financing LTV										
Loan to Cost - Cumulative	20%	29%	37%	38%	45%	49%	51%			
Loan to Cost - SAIL Only			8%							

First Mortgage:

First Housing has reviewed a Term Sheet from Citi, dated August 26, 2024, for a Tax-Exempt “Back-to Back” Loan Structure. The permanent loan is estimated to be \$10,750,000 or such other loan amount supported by Citi’s underwriting. First Housing has concluded to a permanent loan amount of \$9,390,000 based on meeting a 1.10 debt service coverage ratio on the Miami-Dade County funding. The loan shall have a mandatory prepayment at the end of the 18th year following the closing date. First Housing has included a 3-year construction period and a 15-year permanent period. Following, the 3-year interest only construction period, principal and interest

**MMRN, VIABILITY, SAIL, ELI & HC CREDIT UNDERWRITING REPORT**

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payments will be based on an amortization of 40-years. The interest rate will be fixed and locked at construction loan closing and equal to the sum of the 18-year SOFR SWAP Index, with a floor of 0.75%, plus a spread of 2.30%. The permanent interest rate is based upon the 18-year SOFR SWAP Index of 3.45% (per the term sheet), plus a 2.30% spread, for an interest rate of 5.75%.

According to the Term Sheet, Citi will provide an earn-out in an amount not to exceed 10% of the initial Permanent Loan amount, currently estimated to be \$1,075,000. The amount of earn-out will be determined by Citi in its sole discretion. The rate on the earn-out will be set at conversion and will be equal to the applicable SOFR Swap Index at the time of conversion plus a spread of 2.30%. The earn-out interest rate shall have a floor rate that is 0.25% below the Permanent Phase Interest Rate. Upon conversion, if the first mortgage loan is increased above the current recommended amount of \$9,390,000, it will be subject to a positive recommendation from the Credit Underwriter and FHFC's approval.

The permanent note will mature 18 years following construction closing. At maturity, the Applicant may satisfy the Note via refinancing or sale of the Development pending market feasibility. In the event the Applicant is unable to refinance or sell the Development, then an event of default would not be triggered under the loan documents. Instead, a "Mortgage Assignment Event" would occur whereby Citi agrees to cancel the Note in exchange for an assignment, by the Fiscal Agent, of the mortgage and all other related documents and accounts. The Fiscal Agent would cancel the Note and discharge the lien of the Funding Loan Agreement. Then the Fiscal Agent would assign the mortgage loan and any other related documents and collateral to Citi, effectively ending the tax-exempt financing provided by FHFC. Under this scenario, the Note will have been redeemed/cancelled not by payment of cash but by the assignment of the mortgage loan documents; therefore, there is no default. As the new direct mortgagee, Citi would then be in a position to work with the Applicant to arrive at a resolution without involvement of either FHFC or the Fiscal Agent (as the Note would have been cancelled and would no longer be outstanding).

Additional fees included in the Debt Service calculation consist of an annual Permanent Loan Servicing Fee, an annual Compliance Monitoring Fee, an annual Issuer Fee of 24 bps of the outstanding loan balance, and an annual Fiscal Agent Fee of \$4,500. The annual Permanent Loan Servicing Fee is based upon a fee of 2.3 bps of the outstanding loan amount, with a minimum monthly fee of \$243. The annual Compliance Monitoring Fee is based upon a total fee which 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.

**MMRN, VIABILITY, SAIL, ELI & HC CREDIT UNDERWRITING REPORT**

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FHFC Viability Loan:

First Housing reviewed a Notice of Preliminary Award from FHFC, dated June 29, 2023, with a preliminary Viability Loan in the amount of \$4,300,000. Based on the sizing parameters in RFA 2023-211, First Housing has sized the Viability Loan in the amount of \$4,300,000.

The Viability 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 term of the Viability 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 RFA 2023-211, the Viability Loan will be coterminous with the first mortgage. Annual payments of all applicable fees will be required. Any unpaid interest will be deferred until cash flow is available. However, at the maturity of the Viability Loan, all principal and unpaid interest will be due.

Viability 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.

FHFC SAIL and ELI Loans:

First Housing reviewed an invitation to enter credit underwriting, dated May 4, 2018, from FHFC with a preliminary SAIL Loan in the amount of \$3,600,000 and a preliminary ELI Loan in the amount of \$600,000.

The SAIL 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 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 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 Loan, all principal and unpaid interest will be due.

The ELI Loan is non-amortizing with an interest rate of 0% per annum over the life of the loan. The ELI Loan will have a total loan 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 RFA 2017-108, the ELI Loan term will be coterminous with the first mortgage. Annual

**MMRN, VIABILITY, SAIL, ELI & HC CREDIT UNDERWRITING REPORT**

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payments of all applicable fees will be required. Principal is forgivable at maturity, provided the units for which the ELI Loan amount is awarded are targeted to ELI households.

For each of the SAIL and ELI 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.

Miami-Dade County:

According to a letter, dated March 21, 2023, on January 22, 2020 the Board of County Commissioners (“BCC”) approved a Conditional Loan Commitment for Citadelle Village, LLC. The Conditional Loan Commitment is for \$2,400,000 of FY 2019 Surtax/SHIP program funds. In addition, the County committed \$1,000,000 in Surtax 2017 Local Government Match in a letter dated October 10, 2017, for a combined amount not-to-exceed \$3,400,000.

The Surtax funding will bear interest at 0% during years 1 and 2. The loan will require 1% interest only payments from Development cash flow in years 3 - 30, with an additional 1% accrual in years 3 - 30. The total term of the loan will be 30 years, of which 2 years are for the construction period and years 3 - 30 are for the permanent period.

City of Miami-Dade:

According to a letter, dated June 12, 2023, on February 10, 2022, the City Commission adopted a Resolution approving an additional allocation of up to \$2,000,000 in GOB for the Development. Eighty-five (85) units shall be assisted with GOB funds, with an affordability period of 30 years. This is a deferred loan, with no debt service payments required. The Development must maintain the required affordable structure for a period of 30 years. Failure to comply will result in the full repayment of principal and an agreed upon interest rate. Full repayment of principal is due at the 30-year maturity.

According to the letter, dated June 12, 2023, on June 28, 2019, the Housing and Commercial Loan Committee (“HCLC”) approved an allocation of \$990,000 in CHDO HOME Funds to Citadelle Village, LLC. Eleven (11) units will be HOME assisted, with an affordability period of 30 years. Based on conversations with the Developer, the loan will bear interest at 0% interest during construction. Once

**MMRN, VIABILITY, SAIL, ELI & HC CREDIT UNDERWRITING REPORT**

construction is complete, the loan will accrue interest at 3%. All accrued interest and principal will be deferred to the end of the 30-year affordability period. At the sole discretion of the City, the principal and interest payment may be waived. Verification of the loan terms is a condition to close.

Housing Credit Equity:

**Syndication Contributions:**

Capital Contributions	Amount	Percentage of Total	When Due
1st Installment	\$2,807,089	15.00%	Closing
2nd Installment	\$11,228,353	60.00%	100% Completion
3rd Installment	\$4,304,201	23.00%	Permanent Loan Closing / Breakeven Date
4th Installment	\$374,278	2.00%	Issuance of 8609s
<b>Total</b>	<b>\$18,713,921</b>	<b>100.00%</b>	

Syndicator Name	Hudson Housing Capital LLC
Date of LOI	7/11/2024
Total Credits Per Syndication Agreement:	\$21,762,550
Annual Credits Per Syndication Agreement:	\$2,176,255
Calculated HC Exchange Rate:	\$0.86
Limited Partner Ownership Percentage:	99.99%
Proceeds Available During Construction:	\$2,807,089

Should closing occur after December 31, 2024, the tax credit pricing will decrease to \$0.84 per total tax credit available to the Investor and the total equity shall decrease to approximately \$18,278,714. Should closing occur after March 31, 2025, pricing will be revised.

Deferred Developer Fee:

To balance the sources and uses of funds during the permanent funding period, the Developer is required to defer \$4,368,504 or approximately 63.47% of the total Developer Fee of \$6,882,319. Therefore, the Applicant is meeting the Viability requirement of deferring at least 30% of the Developer Fee.

**Changes from the Application and Additional Information**

Please note, the changes noted below are in comparison to the Final Credit Underwriting Report, dated July 10, 2023 (“Final CUR”), which was approved at the FHFC July 21, 2023 Board Meeting.

<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 - 4.
Are all local government recommendations/contributions still in place at the level described in the Application?		
Is the Development feasible with all amenities/features listed in the Application?		
Do the site plans/architectural drawings account for all amenities/features listed in the Application?		
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?		5
Is the Development feasible using the set-asides committed to in the Application?	X	
If the Development has committed to serve a special target group (e.g. elderly, large family, etc.), do the development and operating plans contain specific provisions for implementation?	X	
HOME ONLY: If points were given for match funds, is the match percentage the same as or greater than that indicated in the Application?	N/A	
HC ONLY: Is the rate of syndication the same as or greater than that shown in the Application?		6
Is the Development in all other material respects the same as presented in the Application?		

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

1. Since the Final CUR, the Applicant submitted a request dated, October 7, 2024, requesting a change to Board Members of Little Haiti Housing Association, Inc. d/b/a HACDC (“HACDC”). FHFC approved this request on October 8, 2024.
2. Since the Final CUR, the Applicant submitted a request, dated August 28, 2024, to increase the MMRN from \$23,250,000 to \$25,000,000. FHFC’s staff approved this request on September 11, 2024.
3. Since the Final CUR, the permanent tax-exempt loan increased from \$6,900,000 to \$9,390,000.



4. Since the Final CUR, the Syndicator has changed from Raymond James Affordable Housing Investments, Inc. to Hudson Housing Capital LLC.
5. The Total Development Cost (“TDC”) has increased by a total of \$1,681,758 from \$45,680,667 to \$47,362,425 or 3.68% since the Final CUR. The change is mainly due to an increase in construction and financial costs.
6. Since the Final CUR, the Syndication price has decreased from \$0.89 to \$0.86.

The above changes have no substantial material impact to the MMRN, Viability, SAIL, ELI, or HC recommendation for this Development.

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

According to the FHFC Asset Management Noncompliance Report, dated 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 September 12, 2024, 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 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.

Waiver Requests/Special Conditions:

1. Based on the SOV, the concrete shell cost is \$9,280,164, which is 36.11% of the actual construction costs. Under Rule Chapters 67-48 and 67-21, the General Contractor must

ensure that not more than 20 percent of the construction cost is subcontracted to any one entity or any group of entities that have common ownership or are Affiliates of any other subcontractor, with the exception of a subcontractor (or any group of entities that have common ownership or are Affiliates of any other subcontractor) contracted to deliver the building shell of a building of at least five (5) stories which may not have more than 31 percent of the construction cost in a subcontract, unless otherwise approved by the Corporation for a specific Development. The Applicant submitted a request letter, dated September 4, 2024, requesting a waiver of Rule 67-48.0072(17)(g) and 67-21.014(13)(f).

First Housing received the two bids for the shell work.

- Proposal from JGR Construction Inc., dated August 30, 2024, in the amount of \$9,860,000.
- Proposal from MJM Structural Corp., dated August 8, 2024, in the amount of \$9,772,000.

At this time a subcontractor has not been selected; however, based on the bids, the work will be in excess of the 31% subcontractor limitation per the Rule. According to the Document and Cost Review, based on the scope of work for this Development and the Development's location, Moran Construction Consultants, LLC ("Moran") is comfortable with the concrete shell subcontractor exceeding the 31% subcontractor limitation per the Rule. First Housing recommends approval of the Applicant's request of a waiver of the subcontractor limitation per the Rule. FHFC's staff approved this request on October 8, 2024.

#### Issues and Concerns:

1. Little Haiti Housing Association, Inc. d/b/a HACDC has a loan with Florida Community Loan Fund ("FCLF"), which is currently in default. Management failed to file the necessary documentation for a property tax exemption, which added an unexpected increase in the mortgage payments.

#### Mitigating Factors:

1. Little Haiti Housing Association, Inc. is currently refinancing the property with Bank United. Even though the FCLF loan matured in June 2024 they renegotiated an extension for the refinancing. The new Bank United loan will be a 10-year term loan and it is expected to close in October 2024. Citadelle Village will also be owned by Royal American Development, Inc. and will be managed by Royal American Management, Inc. which are experienced in affordable multifamily housing.

Additional Information:

1. The Development's site is currently owned and occupied by Little Haiti Housing Association, Inc. d/b/a HACDC ("HACDC"), a non-profit organization. The current building will be razed for the new construction of the Development. Citadelle Village will consist of a 10-story, mixed-used building, containing 96 residential units, 1,331 square feet of retail space, and 4,163 square feet of office space. At this time, it is unknown who will occupy the retail space. The office space will be leased to HACDC. First Housing received a draft Lease Agreement for the office space between Citadelle Village, LLC ("Lessor") and Little Haiti Housing Association, Inc. ("Lessee"). The term of the lease is 40 years, with one, 10-year extension option. The Base Rent is \$12 annual, subject to adjustments. The Lessee shall pay Additional Rent, consisting of such items as real estate property taxes, if applicable, and its share of any common area maintenance expense, if applicable, and other similar items. Receipt of an executed Lease Agreement is a condition to close.
2. The Applicant has applied to Citi to provide construction and permanent funding ("Funding 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 by Citi on behalf of FHFC ("Governmental Lender"). The proceeds of the Funding Loan will be used by FHFC to fund a mortgage loan with matching economic terms ("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 FHFC 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 MMRN structure, the Funding Loan replaces the purchase by Citi of the tax-exempt bonds.
3. Based on the TDC per unit limitations in effect as of the April 1, 2022 FHFC Telephonic Board Meeting, Florida Housing has set the TDC Limits for RFA 2022-205 (which is the 2022 RFA equivalent that the Applicant applied under), exclusive of land costs, ODR and demolition costs, of \$474,350 per unit for new construction, high-rise, concrete construction Development located in Miami-Dade County, including a \$7,500 tax-exempt bonds boost. The Development's TDC, exclusive of land, ODR, and demolition costs is \$45,016,838 or \$468,925 per unit, which is within the underwriting parameters. Please note, the FHFC Board approved the use of the increased TDC Limits at the FHFC July 21, 2023 Board meeting.

**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>
Demolition	\$70,000	\$0	\$100,587	\$1,048	\$100,587
New Rental Units	\$23,549,619	\$25,964,032	\$24,718,800	\$257,488	\$1,000,434
Site Work	\$1,105,000	\$0	\$877,215	\$9,138	\$87,721
Constr. Contr. Costs subject to GC Fee	\$24,724,619	\$25,964,032	\$25,696,602	\$267,673	\$1,188,742
General Conditions (6.0%)	\$1,483,477	\$3,634,964	\$1,541,796	\$16,060	\$0
Overhead (2.0%)	\$494,492	\$0	\$513,932	\$5,353	\$0
Profit (6.0%)	\$1,483,477	\$0	\$1,541,796	\$16,060	\$0
General Liability Insurance	\$186,397	\$0	\$73,998	\$771	\$0
Payment and Performance Bonds	\$213,602	\$0	\$230,872	\$2,405	\$0
<b>Total Construction Contract/Costs</b>	<b>\$28,586,065</b>	<b>\$29,598,996</b>	<b>\$29,598,996</b>	<b>\$308,323</b>	<b>\$1,188,742</b>
Hard Cost Contingency (5.0%)	\$1,429,303	\$1,479,950	\$1,479,949	\$15,416	\$0
<b>Total Construction Costs:</b>	<b>\$30,015,368</b>	<b>\$31,078,946</b>	<b>\$31,078,945</b>	<b>\$323,739</b>	<b>\$1,188,742</b>

Please note, the Applicant Costs column is based on the Final CUR throughout the Uses.

Notes to the Total Construction Costs:

1. The Applicant has provided an executed construction contract, dated August 1, 2024, in the amount of \$29,598,996. This is a Standard Form of Agreement between Owner, Citadelle Village, LLC, and Contractor, Royal American Construction Co., Inc., where the basis of payment is the Cost of the Work Plus a Fee with a Guaranteed Maximum Price (“GMP”). Per the contract, substantial completion is to be achieved not later than 18 calendar months from commencement.
2. First Housing used the Schedule of Values (“SOV”) to break out the construction costs.
3. The Development will consist of 1,331 square feet of retail space and 4,163 square feet of office space. The estimated cost to construct the shell of the retail and office space is \$1,000,434 and is an ineligible cost.
4. First Housing has included 10% of the site work as ineligible costs for housing credits.
5. The GC Contract does not include any allowances.

<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	\$25,000	\$30,000	\$30,000	\$313	\$7,500
Appraisal	\$13,750	\$15,000	\$20,250	\$211	\$0
Architect's Fees	\$480,000	\$480,000	\$480,000	\$5,000	\$0
Builder's Risk Insurance	\$179,252	\$185,643	\$185,643	\$1,934	\$0
Building Permits	\$300,000	\$300,000	\$300,000	\$3,125	\$0
Engineering Fees	\$150,000	\$150,000	\$150,000	\$1,563	\$0
Environmental Report	\$7,500	\$7,500	\$7,500	\$78	\$0
FHFC Administrative Fees	\$115,163	\$193,874	\$118,792	\$1,237	\$118,792
FHFC Application Fee	\$3,500	\$3,000	\$3,000	\$31	\$3,000
FHFC Compliance Fee	\$0	\$0	\$4,900	\$51	\$4,900
FHFC Credit Underwriting Fee	\$29,239	\$29,239	\$38,215	\$398	\$38,215
Green Building Cert. (LEED, FGBC, NAHB)	\$50,000	\$50,000	\$50,000	\$521	\$0
Impact Fee	\$819,000	\$819,000	\$819,000	\$8,531	\$0
Insurance	\$50,000	\$50,000	\$50,000	\$521	\$0
Legal Fees - Organizational Costs	\$350,000	\$350,000	\$350,000	\$3,646	\$87,500
Lender Inspection Fees / Const Admin	\$27,000	\$37,800	\$37,800	\$394	\$0
Market Study	\$12,300	\$10,000	\$18,800	\$196	\$18,800
Marketing and Advertising	\$40,000	\$40,000	\$40,000	\$417	\$40,000
Plan and Cost Review Analysis	\$5,850	\$0	\$6,600	\$69	\$0
Property Taxes	\$75,000	\$75,000	\$75,000	\$781	\$0
Soil Test	\$25,000	\$25,000	\$25,000	\$260	\$0
Survey	\$100,000	\$100,000	\$100,000	\$1,042	\$20,000
Title Insurance and Recording Fees	\$282,863	\$308,875	\$308,875	\$3,217	\$30,888
Utility Connection Fees	\$192,000	\$192,000	\$192,000	\$2,000	\$0
Soft Cost Contingency (5.0%)	\$166,620	\$198,588	\$170,814	\$1,779	\$0
Other: Compliance Monitoring years 51-99	\$0	\$0	\$4,900	\$51	\$4,900
<b>Total General Development Costs:</b>	<b>\$3,499,037</b>	<b>\$3,650,519</b>	<b>\$3,587,088</b>	<b>\$37,366</b>	<b>\$374,494</b>

Notes to the General Development Costs:

1. First Housing has utilized actual costs for: FHFC Credit Underwriting, Appraisal, Market Study, and Document and Cost Review.
2. The FHFC Administrative Fee is based on 5.5% of the recommended annual 4% Housing Credit allocation.
3. The FHFC Compliance Fee of \$4,900 is based on \$100 per year for years 51-99 Ad Valorem Compliance Period. FHFC Compliance Fees through the initial 50 year Compliance Period will be ongoing and are incorporated in the operating pro forma and debt service analysis within this report.

4. The FHFC Credit Underwriting Fee includes an underwriting fee of \$24,093, a Viability underwriting fee of \$5,146, and this CUR Update fee of \$8,976.

<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	\$25,000	\$0	\$25,000	\$260	\$0
Construction Loan Closing Costs	\$65,000	\$65,000	\$65,000	\$677	\$0
Construction Loan Commitment Fee	\$232,500	\$250,000	\$250,000	\$2,604	\$0
Construction Loan Interest	\$2,187,360	\$2,812,500	\$2,200,800	\$22,925	\$990,360
Permanent Loan Closing Costs	\$17,500	\$45,000	\$45,000	\$469	\$45,000
Permanent Loan Commitment Fee	\$0	\$0	\$93,900	\$978	\$93,900
FHFC Note Cost of Issuance	\$288,728	\$153,728	\$308,873	\$3,217	\$308,873
FHFC Note Fiscal Agent Fee	\$9,000	\$9,000	\$9,000	\$94	\$9,000
SAIL Commitment Fee	\$36,000	\$36,000	\$36,000	\$375	\$36,000
SAIL-ELI Commitment Fee	\$6,000	\$6,000	\$6,000	\$63	\$6,000
Misc Loan Underwriting Fee	\$8,500	\$8,500	\$8,500	\$89	\$8,500
Legal Fees - Financing Costs	\$280,000	\$280,000	\$280,000	\$2,917	\$280,000
Placement Agent/Underwriter Fee	\$35,000	\$35,000	\$35,000	\$365	\$35,000
Initial TEFRA Fee	\$1,000	\$1,000	\$1,000	\$10	\$1,000
Other: FHFC - Viability Commitment Fee	\$43,000	\$43,000	\$43,000	\$448	\$43,000
Other: FHFC Issuer Fee	\$111,600	\$111,600	\$120,000	\$1,250	\$120,000
Other: FHFC Extension Fees	\$42,000	\$42,000	\$42,000	\$438	\$42,000
<b>Total Financial Costs:</b>	<b>\$3,388,188</b>	<b>\$3,898,328</b>	<b>\$3,569,073</b>	<b>\$37,178</b>	<b>\$2,018,633</b>
<b>Dev. Costs before Acq., Dev. Fee &amp; Reserves</b>	<b>\$36,902,592</b>	<b>\$38,627,793</b>	<b>\$38,235,106</b>	<b>\$398,282</b>	<b>\$3,581,870</b>

Notes to the Financial Costs:

1. According to the Citi Term sheet, a non-refundable application fee in the amount of \$25,000 is due and payable upon acceptance of the loan application.
2. The Construction Loan Commitment Fee is based on 1% of the construction loan amount.
3. The Construction Loan Interest is based on an interest rate of 7.86%, a 24-month term, and an average outstanding loan balance of 56%. The GC Contract specifies a substantial completion of no later than 18 months and considering a 6-month lease-up/stabilization period, First Housing has estimated that a construction term of 24-months is reasonable.
4. The Permanent Loan Commitment Fee is based on 1% of the permanent loan amount.
5. The FHFC Note Fiscal Agent Fee represents 2 years of the annual Fiscal Agent Fee of \$4,500 during the construction period.

6. FHFC Note Cost of Issuance (“COI”) includes MMRN, Viability, SAIL, and ELI Loans Closing Costs, and expenses of the Fiscal Agent, Real Estate Counsel, MMRN Counsel, Disclosure Counsel, and other fees.
7. The SAIL Commitment Fee is based on 1% of the SAIL Loan.
8. The ELI Commitment Fee is based on 1% of the ELI Loan.
9. The Miscellaneous Loan Underwriting Fee is related to the Miami-Dade County Surtax.
10. The Viability Commitment Fee is based on 1% of the Viability Loan.
11. The FHFC Issuer Fee is based on an annual Issuer Fee of 24 bps on the total MMRN for 2 years.
12. The FHFC Extension Fees of \$42,000 includes a 1% extension fee of the SAIL and ELI Loan.

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

Notes to the Non-Land Acquisition Costs:

1. Since this is new construction, non-land acquisition costs do not apply.

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	\$6,642,466	\$6,953,003	\$6,882,319	\$71,691	\$0
<b>Total Dev. Fee on Non-Acq. Costs (18.0%):</b>	\$6,642,466	\$6,953,003	\$6,882,319	\$71,691	\$0

LAND ACQUISITION COSTS	Applicant Costs	Revised Applicant Costs	Underwriters Total Costs - CUR	Cost Per Unit	HC Ineligible Costs - CUR
Land	\$1,500,000	\$1,500,000	\$1,500,000	\$15,625	\$1,500,000
<b>Total Acquisition Costs:</b>	\$1,500,000	\$1,500,000	\$1,500,000	\$15,625	\$1,500,000

Notes to Acquisition Costs:

1. First Housing has reviewed a Lease, dated October 10, 2017, between Little Haiti Housing Association, Inc. (“Landlord”) and Citadelle Village, LLC (“Tenant”), a First Amendment to Lease, dated June 20, 2023, and a Second Amendment to Lease, dated September 4, 2024. The term of the Lease shall commence on the date the Tenant closes on its financing and shall remain in effect for 99 years. The Tenant shall be obligated to pay to the Landlord a one-time lump sum payment of rent in the amount of \$1,500,000 for the entire lease term.

RESERVE ACCOUNTS	Applicant Costs	Revised Applicant Costs	Underwriters Total Costs - CUR	Cost Per Unit	HC Ineligible Costs - CUR
	Operating Deficit Reserves	\$635,609	\$719,989	\$745,000	\$7,760
<b>Total Reserve Accounts:</b>	<b>\$635,609</b>	<b>\$719,989</b>	<b>\$745,000</b>	<b>\$7,760</b>	<b>\$745,000</b>

Notes to Reserve Accounts:

1. Based on the letter, dated July 11, 2024, Hudson Housing Capital LLC will require an Operating Deficit Reserve (“ODR”) in an amount not to exceed 6 months of underwritten operating expenses, replacement reserves, and debt service which is estimated at approximately \$745,000.

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>\$45,680,667</b>	<b>\$47,800,785</b>	<b>\$47,362,425</b>	<b>\$493,359</b>

RFA Limits	Maximum per RFA (%)	Actual at CUR (%)	Maximum per RFA (\$)	Actual at CUR (\$)
General Contractor Fee	14.00%	14.00%	\$3,597,524	\$3,597,524
Hard Cost Contingency	5.00%	5.00%	\$1,479,950	\$1,479,949
Soft Cost Contingency	5.00%	5.00%	\$170,814	\$170,814
Developer Fee	18.00%	18.00%	\$6,882,319	\$6,882,319



**Section B**

**MMRN, VIABILITY, SAIL, ELI and HC Special and General  
Conditions**

**Special Conditions**

This recommendation is contingent upon the review and approval of the following items by Florida Housing and First Housing **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 MMRN pricing date and/or MMRN, Viability, SAIL, and ELI closing date. For competitive MMRN sales, these items must be reviewed and approved prior to issuance of the notice of MMRN sale:

1. Receipt and satisfactory review of the Final signed, sealed “approved for construction” plans and specifications by the Construction Consultant and the Servicer.
2. Upon conversion, if the first mortgage loan is increased above the principal amount at closing, it will be subject to FHFC’s approval and a positive recommendation from First Housing.
3. Firm Commitment from Citi (construction and permanent financing) with terms and conditions that are not substantially different than those utilized in this credit underwriting report.
4. Final loan documents for the fifth, sixth, and seventh mortgages with terms which are not substantially different than those utilized in this credit underwriting report.
5. Verification of the City of Miami-Dade HOME Loan terms.
6. Approval from the lenders/parties involved in the transaction, confirming their approval of the terms of the Ad Valorem Property Tax Exemption.
7. Receipt of the Compliance Monitoring Fee of \$4,900 for Ad Valorem Compliance Period.
8. Florida Housing’s approval of a Tenant Selection Plan.
9. Receipt of a satisfactory executed Lease Agreement for the office space.
10. Satisfactory receipt of a final Document and Cost Review Report.
11. Receipt of an AHAP rental assistance contract, with rents utilized in this credit underwriting report.
12. Receipt of a dated executed management agreement with terms that are not substantially different from those utilized in this credit underwriting report.

13. Receipt and satisfactory review of updated financials for the Guarantors, dated within 90 days of closing if un-audited and within a year of closing if audited.
14. At least 30% of the Developer Fee must be deferred pursuant to the requirements of the Viability Loan.
15. Satisfactory resolution of the outstanding liens and confirmation by First Housing, Florida Housing, and its Counsel.
16. Receipt of satisfactory financials and trade reference for Little Haiti Housing Association, Inc. d/b/a HACDC.
17. Receipt of Operating Agreements for Citadelle Village Developer, LLC.
18. 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.
19. Verification that the property with the FCLF Loan is successfully refinanced with BankUnited.
20. 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 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 MMRN pricing date and/or loan 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. Moran 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 lesser of i) 50% of the Total Developer Fee or ii) the Total Developer Fee less the Deferred Developer Fee listed in the Sources and Uses for the construction period, as calculated by the Servicer. At closing, a maximum of 35% of the Construction Period Developer Fee may be funded. Remaining Construction Period Developer Fee will be disbursed during construction/rehabilitation on a pro rata basis, based on the percentage of completion of the development, as approved and reviewed by FHFC and Servicer.

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

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

interest based upon the final draw schedule, documentation of the closing costs, and draft loan closing statement must also be provided. The sources and uses of funds schedule will be attached to the Loan Agreement as the approved development budget.

9. A final construction draw schedule showing itemized sources and uses of funds for each monthly draw. Viability loan proceeds shall be disbursed during the construction phase in an amount per draw that does not exceed the ratio of the Viability Loan to the Total Development Costs, unless approved by First Housing. 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 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 and Cost Review, prepared by Moran.
14. At the end of the Compliance Period, any remaining balance of the ODR less amounts that may be permitted to be drawn (which includes Deferred Developer Fee, and reimbursements for authorized member/partner and guarantor loan(s) pursuant to the operating/partnership agreement), will be used to pay FHFC loan debt; if there is no FHFC

loan debt on the proposed Development at the end of the Compliance Period, any remaining balance shall be used to pay any outstanding FHFC fees. If any balance is remaining in the ODR after the payments above, the amount should be placed in a Replacement Reserve account for the Development. In no event shall the payments of amounts to the Applicant or the Developer from the Reserve Account cause the Developer Fee or General Contractor Fee to exceed the applicable percentage limitations provided for in 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 and to FHFC and its Legal Counsel.

This recommendation is contingent upon the review and approval of the following items by Florida Housing, and its Legal Counsel **at least 30 days 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 MMRN pricing date and/or 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 Hudson Housing Capital LLC 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 limited partnership or other applicable agreement. Florida Housing shall be satisfied in its sole discretion that all legal and program requirements for the Loan(s) have been satisfied.
7. Evidence of insurance coverage pursuant to the RFA governing this proposed transaction and, as applicable, the FHFC Insurance Guide.
8. Receipt of a legal opinion from the Borrower's Legal Counsel acceptable to Florida Housing addressing the following matters:
  - a. The legal existence and good standing of the Borrower and of any partnership or limited liability company that is the general partner of the Borrower (the "GP") and of any corporation or partnership that is the managing general partner of the GP, of any corporate guarantor and any manager;
  - b. Authorization, execution, and delivery by the Borrower and the guarantor, of all Loan(s) documents;
  - c. The Loan(s) documents being in full force and effect and enforceable in accordance with their terms, subject to bankruptcy and equitable principles only;
  - 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, including HC as Applicable**

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

1. Compliance with all provisions of Sections 420.507, 420.5087, and 420.509, Florida Statutes, Rule Chapter 67-21, F.A.C. (MMRB and Non-Competitive 4% Housing Credits), Rule Chapter 67-48 F.A.C. (SAIL), Rule Chapter 67-53, F.A.C., Rule Chapter 67-60 F.A.C., RFA 2017-108, RFA 2023-211, Section 42 I.R.C (Housing Credits), and any other State or Federal requirements.
2. Acceptance by the Borrower and execution of all documents evidencing and securing the MMRN, Viability, SAIL, and ELI 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 Hudson Housing Capital LLC 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 MMRN, 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 ratio on the permanent first mortgage 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, all for a period equal to 12 consecutive months, all 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. For the Viability Loan, Guarantors are to provide the standard FHFC Operating Deficit Guaranty. If requested in writing by the Applicant, the Servicer will consider a recommendation to release the Operating Deficit Guaranty if all conditions are met, including achievement of a 1.15x debt service coverage on the combined permanent first mortgage and Viability Loan as determined by FHFC, or the Servicer, and 90 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.
8. 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, Viability Loan, and SAIL 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.
9. Guarantors to provide the Standard FHFC Environmental Indemnity Guaranty.
10. Guarantors to provide the Standard FHFC Guaranty of Recourse Obligations.
11. 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.

12. Property tax and hazard insurance escrow are to be established and maintained by the First Mortgage 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.
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(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 \$28,800 (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 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.
14. 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 on all payments until 50% completion of the work, provided that the Contractor is not in default, retainage will not be withheld on Work completed after 50% completion of the project. This meets the RFAs and Rule Chapters 67-48 and 67-21 minimum requirements.
15. Closing of all funding sources prior to or simultaneous with the MMRN, Viability, SAIL, and ELI loans.

16. Satisfactory completion of a pre-loan closing compliance audit conducted by FHFC or Servicer, if applicable.
17. Satisfactory resolution of any outstanding past due and/or noncompliance items.
18. Housing Credits – Receipt of executed FHFC Fair Housing, Section 504 and ADA as-built certification forms 122, 127, and 129.
19. Any other reasonable requirements of the Servicer, Florida Housing, or its Legal Counsel.

## **Section C**

### **Supporting Information & Schedules**

**Additional Development & Third Party Supplemental Information**

Appraisal Summary:

Appraisal Summary Questions	Responses	Note
Appraisal Firm Name	Meridian Appraisal Group, Inc.	
Date of Report	10/1/2024	
Confirm certified and prepared for FHFC (Y/N)	Y	
Date appraisers license expires (should be after report date)	11/30/2024	
Occupancy at Stabilization: Economic (%)	99.0%	
Occupancy at Stabilization: Physical (%)	96.0%	
Value: As Is market value of the land	\$2,260,000	
As of date and type of interest (as if vacant land)	8/22/2024, fee simple	
Value: "As Complete and Stabilized", subject to unrestricted rents	\$28,010,000	
As of date and type of interest (unrestricted rents)	8/22/2024, ground leasehold	
Value: "As Complete and Stabilized", subject to restricted rents	\$17,150,000	1.
As of date and type of interest (restricted rents)	8/22/2024, ground leasehold	
Does the As Is value of land or land & improvements to be acquired support the acquisition cost? (Y/N)	Y	

1. The As Complete and Stabilized Restricted Value includes the 25 Project Based Vouchers.

Market Study Summary:

Market Study Summary Questions	Responses	Note
Market Study Firm Name	Meridian Appraisal Group, Inc.	
Date of Report	9/19/2024	
Confirm certified and prepared for FHFC (Y/N)	Y	
Number of like-kind developments (existing and proposed) in the Competitive Market Area (CMA)	6	
Short Term and Long Term Impact to existing like-kind developments	Moderate	1.
Weighted Average Occupancy of like-kind developments (submarket) (must be ≥ 92%)	99.7%	
Number of Guarantee Fund Properties in PMA?	0	
Metrics for 10 mile radius:		
Level of Effort (%)	27.3%	2.
Capture Rate (%)	0.1%	
Remaining Potential Demand	58,224	
Metrics for 5 mile radius:		
Level of Effort (%)	49.6%	
Capture Rate (%)	0.2%	
Remaining Potential Demand	12,983	
Metrics for 3 mile radius:		
Level of Effort (%)	54.6%	
Capture Rate (%)	0.6%	
Remaining Potential Demand	4,099	
Absorption Rate	31	
Will the development achieve maximum allowable HC Rents? (Y/N)	Y	
For New Construction Units, is the average market rental rate, based on unit mix and annualized rent concessions at least 110% or greater of a 60 percent of Area Median Income rental rate?	Y	
Does market exist to support both the demographic and income restriction set-asides committed to in the Application or as approved by FHFC or the Board? (Y/N)	Y	

1. In the short-term (defined as the period it takes the subject to lease to stabilized), there is a moderate case for impact to the five existing like-kind properties (Pinnacle Square, Lafayette Square, Lafayette Plaza, Emerald Terrace and Pinnacle Park) located within

approximately one mile of the subject. There is a weak case for impact to the one existing like-kind properties (Pinnacle Place) located more than one mile of the subject. Any impact beyond the subject's lease-up would be considered long-term. Since the Miami-Dade economy and apartment market are expected to perform well over the long-term, there would be a weak case for long-term impact to all of the properties located near the Development.

- The Levels of Effort (“LOE”) are high due to the size of the existing and funded supply in relation to the size of the income-qualified renter households in the market. The number of income-qualified renter households in the subject income band is somewhat limited in comparison to typical projects due to the subject neighborhood being located near the coast such that about 33% to 45% of the ring areas are contained in Biscayne Bay and the Atlantic Ocean which decreases potential population densities in large portions of the rings. However, the existing affordable projects near the Development have maintained high occupancy rates and are generally achieving the maximum allowable rental rates indicating strong demand for affordable apartment units. One explanation for this disconnect with the above calculated LOEs is that the access and proximity to major employment centers, including Downtown Miami and the hospital district, provide significant employment opportunities relative to the small population base in the rings.

Environmental Report Summary:

Environmental Report Summary Questions	Responses	Note
Preparer Firm Name	Walsh Entrepreneur LLC	
Date of Report	8/22/2024	
Type of Report	Phase I Environmental Site Assessment	
Confirm certified and prepared for FHFC (Y/N)	Y	
Were any Recognized Environmental Conditions (RECs) noted? (Y/N)	N	
Is any further investigation required? (Y/N)	N	

Soils Test Report Summary:

Soils Test Report Summary Questions	Responses	Note
Preparer Firm Name	Ardaman & Associates, In.c	
Date of Report	5/3/2022	
Did the engineer provide recommendations for site prep, foundation, stormwater, and pavement that would make the site suitable for the proposed development? (Y/N)	Y	
Were recommendations outlined consistent with Structural/Engineering Drawings? (Y/N)	Y	

Document and Cost Review Report Summary:

<b>Property Conditions Report (PCR) Summary Questions</b>	<b>Responses</b>	<b>Note</b>
Preparer Firm Name	Moran Construction Consultants, LLC	
Date of Report	9/13/2024	1.
Confirm certified and prepared for FHFC (Y/N)	Y	
Were all features and amenities in Exhibit B present in the PCA report? (Y/N)	Y	
Is the GC Contract a Guaranteed Maximum Price Contract? (Y/N)	Y	
General Contract (GC Contract) Amount (PCA should match GC Contract)(\$)	\$29,598,996	
Cost per Unit	\$308,323	
Costs for Similar Type Developments (Include Range)	\$199,790 - \$284,458	2.
Is the Cost per Unit reasonable? (Y/N)	Y	
Construction schedule to substantial completion	18 months	
Is the development timeline considered feasible? (Y/N)	Y	
Was an ADA Accessibility Review completed? (Y/N)	Y	
Are accessibility requirements met and have executed Florida Housing Fair Housing, Section 504 and ADA Design Certification Forms 121, 126, and 128 been received? (Y/N)	Y	
Does the design conform with all applicable Florida Building and Design Codes? (Y/N)	Y	
Are the drawings and specifications satisfactory for completion and adherence to the scope of the project? (Y/N)	Y	3.

1. Receipt of a Final Document and Cost Review is a condition to close.
2. While the cost per unit is not supported by the comparables, the cost per gross square foot (“GSF”) is supported by the comparables. The Developments cost per GSF is \$196.15, while the comparables range from \$188.96 - \$207.81.
3. Moran recommends receipt of a fully stamped/signed “For Construction” set of drawings prior to commencement of construction.

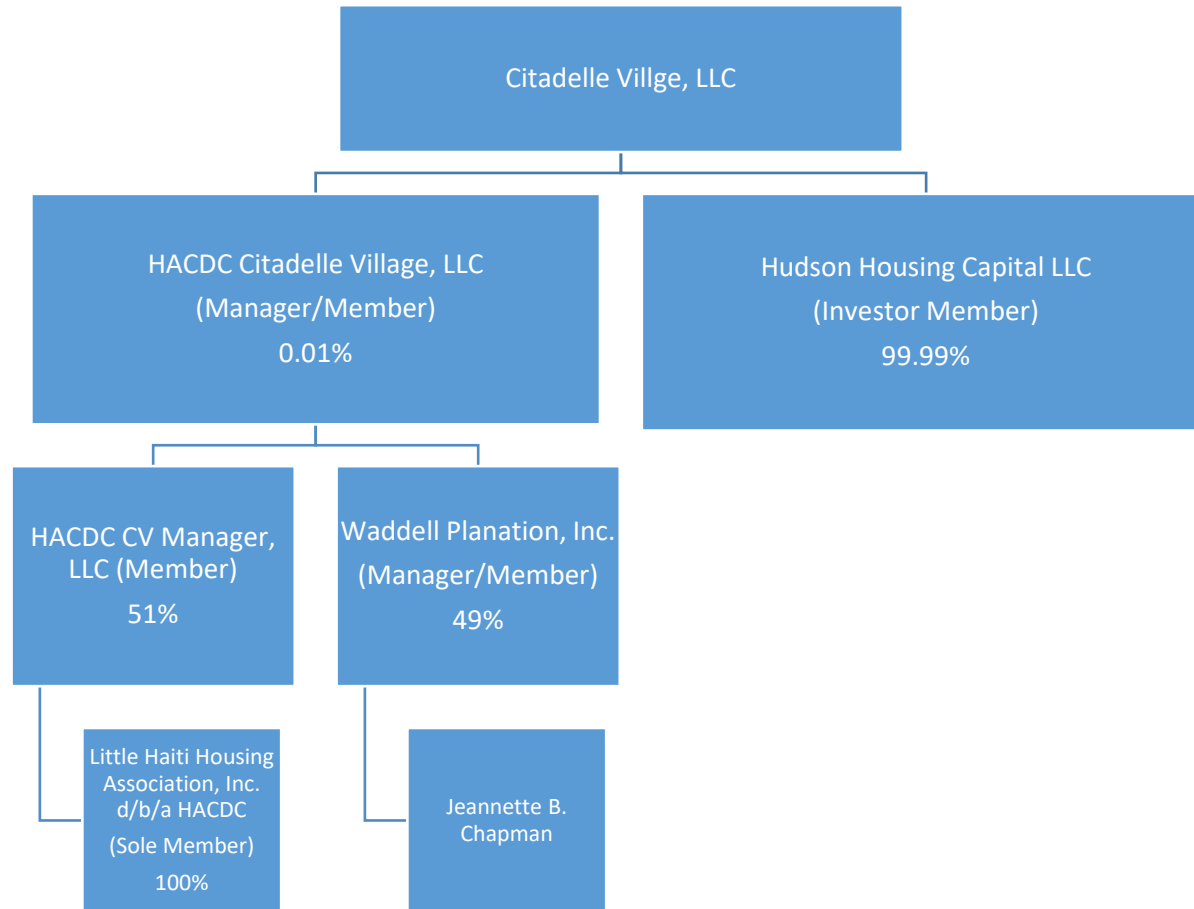
Site Inspection Summary:

<b>Site Visit Summary Questions</b>	<b>Responses</b>	<b>Note</b>
Name of Inspector	First Housing	
Date of Inspection	9/5/2024	
Were the observation(s) of the insepctor in line with the Market Study? (Y/N)	Y	

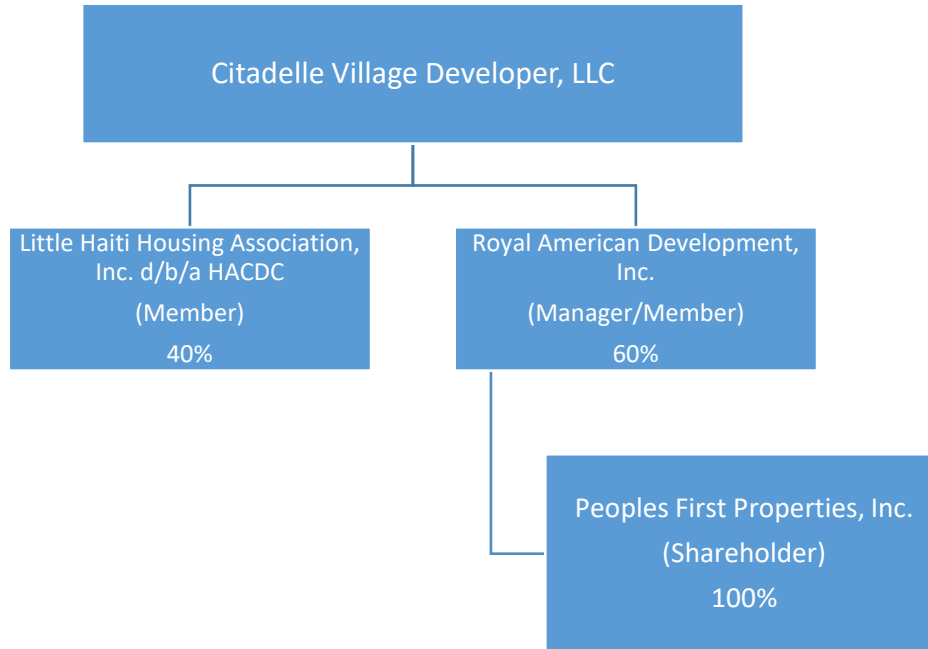


**Applicant & Related Party Information:**

Applicant Organizational Chart:



Developer Organizational Chart:



**MMRN, VIABILITY, SAIL, ELI & HC CREDIT UNDERWRITING REPORT**

	Citadelle Village, LLC	HACDC Citadelle Village, LLC	HACDC CV Manger, LLC	Little Haiti Housing Association, Inc.	Waddell Plantation, Inc.	Chapman, Jeannette B.	Citadelle Village Developer, LLC	Royal American Development, Inc.	Peoples First Properties, Inc.	Hudson Housing Capital LLC	Royal American Construction Compnay, Inc.	Royal American Management, Inc.	Note
Relationship Type	Guarantor	Guarantor	Guarantor	Guarantor	Guarantor	Guarantor	Guarantor	Guarantor	Guarantor	Syndicator	General Contractor	Management Company	
Contact Person Name & Title	Jean Garnier A. Belizaire, Treasurer									Marisa Rodriguez, Vice President, Acquisitions / Underwriting	John Lewis, Senior VP	Kerri Toth, President	
Contact Information	1226 Lincoln St. Hollywood, FL 33019 561-214-5122 Jeanbelizaire1@gmail.com									630 Fifth Avenue – Suite 2850 New York, NY 10111 (212) 218-4436 marisa.rodriguez@hudsonhousing.com	1022 West 23rd Street, Suite 300 Panama City, FL 32405 (805) 769-8981 john.lewis@royalamerican.com	1022 West 23rd Street, Suite 300 Panama City, FL 32405 (805) 769-8981 Kerri.toth@royalamerican.com	
Are Construction Completion, Operating Deficit, Environmental Indemnity and Recourse Obligations required to be signed?	Y	Y	Y	Y	Y	Y	Y	Y	Y	N/A	N/A	N/A	
Does entity have the necessary experience?	N, Single Purpose Entity	N, Single Purpose Entity	N, Single Purpose Entity	Y	Y	Y	N, Single Purpose Entity	Y	Y	Y	Y	Y	
Has a credit evaluation been completed and is it satisfactory?	Y	Y	Y	1	Y	Y	Y	Y	Y	N/A	Y	N/A	1
Have bank statements and/or trade references been received and reviewed and are they adequate?	N/A	N/A	N/A	2	Y	Y	N/A	Y	Y	N/A	Y	N/A	2
Have all financial statements been reviewed and are they adequate?	N/A	N/A	N/A	3	Y	Y	N/A	Y	Y	Y	Y	N/A	3
Have a Statements of Financial & Credit Affairs been reviewed for contingent liabilities?	Y	Y	Y	Y	Y	Y	Y	Y	Y	N/A	Y	N/A	
P&P Bond, or LOC, required and received from company adequately rated as required by Rule?	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	Closing Condition	N/A	
Have the Management Agreement and Plans been received, dated, and executed?	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N	4
Has the Property Manager been approved by FHFC's Asset Mgmt Dept (and if Rehab have they been approved prior to or at closing)?	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N	5
Does the entity have the relevant experience and possess the financial wherewithal to successfully construct and operate the Development as proposed?	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	

*Note: FHFC reserves the right to request additional information.*

**MMRN, VIABILITY, SAIL, ELI & HC CREDIT UNDERWRITING REPORT**

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1. Little Haiti Housing Association, Inc. has a Notice of Lien Code Enforcement, dated January 12, 2024, in the amount of \$5,360, a Notice of Lien Code Enforcement, dated March 31, 2024, in the amount of \$10,610, and a Notice of Federal Tax Lien, dated April 25, 2024, in the amount of \$80,079.07. Regarding the Federal Tax Lien, Little Haiti Housing Associations, Inc. believes they were incorrectly taxed as a for-profit entity and are trying to dispute the payment. Satisfactory resolution of the outstanding liens and confirmation by First Housing, Florida Housing, and its Counsel.
2. Satisfactory receipt of a trade reference for Little Haiti Housing Association, Inc. d/b/a HACDC is a condition to close.
3. Satisfactory receipt of financial statement for Little Haiti Housing Association, Inc. d/b/a HACDC is a condition to close.
4. Receipt of a dated executed management agreement with terms that are not substantially different from those utilized in this credit underwriting report is a condition to close.
5. Approval of the selection of the management company by FHFC's Asset Management Department is required. As the Development is proposed to be constructed, said approval is not required at closing.

Citadelle Village  
RFA 2017-108 (2018-033BS) and RFA 2023-211 (2023-261V)  
DESCRIPTION OF FEATURES AND AMENITIES

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

96 Units located in 1 High Rise residential building

Unit Mix:

Fifty-four (54) one bedroom/one bath units; and

Thirty-six (36) two bedroom/two bath units; and

Six (6) three bedroom/two bath units

96 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 requirements of local, state & federal laws, rules, regulations, ordinances, orders and codes, Federal Fair Housing Act as implemented by 24 CFR 100, the 2012 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, incorporating the most recent amendments, regulations, and rules, as applicable.

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. 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 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; and
    - 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 non-Elderly new construction units;
  9. All Family Demographic Developments must provide a full-size range and oven in all units.
- D.** The Development must provide the following Accessibility Features in all units:
1. Primary entrance door 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.** Provide reinforced walls for future installation of horizontal grab bars in place around each toilet/shower, or a Corporation-approved alternative approach for grab bar installation. The installation of the grab bars must meet or exceed 2010 ADA Standards for Accessible Design, Section 604.5.1 (Side Wall). 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 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, 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 Family Demographic Developments:
- All new construction units 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 not be

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. Faucets: 1.5 gallons/minute or less,
  - iii. Showerheads: 2.0 gallons/minute or less;
- 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 = 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; and
- h. Air Conditioning (choose in-unit or commercial):
  - i. In-unit air conditioning: Minimum 15 SEER
  - ii. Ductless mini-split systems – Energy Star certified;
  - iii. Window air conditioners and portable air conditioners are not allowed. Through the wall units and PTACs are allowed in studio and 1 bedroom units;
    - a. Through the wall units – Energy Star certified;
    - b. PTACs-minimum EER based on capacity:
      - i. <6,900 Btu/h – 12.8 EER
      - ii. 6,901 -9,400 – 12 EER
      - iii. 9,401 –11,500 – 11.2 EER
      - iv. 11,501 -14,700 – 10.4 EER
      - v. >14,700 -10.2 EER
  - iv. Central chiller AC system – based on size:
    - a. 0-65 KBtuh: Energy Star certified; or
    - b. 65-135 KBtuh: 11.9 EER; or
    - c. 135-240 KBtuh: 12.3 EER; or
    - d. 240 KBtuh: 12.2 EER
- i. Caulk, weather-strip, or otherwise seal all holes, gaps, cracks, penetrations, and electrical receptacles in building envelope; and

- j. Seal and insulate heating and cooling system ducts with mastic or metal backed tape.

In addition to the required Green Building Features outlined in (1) above, all Applicants must select enough additional Green Building features in Exhibit A so that the total point value of the features selected equals at least 10 points.

**H.** The Applicant has committed to provide the following additional Green Building Features to achieve a total point value of at least 10 points:

1.  Programmable thermostat in each unit (2 points)
2.  Humidistat in each unit (2 points)
3.  Water Sense certified dual flush toilets in all bathrooms (2 points)
4.  Light colored concrete pavement instead of or on top of asphalt to reduce the heat-island effect (2 points)
5.  Energy star certified roof coating (2 points) \*
6.  Energy star certified roofing materials (metal, shingles, thermoplastic polyolefin (TPO), or tiles) (3 points) \*
7.  Eco-friendly cabinets –no added urea formaldehyde and material must be certified by the Forest Stewardship Council, the Environmental Stewardship Program, or a certification program endorsed by the Programme for the Endorsement of Forest Certification (3 points)
8.  Eco-friendly flooring for entire unit – Carpet and Rug Institute Green Label certified carpet and pad, FloorScore certified flooring, bamboo, cork, 80% recycled content tile, and/or natural linoleum (3 points)
9.  High Efficiency HVAC with SEER of at least 16 (2 points) \*\*
10.  Energy efficient windows in each unit (3 points)
  - For all Development Types except Mid-Rise and High-Rise: Energy Star rating for all windows in each unit;
  - For Development Type of Mid-Rise and High-Rise:
    - i. U-Factor of 0.50 or less and a SHHGC of 0.25 or less where the fenestration is fixed; and
    - ii. U-Factor of 0.65 or less and a SHHGC of 0.25 or less where the fenestration is operable (i.e., the window opens)
11.  Florida Yards and Neighborhoods certification on all landscaping (2 points)
12.  Install daylight sensors, timers or motion detectors on all outdoor lighting attached to buildings (2 points)

\* Borrower may choose only one option related to Energy Star certified roofing.



\*\*Borrowers who choose high efficiency HVAC's must meet the standards listed here, which exceed the minimum Green Building Features required of all Developments Section Four A.8 of the RFA.

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

1. Literacy Training – The Applicant or its Management Company must make available, at no cost to the resident, literacy tutor(s) who will provide weekly literacy lessons to residents in private space on-site. 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 (2) hours of training per quarter, and must be conducted by parties that are qualified to provide training regarding the respective topic area. If the Development consists of Scattered Sites, the Resident Program must be held on the Scattered Site with the most units. Residents residing at the other sites of a Scattered Site Development must be offered transportation, at no cost to them, to the classes. The topic areas must include, but not be limited to:
  - Financial budgeting and bill-paying including training in the use of technologies and web-based applications;
  - Tax preparation including do's and don'ts, common tips, and how and where to file, including electronically;
  - Fraud prevention including how to prevent credit card and banking fraud, identity theft, computer hacking and avoiding common consumer scams;
  - Retirement planning & savings options including preparing a will and estate planning; and
  - Homebuyer education including how to prepare to buy a home, and how to access to first-time homebuyer programs in the county in which the development is located;

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

3. Homeownership Opportunity Program – Applicant commits to provide a financial incentive which includes the following provisions:
  - The incentive must be applicable to the home selected by the resident and may not be restricted to or enhanced by the purchase of homes in which the Applicant, Developer, or other related party has an interest;
  - the incentive must be not less than 5 percent of the rent for the resident's unit during the resident's entire occupancy (Note: Resident will receive the incentive for all months for which the resident is in compliance with the terms and conditions of the lease. Damages to the unit in excess of the security deposit will be deducted from the incentive.);
  - the benefit must be in the form of a gift or grant and may not be a loan of any nature;
  - the benefits of the incentive must accrue from the beginning of occupancy;
  - the vesting period can be no longer than 2 years of continuous residency; and

- no fee, deposit or any other such charge can be levied against the resident as a condition of participation in this program.

**Housing Credit Allocation Calculation**

**Qualified Basis Calculation**

<b>Section I: Qualified Basis Calculation</b>	
Development Cost	\$47,362,425
Less: Land Cost	(\$1,500,000)
Less: Federal Funds	\$0
Less: Other Ineligible Cost	(\$4,326,870)
Less: Disproportionate Standard	\$0
<b>Total Eligible Basis</b>	<b>\$41,535,556</b>
Applicable Fraction	100.00%
DDA/QCT Basis Credit	130.00%
<b>Qualified Basis</b>	<b>\$53,996,223</b>
Housing Credit Percentage	4.00%
<b>Annual Housing Credit Allocation</b>	<b>\$2,159,849</b>

Notes to the Qualified Basis Calculation:

1. Other ineligible costs include: demolition, office space, site work, accounting fees, FHFC Fees, market study, marketing, legal fees, title and recording fees, survey, financial costs, closing costs, and reserves.
2. The Development has a 100% set-aside. Therefore, the Applicable Fraction is 100%
3. For purposes of this analysis, the Development is located in a QCT; therefore, the 130% basis boost was applied.
4. For purposes of this recommendation a HC percentage of 4.00% was applied based on the 4% floor rate, which was established through the Consolidated Appropriations Act of 2021.

**GAP Calculation**

<b>Section II: Gap Calculation</b>	
Total Development Cost (Including Land and Ineligible Costs)	\$47,362,425
Less: Mortgages	(\$24,280,000)
Less: Grants	\$0
Equity Gap	\$23,082,425
Percentage to Investment Partnership	99.99%
HC Syndication Pricing	\$0.860
HC Required to Meet Gap	\$26,842,713
Annual HC Required	\$2,684,271

Notes to the Gap Calculation:

- The pricing and syndication percentage was taken from letter from Hudson Housing Capital LLC, dated July 11, 2024.

**Summary**

<b>Section III: Summary</b>	
HC per Qualified Basis	\$2,159,849
HC per Gap Calculation	\$2,684,271
Annual HC Recommended	\$2,159,849

Syndication Proceeds Based on HC Recommended	\$18,572,843
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- The estimated annual 4% Housing Credit allocation is limited to the lesser of the qualified basis calculation or the gap calculation. The recommendation is based on the qualified basis.

**50% Test**

<b>Section III: Tax-Exempt Bond 50% Test</b>	
Total Depreciable Cost	\$41,535,556
Plus: Land Cost	\$1,500,000
Aggregate Basis	\$43,035,556
Tax-Exempt Bond Amount	\$25,000,000
Less: Debt Service Reserve	\$0
Less: Proceeds Used for Costs of Issuance	(\$308,873)
Plus: Tax-exempt GIC earnings	\$0
Tax-Exempt Proceeds Used for Building and Land	\$24,691,127
Proceeds Divided by Aggregate Basis	57.37%

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

**MMRN, VIABILITY, SAIL, ELI & HC CREDIT UNDERWRITING REPORT FHDC**

**Viability Loan Sizing Parameters and Metrics**

Select the Development	Citadelle Village
RFA of Active Award	2017-108
Demographic Commitment	Family
Total Number of Units	96
Existing Competitive Active Awards:	Set-Aside Units
9% HC Allocation	NA
SAIL	\$3,600,000 96
ELI	\$600,000 15
NHTF	NA
HOME	NA
Tax Exempt Bond Financing:	
If MMRB, how much is the Perm Amount?	\$ 9,390,000 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 (96 units x \$125,000 PU)	\$ 12,000,000
<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:	No
Applicant's Request Amount	\$ 4,300,000
Per Development/PU Limit	\$ 4,300,000
<b>Eligible Request Amount:</b>	<b>\$ 4,300,000</b>

b. Gap Analysis for Viability Sizing Purposes Only:	
Permanent Funding Sources:	
	DS w/ Fees      DSCR      NCF
Sized First Mortgage	\$ 9,679,010.12 \$ 653,394 1.3000x \$ 196,018
Viability	\$ 4,300,000.00 \$ 53,750 1.2012x \$ 142,268
SAIL	\$ 3,600,000.00 \$ 46,054 1.1277x \$ 96,214
ELI	\$ 600,000.00 \$ 3,970 1.1218x \$ 92,244
FHFC Source 3 - NA	\$ - \$ - 1.1218x \$ 92,244
Miami-Dade County	\$ 3,400,000.00 \$ 34,000 1.0736x \$ 58,244
City of Miami-Dade	\$ 2,000,000.00 \$ - 1.0736x \$ 58,244
City Of Miami-Dade - HOME	\$ 990,000.00 \$ 29,700 1.0348x \$ 28,544
<additional source>	\$ - \$ - 1.0348x \$ 28,544
<additional source>	\$ - \$ - 1.0348x \$ 28,544
HC Equity	\$ 18,713,921.00
Deferred Developer Fee (59.27%)	\$ 4,079,494.31
<b>Total Sources</b>	<b>\$ 47,362,425.43 \$ 820,868 1.0348x \$ 28,544</b>
Additional First Mortgage (Min 1st Sizing)	\$ 289,010.12 \$ 1,047.19
Additional First Mortgage (DCR Sizing)	\$ - \$ -
<b>Total Development Costs</b>	<b>\$ 47,362,425</b>
Maximum Developer Fee Percentage	18%
Total Developer Fee	\$ 6,882,319
Minimum 30% Deferred Developer Fee	\$ 2,064,695.70

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

**Total FHFC Servicing Fees**

<b>Permanent Loan Servicing</b>	<b>\$ 25,498.00</b>	<b>Add'l MMRB Fees for Add'l 1st Mtg Funding</b>
MMRB Annual Fee	0.023% \$ 2,159.70	
MMRB Annual Minimum	\$2,832 \$ 2,832.00	
<b>MMRB Permanent Loan Servicing Fee</b>	<b>\$ 2,832.00</b>	
Non-MMRB Annual Fee(s)	0.25% \$ 21,250.00	
Non-MMRB Annual Minimum(s)	\$2,916 \$ 8,748.00	
Non-MMRB Annual Maximum(s)	\$11,232 \$ 33,696.00	
<b>Non-MMRB Permanent Loan Servicing Fee(s)</b>	<b>\$ 22,666.00</b>	
<b>Compliance Monitoring</b>	<b>\$ 5,648.00</b>	
MMRB Annual Base Fee	\$2,256 \$ 2,256.00	
Additional MMRB PSAU Fee	\$11.58 \$ -	
MMRB Minimum Annual Fee	\$3,540 \$ 3,540.00	
<b>MMRB Compliance Monitoring Fee</b>	<b>\$ 3,540.00</b>	
Non-MMRB Annual Base(s)	\$2,256 \$ -	
Additional Non-MMRB PSAU Fee(s)	\$11.58 \$ -	
Non-MMRB Annual Minimum(s)	\$3,540 \$ -	
Multiple Program Fee(s)	\$1,054 \$ 2,108.00	
<b>Non-MMRB Compliance Monitoring Fee(s)</b>	<b>\$ 2,108.00</b>	
<b>FHFC MMRB Ongoing Issuer Fees</b>	<b>\$ 22,536.00</b>	
MMRB Annual Fee	0.24% \$ 22,536.00 \$ 693.62	
MMRB Annual Minimum	\$10,000 \$ 10,000.00	
<b>FHFC MMRB Trustee Fees</b>	<b>\$ 4,500.00</b>	
Flat Rate	\$4,500 \$ 4,500.00	

Total MMRB Fees on Additional 1st Mortgage \$ 693.62  
 Additional First Mortgage (Min 1st Sizing) prorate distribution \$ 693.62  
 Additional First Mortgage (DCR Sizing) prorate distribution \$ -

**Cash Flow Assumptions**

<b>Net Operating Income:</b>	
Total Effective Gross Income in CUR Yr 1	\$ 1,623,588.00
Total Operating Expenses in CUR Yr 1	\$ 774,175.58
<b>Net Operating Income in CUR Yr 1</b>	<b>\$ 849,412.42</b>

<b>Actual Traditional 1st Mortgage:</b>	
<b>Proposed Amount of Traditional 1st Mortgage</b>	<b>\$ 9,390,000.00</b>
Traditional 1st Mtg Amortization (Years)	40.00
Traditional 1st Mtg Interest Rate	5.750%
Traditional 1st Mtg Mortgage Constant	6.39465%
Local HFA Bond Fees, if applicable	
Traditional 1st Mtg DSCR (w/ fees)	1.34x
Net Cash Flow (NCF) after 1st Mtg Debt Service	\$ 215,546.63
Debt Service (DS) on FHFC Subsidy Loans (w/ fees)	\$ 50,024.00
NCF after FHFC Subsidy Loans DS & Fees	\$ 165,522.63

<b>RFA 2023-211 Minimum 1st Mortgage:</b>	
Maximum 1st Mtg DSCR from Viability RFA	1.30x
Sized Debt Service from maximum DSCR	\$ 653,394.17
MMRB Fees to be included in Sized Debt Service	\$ 34,455.19
Sized Debt Service to be incorporated, net of fees	\$ 618,938.98
Mortgage Constant to be incorporated	6.39465%
<b>Resulting minimum 1st Mtg</b>	<b>\$ 9,679,010.12</b>
NCF after resulting minimum 1st Mtg	\$ 196,018.25
NCF after FHFC Subsidy Loans DS & Fees	\$ 145,994.25

**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

**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:	1.0600x
The actual overall Debt Coverage Ratio, inclusive of all applicable Permanent Sources of Funding (inclusive of actual debts and applicable additional gpp sized 1st Mtg) is:	1.0348x

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.

**FLORIDA HOUSING FINANCE CORPORATION  
AMENDED AND RESTATED AUTHORIZATION RESOLUTION  
CITADELLE VILLAGE**

**RESOLUTION NO. 2024-**

**(A RESOLUTION OF THE FLORIDA HOUSING FINANCE CORPORATION AMENDING AND RESTATING RESOLUTION NO. 2023-022 ORIGINALLY ADOPTED ON JULY 21, 2023, INCREASING THE AUTHORIZED AMOUNT FROM \$23,250,000 TO \$25,000,000)**

**A RESOLUTION AUTHORIZING THE ISSUANCE, EXECUTION AND DELIVERY OF TAX-EXEMPT MULTIFAMILY MORTGAGE REVENUE NOTES, 2024 SERIES \_\_ [SERIES TO BE DESIGNATED] (CITADELLE VILLAGE) OF THE FLORIDA HOUSING FINANCE CORPORATION (“FLORIDA HOUSING”); APPROVING THE PREPARATION, ISSUANCE, EXECUTION AND DELIVERY OF A FUNDING LOAN AGREEMENT BETWEEN FLORIDA HOUSING, CITIBANK, N.A., OR AN AFFILIATE THEREOF, AND A CORPORATE FISCAL AGENT, AND A PROJECT OR BORROWER LOAN AGREEMENT BETWEEN FLORIDA HOUSING AND THE BORROWER NAMED THEREIN; AUTHORIZING A LOAN FROM CITIBANK, N.A., OR AN AFFILIATE THEREOF, TO FLORIDA HOUSING EVIDENCED BY THE NOTES; AUTHORIZING THE LOAN MADE PURSUANT TO THE PROJECT OR BORROWER LOAN AGREEMENT TO THE BORROWER NAMED THEREIN; AUTHORIZING THE PREPARATION, EXECUTION, AND DELIVERY OF ALL DOCUMENTS NECESSARY FOR THE ISSUANCE, EXECUTION AND DELIVERY OF THE NOTES; AUTHORIZING ALL ACTIONS NECESSARY FOR FINAL APPROVAL OF THE ISSUANCE, EXECUTION AND DELIVERY OF THE NOTES, THE FINANCING OF CITADELLE VILLAGE INCLUDING, BUT NOT LIMITED TO, A PRIVATE PLACEMENT MEMORANDUM OR MEMORANDUM OF TERMS AND CONDITIONS, 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 its bonds, debentures, notes, or other evidence of financial indebtedness from time to time to

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

WHEREAS, pursuant to the Act, Florida Housing has now determined to authorize the issuance, execution and delivery of its Tax-Exempt Multifamily Mortgage Revenue Notes, 2024 Series \_\_ [series to be designated] (Citadelle Village) (the “Notes”), for the purpose of making a loan to Citadelle Village, LLC, together with its predecessors, successors, assigns, affiliates and/or related entities (the “Borrower”), to finance the acquisition and construction of an approximately 96-unit multifamily residential rental development for persons of low, moderate, and middle income named Citadelle Village located in Miami, Miami-Dade County, Florida (the “Property”); provided that the aggregate principal amount of the Notes shall not exceed (a) \$25,000,000 or (b) such greater aggregate principal amount of Notes which, at the time of issuance, execution and delivery, does not exceed an aggregate principal amount which would result in a debt service coverage ratio for the Notes, as reflected in the Credit Underwriter Confirmation (as defined below) for the Property, of less than 1.00 (subject to receipt of private activity bond allocation being made available for the tax-exempt Notes and compliance with Section 147(f) of the Internal Revenue Code of 1986); and

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

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

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



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

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

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

1. The Property is hereby given final approval for financing on the terms and conditions as described in the Credit Underwriting Report for the Property, presented to and approved by the Board on this date (the "Credit Underwriting Report"), with such deviations as the Executive Director (or interim Executive Director), in consultation with staff and Special Counsel to Florida Housing, may approve. Execution of the funding loan agreement and the project or borrower loan agreement, each as described below, by an Authorized Signatory (as defined below) shall be conclusive evidence of such approval.

2. Florida Housing hereby authorizes the issuance, execution and delivery of the Notes as tax-exempt or taxable "Notes" (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) \$25,000,000 or (b) such greater aggregate principal amount of Notes which, at the time of issuance, execution and delivery does not exceed an aggregate principal amount which would result in a debt service coverage ratio for the Notes, as reflected in the Credit Underwriter Confirmation for the Property, of less than 1.00, subject to receipt of private activity bond allocation being made available for the tax-exempt Notes and compliance with Section 147(f) of the Internal Revenue Code of 1986. Subject to the immediately preceding sentence, the

maximum principal amount of the Notes that may be delivered shall be determined by an Authorized Signatory after receipt of the Credit Underwriter Confirmation for the Property. The “Credit Underwriter Confirmation” is the written confirmation, delivered prior to the issuance of the Notes, from the Florida Housing Credit Underwriter with respect to the Property that, taking into account any increased aggregate principal amount of Notes, the conditions set forth in and the requirements of the Credit Underwriting Report have been satisfied. Conclusive evidence of determination of any such increased aggregate principal amount of Notes shall be evidenced by a certificate of an Authorized Signatory.

3. A funding loan agreement between Florida Housing, Citibank, N.A., or an affiliate thereof (the “Bank”), and a corporate fiscal agent, setting forth the terms and conditions of the Notes, is hereby authorized to be prepared and delivered, in such form as may be approved by any member of the Board, the Executive Director (or any interim Executive Director), the Chief Financial Officer, 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 of funding loan agreement shall set forth as to the Notes such maturities, interest rates and purchase price as shall be determined in accordance with the Act, including Section 420.509, Florida Statutes), and the execution of such funding loan agreement by an Authorized Signatory, and the attestation thereof by the Secretary or any Assistant Secretary of Florida Housing, is hereby authorized, and the execution thereof by such persons shall be conclusive evidence of such approval.

4. A project or borrower loan agreement between Florida Housing and the Borrower, setting out the terms of the loan of the proceeds of the Notes by Florida Housing to the Borrower (the “Mortgage Loan”), and the payment and other obligations of the Borrower in respect of the

Mortgage Loan, including the note made by the Borrower to Florida Housing evidencing the Mortgage Loan, is hereby authorized to be prepared and delivered, in such form as may be approved by an Authorized Signatory, and the execution of such project or borrower loan agreement 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. If necessary, a private placement memorandum or memorandum of terms and conditions is hereby authorized to be prepared and distributed in connection with the Notes in such form as shall be approved by an Authorized Signatory, and the execution of such private placement memorandum or memorandum of terms and conditions, if necessary, by the Authorized Signatory shall be conclusive evidence of such approval.

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

7. An Authorized Signatory is authorized to cause to be prepared and to issue, execute and deliver any additional documents necessary for the issuance, execution and delivery of the Notes, the making of the Mortgage Loan, and the security therefor, upon the approval of the terms of any credit enhancement, if applicable, and the security therefor, and the making of the Mortgage

Loan, and the security therefor, by the staff of Florida Housing and Special Counsel to Florida Housing. All other actions by Florida Housing necessary for the final approval of financing for the Property and for issuance, execution and delivery of the Notes, upon the approval of the terms of any credit enhancement, if applicable, and the security therefor, are hereby authorized.

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

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

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

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

12. This Resolution shall take effect immediately upon adoption.

ADOPTED this 22nd day of October 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 a Resolution adopted at a duly noticed public meeting of the Florida Housing Finance Corporation, legally called and held on the 22nd day of October 2024, at which a quorum was present, all as will appear by reference to the original Resolution incorporated in the official record 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 October 2024 by Tim Kennedy, as Multifamily Loans and Bonds Director of 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  
CITADELLE VILLAGE**

**RESOLUTION NO. 2024-**

**(A RESOLUTION OF THE FLORIDA HOUSING FINANCE CORPORATION AMENDING AND RESTATING RESOLUTION NO. 2023-023 ORIGINALLY ADOPTED ON JULY 21, 2023, TO REFLECT AN INCREASE IN THE AUTHORIZED AMOUNT FROM \$23,250,000 TO \$25,000,000)**

**A RESOLUTION AUTHORIZING AND APPROVING THE NEGOTIATED SALE THROUGH A PRIVATE PLACEMENT OF THE TAX-EXEMPT MULTIFAMILY MORTGAGE REVENUE NOTES, 2024 SERIES \_\_ [SERIES TO BE DESIGNATED] (CITADELLE VILLAGE) OF THE FLORIDA HOUSING FINANCE CORPORATION; AUTHORIZING THE NEGOTIATION AND EXECUTION OF A NOTE PURCHASE AGREEMENT AND SUCH OTHER DOCUMENTS AS ARE NECESSARY FOR THE NEGOTIATED SALE THROUGH A PRIVATE PLACEMENT OF THE TAX-EXEMPT MULTIFAMILY MORTGAGE REVENUE NOTES, 2024 SERIES \_\_ [SERIES TO BE DESIGNATED] (CITADELLE VILLAGE) OF THE FLORIDA HOUSING FINANCE CORPORATION; AUTHORIZING THE EXECUTIVE DIRECTOR (OR ANY INTERIM EXECUTIVE DIRECTOR), CHIEF FINANCIAL OFFICER, OR ANY MEMBER OF THE BOARD OF DIRECTORS OF THE FLORIDA HOUSING FINANCE CORPORATION, OR OTHER AUTHORIZED SIGNATORY TO TAKE ANY OTHER ACTIONS NECESSARY TO NEGOTIATE THE SALE OF THE TAX-EXEMPT MULTIFAMILY MORTGAGE REVENUE NOTES, 2024 SERIES \_\_ [SERIES TO BE DESIGNATED] (CITADELLE VILLAGE) OF THE FLORIDA HOUSING FINANCE CORPORATION AND MAKING OTHER PROVISIONS IN CONNECTION THEREWITH; AND PROVIDING AN EFFECTIVE DATE.**

WHEREAS, the Florida Housing Finance Corporation (“Florida Housing”) is a public corporation, created within the Department of 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 its bonds, debentures, notes, or other evidence of financial indebtedness from time to time to fulfill its public purposes, which include the financing and refinancing of multifamily residential housing developments for rental to persons and families of low, moderate, or middle income; and

WHEREAS, pursuant to the Act, Florida Housing adopted a resolution authorizing the issuance, execution and delivery of its Tax-Exempt Multifamily Mortgage Revenue Notes, 2024 Series \_\_ [series to be designated] (Citadelle Village) (the “Notes”), as tax-exempt or taxable Notes, for the purpose of making funds available to finance the acquisition and construction of an approximately 96-unit multifamily residential rental development for persons of low, moderate, and middle income named Citadelle Village located in Miami, Miami-Dade County, Florida (the “Property”); provided that the aggregate principal amount of the Notes shall not exceed (a) \$25,000,000 or (b) such greater aggregate principal amount of Notes which, at the time of issuance, execution and delivery of, does not exceed an aggregate principal amount which would result in a debt service coverage ratio for the Notes, as reflected in the Credit Underwriter Confirmation (as defined below) for the Property, of less than 1.00 (subject to receipt of private activity bond allocation being made available for the tax-exempt Notes and compliance with Section 147(f) of the Internal Revenue Code of 1986); and

WHEREAS, the Act authorizes Florida Housing to negotiate with the purchaser or purchasers designated by Florida Housing for a negotiated sale, limited offering or private placement of the Notes with such purchaser or purchasers, if Florida Housing by official action at a public meeting determines that such negotiated sale, limited offering or private placement of the Notes is in the best interest of Florida Housing; and

WHEREAS, Florida Housing has reviewed the market conditions and trends affecting the sale of the Notes; and

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

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

WHEREAS, the nature and structure of the Notes renders the Notes a candidate for a negotiated private placement; and

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

NOW, THEREFORE, BE IT RESOLVED BY FLORIDA HOUSING:

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

2. The negotiated private placement of the Notes is to be negotiated by Florida Housing with Citibank, N.A. (hereinafter referred to as the “Note Purchaser”).

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

Florida Housing Finance Corporation  
Tax-Exempt Multifamily Mortgage Revenue Notes,  
2024 Series \_\_ [series to be designated]  
(Citadelle Village).

4. Florida Housing shall negotiate with the Note Purchaser and execute such documents as are necessary to sell the Notes to the Note Purchaser pursuant to this Resolution.

Any member of the Board, the Executive Director (or any interim Executive Director), the Chief Financial Officer, 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 private placement of the Notes and to execute a Note purchase agreement, or funding loan agreement, as applicable, upon approval of the terms thereof, and the execution thereof by an Authorized Signatory shall be conclusive evidence of such approval.

5. The authority to execute the Note purchase agreement or funding loan agreement, as applicable, is predicated upon the Note purchase agreement or funding loan agreement, as applicable, providing for an interest rate on the Notes that would facilitate an interest rate on the Notes not to exceed 10% and the maximum rate authorized under Florida law and would provide for the negotiated private placement of the Notes in conformance with the program documents.

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

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

8. This Resolution shall take effect immediately upon adoption.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

ADOPTED this 22nd day of October 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 a Resolution adopted at a duly noticed public meeting of the Florida Housing Finance Corporation, legally called and held on the 22nd day of October 2024, at which a quorum was present, all as will appear by reference to the original Resolution incorporated in the official record 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 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**

### **Palms Landing**

**Tax-Exempt Multifamily Mortgage Revenue Bonds (“MMRB” or “Bonds”),  
Rental Recovery Loan Program (“RRLP”), Extremely Low-Income Loan  
 (“ELI”), and 4% Non-Competitive Housing Credits (“HC”)**

**RFA 2023-304 (2023-216BR) / 2022-545C**

**RRLP Financing to be used for Rental Developments in Hurricane Ian and  
Hurricane Nicole Impacted Counties**

#### **Section A: Report Summary**

**Section B: MMRB, RRLP, and ELI Loan 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**

**October 9, 2024**

**Palms Landing**

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

**MMRB, RRLP, ELI & HC CREDIT UNDERWRITING REPORT**

**Recommendation**

First Housing Development Corporation of Florida (“First Housing”, “FHDC”, or “Servicer”) recommends a MMRB in the amount of \$20,000,000, a total RRLP Loan in the amount of \$8,096,200, comprised of a RRLP Base Loan in the amount of \$7,240,000 (“RRLP Base Loan”) plus an ELI Loan in the amount of \$856,200 (“ELI Loan”), and an annual 4% HC Allocation of \$1,673,131 to SP Palms LLC (“Applicant”) for the construction and permanent financing of Palms Landing (“Development”). The recommendation is only valid for six months from the date of the report.

DEVELOPMENT & SET-ASIDES			
Development Name:	<u>Palms Landing</u>		
RFA/Program Numbers:	<u>RFA 2023-304</u>	/	<u>2023-216BR</u> <u>2022-545C</u>
Address:	<u>3851 E. Michigan Avenue</u>		
City:	<u>Fort Myers</u>	Zip Code:	<u>33905</u> County: <u>Lee</u> County Size: <u>Medium</u>
Development Category:	<u>New Construction</u>	Development Type:	<u>Garden Apartments</u>
Construction Type:	<u>Wood Frame</u>	Number of Stories:	<u>3</u>
Demographic Commitment:			
Primary:	<u>Family</u>	for	<u>84.375%</u> of the Units
Link Units:	<u>Persons with Special Needs</u>	for	<u>15.625%</u> of the Units
Unit Composition:			
# of ELI Units:	<u>15</u>	ELI Units Are Restricted to	<u>30%</u> AMI, or less.    Min % of Units @ ELI: <u>15%</u>
# of Link Units:	<u>8</u>	# of Preference units:	<u>          </u> IRS Minimum Set-Aside Commitment: <u>AIT</u>
# of NHTF Units:	<u>          </u>	# of units w/ PBRA?	<u>0</u> TSP Approval Date: <u>02/01/2024</u>
Buildings:	Residential - <u>4</u>	Non-Residential -	<u>1</u>
Parking:	Parking Spaces - <u>181</u>	Accessible Spaces -	<u>10</u>
DDA:	<u>No</u>	SADDA:	<u>No</u> QCT: <u>Yes</u> Multi-Phase Boost: <u>No</u> QAP Boost: <u>No</u> QAP Type: <u>          </u>
Site Acreage:	<u>5.110</u>	Density:	<u>18.7867</u> Flood Zone Designation: <u>X</u>
Zoning:	<u>CI - Commercial Intensive</u>		Flood Insurance Required?: <u>No</u>
Credit Underwriter:	<u>First Housing Development Corporation</u>	Date of Application:	<u>05/03/2023</u>
Date of Final CUR:	<u>10/09/2024</u>	Minimum 1st Mortgage per Rule	<u>N/A</u>
TDC PU Limitation at Application:	<u>N/A</u>	TDC PU Limitation at Credit Underwriting	<u>N/A</u>
Actual TDC PU for Limitation:	<u>N/A</u>	Amount Dev. Fee Reduced for TDC Limit:	<u>N/A</u>

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

Prepared by:



Taylor Arruda  
Senior Credit Underwriter

Reviewed by:



Ed Busansky  
Senior Vice President

**Set Asides & 15-Year Operating Proforma**

<b>Program</b>	<b>% of Units</b>	<b># of Units</b>	<b>% AMI</b>	<b>Term (Years)</b>
HC-4%	15.625%	15	30%	50
HC-4%	14.583%	14	50%	50
HC-4%	27.083%	26	60%	50
HC-4%	23.959%	23	70%	50
HC-4%	18.750%	18	80%	50
MMRB	40.000%	39	60%	50
ELI	15.625%	15	30%	99
RRLP	14.583%	14	50%	99
RRLP	27.083%	26	60%	99
RRLP	23.959%	23	70%	99
RRLP	18.750%	18	80%	99

Persons with Special Needs Set-Aside Commitment: The proposed Development must set aside 50% of the ELI set-aside units (8 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 country where the proposed Development will be located (Lee County). The fully executed MOU was approved by Florida Housing Finance Corporation (“Florida Housing” or “FHFC”) on July 15, 2024. The Persons with Special Needs set-aside commitment must be maintained throughout the entire 50- year Compliance Period.

The Applicant plans to apply for the 100% Ad Valorem Property Tax Exemption under Section 196.1978(4), Florida Statutes, which requires a ninety-nine (99) year total compliance period under a Land Use Restriction Agreement. Therefore, after the initial 50-year Compliance Period required by the RFA ("Compliance Period) expires, all RRLP set-aside units within the Development shall be rented to households who shall have a household income less than or equal to one hundred and twenty percent (120%) of the Area Median Income for a period of forty-nine (49) years (“Ad Valorem Compliance Period”). The Ad Valorem Compliance Period, together with the Compliance Period shall have a term of ninety-nine (99) years (the “Total Compliance Period”) which will be defined under the RRLP Land Use Restriction Agreement. The Applicant will be responsible for compliance monitoring fees for 50 years which is to be paid to the Servicer, for years 51-99, compliance monitoring will be self-certified by the Applicant to FHFC. The Applicant will also be responsible for the compliance monitoring fee of \$4,900 (\$100 per year) for years 51-99 Ad Valorem Compliance Period, to be paid at closing to FHFC.



**MMRB, RRLP, ELI & HC CREDIT UNDERWRITING REPORT**

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

Lee County, Cape Coral-Fort Myers MSA

Bed Rooms	Bath Rooms	Units	Square Feet	AMI%	Low HOME Rents	High HOME Rents	Gross HC Rent	Utility Allow.	Net Restrictd Rents	PBRA Contr Rents	Applicant Rents	Appraiser Rents	CU Rents	Annual Rental Income
2	2.0	12	1037	30%			\$631	\$80	\$551		\$555	\$555	\$555	79,920
2	2.0	12	1037	50%			\$1,052	\$80	\$972		\$976	\$976	\$976	140,544
2	2.0	22	1037	60%			\$1,263	\$80	\$1,183		\$1,187	\$1,187	\$1,187	313,368
2	2.0	19	1037	70%			\$1,473	\$80	\$1,393		\$1,397	\$1,397	\$1,397	318,516
2	2.0	15	1037	80%			\$1,684	\$80	\$1,604		\$1,608	\$1,608	\$1,608	289,440
3	2.0	3	1240	30%			\$730	\$89	\$641		\$641	\$641	\$641	23,076
3	2.0	2	1240	50%			\$1,216	\$89	\$1,127		\$1,127	\$1,127	\$1,127	27,048
3	2.0	4	1240	60%			\$1,460	\$89	\$1,371		\$1,371	\$1,371	\$1,371	65,808
3	2.0	4	1240	70%			\$1,703	\$89	\$1,614		\$1,614	\$1,614	\$1,614	77,472
3	2.0	3	1240	80%			\$1,947	\$89	\$1,858		\$1,858	\$1,858	\$1,858	66,888
		96	102,800											1,402,080

15-Year Operating Pro Forma

FINANCIAL COSTS:	Year 1	Year 1 Per Unit	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	\$1,402,080	\$14,605	\$1,430,122	\$1,458,724	\$1,487,899	\$1,517,656	\$1,548,010	\$1,578,970	\$1,610,549	\$1,642,760	\$1,675,615	\$1,709,128	\$1,743,310	\$1,778,176	\$1,813,740	\$1,850,015
Other Income: (2.40%)																
Miscellaneous	\$33,600	\$350	\$34,272	\$34,957	\$35,657	\$36,370	\$37,097	\$37,839	\$38,596	\$39,368	\$40,155	\$40,958	\$41,777	\$42,613	\$43,465	\$44,334
Gross Potential Income	\$1,435,680	\$14,955	\$1,464,394	\$1,493,681	\$1,523,555	\$1,554,026	\$1,585,107	\$1,616,809	\$1,649,145	\$1,682,128	\$1,715,770	\$1,750,086	\$1,785,088	\$1,820,789	\$1,857,205	\$1,894,349
Less:																
Physical Vac. Loss Percentage: 3.00%	\$43,070	\$449	\$43,932	\$44,810	\$45,707	\$46,621	\$47,553	\$48,504	\$49,474	\$50,464	\$51,473	\$52,503	\$53,553	\$54,624	\$55,716	\$56,830
Collection Loss Percentage: 2.00%	\$28,714	\$299	\$29,288	\$29,874	\$30,471	\$31,081	\$31,702	\$32,336	\$32,983	\$33,643	\$34,315	\$35,002	\$35,702	\$36,416	\$37,144	\$37,887
Total Effective Gross Income	\$1,363,896	\$14,207	\$1,391,174	\$1,418,997	\$1,447,377	\$1,476,325	\$1,505,851	\$1,535,968	\$1,566,688	\$1,598,022	\$1,629,982	\$1,662,582	\$1,695,833	\$1,729,750	\$1,764,345	\$1,799,632
Annual Escalation Rate (Income): 2.00%																
<b>EXPENSES:</b>																
Fixed:																
Real Estate Taxes	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Insurance	\$120,000	\$1,250	\$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
Variable:																
Management Fee Percentage: 4.00%	\$54,556	\$568	\$55,647	\$56,760	\$57,895	\$59,053	\$60,234	\$61,439	\$62,668	\$63,921	\$65,199	\$66,503	\$67,833	\$69,190	\$70,574	\$71,985
General and Administrative	\$38,400	\$400	\$39,552	\$40,739	\$41,961	\$43,220	\$44,516	\$45,852	\$47,227	\$48,644	\$50,103	\$51,606	\$53,155	\$54,749	\$56,392	\$58,083
Payroll Expenses	\$144,000	\$1,500	\$148,320	\$152,770	\$157,353	\$162,073	\$166,935	\$171,944	\$177,102	\$182,415	\$187,887	\$193,524	\$199,330	\$205,310	\$211,469	\$217,813
Utilities	\$92,000	\$958	\$94,760	\$97,603	\$100,531	\$103,547	\$106,653	\$109,853	\$113,148	\$116,543	\$120,039	\$123,640	\$127,350	\$131,170	\$135,105	\$139,158
Marketing and Advertising	\$1,920	\$20	\$1,978	\$2,037	\$2,098	\$2,161	\$2,226	\$2,293	\$2,361	\$2,432	\$2,505	\$2,580	\$2,658	\$2,737	\$2,820	\$2,904
Maintenance and Repairs/Pest Control	\$72,000	\$750	\$74,160	\$76,385	\$78,676	\$81,037	\$83,468	\$85,972	\$88,551	\$91,207	\$93,944	\$96,762	\$99,665	\$102,655	\$105,734	\$108,906
Reserve for Replacements	\$28,800	\$300	\$28,800	\$28,800	\$28,800	\$28,800	\$28,800	\$28,800	\$28,800	\$28,800	\$28,800	\$38,705	\$39,866	\$41,062	\$42,294	\$43,563
Total Expenses	\$551,676	\$5,747	\$566,817	\$582,401	\$598,441	\$614,951	\$631,945	\$649,437	\$667,442	\$685,975	\$705,051	\$734,591	\$755,964	\$777,964	\$800,611	\$823,924
Annual Escalation Rate (Expenses): 3.00%																
Net Operating Income	\$812,220	\$8,461	\$824,357	\$836,597	\$848,936	\$861,374	\$873,906	\$886,531	\$899,246	\$912,047	\$924,931	\$927,991	\$939,870	\$951,786	\$963,734	\$975,708
Debt Service Payments																
First Mortgage - FHFC/Berkadia/Fannie Mae	\$688,762	\$7,175	\$688,762	\$688,762	\$688,762	\$688,762	\$688,762	\$688,762	\$688,762	\$688,762	\$688,762	\$688,762	\$688,762	\$688,762	\$688,762	\$688,762
Second Mortgage - FHFC - RRLP	\$72,400	\$754	\$72,400	\$72,400	\$72,400	\$72,400	\$72,400	\$72,400	\$72,400	\$72,400	\$72,400	\$72,400	\$72,400	\$72,400	\$72,400	\$72,400
First Mortgage Fees - FHFC/Berkadia/Fannie	\$36,975	\$385	\$36,811	\$36,635	\$36,448	\$36,247	\$36,032	\$35,802	\$35,557	\$35,296	\$35,016	\$34,718	\$34,401	\$34,062	\$33,702	\$33,318
Second Mortgage Fees - FHFC - RRLP	\$12,622	\$131	\$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
Total Debt Service Payments	\$810,759	\$8,445	\$814,565	\$814,390	\$814,202	\$814,001	\$813,786	\$813,557	\$813,311	\$813,050	\$812,771	\$812,473	\$812,155	\$811,817	\$811,456	\$811,072
Cash Flow after Debt Service	\$1,461	\$15	\$9,792	\$22,207	\$34,734	\$47,373	\$60,120	\$72,975	\$85,934	\$98,997	\$112,161	\$115,518	\$127,714	\$139,969	\$152,278	\$164,636
Debt Service Coverage Ratios																
DSC - First Mortgage plus Fees	1.12x		1.14x	1.15x	1.17x	1.19x	1.21x	1.22x	1.24x	1.26x	1.28x	1.28x	1.30x	1.32x	1.33x	1.35x
DSC - Second Mortgage plus Fees	1.00x		1.02x	1.03x	1.05x	1.06x	1.08x	1.10x	1.11x	1.13x	1.14x	1.15x	1.16x	1.18x	1.19x	1.21x
Financial Ratios																
Operating Expense Ratio	40.45%		40.74%	41.04%	41.35%	41.65%	41.97%	42.28%	42.60%	42.93%	43.26%	44.18%	44.58%	44.98%	45.38%	45.78%
Break-even Econ Occup Ratio (all debt)	95.10%		94.53%	93.71%	92.92%	92.15%	91.41%	90.69%	89.99%	89.31%	88.66%	88.60%	88.05%	87.51%	87.00%	86.51%
Break-even Econ Occup Ratio (must pay debt)	89.18%															

Notes to the 15 Year Operating Pro Forma and Ratios:

1. The MMRB program does not impose any rent restriction. However, in conjunction with the MMRB the Development will be utilizing Housing Credits with RRLP and ELI which will impose rent restrictions. The rent levels are based on the 2024 maximum LIHTC rents published on FHFC's website for Lee County less the applicable utility allowance.
2. The Debt Service Coverage ("DSC") ratio for the first mortgage, RRLP Loan reflects a ratio lower than 1.10x. Per the RFA, the minimum DSC ratio shall be 1.10x for the RRLP Loan, including all superior mortgages. However, per the RFA, if the Applicant defers 35% of its Developer Fee following the last disbursement of all permanent sources of funding identified in the final credit underwriting report and when the primary expected source of repayment has been identified as projected cash flow, the minimum DSC shall be 1.00x for the RRLP Loan, including all superior mortgages. The Applicant will be required to defer at least 35% of its Developer Fee as the RRLP Loan DSC is 1.00x.
3. The Utility Allowances are based on an Energy Consumption Model ("ECM") Utility Allowance Estimate prepared by Matern Professional Engineering, Inc. FHFC's staff approved the Utility Allowances for credit underwriting purposes on July 24, 2024.
4. The appraisal included a vacancy and collection loss rate of 4%, First Housing has estimated a vacancy and collection loss of 5% to be more conservative.
5. The Appraisal projected Miscellaneous Income of \$33,600 which is comprised of revenue from forfeited deposits, antennae income, late charges, after-hour utility charges.
6. The Real Estate Tax expense is based on the Applicant's estimate and plan to apply for the 100% Ad Valorem Property Tax Exemption passed under Section 196.1978(4), Florida Statutes. Beginning in 2026, the property must apply to Lee County Property Appraiser by March 1st of the tax year. Applying for this exemption requires a 99-year Total Compliance Period with annual certifications. If the property fails to provide affordable housing under the agreement before the end of the agreement term, there will be a penalty that is equal to 100% of the total amount financed by Florida Housing multiplied by each year remaining in the agreement. Approval from the lenders/parties involved in the transaction, confirming their approval of the terms of the Ad Valorem Property Tax Exemption, is a condition to close
7. First Housing has included Maintenance and Repairs/Pest Control of \$750 which is more conservative than the Appraisal.

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 executed Management Agreement between Cambridge Management, Inc. (“Agent”) and SP Palms LLC (“Manager”). According to the Agreement, the Manager shall receive a management fee equal to 4% of Gross Rental Income.
10. The landlord will pay for water, sewer, trash, and common area electric. The tenant will be responsible for electricity.
11. Replacement Reserves of \$300 per unit per year are required, which meets the RFA and Rule 67-21 minimum requirement.
12. The 15-Year Pro Forma reflects rental income increasing at an annual rate of 2%, and expenses increasing at an annual rate of 3%.

**MMRB, RRLP, ELI & HC CREDIT UNDERWRITING REPORT**

**Sources Overview**

**Construction Financing Information:**

CONSTRUCTION FINANCING INFORMATION								
Lien Position	First	Second	Second	NA	NA	NA	Totals	
Source	FHFC - MMRB	FHFC - RRLP	FHFC - RRLP ELI	FHFC - HC 4%	Def. Dev. Fee	Other		Cash Collateral Source
Lender/Grantor	FHFC	FHFC	FHFC	FHFC	Southport Development	Reinvestment Income		Synovus
Construction Amount	\$20,000,000	\$6,540,000	\$856,200	\$2,015,167	\$5,279,529	\$1,666,224	\$36,357,120	\$19,300,000
All In Interest Rate	3.584%	1.00%	0.00%					9.35%
Debt Service During Construction	\$716,800	\$65,400	\$0				\$782,200	\$1,870,000
Bond Structure (if applicable)	Public Offering							

First Mortgage:

First Housing received correspondence from Stifel, Nicolaus & Co., Inc. (“Stifel”), dated October 1, 2024, whereby Stifel will underwrite and market the Bonds via a Public Offering in the amount of \$20,000,000. The MMRB will be issued in two series: Series A will be \$10,900,000 construction and permanent financing and Series B will be \$9,100,000 construction only bonds. The MMRB will initially be secured by cash collateralization and/or permitted investments that will secure the repayment of the MMRB until permanent loan conversion. The release of the MMRB proceeds to fund the acquisition and construction of the Development will be restricted, contingent upon a like sum being funded to the Trustee and placed in the Collateral Fund. The principal and interest of the MMRB will be secured by a cash source, or Permitted Investments at all times until they are fully repaid. The source of MMRB collateral is expected to be a taxable loan provided by Synovus in the amount of \$19,300,000 and a portion of the RRLP funding in the amount of \$700,000. The Applicant will pay interest only on both series until conversion to permanent financing. It is anticipated that the MMRB will mature up to 17 years for the Series A Bonds and up to 3 years for the Series B Bonds following the date of issuance and will require interest only payments semiannually at a fixed rate estimated to be 4.13% on Series A and 2.93% on Series B (for a blended rate of 3.584%), assuming a Mandatory Tender Date with a 24 month term. Based on market conditions and the expected length of the construction period, a longer

**MMRB, RRLP, ELI & HC CREDIT UNDERWRITING REPORT**

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or shorter maturity may be selected provided sufficient eligible funds are deposited with the Trustee to make payment of all principal and interest on the bonds through the earlier to occur of the maturity date or mandatory tender/redemption date. First Housing has assumed a 30 month term for the MMRB. It is not anticipated that the MMRB will have any negative arbitrage at this time. The MMRB will be collateralized by a cash source at all times with funds on deposit in the Project Fund, the collateral Fund and Capitalized Interest Account, each held and administered by the Trustee. At conversion, the Series B bonds will be redeemed in full and the Series A bonds will be collateralized by Fannie Mae Mortgage Backed Securities.

First Housing has received a letter, dated August 22, 2024, which indicates that Synovus will provide a taxable construction loan in the amount of \$19,300,000. The loan will require interest only payments for the term of the loan, which is 30 months from loan closing. The interest rate of the construction loan will be based on the 30-day Standard Overnight Financing Rate (“SOFR”), subject to a floor of 75 basis points (“bps”), plus a 325-bps spread. The construction loan interest is based on the 30-day SOFR rate of 5.35% (as of August 23, 2024), a spread of 3.25%, plus a 0.75% underwriting cushion for an all-in rate of 9.35%.

The annual FHFC Issuer Fee of 24 bps and a Trustee of \$4,500 are included in the Uses section of this report.

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**Permanent Financing Information:**

<b>PERMANENT FINANCING INFORMATION</b>							
Lien Position	First	Second	Second	NA	NA	NA	Totals
Source	FHFC - MMRB	FHFC - RRLP	FHFC - RRLP ELI	FHFC - HC 4%	Def. Dev. Fee	Other	
Lender/Grantor	FHFC/Berkadia/ Fannie Mae	FHFC	FHFC	FHFC	Southport Development	Reinvestment Income	
Permanent Amount	\$10,900,000	\$7,240,000	\$856,200	\$13,434,447	\$2,260,249	\$1,666,224	\$36,357,120
Permanent Funding Per Unit	\$113,542	\$75,417	\$8,919	\$139,942	\$23,544	\$17,357	\$378,720
% of Permanent Funding	30.0%	19.9%	2.4%	37.0%	6.2%	4.6%	100.0%
Underwritten Interest Rate	5.34%	1.00%	0.00%				
All In Interest Rate	5.34%	1.00%	0.00%				
Loan Term	15	15.5	15.5				
Amortization	35	0	0				
Must Pay or Cash Flow Dependent	Must-Pay	Cash Flow	Cash Flow				
Permanent Debt Service, No Fees	\$688,762	\$72,400	\$0				\$761,162
Permanent Debt Service, with Fees	\$725,737	\$85,022	\$0				\$810,759
Debt Service Coverage, with Fees	1.12x	1.00x	1.00x				
Operating Deficit & Debt Service Reserves	\$312,315						
# of Months covered by the Reserves	2.9						
Market Rate/Market Financing LTV	46%	77%	81%				
Restricted Market Financing LTV	71%	119%	124%				
Loan to Cost - Cumulative	30%	50%	52%				

First Mortgage:

First Housing has received an Application for a fixed rate standby forward commitment Fannie Mae DUS Loan, dated August 30, 2024, which indicates that Berkadia Commercial Mortgage LLC ("Berkadia") will provide Fannie Mae Mortgage Backed Securities pursuant to the Fannie Mae DUS Loan program as collateral for the Bonds. The loan amount is the lesser of \$11,250,000, with a maximum LTV

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of 85% and minimum DSCR of 1.15x. First Housing has underwritten a Bond amount of \$10,900,000. The term is 15 years with a 35-year amortization period. The interest rate will be the 18-year MMD Index, plus a spread of 2.16%. First Housing has estimated the interest rate based on the 18-year MMD Index (at the time of Application) 3.18%, plus the spread of 2.16%, for an all-in rate of 5.34%. The loan will have a Forward Commitment Period of 36 months and will be subject to the terms, conditions, and requirements of the Fannie Mae Guide, pursuant to which Berkadia will commit to (a) make a loan to the Applicant at closing, the proceeds of which will be released at the time the property achieves stabilization and meets requirements for conversion to the permanent phase and (b) provide a Fannie Mae Mortgage-Backed Security (“Fannie Mae MBS”) which will serve as tax-exempt bond collateral (“M.TEB”). The Forward Period may be extended for one 6-month period for a total Forward Period of 42 months, for a fee. However, per Rule 67-21, the loan must begin amortizing no later than the 37th month following closing.

Upon satisfaction of the conditions to conversion as determined by Berkadia and as set forth in the Forward Commitment (the “Conditions to Conversion”), Berkadia will release the loan proceeds to the Applicant in accordance with the terms of the Forward Commitment, the proceeds of which will be used, along with any required equity, to pay off the construction loan to convert to the permanent loan. The date on which the conditions to conversion are satisfied and Berkadia makes the loan is the conversion date. Concurrently on the conversion date, amounts on deposit in the Collateral Fund will be used to acquire the Fannie Mae MBS from the Lender and remaining amounts in the Collateral Fund will be used to redeem the Series B Bonds.

Additional fees included in the Debt Service calculation consist of an annual Permanent Loan Servicing Fee, an annual Compliance Monitoring Fee, an annual Issuer Fee of 24 bps of the outstanding loan balance subject to a \$10,000 minimum annual fee, and an annual Trustee Fee of \$4,500. The annual Permanent Loan Servicing Fee is based upon a fee of 2.3 bps of the outstanding loan amount, with a minimum monthly fee of \$243. The annual Compliance Monitoring Fee is based upon a total fee which 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.

The permanent Bond will mature 15 years following the termination of the construction phase and conversion to the permanent phase. At maturity, the Applicant may satisfy the Bond via refinancing or sale of the Development pending market feasibility. In the event the Applicant is unable to refinance or sell the Development, then an event of default would not be triggered under the loan documents. Instead, a “Mortgage Assignment Event” would occur whereby Berkadia agrees to cancel the Bond in exchange for an assignment, by the Trustee, of the mortgage and all other related documents and accounts. The Trustee would cancel the Bond and discharge the lien of the Trust Indenture. The Trustee would assign the mortgage loan and any other related documents and collateral to Berkadia, effectively



**MMRB, RRLP, ELI & HC CREDIT UNDERWRITING REPORT**

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ending the tax-exempt financing provided by FHFC. Under this scenario, the Bond will have been redeemed/cancelled not by payment of cash but by the assignment of the mortgage loan documents; therefore, there is no default. As the new direct mortgagee, Berkadia would then be in a position to work with the Applicant to arrive at a resolution without involvement of either FHFC or the Trustee (as the Bond would have been cancelled and would no longer be outstanding).

FHFC RRLP and ELI Loans:

First Housing reviewed an invitation to enter credit underwriting, dated August 29, 2023, from FHFC with a preliminary Total RRLP Loan in the amount of \$8,096,200, which consist of a preliminary RRLP Base loan in the amount of \$7,240,000 plus an ELI loan in the amount of \$856,200. The RRLP Base loan and the ELI loan will be closed as one loan and will have one set of closing documents.

The RRLP Base Loan is non-amortizing with an interest rate of 1% per annum over the life of the loan and annual payments based upon available cash flow. The Applicant shall not be obligated to pay more than 75% of surplus cash flow on an annual basis as required by Fannie Mae. The RRLP Base Loan will have a total term of 18 years, of which 2.5 years is for the construction/stabilization period and 15.5 years is for the permanent period. As required by Fannie Mae and permitted by the RFA, the RRLP Base Loan will be coterminous with the first mortgage plus six months (total term of 18 years). 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 RRLP Base Loan, all principal and unpaid interest will be due.

The ELI Loan is non-amortizing with an interest rate of 0% per annum over the life of the loan. The Applicant shall not be obligated to pay more than 75% of surplus cash flow on an annual basis as required by Fannie Mae. The ELI Loan will have a total loan term of 18 years, of which 2.5 years is for the construction/stabilization period and 15.5 years is for the permanent period. As required by Fannie Mae and permitted by the RFA, the ELI will be coterminous with the first mortgage plus six months (total term of 18 years). Annual payments of all applicable fees will be required. Principal is forgivable at maturity, provided the units for which the ELI Loan amount is awarded are targeted to ELI households.

For the Total RRLP 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.

**MMRB, RRLP, ELI & HC CREDIT UNDERWRITING REPORT**

**Syndication Contributions:**

Capital Contributions	Amount	Percentage of Total	When Due
1st Installment	\$2,015,167	15.00%	Closing
2nd Installment	\$9,074,185	67.54%	100% lien free completion and receipt of final certificates of occupancy if available
3rd Installment	\$2,345,095	17.46%	Later of receipt of Cost Certification, conversion to permanent loan, 1.15x Debt Service Coverage Ratio (based on actual rents collected and utilizing expenses from the appraisal report including real estate taxes and management fees) for 90 consecutive days and 95% physical occupancy by tax credit qualified tenants with no delinquent rents (\$200,000) will be held back until receipt of final 8609's
<b>Total</b>	<b>\$13,434,447</b>	<b>100.00%</b>	

Syndicator Name: Synovus  
 Date of LOI: 8/22/2024  
 Total Credits Per Syndication Agreement: \$15,668,560  
 Annual Credits Per Syndication Agreement: \$1,566,856  
 Calculated HC Exchange Rate: \$0.8575  
 Limited Partner Ownership Percentage: 99.99%  
 Proceeds Available During Construction: \$2,015,167

The first installment, in the amount of \$2,015,167, is \$0.05 short of meeting the RFA requirement that 15% of the total equity must be contributed at or prior to the closing. Verification that 15% of equity is funded at closing is a condition to close.

Deferred Developer Fee:

To balance the sources and uses of funds during the permanent funding period, the Developer is required to defer \$2,260,249 or approximately 43.26% of the net Developer Fee of \$5,224,478.

**MMRB, RRLP, ELI & HC CREDIT UNDERWRITING REPORT**

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Reinvestment Income:

The construction MMRB will be marketed by Stifel through a public offering. Proceeds will be held under the Indenture with the Trustee. On the day of closing, the bond proceeds will be invested and will mature approximately 24 months after closing. Based on Stifel's estimates, the total interest revenue is estimated to be \$1,666,224.

## Changes from the Application and Additional Information

**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?		N/A
HC ONLY: Is the rate of syndication the same as or greater than that shown in the Application?		3
Is the Development in all other material respects the same as presented in the Application?		4

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

1. The Applicant submitted a request, dated July 22, 2024, to increase the Tax-Exempt Bond amount from \$14,000,000 to \$20,000,000. This request was approved by FHFC's staff on August 21, 2024.
2. The Total Development Cost ("TDC") has increased by a total of \$10,188,846 from \$26,168,274 to \$36,357,120 or 38.94% since the Application. The change is mainly due to an increase in construction costs and number of units.
3. Since the Application, the syndication rate has decreased from \$0.88 to \$0.8575
4. The Applicant submitted a request, dated June 6, 2024, requesting to change the total number of units, unit mix, and set asides as detailed below. FHFC's staff approved this change on July 3, 2024.

Unit Mix From:	Unit Mix To:
52 Two bedroom / Two Bathroom <u>36 Three Bedroom / Two Bathroom</u> Total = 88	80 Two Bedroom / Two Bathroom <u>16 Three Bedroom / Two Bathroom</u> Total = 96

Set Asides From:	Set Asides To:
14 units at 30% AMI 12 units at 50% AMI 24 units at 60% AMI 22 units at 70% AMI <u>16 units at 80% AMI</u> Averaging AMI = 60%	15 units at 30% AMI 14 units at 50% AMI 26 units at 60% AMI 23 units at 70% AMI <u>18 units at 80% AMI</u> Averaging AMI = 60%

The above changes have no substantial material impact to the MMRB, RRLP, ELI, or HC recommendation for this Development.

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

According to the FHFC Asset Management Noncompliance Report, dated October 18, 2023, the Development Team has the following noncompliance item(s) not in the correction period:

- None

According to the FHFC Past Due Report, dated September 12, 2024, 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 closing, and the issuance of the annual HC allocation recommended herein, have been satisfied.

Strengths:

1. The Developer, General Contractor, and Management Company are experienced in affordable multifamily housing.

2. The Principals have sufficient experience and the financial resources to develop and operate the proposed Development.

Waiver Requests/Special Conditions:

None

Issues and Concerns:

None

Mitigating Factors:

None

Additional Information:

1. The permanent financing will be through the Fannie Mae MBS/DUS Multifamily Affordable Housing Standby Forward Commitment Program. At closing, it is anticipated that FHFC will issue the Tax-exempt Bond proceeds of \$20,000,000 which are to be held by the Trustee in a Project Fund account and disbursed by the Trustee in accordance with the Trust Indenture. Simultaneously, Synovus will deliver the taxable construction loan proceeds that are cash collateralizing the Bonds to the Trustee, which are to be held in a Collateral Security account, along with a portion of the RRLP funds from Florida Housing. At conversion, funds from Berkadia and equity will pay off the short term MMRB and repay the Synovus loan. Amounts remaining on deposit in the Collateral Security account will be used to acquire the Fannie Mae MBS and Fannie Mae will deliver the Mortgage-Backed Security ("MBS") to the Trustee as there is additional risk associated with this structure due to the timing of the delivery of the MBS. If Fannie Mae is not able to deliver the MBS, then the Bonds would be immediately redeemed with the Synovus construction and the RRLP Loan proceeds. At all times the Collateral Security account will be required to contain sufficient funds in order to collateralize the outstanding principal balance of the bonds, in the event the MBS delivery is postponed. When payments of principal and interest are required on the MMRB, they will flow through the Trustee from the Applicant to Berkadia. Berkadia will then make payments on the MBS to Fannie Mae. The MBS payments will pass through Fannie Mae to the Bond holders.

**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>
New Rental Units	\$14,080,000	\$13,999,898	\$13,999,897	\$145,832	\$0
Site Work	\$0	\$3,588,008	\$3,588,008	\$37,375	\$358,801
Constr. Contr. Costs subject to GC Fee	\$14,080,000	\$17,587,906	\$17,587,905	\$183,207	\$358,801
General Conditions (6.0%)	\$1,970,000	\$1,054,923	\$1,054,923	\$10,989	\$0
Overhead (2.0%)	\$0	\$351,758	\$351,758	\$3,664	\$0
Profit (6.0%)	\$0	\$1,053,516	\$1,053,516	\$10,974	\$0
<b>Total Construction Contract/Costs</b>	\$16,050,000	\$20,048,103	\$20,048,102	\$208,834	\$358,801
Hard Cost Contingency (5.0%)	\$800,000	\$1,002,405	\$1,002,405	\$10,442	\$0
PnP Bond paid outside Constr. Contr.	\$191,888	\$157,879	\$157,879	\$1,645	\$0
FF&E paid outside Constr. Contr.	\$191,888	\$150,000	\$150,000	\$1,563	\$0
Other: <u>Site Security</u>	\$0	\$75,000	\$75,000	\$781	\$0
<b>Total Construction Costs:</b>	\$17,233,776	\$21,433,387	\$21,433,386	\$223,264	\$358,801

**Allowances:**

Dewatering	\$50,110
Porcelain Tile - Clubhouse Floor & Wall Tile	\$41,692
Sign Entry Monument	\$3,508
Appliance - Clubhouse	\$2,699
Window Treatments - Clubhouse	\$25,000
Playground	\$38,021
Electrical Service - Secondary Service	\$48,300
Light Fixture	\$96,000
<b>Total</b>	<b>\$305,330</b>

Notes to the Total Construction Costs:

1. The Applicant has provided an executed construction contract, dated August 8, 2024, in the amount of \$20,048,102. This is a Standard Form of Agreement between Owner, SP Palms LLC and Contractor, Seawood Builders II, LLC where the basis of payment is the Cost of the Work Plus a Fee with a Guaranteed Maximum Price (“GMP”). Per the contract, substantial completion is to be achieved no later than 548 calendar days from the date of commencement of work.
2. First Housing used the Schedule of Values (“SOV”) to break out the construction costs.

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3. The construction contract specifies a 10% retainage on all payments, excluding General Conditions, General Requirements, Direct purchase items for which Contractor does not withhold retainage, Insurance and Bond line items. Subject to SP Palms LLC, Synovus and FHFC prior written approval, (1) retainage for Division 2, Division 3, and Division 5 will be reduced to 5% when the scope of work is 100% complete; and (2) retainage for the entire Development will be reduced to 5% when the Development is 75% complete, so long as Seawood is in compliance with the GC Contract. The remaining retainage for the entire Development shall be paid as part of the Final Payment. An updated GC Contract including a minimum of 10% retainage holdback on all construction draws until the Development is 50% complete, and 0% retainage thereafter is a condition to close.
  
4. First Housing has included other of \$75,000 for site security.
  
5. The GC Contract includes allowances totaling \$305,330 which is 1.52% of the GMP. On Solid Ground, LLC (“OSG”) found the allowances to be acceptable.

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	\$417	\$20,000
Appraisal	\$10,000	\$10,000	\$10,000	\$104	\$0
Architect's Fees	\$280,000	\$289,500	\$289,500	\$3,016	\$0
Builder's Risk Insurance	\$55,000	\$250,000	\$250,000	\$2,604	\$0
Building Permits	\$220,000	\$384,000	\$384,000	\$4,000	\$0
Capital Needs Assessment/Rehab	\$10,000	\$0	\$0	\$0	\$0
Engineering Fees	\$200,000	\$142,750	\$142,750	\$1,487	\$0
Environmental Report	\$20,000	\$20,000	\$20,000	\$208	\$0
FHFC Administrative Fees	\$109,800	\$144,720	\$150,582	\$1,569	\$150,582
FHFC Application Fee	\$3,000	\$3,000	\$3,000	\$31	\$3,000
FHFC Compliance Fee	\$205,215	\$0	\$4,900	\$51	\$4,900
FHFC Credit Underwriting Fee	\$26,781	\$26,781	\$26,781	\$279	\$26,781
Green Building Cert. (LEED, FGBC, NAHB)	\$50,000	\$10,100	\$10,100	\$105	\$0
Impact Fee	\$528,000	\$576,000	\$576,000	\$6,000	\$0
Insurance	\$140,000	\$127,500	\$127,500	\$1,328	\$7,500
Legal Fees - Organizational Costs	\$185,000	\$200,000	\$200,000	\$2,083	\$0
Lender Inspection Fees / Const Admin	\$55,000	\$80,000	\$80,000	\$833	\$0
Market Study	\$10,000	\$5,000	\$5,500	\$57	\$5,500
Plan and Cost Review Analysis	\$0	\$10,000	\$3,000	\$31	\$0
Property Taxes	\$105,000	\$30,000	\$30,000	\$313	\$0
Soil Test	\$20,000	\$20,000	\$20,000	\$208	\$0
Survey	\$25,000	\$25,000	\$25,000	\$260	\$0
Title Insurance and Recording Fees	\$100,000	\$150,000	\$150,000	\$1,563	\$0
Utility Connection Fees	\$200,000	\$350,000	\$350,000	\$3,646	\$0
Soft Cost Contingency (5.0%)	\$100,000	\$150,000	\$144,930	\$1,510	\$0
<b>Total General Development Costs:</b>	<b>\$2,697,796</b>	<b>\$3,044,351</b>	<b>\$3,043,543</b>	<b>\$31,704</b>	<b>\$218,263</b>



Notes to the General Development Costs:

1. General Development Costs are the Applicant’s updated estimates, which appear reasonable.
2. First Housing has utilized actual costs for: Market Study and Plan and Cost Review Analysis.
3. The FHFC Administrative Fee is based on 9% of the recommended annual 4% Housing Credit allocation.
4. The FHFC Compliance Fee of \$4,900 is based on \$100 per year for years 51-99 Ad Valorem Compliance Period. FHFC Compliance Fees through the initial 50 year Compliance Period will be ongoing and are incorporated in the operating pro forma and debt service analysis within this report.
5. The FHFC Credit Underwriting Fee includes \$26,781 for the MMRB, RRLP/ELI, and HC underwriting.
6. The Applicant provided an Agreement for FGBC Certification services for Palms Landing, dated August 23, 2024, from Ekocentric, LLC.

FINANCIAL COSTS:	Applicant Costs	Revised Applicant Costs	Underwriters Total Costs - CUR	Cost Per Unit	HC Ineligible Costs - CUR
Construction Loan Closing Costs	\$0	\$15,000	\$15,000	\$156	\$0
Construction Loan Commitment Fee	\$95,000	\$144,750	\$150,000	\$1,563	\$0
Construction Loan Interest	\$665,000	\$1,000,000	\$2,094,400	\$21,817	\$523,600
Permanent Loan Application Fee	\$0	\$35,000	\$35,000	\$365	\$0
Permanent Loan Closing Costs	\$10,000	\$10,000	\$10,000	\$104	\$10,000
Permanent Loan Commitment Fee	\$151,702	\$112,500	\$109,000	\$1,135	\$109,000
FHFC Bond Cost of Issuance	\$240,000	\$340,000	\$272,873	\$2,842	\$272,873
FHFC Bond Interest	\$0	\$0	\$1,552,013	\$16,167	\$388,003
FHFC Bond Trustee Fee	\$0	\$10,000	\$11,250	\$117	\$11,250
Misc Loan Closing Costs	\$0	\$80,962	\$80,962	\$843	\$80,962
Legal Fees - Financing Costs	\$0	\$145,000	\$145,000	\$1,510	\$145,000
Placement Agent/Underwriter Fee	\$25,000	\$25,000	\$130,900	\$1,364	\$65,450
Initial TEFRA Fee	\$0	\$1,000	\$1,000	\$10	\$0
Other: Construction Monitoring	\$0	\$15,000	\$15,000	\$156	\$0
Other: FHFC Issuer Fee	\$0	\$156,000	\$120,000	\$1,250	\$120,000
<b>Total Financial Costs:</b>	<b>\$1,186,702</b>	<b>\$2,090,212</b>	<b>\$4,742,398</b>	<b>\$49,400</b>	<b>\$1,726,138</b>
<b>Dev. Costs before Acq., Dev. Fee &amp; Reserves</b>	<b>\$21,118,274</b>	<b>\$26,567,950</b>	<b>\$29,219,327</b>	<b>\$304,368</b>	<b>\$2,303,202</b>

Notes to the Financial Costs:

1. The Construction Loan Closing Costs, Construction Loan Closing Costs, Permanent Bond Application Fee, Permanent Loan Closing Costs, Legal Fees are based on Developer projections.
2. The Construction Loan Commitment Fee is based on 0.75% of the construction loan amount.
3. The Construction Loan Interest of \$2,094,400 is based on an interest rate of 9.35%, a 24-month term, and an average outstanding loan balance of 56%. The GC Contract specifies a substantial completion of no later than 548 days from commencement (or approximately 18 months) and, considering a 6-month lease-up/stabilization period, First Housing has estimated that a construction term of 24-months is reasonable.
4. The Permanent Loan Commitment Fee is based on 1% of the permanent loan amount.
5. Permanent Loan Application Fee is based on Developer projections.
6. FHFC Bond Trustee Fee is based on 2.5 years of the Trustee fee of \$4,500.
7. FHFC Bond Cost of Issuance (“COI”) includes MMRB, RRLP/ELI Loan Closing Costs, and expenses of the Trustee, Real Estate Counsel, MMRB Counsel, Disclosure Counsel, and other fees.
8. FHFC Bond Interest is based on an estimate from Stifel.
9. The Misc. Loan Closing Costs includes the RRLP Commitment Fee of 1% of the Total RRLP Loan.
10. The Placement Agent/Underwriter fee is based on Bond Underwriting Fee of 0.70% on the \$10,900,000 (Series A) and a Bond Underwriting Fee of 0.60% on the \$9,100,000 (Series B).
11. The FHFC MMRB Issuer Fee is based on 2.5 years of the FHFC Issuer Fee of 24 basis points on the MMRB during construction.
12. The Initial TEFRA Fee is based on non-refundable TEFRA Fee, as required by the Application.

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

Notes to the Non-Land Acquisition Costs:

1. Since this is new construction, non-land acquisition costs do not apply.

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	\$3,800,000	\$4,801,411	\$5,224,478	\$54,422	\$0
DF to Consultant Fees	\$0	\$35,000	\$35,000	\$365	\$0
<b>Total Dev. Fee on Non-Acq. Costs (18.0%):</b>	\$3,800,000	\$4,836,411	\$5,259,478	\$54,786	\$0

Notes to the Other Development Costs:

1. The DF to Consultant Fees are for Construction Monitoring.

LAND ACQUISITION COSTS	Applicant Costs	Revised Applicant Costs	Underwriters Total Costs - CUR	Cost Per Unit	HC Ineligible Costs - CUR
Land	\$1,250,000	\$1,250,000	\$1,250,000	\$13,021	\$1,250,000
Other: <a href="#">Mitigation Credits</a>	\$0	\$316,000	\$316,000	\$3,292	\$316,000
<b>Total Acquisition Costs:</b>	\$1,250,000	\$1,566,000	\$1,566,000	\$16,313	\$1,566,000

Notes to Acquisition Costs:

1. First Housing received a Land Closing Statement, dated December 20, 2023, between SP Palms LLC (“Borrower”) and Indalven Group, Inc. (“Seller”). According to the Statement, the Buyer purchased the property for \$1,250,000.
2. First Housing has included \$316,000 in Mitigation Credits based on Developer’s projections for wetland mitigation.

RESERVE ACCOUNTS	Applicant Costs	Revised Applicant Costs	Underwriters Total Costs - CUR	Cost Per Unit	HC Ineligible Costs - CUR
Operating Deficit Reserves	\$0	\$312,315	\$312,315	\$3,253	\$312,315
<b>Total Reserve Accounts:</b>	\$0	\$312,315	\$312,315	\$3,253	\$312,315

Notes to Reserve Accounts:

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- Based on a letter, dated August 22, 2024, Key Community Development Corporation will require an Operating Deficit Reserve (“ODR”) estimated in the amount of \$312,315 (sized based on final underwriting and equal to 4 months operating expenses and debt service).

TOTAL DEVELOPMENT COSTS	Applicant Costs	Revised Applicant Costs	Underwriters Total Costs - CUR	Cost Per Unit	HC Ineligible Costs - CUR
<b>TOTAL DEVELOPMENT COSTS:</b>	\$26,168,274	\$33,282,676	\$36,357,120	\$378,720	\$4,181,517

RFA Limits	Maximum per RFA (%)	Actual at CUR (%)	Maximum per RFA (\$)	Actual at CUR (\$)
General Contractor Fee	14.00%	13.99%	\$2,462,307	\$2,460,197
Hard Cost Contingency	5.00%	5.00%	\$1,002,405	\$1,002,405
Soft Cost Contingency	5.00%	5.00%	\$144,931	\$144,930
Developer Fee	18.00%	18.00%	\$5,259,478	\$5,259,478

## **Section B**

### **MMRB, RRLP, and ELI Loan Special and General Conditions HC Allocation Recommendation and Contingencies**

### **Special Conditions**

This recommendation is contingent upon the review and approval of the following items by Florida Housing and First Housing **at least 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 MMRB pricing date and/or MMRB, RRLP, and ELI closing date.

1. Firm Commitment from Synovus (construction) and Berkadia/Fannie Mae (permanent financing) with terms and conditions that are not substantially different than those utilized in this credit underwriting report.
2. Receipt and satisfactory review of the Final signed, sealed “approved for construction” plans and specifications by the Construction Consultant and the Servicer.
3. Satisfactory receipt of bank and trade references for the Developer and J. David Page.
4. Approval from the lenders/parties involved in the transaction, confirming their approval of the terms of the Ad Valorem Property Tax Exemption.
5. Receipt of the Compliance Monitoring Fee of \$4,900 for Ad Valorem Compliance Period.
6. Satisfactory receipt of Credit Evaluation for SP Palms Manager LLC.
7. Verification that the first equity contribution is no less than 15% of the total equity contribution.
8. The Debt Service Coverage (“DSC”) ratio for the first mortgage, RRLP Loan reflect a ratio lower than 1.10x. Per rule the RFA, the minimum DSC ratio shall be 1.10x for the RRLP Loan, including all superior mortgages. However, per Rule the RFA, if the applicant defers 35% of its Developer Fee following the last disbursement of all permanent sources of funding identified in the final credit underwriting report and when the primary expected source of repayment has been identified as projected cash flow, the minimum DSC shall be 1.00x for the RRLP Loan, including all superior mortgages. The Applicant will be required to defer at least 35% of its Developer Fee as the RRLP Loan DSC is 1.00x.
9. An updated GC Contract including a minimum of 10% retainage holdback on all construction draws until the Development is 50% complete, and 0% retainage thereafter is required.

10. Satisfactory receipt and review of updated financials for the Guarantors, dated within 90 days of closing.
11. 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 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 MMRB pricing date and/or loan 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. OSG is to act as construction inspector during the construction phase.
3. At all times there will be undisbursed loan funds (collectively held by Florida Housing, the first mortgage lender and any other source) sufficient to complete the Development. If at any time there are not sufficient funds to complete the Development, the Borrower will be required to expend additional equity on Development Costs or to deposit additional equity with Florida Housing which is sufficient (in Florida Housing's judgment) to complete the Development before additional loan funds are disbursed. This condition specifically includes escrowing at closing all equity necessary to complete construction or another alternative acceptable to Florida Housing in its sole discretion.
4. Construction Period Developer Fee shall be the lesser of i) 50% of the Total Developer Fee or ii) the Total Developer Fee less the Deferred Developer Fee listed in the Sources and Uses for the construction period, as calculated by the Servicer. At closing, a maximum of 35% of the Construction Period Developer Fee may be funded. Remaining Construction Period Developer Fee will be disbursed during construction/rehabilitation on a pro rata basis, based on the percentage of completion of the development, as approved and reviewed by FHFC and Servicer.

Once the Development has achieved 100% lien free completion and retainage has been released, the Post-Construction Period Developer Fee may be funded. Post-Construction

Period Developer Fee is the remaining portion of Developer Fee less Deferred Developer Fee listed in the Sources and Uses for the permanent period, as calculated by the Servicer.

5. Signed and sealed survey, dated within 90 days of loan closing, unless otherwise approved by Florida Housing, and its Legal Counsel, based upon the particular circumstances of the transaction. The Survey shall be certified to Florida Housing, and its Legal Counsel, as well as the title insurance company, and shall indicate the legal description, exact boundaries of the Development, easements, utilities, roads, and means of access to public streets, total acreage and flood hazard area and any other requirements of Florida Housing.
6. 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. RRLP Program loan proceeds shall be disbursed during the construction phase in an amount per draw that does not exceed the ratio of the RRLP 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. 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 Plan and Cost Analysis, prepared by OSG.
14. At the end of the Compliance Period, any remaining balance of the ODR less amounts that may be permitted to be drawn (which includes Deferred Developer Fee, and reimbursements for authorized member/partner and guarantor loan(s) pursuant to the operating/partnership agreement), will be used to pay FHFC loan debt; if there is no FHFC loan debt on the proposed Development at the end of the Compliance Period, any remaining balance shall be used to pay any outstanding FHFC fees. If any balance is remaining in the ODR after the payments above, the amount should be placed in a Replacement Reserve account for the Development. In no event shall the payments of amounts to the Applicant or the Developer from the Reserve Account cause the Developer Fee or General Contractor Fee to exceed the applicable percentage limitations provided for in the Rule. Any and all terms and conditions of the ODR must be acceptable to Florida Housing, its Servicer and its Legal Counsel.
15. A copy of an Amended and Restated 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.

This recommendation is contingent upon the review and approval of the following items by Florida Housing, and its Legal Counsel **at least 30 days 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 MMRB pricing date and/or 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 Synovus, 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 limited partnership or other applicable agreement. Florida Housing shall be satisfied in its sole discretion that all legal and program requirements for the Loan(s) have been satisfied.
7. Evidence of insurance coverage pursuant to the RFA governing this proposed transaction and, as applicable, the FHFC Insurance Guide.
8. Receipt of a legal opinion from the Borrower's Legal Counsel acceptable to Florida Housing addressing the following matters:
  - a. The legal existence and good standing of the Borrower and of any partnership or limited liability company that is the general partner of the Borrower (the "GP") and of any corporation or partnership that is the managing general partner of the GP, of any corporate guarantor and any manager;

- b. Authorization, execution, and delivery by the Borrower and the guarantor, of all Loan(s) documents;
  - c. The Loan(s) documents being in full force and effect and enforceable in accordance with their terms, subject to bankruptcy and equitable principles only;
  - 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, including HC as Applicable**

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

1. Compliance with all provisions of Sections 420.507, 420.508, and 420.509 Florida Statutes, Rule Chapter 67-21, F.A.C. (MMRB and Non-Competitive 4% Housing Credits), Rule Chapter 67-53, F.A.C., Rule Chapter 67-60 F.A.C., RFA 2023-304, 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 MMRB, RRLP, and ELI 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 Synovus, 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 Trustee 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 Trustee at the MMRB 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 MMRB, 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 ratio on the permanent first mortgage 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, all for a period equal to 12 consecutive months, all 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. For the RRLP 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 RRLP 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.

8. Guarantors to provide the Standard FHFC Environmental Indemnity Guaranty.
9. Guarantors to provide the Standard FHFC Guaranty of Recourse Obligations.
10. 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.
11. Property tax and hazard insurance escrow are to be established and maintained by the First Mortgagee Lender, Trustee, or the Servicer. In the event the reserve account is held by Florida Housing's Loan(s) servicing agent, the release of funds shall be at Florida Housing's sole discretion.
12. 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 \$28,800 (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 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.
13. 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 on all payments, excluding General

Conditions, General Requirements, Direct purchase items for which Contractor does not withhold retainage, Insurance and Bond line items. Subject to SP Palms LLC, Synovus and FHFC prior written approval, (1) retainage for Division 2, Division 3, and Division 5 will be reduced to 5% when the scope of work is 100% complete; and (2) retainage for the entire Development will be reduced to 5% when the Development is 75% complete, so long as Seawood is in compliance with the GC Contract. The remaining retainage for the entire Development shall be paid as part of the Final Payment. This does not meet the RFA and Rule 67-21 minimum requirements. However, an updated GC Contract including a minimum of 10% retainage holdback on all construction draws until the Development is 50% complete, and 0% retainage thereafter is required.

14. Closing of all funding sources prior to or simultaneous with the MMRB, RRLP, and ELI loans.
15. Satisfactory completion of a pre-loan closing compliance audit conducted by FHFC or Servicer, if applicable.
16. Satisfactory resolution of any outstanding past due and/or noncompliance items.
17. Housing Credits – Receipt of executed FHFC Fair Housing, Section 504 and ADA as-built certification forms 122, 127, and 129.
18. Any other reasonable requirements of the Servicer, Florida Housing, or its Legal Counsel.

## **Section C**

### **Supporting Information & Schedules**

**Additional Development & Third Party Supplemental Information**

Appraisal Summary:

Appraisal Summary Questions	Responses	Note
Appraisal Firm Name	CBRE	
Date of Report	8/28/2024	
Confirm certified and prepared for FHFC (Y/N)	Y	
Date appraisers license expires (should be after report date)	11/30/2024	
Occupancy at Stabilization: Economic (%)	99.0%	
Occupancy at Stabilization: Physical (%)	96.0%	
Value: As Is market value of the land	\$2,700,000	
As of date and type of interest (as if vacant land)	7/1/24 (Fee Simple Estate)	
Value: "As Complete and Stabilized", subject to unrestricted rents	\$23,550,000	
As of date and type of interest (unrestricted rents)	7/1/24 (Fee Simple Estate)	
Value: "As Complete and Stabilized", subject to restricted rents	\$15,300,000	
As of date and type of interest (restricted rents)	7/1/24 (Fee Simple Estate)	
Does the As Is value of land or land & improvements to be acquired support the acquisition cost? (Y/N)	Y	



**MMRB, RRLP, ELI & HC CREDIT UNDERWRITING REPORT**

Market Study Summary:

Market Study Summary Questions	Responses	Note
Market Study Firm Name	CBRE	
Date of Report	9/17/2024	
Confirm certified and prepared for FHFC (Y/N)	N	
Number of like-kind developments (existing and proposed) in the Competitive Market Area (CMA)	11	
Short Term and Long Term Impact to existing like-kind developments	Y	1.
Weighted Average Occupancy of like-kind developments (submarket) (must be ≥ 92%)	92.5%	
Number of Guarantee Fund Properties in PMA?	0	
Metrics for 10 mile radius:		
Level of Effort (%)	15.2%	
Capture Rate (%)	0.4%	
Remaining Potential Demand	22,465	
Metrics for 5 mile radius:		
Level of Effort (%)	36.5%	
Capture Rate (%)	0.9%	
Remaining Potential Demand	6,988	
Metrics for 3 mile radius:		
Level of Effort (%)	88.7%	
Capture Rate (%)	2.1%	
Remaining Potential Demand	509	
Absorption Rate	12	
Will the development achieve maximum allowable HC Rents? (Y/N)	Y	
For New Construction Units, is the average market rental rate, based on unit mix and annualized rent concessions at least 110% or greater of a 60 percent of Area Median Income rental rate?	145.0%	
For Live Local Units, is the average market rental rate, based on unit mix and annualized rent concessions at least 110% or greater of the highest percent Area Median Income rental rate?	N/A	
Does market exist to support both the demographic and income restriction set-asides committed to in the Application or as approved by FHFC or the Board? (Y/N)	Y	

1. The Market Study states moderate impact to existing like-kind developments.

**MMRB, RRLP, ELI & HC CREDIT UNDERWRITING REPORT**

Environmental Report Summary:

Environmental Report Summary Questions	Responses	Note
Preparer Firm Name	Partner Engineering and Science, Inc.	
Date of Report	5/7/2024	
Type of Report	Phase I	
Confirm certified and prepared for FHFC (Y/N)	Y	
Were any Recognized Environmental Conditions (RECs) noted? (Y/N)	N	
Is any further investigation required? (Y/N)	N	

Soils Test Report Summary:

Soils Test Report Summary Questions	Responses	Note
Preparer Firm Name	UES	
Date of Report	1/3/2024	
Did the engineer provide recommendations for site prep, foundation, stormwater, and pavement that would make the site suitable for the proposed development? (Y/N)	Y	
Were recommendations outlined consistent with Structural/Engineering Drawings? (Y/N)	Y	

**MMRB, RRLP, ELI & HC CREDIT UNDERWRITING REPORT**

Plan and Cost Analysis Report Summary:

Property Conditions Report (PCR) Summary Questions	Responses	Note
Preparer Firm Name	On Solid Ground, LLC	
Date of Report	9/9/2024	
Confirm certified and prepared for FHFC (Y/N)	Y	
Were all features and amenities in Exhibit B present in the PCA report? (Y/N)	Y	
Is the GC Contract a Guaranteed Maximum Price Contract? (Y/N)	Y	
General Contract (GC Contract) Amount (PCA should match GC Contract)(\$)	\$20,048,102	
Cost per Unit	\$208,834	1.
Costs for Similar Type Developments (Include Range)	\$165,373-\$180,848	2.
Is the Cost per Unit reasonable? (Y/N)	Y	
Construction schedule to substantial completion	Y	
Is the development timeline considered feasible? (Y/N)	Y	
Was an ADA Accessibility Review completed? (Y/N)	Y	
Are accessibility requirements met and have executed Florida Housing Fair Housing, Section 504 and ADA Design Certification Forms 121, 126, and 128 been received? (Y/N)	Y	
Does the design conform with all applicable Florida Building and Design Codes? (Y/N)	Y	
Are the drawings and specifications satisfactory for completion and adherence to the scope of the project? (Y/N)	Y	

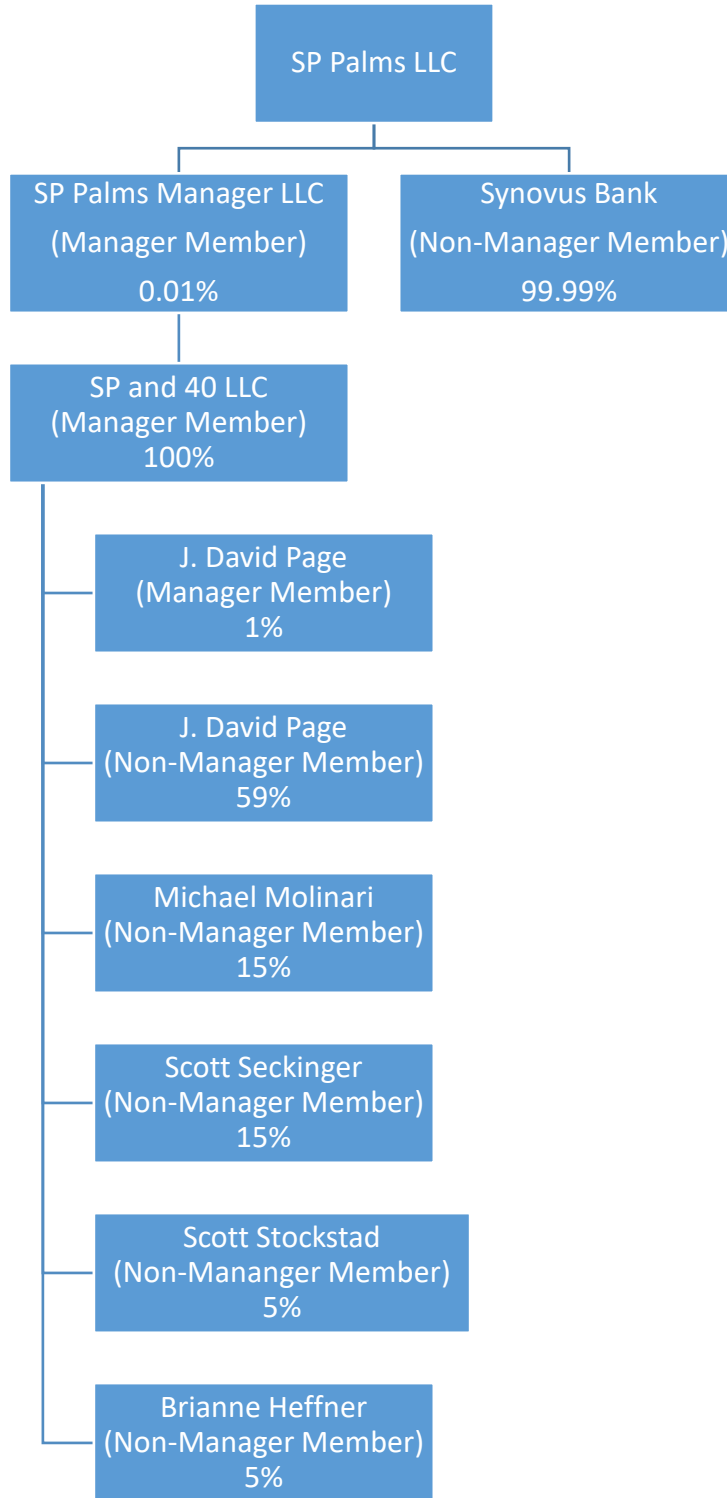
1. The Total Cost Per unit of \$208,834 includes site-work and special construction, when excluding these costs the Developments total cost per unit decreases to \$170,532.
2. The Costs for Similar Type Development excludes site-work and special construction. The Development's total cost per unit excluding site-work and special construction of \$170,532 falls within the range.

Site Inspection Summary:

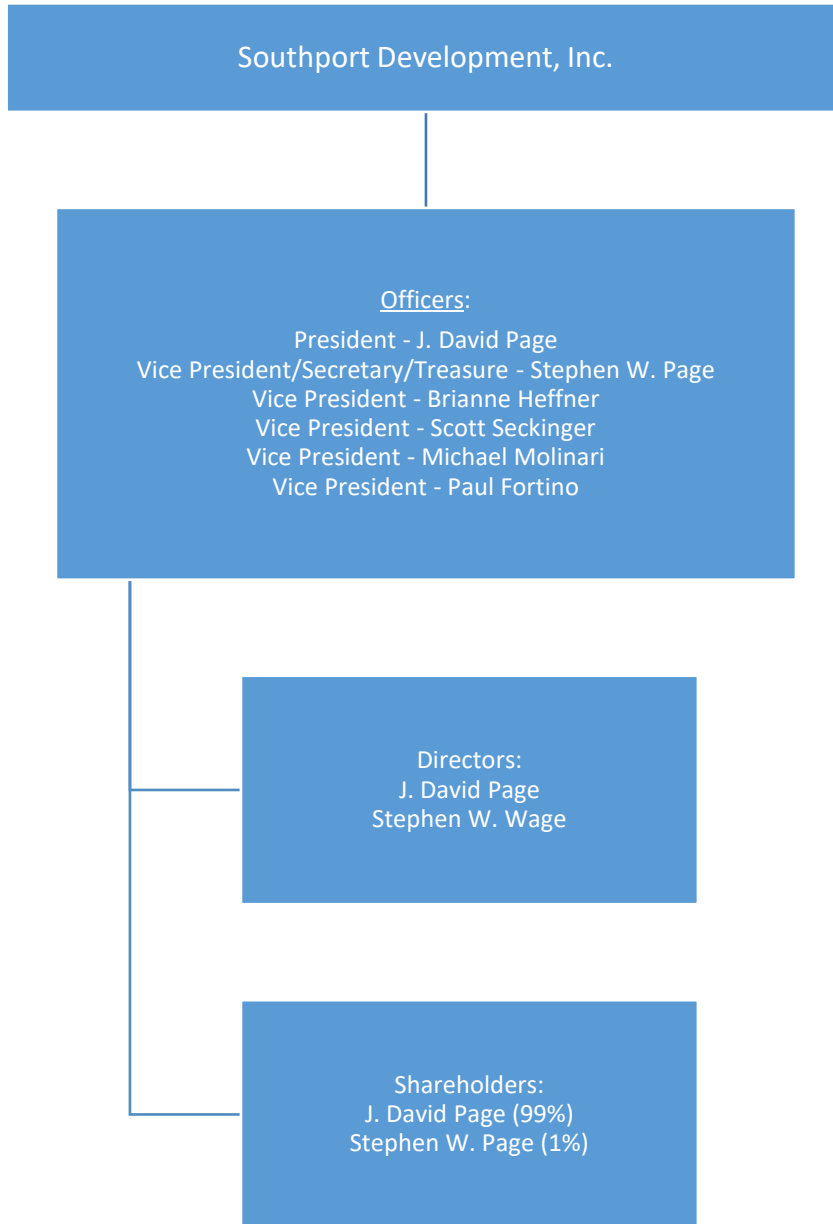
Site Visit Summary Questions	Responses	Note
Name of Inspector	First Housing	
Date of Inspection	3/6/2024	
Were the observation(s) of the insepctor in line with the Market Study? (Y/N)	Y	

**Applicant & Related Party Information:**

Applicant Organizational Chart:



Developer Organizational Chart:



**MMRB, RRLP, ELI & HC CREDIT UNDERWRITING REPORT**

	SP Palms LLC	SP Palms Manager LLC	SP and 40 LLC	J. David Page	Southport Development, Inc.	Synovus	Cambridge Management, Inc.	Seawood Builders II, LLC	Note
Relationship Type	Guarantor	Guarantor	Guarantor	Guarantor	Guarantor	Syndicator	Management Company	General Contractor	
Contact Person Name & Title	J. David Page Retiring Investor Member	J. David Page Vice President	J. David Page Manager Member / Non- Manager Member	N/A	J. David Page President / Director / Shareholder	Marilyn Carl Director	Steve Sterquell Vice President	Tim McCarthy Senior Vice President	
Contact Information	813-288-6988 JDPage@sphome.com 5403 West Gray Street, Tampa, FL 33609					561-558-3560 marilyncarl@synovus.com 800 Shades Creek Parkway Birmingham, AL 35209	253-905-8199 ssterquell@cmiweb.net 1916 64th Ave W, Tacoma, WA 98466	954-421-4200 tmccarthy@seawoodbuilders.com 1324 W. Newport Center Dr. Deerfield Beach, FL 33442	
Are Construction Completion, Operating Deficit, Environmental Indemnity and Recourse Obligations required to be signed?	Y	Y	Y	Y	Y	N	N	N	
Does entity have the necessary experience?	N, Single Purpose Entity	N, Single Purpose Entity	N, Single Purpose Entity	Y	Y	Y	Y	Y	
Has a credit evaluation been completed and is it satisfactory?	Y	Y	Y	Y	Y	N/A	N/A	Y	
Have bank statements and/or trade references been received and reviewed and are they adequate?	N/A	N/A	N/A	Y	Y	N/A	N/A	Y	
Have all financial statements been reviewed and are they adequate?	N/A	N/A	N/A	Y	N/A	Y	N/A	N/A	
Have a Statements of Financial & Credit Affairs been reviewed for contingent liabilities?	Y	Y	Y	Y	Y	N/A	N/A	Y	
P&P Bond, or LOC, required and received from company adequately rated as required by Rule?	N/A	N/A	N/A	N/A	N/A	N/A	N/A	Y	
Have the Management Agreement and Plans been received, dated, and executed?	N/A	N/A	N/A	N/A	N/A	N/A	Y	N/A	
Has the Property Manager been approved by FHFC's Asset Mgmt Dept (and if Rehab have they been approved prior to or at closing)?	N/A	N/A	N/A	N/A	N/A	N/A	N	N/A	
Does the entity have the relevant experience and possess the financial wherewithal to successfully construct and operate the Development as proposed?	No	No	No	Yes	Yes	Yes	Yes	Yes	

Notes:

1. Florida Housing Finance Corporation's Asset Management Department will need to approve the Applicant's selection of the management company for the Development prior to the commencement of lease-up activities. Continued approval is subject to ongoing satisfactory performance.

Palms Landing  
RFA 2023-304 (2023-216BR/2022-545C)  
DESCRIPTION OF FEATURES AND AMENITIES

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

96 Garden Apartments located in 4 residential buildings

Unit Mix:

Eighty (80) two bedroom/two bath units;

Sixteen (16) three bedroom/two bath units;

96 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 Developments 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, Florida Statutes, Section 504 of the Rehabilitation Act of 1973, and Titles II and III of the Americans with Disabilities Act of 1990 as implemented by 28 CFR 35.

All Developments must meet the 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 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 units;
8. Bathtub with shower in at least one bathroom in at least 90% of the new construction non-Elderly units;
9. 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. The Corporation requires that the design, construction, or alteration of its financed Developments be in compliance with federal and state accessibility requirements. When more than one law and accessibility standard applies, the Applicant shall comply with the standard (2010 ADA Standards, Section 504, Fair Housing Act, or Florida Building Code, Accessibility) whichever affords the greater level of accessibility for the residents and visitors. Areas required to be made accessible to mobility-impaired residents and their visitors, including those in wheelchairs, shall include, but not be limited to, accessible routes and entrances, paths of travel, primary function areas, parking, trash bins, mail and package receiving areas for residents, pool and other amenities, including paths of travel to amenities and laundry rooms, including washers and dryers.

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

1. Primary entrance doors on an accessible route shall have a threshold with no more than a ½-inch rise;
2. All door handles on primary entrance door and interior doors must have lever handles;
3. Lever handles on all bathroom faucets and kitchen sink faucets;
4. Mid-point on light switches and thermostats shall not be more than 48 inches above finished floor level; and
5. Cabinet drawer handles and cabinet door handles in bathroom and kitchen shall be lever or D-pull type that operate easily using a single closed fist.

- F.** All 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 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 units and, as applicable, all common areas must have the features listed below:

- a. Low or No-VOC paint for all interior walls (Low-VOC means 50 grams per liter or less for flat; 150 grams per liter or less for non-flat paint);
- b. Low-flow water fixtures in bathrooms – WaterSense labeled products or the following specifications:
  - i. Toilets: 1.28 gallons/flush or less
  - ii. Urinals: 0.5 gallons/flush,
  - iii. Lavatory Faucets: 1.5 gallons/minute or less at 60 psi flow rate,
  - iv. Showerheads: 2.0 gallons/minute or less at 80 psi flow rate;
- c. Energy Star certified refrigerator;
- d. Energy Star certified dishwasher;
- e. Energy Star certified ventilation fan in all bathrooms;
- f. Water heater minimum efficiency specifications:
  - Residential Electric:
    - i. Up to 55 gallons = 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 (choose in-unit or commercial):
  - i. Air-Source Heat Pumps – Energy Star certified:
    - a.  $\geq 7.8$  HSPF/  $\geq 15.2$  SEER2/  $\geq 11.7$  EER for split systems
    - b.  $\geq 7.2$  HSPF/  $\geq 15.2$  SEER2/  $\geq 10.6$  EER for single package equipment including gas/electric package units
  - ii. Central Air Conditioners – Energy Star certified;

- a.  $\geq 15.2$  SEER/ $\geq 12.0$  EER2 for split systems
- b.  $\geq 15.2$  SEER/ $\geq 11.5$  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.

**H.** The Development commits to achieve the following Green Building Certification program:

- Leadership in Energy and Environmental Design (LEED);  
 Florida Green Building Coalition (FGBC);  
 Enterprise Green Communities; or  
 ICC 700 National Green Building Standard (NGBS).

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

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

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

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

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

2. Homeownership Opportunity Program - Applicant commits to provide a financial incentive which includes the following provisions:
  - The incentive must be applicable to the home selected and may not be restricted to or enhanced by the purchase of a home in which the Applicant, Developer, or other related party has an interest;
  - the incentive must be not less than 5 percent of the rent received by the owner for the unit during the entire occupancy by the household (Note: The incentive will be paid for all months for which the household is in compliance with the terms and conditions of the

lease. Damages to the unit in excess of the security deposit will be deducted from the incentive.);

- the benefit must be in the form of a gift or grant and may not be a loan of any nature;
  - the benefits of the incentive must accrue from the beginning of occupancy;
  - the vesting period can be no longer than 2 years of continuous residency; and
  - no fee, deposit or any other such charge can be levied against the household as a condition of participation in this program.
3. 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

## Housing Credit Allocation Calculation

### Qualified Basis Calculation

<b>Section I: Qualified Basis Calculation</b>	
Development Cost	\$36,357,120
Less: Land Cost	(\$1,566,000)
Less: Other Ineligible Cost	(\$2,615,517)
Total Eligible Basis	\$32,175,603
Applicable Fraction	100.00%
DDA/QCT Basis Credit	130.00%
Qualified Basis	\$41,828,284
Housing Credit Percentage	4.00%
Annual Housing Credit Allocation	\$1,673,131

#### Notes to the Qualified Basis Calculation:

1. Other ineligible costs include site work, accounting fees, FHFC Fees, insurance, market study, financial costs, and operating reserves.
2. The Development has a 100% set-aside. Therefore, the Applicable Fraction is 100%.
3. For purposes of this analysis, the Development is located in a HUD-Designated QCT for Lee County; therefore, the 130% basis boost was applied.
4. For purposes of this recommendation a HC percentage of 4.00% was applied based on the 4% floor rate, which was established through the Consolidated Appropriations Act of 2021.

### GAP Calculation

<b>Section II: Gap Calculation</b>	
Total Development Cost (Including Land and Ineligible Costs)	\$36,357,120
Less: Mortgages	(\$20,662,424)
Equity Gap	\$15,694,696
Percentage to Investment Partnership	99.99%
HC Syndication Pricing	\$0.858
HC Required to Meet Gap	\$18,304,683
Annual HC Required	\$1,830,468

Notes to the Gap Calculation:

1. The pricing and syndication percentage was taken from the letter from Synovus, dated August 22, 2024.
2. The Mortgages line includes the interest revenue of \$1,666,224.

**Summary**

<b>Section III: Summary</b>	
HC per Qualified Basis	\$1,673,131
HC per Gap Calculation	\$1,830,468
Annual HC Recommended	\$1,673,131
Syndication Proceeds Based on HC Recommended	\$14,345,667

1. The estimated annual 4% Housing Credit allocation is limited to the lesser of the qualified basis calculation or the gap calculation. The recommendation is based on the qualified basis calculation.

**50% Test**

<b>Section III: Tax-Exempt Bond 50% Test</b>	
Total Depreciable Cost	\$32,175,603
Plus: Land Cost	\$1,566,000
Aggregate Basis	\$33,741,603
Tax-Exempt Bond Amount	<b>\$20,000,000</b>
Less: Proceeds Used for Costs of Issuance	<b>(\$272,873)</b>
Plus: Tax-exempt GIC earnings	<b>\$1,666,224</b>
Tax-Exempt Proceeds Used for Building and Land	\$21,393,351
Proceeds Divided by Aggregate Basis	63.40%

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

**FLORIDA HOUSING FINANCE CORPORATION**  
**AUTHORIZATION RESOLUTION**  
**PALMS LANDING**

**RESOLUTION NO.**

**A RESOLUTION AUTHORIZING THE ISSUANCE OF MULTIFAMILY MORTGAGE REVENUE BONDS, 2024 SERIES \_\_ [ONE OR MORE SERIES OR SUBSERIES TO BE DESIGNATED] (PALMS LANDING) OF THE FLORIDA HOUSING FINANCE CORPORATION; PROVIDING FOR A MAXIMUM AGGREGATE PRINCIPAL AMOUNT OF MULTIFAMILY MORTGAGE REVENUE BONDS, 2024 SERIES \_\_ [ONE OR MORE SERIES OR SUBSERIES TO BE DESIGNATED] (PALMS LANDING); APPROVING THE PREPARATION, EXECUTION, AND DELIVERY OF A TRUST INDENTURE OR INDENTURE OF TRUST BETWEEN THE FLORIDA HOUSING FINANCE CORPORATION AND A CORPORATE TRUSTEE NAMED THEREIN, AND A LOAN AGREEMENT OR FINANCING AGREEMENT BETWEEN THE FLORIDA HOUSING FINANCE CORPORATION AND THE BORROWER NAMED THEREIN; AUTHORIZING THE LOAN OR LOANS MADE PURSUANT TO THE LOAN AGREEMENT OR FINANCING AGREEMENT TO THE BORROWER NAMED THEREIN; AUTHORIZING THE PREPARATION, EXECUTION, AND DELIVERY OF ALL DOCUMENTS NECESSARY FOR THE ISSUANCE AND SALE OF THE MULTIFAMILY MORTGAGE REVENUE BONDS, 2024 SERIES \_\_ [ONE OR MORE SERIES OR SUBSERIES TO BE DESIGNATED] (PALMS LANDING), INCLUDING, BUT NOT LIMITED TO, A BOND PURCHASE AGREEMENT AND A PRELIMINARY AND FINAL OFFICIAL STATEMENT; AUTHORIZING ALL ACTIONS NECESSARY FOR FINAL APPROVAL OF THE ISSUANCE AND SALE OF THE MULTIFAMILY MORTGAGE REVENUE BONDS, 2024 SERIES \_\_ [ONE OR MORE SERIES OR SUBSERIES TO BE DESIGNATED] (PALMS LANDING), THE FINANCING OF PALMS LANDING, 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 its bonds, debentures, notes, or other evidence of financial indebtedness from time to time



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

WHEREAS, pursuant to the Act, Florida Housing has now determined to authorize the issuance of its Multifamily Mortgage Revenue Bonds, 2024 Series \_\_ [one or more series or subseries to be designated] (Palms Landing) (the "Bonds"), as tax-exempt or taxable bonds, for the purpose of making one or more loans to SP Palms LLC, together with its predecessors, successors, assigns, affiliates, and/or related entities (the "Borrower"), to finance the acquisition, construction, and equipping of an approximately 96-unit multifamily residential rental development for persons of low, moderate, and middle income named Palms Landing located in the Fort Myers, Lee County, Florida (the "Property"); provided that the maximum aggregate principal amount of the Bonds shall not exceed (a) \$20,000,000 or (b) such greater maximum aggregate principal amount of the Bonds which, at the time of issuance, does not exceed a maximum aggregate principal amount which would result in a debt service coverage ratio for the Bonds, as reflected in the Credit Underwriter Confirmation (as defined below) for the Property, of less than 1.00x (subject to receipt of private activity bond allocation being made available for the tax-exempt Bonds and compliance with Section 147(f) of the Internal Revenue Code of 1986, as amended); and

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

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

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

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

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

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

1. The Property is hereby given final approval for financing on the terms and conditions as described in the Credit Underwriting Report for the Property, presented to and approved by the Board on this date (the "Credit Underwriting Report"), with such changes, modifications, and deviations as an Authorized Signatory (as defined herein), in consultation with staff of Florida Housing, Bond Counsel, and/or Special Counsel may approve. Conclusive evidence of the approval of such changes, modifications, and deviations shall be evidenced by the approval and acceptance of the written confirmation, delivered prior to the issuance of the Bonds, from the Florida Housing Credit Underwriter with respect to the Property that, taking into account any such changes, modifications, and deviations, the conditions set forth in, and the

requirements of, the Credit Underwriting Report have been satisfied (the "Credit Underwriter Confirmation").

2. Florida Housing hereby authorizes the issuance and sale of the Bonds as tax-exempt or taxable "Bonds" (as such term is defined in, and within the meaning of, the Act), in such series or subseries as Florida Housing shall designate, in a maximum aggregate principal amount of not to exceed (a) \$20,000,000 or (b) such greater maximum aggregate principal amount of the Bonds which, at the time of issuance, does not exceed a maximum aggregate principal amount which would result in a debt service coverage ratio for the Bonds, as reflected in the Credit Underwriter Confirmation, of less than 1.00x, subject to receipt of private activity bond allocation being made available for the tax-exempt Bonds and compliance with Section 147(f) of the Internal Revenue Code of 1986, as amended. Subject to the immediately preceding sentence, the maximum aggregate principal amount of the Bonds shall be determined by an Authorized Signatory after receipt of the Credit Underwriter Confirmation for the Property. Conclusive evidence of the determination and approval of any such increase in maximum aggregate principal amount of the Bonds shall be evidenced by a certificate of an Authorized Signatory.

3. A trust indenture or an indenture of trust between Florida Housing and a corporate trustee named therein (the "Trustee") setting out the terms and conditions of the Bonds is hereby authorized to be prepared and delivered, in such form as may be approved by any member of the Board, the Executive Director or Interim or Acting Executive Director, the Chief Financial Officer, the Comptroller, or any other person designated by separate resolution of the Board (or any person or persons acting in such capacities) (collectively, or each individually, an

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

4. A loan agreement or financing agreement between Florida Housing and the Borrower, setting out the terms of a loan or loans of the proceeds of the Bonds by Florida Housing to the Borrower (collectively, the "Loan"), and the payment and other obligations of the Borrower in respect of the Loan, including a note or notes made by the Borrower to Florida Housing evidencing the Loan (collectively, the "Note"), is hereby authorized to be prepared and delivered, in such form as may be approved by an Authorized Signatory, and the execution of such loan agreement or financing agreement by an Authorized Signatory, and the attestation thereof by the Secretary or any Assistant Secretary of Florida Housing, is hereby authorized, and the execution thereof by such persons shall be conclusive evidence of such approval.

5. A preliminary official statement (or preliminary limited offering memorandum) and a final official statement (or final limited offering memorandum) are each hereby authorized to be prepared and distributed in connection with the sale of the Bonds in such form as shall be approved by an Authorized Signatory, and the execution of such final official statement (or limited offering memorandum) by an Authorized Signatory shall be conclusive evidence of such approval.

6. The Bonds shall be sold in accordance with the requirements of the Act, including Section 420.509(12), Florida Statutes. In the event that, pursuant to the Act, the Bonds shall be sold by a negotiated sale, an Authorized Signatory is authorized to execute a bond purchase agreement upon approval of the terms thereof by the staff of Florida Housing, Bond Counsel, and/or Special Counsel, and the execution of such bond purchase agreement by an Authorized Signatory shall be conclusive proof of such approval.

7. An Authorized Signatory is authorized to cause to be prepared and to issue, execute, and deliver any additional documents necessary for the issuance of the Bonds, the making of the Loan, upon the approval of the terms of any credit enhancement, if applicable, and the security therefor, by the staff of Florida Housing, Bond Counsel, and/or Special Counsel. All other actions by Florida Housing necessary for the final approval of the Property for financing, the issuance of the Bonds, the making of the Loan, upon the approval of the terms of any credit enhancement, if applicable, and the security therefor (including, but not limited to, the changing of the title of the Bonds and the series designation of the Bonds, if desirable), are hereby authorized.

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

revenues, nor the taxing power of the State or of any unit of local government thereof shall be, or shall be deemed to be, pledged to the payment of the Bonds.

9. The Bonds may be executed either manually or by facsimile signature by any Authorized Signatory or other officer of Florida Housing. In case any Authorized Signatory or officer whose signature or a facsimile of whose signature appears on the Bonds ceases to be an Authorized Signatory or officer before delivery of the Bonds, the signature or facsimile signature is nevertheless valid and sufficient for all purposes as fully and to the same extent as if he or she had remained in office until the delivery.

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

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

12. This Resolution shall take effect immediately upon adoption.

ADOPTED THIS 22nd DAY OF OCTOBER, 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 a Resolution adopted at a duly noticed public meeting of the Florida Housing Finance Corporation, legally called and held on the 22nd day of October, 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: \_\_\_\_\_  
Name: Tim Kennedy  
Title: Multifamily Loans and Bonds Director,  
Florida Housing Finance Corporation

STATE OF FLORIDA

COUNTY OF LEON

The foregoing instrument was acknowledged before me, by means of  physical presence or  online notarization, this 22nd day of October, 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



**FLORIDA HOUSING FINANCE CORPORATION  
SALE RESOLUTION  
PALMS LANDING**

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

**A RESOLUTION AUTHORIZING AND APPROVING THE NEGOTIATED SALE OF THE MULTIFAMILY MORTGAGE REVENUE BONDS, 2024 SERIES \_\_ [ONE OR MORE SERIES OR SUBSERIES TO BE DESIGNATED] (PALMS LANDING) OF THE FLORIDA HOUSING FINANCE CORPORATION; AUTHORIZING THE ISSUANCE OF THE MULTIFAMILY MORTGAGE REVENUE BONDS, 2024 SERIES \_\_ [ONE OR MORE SERIES OR SUBSERIES TO BE DESIGNATED] (PALMS LANDING) BY THE FLORIDA HOUSING FINANCE CORPORATION; AUTHORIZING THE NEGOTIATION AND EXECUTION OF A BOND PURCHASE AGREEMENT AND SUCH OTHER DOCUMENTS AS ARE NECESSARY FOR THE NEGOTIATED SALE OF THE MULTIFAMILY MORTGAGE REVENUE BONDS, 2024 SERIES \_\_ [ONE OR MORE SERIES OR SUBSERIES TO BE DESIGNATED] (PALMS LANDING) OF THE FLORIDA HOUSING FINANCE CORPORATION; AUTHORIZING THE EXECUTIVE DIRECTOR OR INTERIM OR ACTING, CHIEF FINANCIAL OFFICER, COMPTROLLER, OR ANY MEMBER OF THE BOARD OF DIRECTORS OF THE FLORIDA HOUSING FINANCE CORPORATION, OR OTHER AUTHORIZED SIGNATORY TO TAKE ANY OTHER ACTIONS NECESSARY TO NEGOTIATE THE SALE OF THE MULTIFAMILY MORTGAGE REVENUE BONDS, 2024 SERIES \_\_ [ONE OR MORE SERIES OR SUBSERIES TO BE DESIGNATED] (PALMS LANDING) OF THE FLORIDA HOUSING FINANCE CORPORATION AND MAKING OTHER PROVISIONS IN CONNECTION THEREWITH; AND PROVIDING AN EFFECTIVE DATE.**

WHEREAS, the Florida Housing Finance Corporation ("Florida Housing") is a public corporation, created within the Department of 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 its bonds, debentures, notes, or other evidence of financial indebtedness from time to time to fulfill its public purposes, which include the financing and refinancing of multifamily

residential housing developments for rental to persons or families of low, moderate, or middle income; and

WHEREAS, Florida Housing adopted a resolution authorizing the issuance of its Multifamily Mortgage Revenue Bonds, 2024 Series \_\_ [one or more series or subseries to be designated] (Palms Landing) (the "Bonds"), as tax-exempt or taxable bonds, for the purpose of making a loan or loans to SP Palms LLC, together with its predecessors, successors, assigns, affiliates, and/or related entities (the "Borrower"), to finance the acquisition, construction, and equipping of an approximately 96-unit multifamily residential rental development for persons of low, moderate, and middle income named Palms Landing located in the Fort Myers, Lee County, Florida (the "Property"); provided that the maximum aggregate principal amount of the Bonds shall not exceed (a) \$20,000,000 or (b) such greater maximum aggregate principal amount of the Bonds which, at the time of issuance, does not exceed a maximum aggregate principal amount which would result in a debt service coverage ratio for the Bonds, as reflected in the Credit Underwriter Confirmation (as defined below) for the Property, of less than 1.00x (subject to receipt of private activity bond allocation being made available for the tax-exempt Bonds and compliance with Section 147(f) of the Internal Revenue Code of 1986, as amended); and

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

WHEREAS, Florida Housing has reviewed the market conditions and trends affecting the sale of the Bonds; and

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

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

WHEREAS, the nature and structure of the Bonds and the current and anticipated market conditions render the Bonds a candidate for a negotiated sale; and

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

NOW, THEREFORE, BE IT RESOLVED BY FLORIDA HOUSING:

1. A negotiated sale of the Bonds is in the best interest of Florida Housing and the public for the reasons herein described.
2. The negotiated sale of the Bonds is to be negotiated by Florida Housing with or through Stifel, Nicolaus & Co., Inc. (the "Underwriter").

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

Florida Housing Finance Corporation  
Multifamily Mortgage Revenue Bonds,  
2024 Series \_\_ [one or more series or subseries to be designated]  
(Palms Landing).

4. Florida Housing shall negotiate with or through the Underwriter and execute such documents as are necessary to sell the Bonds to the purchasers pursuant to this Resolution. Any member of the Board, the Executive Director or Interim or Acting Executive Director, the Chief Financial Officer, the Comptroller, or any other person designated by separate resolution of the Board (or any person or persons acting in such capacities) (collectively, or each individually, an "Authorized Signatory") is authorized to negotiate the terms of the negotiated sale of the Bonds and to execute a bond purchase agreement upon approval of the terms thereof, and the execution thereof by an Authorized Signatory shall be conclusive evidence of such approval.

5. The authority to execute the bond purchase agreement is predicated upon the bond purchase agreement providing for an interest rate or rates on the Bonds that would not exceed the lesser of 10% or the maximum rate authorized under Florida law, and would provide for a sale of the Bonds in conformance with the program documents.

6. An Authorized Signatory and the attorneys for Florida Housing and other consultants, agents, or employees thereof, are hereby authorized to execute all necessary documents and to take whatever action is necessary to finalize the issuance and negotiated sale

of the Bonds pursuant to this Resolution and to provide for the use of the proceeds of the Bonds contemplated by this Resolution.

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

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

9. This Resolution shall take effect immediately upon adoption.

ADOPTED THIS 22nd DAY OF OCTOBER, 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:

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

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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 a Resolution adopted at a duly noticed public meeting of the Florida Housing Finance Corporation, legally called and held on the 22nd day of October, 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: \_\_\_\_\_  
Name: Tim Kennedy  
Title: Multifamily Loans and Bonds Director,  
Florida Housing Finance Corporation

STATE OF FLORIDA

COUNTY OF LEON

The foregoing instrument was acknowledged before me, by means of  physical presence or  online notarization, this 22nd day of October, 2024, by Tim Kennedy, Multifamily Loans and Bonds Director of the Florida Housing Finance Corporation, a public corporation and a public body corporate and politic duly created and existing under the laws of the State of Florida, on behalf of the Corporation. He is personally known to me.

NOTARY SEAL

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

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

# **Florida Housing Finance Corporation**

*Credit Underwriting Report*

## **Lakewood Senior Housing**

**Rental Recovery Loan Program (RRLP) Financing to be Used for Rental Developments in  
Hurricane Ian and Hurricane Nicole Impacted Counties**

**MMRN, RRLP and 4% HC**

**RFA 2023-304 / 2023-206BR / 2022-547C**

**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*

*October 9, 2024*

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**LAKEWOOD SENIOR HOUSING**

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

**Recommendation**

Seltzer Management Group, Inc. (“SMG” or “Seltzer” or “Servicer”) recommends the issuance of Florida Housing Finance Corporation (“FHFC” or “Florida Housing” or “Corporation”) Multifamily Mortgage Revenue Note (“MMRN”) in the amount of \$8,750,000 in conjunction with a Rental Recovery Loan Program (“RRLP”) Loan in the amount of \$5,394,400 comprised of a RRLP Base Loan in the amount of \$5,080,000 plus a RRLP-Extremely Low Income (“RRLP-ELI”) Loan in the amount of \$314,400. SMG also recommends an annual Housing Credit (“HC”) allocation of \$758,760 to Lakewood Senior Housing for construction and permanent financing.

**DEVELOPMENT & SET-ASIDES**

Development Name: Lakewood Senior Housing

RFA/Program Numbers: RFA 2023-304 / 2023-206BR 2022-547C

Address: 1300 Jimmy Ann Drive

City: Daytona Beach Zip Code: 32117 County: Volusia County Size: Medium

Development Category: New Construction Development Type: Mid-Rise (4 Stories)

Construction Type: Masonry

Demographic Commitment:  
Primary: Elderly: 55+ or 62+ for 80% of the Units

Unit Composition:  
# of ELI Units: 9 ELI Units Are Restricted to 30% AMI, or less. Total # of units with PBRA? 0  
# of Link Units: 5 Are the Link Units Demographically Restricted? Yes # of NHTF Units: 0

Bed Rooms	Bath Rooms	Units	Square Feet	AMI%	Low HOME Rents	High HOME Rents	Gross HC Rent	Utility Allow.	Net Restricted Rents	PBRA Contr Rents	Applicant Rents	Appraiser Rents	CU Rents	Annual Rental Income
1	1.0	9	564	30%			\$466	\$122	\$344		\$344	\$344	\$344	\$37,152
1	1.0	20	564	60%			\$932	\$122	\$810		\$810	\$810	\$810	\$194,400
1	1.0	27	564	70%			\$1,087	\$122	\$965		\$965	\$965	\$965	\$312,660
		56	31,584											\$544,212

The Applicant selected Average Income Test; therefore, as required by the RFA 2023-304 (“RFA”), the Applicant must set aside 15% of the total units (9 units) as ELI Set-Aside units at 30% of AMI. Persons with Special Needs Set-Aside Commitment: The proposed development must set aside fifty percent (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 one Florida Housing 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 (Volusia County). Florida Housing approved the MOU on July 15, 2024. The Persons with Special Needs set-aside commitment must be maintained throughout the entire 50-year Compliance Period.

**MMRN, RRLP, ELI AND HC CREDIT UNDERWRITING REPORT**

**SMG**

As required by the Federal Fair Housing Act, at least 80% of the total units will be rented to residents that qualify as Elderly.

The Tenant Selection Plan was approved by FHFC on March 7, 2024.

Buildings: Residential - 1 Non-Residential - 0  
 Parking: Parking Spaces - 64 Accessible Spaces - 6

Set Asides:	Program	% of Units	# of Units	% AMI	Term (Years)
	MMRN	40.0%	23	60%	50
	RRLP / ELI / HC	16.071%	9	30%	50
	RRLP / HC	35.714%	20	60%	50
	RRLP / HC	48.214%	27	70%	50

Absorption Rate 25 units per month for 3 months.

Occupancy Rate at Stabilization: Physical Occupancy 96.00% Economic Occupancy 95.00%

DDA: No QCT: Yes Multi-Phase Boost: No QAP Boost: No  
 Site Acreage: 2.9422 Density: 19.0334 Flood Zone Designation: X  
 Zoning: PD-G; Planned Development - General Flood Insurance Required?: No

DEVELOPMENT TEAM		
Applicant/Borrower:	Lakewood Senior Housing, LLLP	% Ownership
General Partner	Neighborhood Renaissance, Inc.	0.0051%
Limited Partner	RBC Community Investments, LLC	99.9890%
Limited Partner	RBC Community Investments Manager II, Inc.	0.0010%
Special LP	Quincy 2022 I Member, LLC	0.0049%
Construction Completion Guarantor(s):		
CC Guarantor 1:	Lakewood Senior Housing, LLLP	
CC Guarantor 2:	Neighborhood Renaissance, Inc.	
CC Guarantor 3:	Quincy 2022 I Member, LLC	
CC Guarantor 4:	ACRUVA Community Developers, LLC	
CC Guarantor 5:	ACRUVA Holdings, LLC	
CC Guarantor 6:	Daniel Acosta	
Operating Deficit Guarantor(s):		
OD Guarantor 1:	Lakewood Senior Housing, LLLP	
OD Guarantor 2:	Neighborhood Renaissance, Inc.	
OD Guarantor 3:	Quincy 2022 I Member, LLC	
OD Guarantor 4:	ACRUVA Community Developers, LLC	
OD Guarantor 5:	ACRUVA Holdings, LLC	
OD Guarantor 6:	Daniel Acosta	

**MMRN, RRLP, ELI AND HC CREDIT UNDERWRITING REPORT**

**SMG**

Note Purchaser	JPMorgan Chase Bank, N.A. (Construction)
Developer:	ACRUVA Community Developers, LLC
Principal 1	ACRUVA Holdings, LLC
Principal 2	Daniel Acosta
Co-Developer:	Neighborhood Renaissance, Inc.
General Contractor 1:	Marmer Construction, Inc.
Management Company:	Royal American Management Company, Inc.
Syndicator:	RBC Community Investments, LLC
Note Issuer:	Florida Housing Finance Corporation
Architect:	The Martin Architectural Group, P.C.
Market Study Provider:	BBG, Inc.
Appraiser:	BBG, Inc.

PERMANENT FINANCING INFORMATION						
Lien Position	First	Second	Second	Third		
Lender/Grantor	NLP	FHFC RRLP Base	FHFC RRLP ELI	ADC Communities II, LLC		
Amount	\$2,515,000	\$5,080,000	\$314,400	\$900,000		
Underwritten Interest Rate	6.30%	0.84%	0.00%	5.00%		
Loan Term	16.0	16.0	16.0	28.0		
Amortization	35.0	N/A	N/A	N/A		
Market Rate/Market Financing LTV	31.6%	95.5%	99.5%	110.8%		
Restricted Market Financing LTV	56.5%	170.7%	177.7%	198%		
Loan to Cost - Cumulative	14.2%	42.9%	44.7%	49.8%		
Debt Service Coverage	1.320	1.007	1.007	0.844		
Operating Deficit & Debt Service Reserves	\$253,133					
# of Months covered by the Reserves	9.9					

**MMRN, RRLP, ELI AND HC CREDIT UNDERWRITING REPORT**

**SMG**

Deferred Developer Fee	\$2,003,990
As-Is Land Value	\$1,450,000
Market Rent/Market Financing Stabilized Value	\$7,950,000
Rent Restricted Market Financing Stabilized Value	\$4,450,000
Projected Net Operating Income (NOI) - Year 1	\$235,180
Projected Net Operating Income (NOI) - 15 Year	\$257,617
Year 15 Pro Forma Income Escalation Rate	2.00%
Year 15 Pro Forma Expense Escalation Rate	3.00%
Note Structure	Short-term, private placement
Housing Credit (HC) Syndication Price	\$0.885
HC Annual Allocation - Qualified in CUR	\$758,760
HC Annual Allocation - Equity Letter of Interest	\$772,809

CONSTRUCTION/PERMANENT SOURCES:				
Source	Lender	Construction	Permanent	Perm Loan/Unit
FHFC - MMRB	FHFC MMRN / Chase Bank	\$8,750,000	\$0	\$0.00
Regulated Mortgage Lender	NLP	\$0	\$2,515,000	\$44,910.71
FHFC - RRLP	FHFC RRLP Base	\$5,080,000	\$5,080,000	\$90,714.29
FHFC - RRLP ELI	FHFC RRLP ELI	\$314,400	\$314,400	\$5,614.29
Affiliate / Principal	ADC Communities II, LLC	\$900,000	\$900,000	\$16,071.43
Other	ADC Communities II, LLC Accrued Interest	\$52,425	\$52,425	\$936.16
HC Equity	RBC	\$1,026,475	\$6,838,607	\$122,117.98
Deferred Developer	Developers	\$1,581,122	\$2,003,990	\$35,785.53
Affiliate / Principal	General Partners	\$100	\$100	\$1.79
<b>TOTAL</b>		\$17,704,522	\$17,704,522	\$316,152.17

Financing Structure:

Applicant submitted to FHFC an MMRB with Non-Competitive HC and RRLP Application under RFA 2023-304. JPMorgan Chase Bank, N.A. (“Chase Bank”) will loan \$8,750,000 to FHFC through a Tax-Exempt Loan (“TEL”) in connection with the construction financing of the Subject Development. The TEL will be redeemed at conversion to the permanent period with equity and permanent loan funding. At conversion to permanent financing, Neighborhood Lending Partners of Florida, Inc. (“NLP”) will provide a taxable permanent loan in the amount up to \$2,800,000, currently estimated at \$2,515,000, and the FHFC MMRN / Chase Bank loan will be satisfied.

Changes from the Application:

COMPARISON CRITERIA	YES	NO
Does the level of experience of the current team equal or exceed that of the team described in the application?	X	
Are all funding sources the same as shown in the Application?		1

**MMRN, RRLP, ELI AND HC CREDIT UNDERWRITING REPORT**

**SMG**

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?		2
Does the Applicant have site control at or above the level indicated in the Application?	X	
Does the Applicant have adequate zoning as indicated in the Application?	X	
Has the Development been evaluated for feasibility using the total length of set-aside committed to in the Application?	X	
Have the Development costs remained equal to or less than those listed in the Application?		3
Is the Development feasible using the set-asides committed to in the Application?	X	
If the Development has committed to serve a special target group (e.g. elderly, large family, etc.), do the development and operating plans contain specific provisions for implementation?	X	
HOME ONLY: If points were given for match funds, is the match percentage the same as or greater than that indicated in the Application?	N/A	
HC ONLY: Is the rate of syndication the same as or greater than that shown in the Application?	X	
Is the Development in all other material respects the same as presented in the Application?		4

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

1. Changes in Sources of Funds:

- a. The Applicant submitted a request, dated September 19, 2024, to increase the MMRN amount from \$8,000,000 to \$8,750,000. FHFC staff approved the request on October 1, 2024.
- b. The Application included a Letter of Intent (“LOI”) for Housing Credit equity from Alliant Capital, Ltd. (“Alliant”) in the amount of \$0.885 per dollar of tax credit allocation and total equity of \$5,919,852. Subsequently, the Applicant provided a LOI from RBC Community Investments, LLC (“RBC”) reflecting an amount of \$0.885 per dollar of tax credit allocation and total equity of \$6,838,607.
- c. The Application included a LOI from Chase Bank for construction and permanent financing in the amount of \$8,000,000 and \$2,873,005, respectively. Subsequently, the Applicant provided a LOI from Chase Bank for construction financing in the amount of \$8,750,000 and an LOI from NLP for permanent financing in the amount up to \$2,800,000.
- d. Subsequent to the Application, the Applicant provided a LOI from ADC Communities II, LLC (“ADC Communities”) to provided third mortgage financing in the amount up to \$900,000. The accrued

interest on this loan was added as a source of funds, with a corresponding use, as the payments are made out of available cash flow.

2. Amenities/features not included in the site plans/architectural drawings:
  - a. Horizontal grab bars in place around each tub and/or shower, or a corporation-approved alternative approach for grab bar installation is required. Moran states that all grab bars have been removed from all units with the exception of the 5% ADA units (3 units). Confirmation that grab bars, or a corporation-approved alternative approach, will be installed in all units is a condition to close.
  - b. Energy Star ceiling fans with lighting fixtures in bedrooms is required. Moran Construction Consultants, LLC (“Moran”) states that these are not shown in the plans or specification. Confirmation that Energy Star ceiling fans with lighting fixtures in bedrooms will be installed in all units is a condition to close.
3. Changes in Development Costs Listed in Application:
  - a. Development costs have increased by \$2,741,994 from \$14,962,528 in the application to \$17,704,522 primarily due to increases in construction costs, general development costs associated architect fees and legal fees, financing costs, developer fees and the addition of reserves.
4. Other Material Changes from Application:
  - a. The Applicant submitted a request, dated June 26, 2024, to change the RRLP and HC set-asides in relation to the Average Income Test. Florida Housing staff approved this request on July 16, 2024. The set-asides were changed as follows:

<u>Previous</u>	<u>Current</u>
9 units at 30% AMI	9 units at 30% AMI
39 units at 60% AMI	20 units at 60% AMI
4 units at 70% AMI	<u>27 units at 70% AMI</u>
<u>4 units at 80% AMI</u>	Averaging AMI = 60.00%
Averaging AMI = 57.321%	

These changes have no substantial material impact to the MMRN, RRLP, RRLP-ELI 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 September 12, 2024, 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 and the issuance of the annual HC Allocation Recommendation herein.

Strengths:

1. Per the Market Study, BBG, Inc. (“BBG”) states the capture rate is low at 3.53% and indicates that there is sufficient demand for the subject units. The average occupancy for the comparables within the Subject’s Primary Market Area (“PMA”) is 99.6%.
2. Although the Borrower, Special LP and one of the Co-Developers, ACRUVA Community Developers, LLC, are single-purpose/newly formed entities, the Natural Person Members and the Non-Profit General Partner and Co-Developer, Neighborhood Renaissance, Inc., have sufficient experience and financial resources to develop, construct and operate the proposed Development.

Other Considerations: None

Waiver Requests/Special Conditions: None

Additional Information:

1. The Debt Service Coverage (“DSC”) ratio for the combined First Mortgage and RRLP Loan reflect a ratio that is lower than 1.10 to 1.00. According to RFA 2023-304, the minimum DSC shall be 1.10 to 1.00 for the RRLP Loan, including all superior mortgages. However, the RFA indicates 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 RRLP Loan, including all superior mortgages. The Applicant will be required to defer at least 35 percent of its Developer Fee as the First Mortgage and RRLP Loan DSC is 1.007. The Applicant is deferring 81.31% of Developer Fee during the permanent period.

To ensure that the RRLP Loan meets or exceeds a minimum DSC ratio of at least 1.00 to 1.00 based on the net operating income (“NOI”) and the permanent first mortgage loan and RRLP Loan amount assumptions of this Recommendation, the permanent first mortgage loan interest rate may not exceed 6.38%. Following rate lock of the permanent first mortgage, SMG will review and confirm that DSC meets or exceeds the minimum required DSC ratio at the loan amounts reflected in the Permanent Financing Sources below, or if a reduction in the permanent loan amount is necessary. The confirmation of such is a condition to close.

2. The Applicant plans to qualify as a 501(c)(3) organization in Florida and meet all requirements within Florida Statute 196.1978(1)(a), thereby granting the Development exemption from all real property taxes. The Co-General Partner and Co-Developer, Neighborhood Renaissance, Inc., is a Florida Not For Profit Corporation and is recognized as a 501(c)(3) organization. Receipt and satisfactory review of an opinion prepared by a tax accountant confirming qualification for the tax exemption prior to closing is a condition to close.

Issues and Concerns:

1. Seltzer has resized the NLP permanent first mortgage loan from the allowable maximum of \$2,800,000 to \$2,515,000 in order to meet the minimum DSC ratio of 1.00 for the RRLP and superior mortgages.

Mitigating Factors:

1. The Applicant has agreed to defer at least 35 percent of its Developer Fee following the last disbursement of all permanent sources of funding to comply with the RFA. The Applicant has requested that the first mortgage loan be resized at permanent loan closing to determine if a higher



first mortgage can be supported based on the interest rate environment at the time of permanent loan closing while meeting all minimum FHFC DSC ratio requirements. Seltzer believes this to be a reasonable request with required Board approval of the final permanent loan amount.

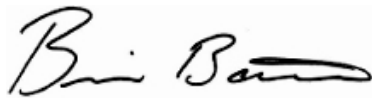
Recommendation:

SMG recommends FHFC fund MMRN in the amount of \$8,750,000, a RRLP Loan in the amount of \$5,394,400 comprised of a RRLP Base Loan in the amount of \$5,080,000 plus a RRLP-ELI Loan in the amount of \$314,400. SMG also recommends an Annual HC allocation of \$758,760 be awarded to Lakewood Senior Housing 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 MMRN, RRLP and ELI Loan Conditions and HC Allocation Recommendation and Contingencies (Section B). The reader is cautioned to refer to these sections for complete information.

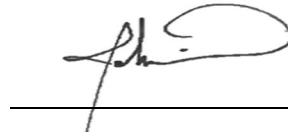
This recommendation is only valid for six months from the date of the report.

Prepared by:



Brian Barth  
Senior 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	FHFC MMRN / Chase Bank	\$8,000,000	\$8,750,000	\$8,750,000	7.96%	\$811,914
Second Mortgage	FHFC RRLP Base	\$5,394,400	\$5,080,000	\$5,080,000	0.84%	\$49,713
Second Mortgage	FHFC RRLP ELI	\$0	\$314,400	\$314,400	0.00%	\$0
Third Mortgage	ADC Communities II, LLC	\$0	\$900,000	\$900,000	5.00%	\$52,425
Deferred Interest	ADC Communities II, LLC	\$0	\$106,774	\$52,425		
HC Equity	RBC	\$887,978	\$1,026,475	\$1,026,475		
Deferred Developer Fee	Developers	\$2,091,741	\$1,484,007	\$1,581,122		
GP Contribution	General Partner	\$0	\$100	\$100		
<b>Total</b>		<b>\$16,374,119</b>	<b>\$17,661,756</b>	<b>\$17,704,522</b>		<b>\$914,052</b>

First Mortgage Loan:

The Applicant initially applied for \$8,000,000 in Tax-Exempt Bonds to be issued by Florida Housing for the acquisition and construction of Lakewood Senior Housing. On October 1, 2024, Florida Housing approved the Applicant’s request to increase the MMRN to \$8,750,000. The Applicant provided an LOI from Chase Bank dated July 17, 2024, for the purchase of a TEL in the amount of \$8,750,000, with the proceeds of the TEL being lent to the Applicant. The term of the construction loan is expected to be 24 months. Chase Bank does provide for one, conditional, six-month maturity extension upon receipt of an extension fee.

The Chase Bank construction loan interest rate will be a variable rate based upon the One-Month TERM SOFR, plus a spread of 225 bps, subject to a TERM SOFR floor 1.00%. The One-Month TERM SOFR as of September 17, 2024 was 4.96%. For a future increased in the One-Month TERM SOFR, Seltzer has included an underwriting cushion of 75 bps, resulting in an overall interest rate of 7.96%.

Payments will be interest only during construction. In addition, an origination fee of 1.0% is due at construction loan closing. The MMRN loan from Chase Bank will be paid in full upon conversion to permanent financing with proceeds from equity and the permanent first mortgage from NLP.

The Annual FHFC Issuer Fee of 24 basis points of MMRN amount and the Annual Fiscal Agent Fee of \$4,500 have been included in the Uses section of the report.

Other Construction Sources of Funds:

Additional sources of funds for this Development during construction consist of RRLP Base Loan in the amount of \$5,080,000, an RRLP-ELI Loan in the amount of \$314,400, ADC Communities loan in the amount of \$900,000, Accrued Interest on the ADC Communities loan in the amount of \$52,425, Housing Credit equity of \$1,026,475, deferred Developer Fees in the amount of \$1,581,122 and a General Partner Contribution of \$100. See the Permanent Financing section below for details.

**Permanent Financing Sources**

Source	Lender	Applicant	Revised Applicant	Underwriter	Interest Rate	Amort. Yrs.	Term Yrs.	Annual Debt
First Mortgage	NLP	\$2,873,005	\$2,515,000	\$2,515,000	6.30%	35	16	\$178,206
Second Mortgage	FHFC RRLP Base	\$5,394,400	\$5,080,000	\$5,080,000	0.84%	N/A	16	\$42,672
Second Mortgage	FHFC RRLP ELI	\$0	\$314,400	\$314,400	0.00%	N/A	16	\$0
Third Mortgage	ADC Communities II, LLC	\$0	\$900,000	\$900,000	5.00%	N/A	28	\$45,000
Deferred Interest	ADC Communities II, LLC	\$0	\$106,774	\$52,425				
HC Equity	RBC	\$5,919,852	\$6,778,567	\$6,838,607				
Def. Developer Fee	Developers	\$2,091,741	\$1,966,915	\$2,003,990				
GP Contribution	General Partner	\$0	\$100	\$100				
<b>Total</b>		<b>\$16,278,998</b>	<b>\$17,661,756</b>	<b>\$17,704,522</b>				<b>\$265,878</b>

First Mortgage Loan:

The Applicant provided a LOI from NLP dated September 12, 2024, for permanent financing for Lakewood Senior Housing. Upon satisfaction of the conditions for conversion, NLP will provide permanent financing in an amount up to \$2,800,000. Based on the estimated interest rate and minimum FHFC DSC ratio requirements of the RRLP and superior mortgages, Seltzer has reduced the permanent first mortgage to \$2,515,000 in order to meet the minimum DSC ratio requirement of 1.00 to 1.00 for the RRLP Loan and all superior mortgages.

Loan interest is based on a fixed rate locked at construction loan closing equal to the 10-Year Treasury Index, published by Thomas Reuters, plus a spread of 265 bps, subject to a floor of 6.00%. As of September 17, 2024, the 10-Year Treasury was 3.65%, resulting in an overall interest rate of 6.30%. The Borrower may request to fix the interest rate on a specific date in advance of the closing date upon payment of a forward rate lock fee of two percent. The rate will be locked for 24 months, with three conditional three-month maturity extensions. The term of the loan shall be 16 years with monthly principal and interest payment due to fully amortize the loan over a 35-year schedule.

Second Mortgage Loan

The Applicant applied to FHFC under RFA 2023-304 for a RRLP Loan in the amount of \$5,394,400, comprised of a RRLP Base Loan in the amount of \$5,080,000 plus a RRLP-ELI Loan in the amount of \$314,400. The RRLP Base Loan and the ELI Loan will be closed as one loan and will have one set of closing documents. The RRLP Base Loan will be non-amortizing and shall have interest rates as follows: (a) 0 percent simple interest per annum on the pro-rata portion of the base loan attributable to ELI units over the life of the loan; and (b) 1 percent simple interest per annum on the pro-rata portion of the base loan attributable to non-ELI units. As such, the RRLP Base Loan will have a 0.84% interest rate over the life of the loan with annual payments based upon available cash flow.

RRLP Base Loan will have a total term of 18.5 years, of which 2.5 years is for the construction / stabilization period and 16 years is for the permanent period. As required by the first mortgage lender and permitted by the RFA, the RRLP Base Loan will be coterminous with the first mortgage. Any unpaid interest will be deferred until cash flow is available. At the maturity of the RRLP Base Loan, however, all principal and unpaid interest is due. Annual payments of all applicable fees will be required.

Applicants that submit an Application under RFA 2023-304 are also eligible for ELI Loan funding for the required ELI set-aside units. The Applicant committed to the Average Income Test ("AIT") and is required

to commit 15% of the total units as ELI Set-Aside Units (9 units). The Applicant is eligible for ELI Loan Funding for each of the ELI Units up to 10% of the total units. The RRLP-ELI Loan is in the form of a forgivable loan in the amount of \$314,400.

The ELI AMI for Volusia County is 40%. However, as noted above, the Applicant committed to AIT set asides at or below 30% of AMI for the ELI to meet AIT requirements. The RRLP-ELI Loan is non-amortizing with a 0.00% interest per annum over the life of the loan. The principal is forgivable at maturity provided the units for which the RRLP-ELI Loan amount is awarded are targeted to ELI Households for the first 15 years of the 50-year Compliance Period. The Persons with Special Needs set-aside requirement must be maintained through the entire 50-year Compliance Period. The RRLP-ELI Loan will have a total term of 18.5 years, of which 2.5 years is for the construction / stabilization period and 16 years is for the permanent period. As required by the first mortgage lender and permitted by the RFA, the RRLP-ELI Loan will be coterminous with the first mortgage. Annual payments of all applicable fees will be required.

Fees for the RRLP Loan are an Annual Permanent Loan Servicing Fee based on 25 bps of the outstanding loan amount with a maximum of \$964 per month, subject to a minimum of \$243 per month and a Compliance Monitoring Fee based on an annual multiple program fee of \$1,054.

#### Third Mortgage Loan

The Applicant provided a LOI from ADC Communities dated September 18, 2024, for permanent financing in the amount up to \$900,000. Loan interest will be fixed at an interest rate of 5.00% with a total term of 30 years, of which 2 years is for the construction / stabilization period and 28 years is for the permanent period. Repayment terms include interest only payments throughout the life of the loan, subject to available cash flow.

#### Deferred Interest – ADC Communities II, LLC

The ADC Communities II, LLC loan will be drawn down during construction and will accrue interest during the construction period. This source has a corresponding use of the same amount in the financing costs section below.

#### General Partner Contribution

The GP Contribution is the amount associated with Neighborhood Renaissance, Inc.'s equity contribution to the Partnership.

**MMRN, RRLP, ELI AND HC CREDIT UNDERWRITING REPORT**

**SMG**

Housing Credits Equity Investment:

The Applicant has applied to Florida Housing to receive 4% Housing Credits directly from the United States Treasury in conjunction with tax-exempt financing. A HC calculation is contained in Exhibit 4 of this credit underwriting report.

Based upon a September 3, 2024, LOI, RBC or an affiliate will purchase a 99.99% membership interest in the Applicant, with RBC Community Investments purchasing 99.989% membership interest and RBC Community Investments Management II purchasing 0.001% membership interest, and provide HC equity as follows:

Capital Contributions	Amount	Percent of Total	When Due
1st Installment	\$1,026,475	15.01%	At closing
2nd Installment	\$2,735,443	40.00%	Later of (a) final certificates of occupancy, (b) architect's certificate of substantial completion, (c) preliminary cost certification, (d) draft 50% test and (e) July 1, 2026
3rd Installment	\$2,974,110	43.49%	Later of (a) final cost certification, (b) final 50% test, (c) 100% qualified occupancy, (d) 90 days of 90% occupancy, (e) permanent loan conversion and (f) April 1, 2027
4th Installment	\$102,579	1.50%	Later of (a) most recent audit and tax returns, (b) receipt of Form 8609 and (c) April 1, 2027
<b>Total</b>	<b>\$6,838,607</b>	<b>100.00%</b>	

Annual Tax Credits per Syndication Agreement:	\$772,809
Total HC Available to Syndicator (10 years):	\$7,727,317
Syndication Percentage (investor member interest):	99.99%
Calculated HC Exchange Rate (per dollar):	\$0.885
Proceeds Available During Construction:	\$1,026,475

Sufficient equity proceeds will be disbursed at closing to meet regulatory requirements.

Other Permanent Sources of Funds:

In order to balance the sources and uses of funds after all loan proceeds, GP contribution and capital contributions payable under the RBC LOI have been received, the Developer will have to defer \$2,003,990, or 81.31%, of Developer Fees.

**Uses of Funds**

CONSTRUCTION COSTS:	Applicant Costs	Revised Applicant Costs	Underwriters Total Costs - CUR	Cost Per Unit	HC Ineligible Costs - CUR
Accessory Buildings				\$0	
New Rental Units	\$6,701,864	\$7,956,389	\$6,738,608	\$120,332	
Off-Site Work				\$0	\$0
Recreational Amenities				\$0	
Site Work	\$600,000	\$1,070,457	\$1,070,457	\$19,115	\$160,569
Swimming Pool				\$0	
Furniture, Fixture, & Equipment				\$0	
Hard Cost Contingency - in Constr. Cont.				\$0	
Constr. Contr. Costs subject to GC Fee	\$7,301,864	\$9,026,846	\$7,809,065	\$139,448	\$160,569
General Conditions	\$1,022,260		\$468,543	\$8,367	
Overhead			\$156,181	\$2,789	
Profit			\$468,543	\$8,367	
Builder's Risk Insurance				\$0	
General Liability Insurance			\$35,140	\$628	
Payment and Performance Bonds			\$89,374	\$1,596	
Contract Costs not subject to GC Fee				\$0	
Total Construction Contract/Costs	\$8,324,124	\$9,026,846	\$9,026,846	\$161,194	\$160,569
Hard Cost Contingency	\$416,206	\$451,342	\$451,342	\$8,060	
PnP Bond paid outside Constr. Contr.				\$0	
Fees for LOC used as Constr. Surety				\$0	
Demolition paid outside Constr. Contr.				\$0	
FF&E paid outside Constr. Contr.		\$346,500	\$346,500	\$6,188	\$30,000
Other: PCA, FF&E and P&P Bond	\$150,000			\$0	
Other:				\$0	
<b>Total Construction Costs:</b>	<b>\$8,890,330</b>	<b>\$9,824,688</b>	<b>\$9,824,688</b>	<b>\$175,441</b>	<b>\$190,569</b>

*Notes to the Construction Costs:*

- The Applicant has provided an unexecuted, undated, Draft 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 in the amount of \$9,026,846. The contract provides for a date of commencement as set forth in a notice to proceed issued by the Owner, which date shall be within thirty (30) days after Owner's financial closing for the Development or issuance of all building and civil permits necessary to commence construction. The contract calls for achievement of substantial completion no later than 400 calendar days from the date of commencement. Ten (10%) percent retainage will be withheld on all work performed up to 50% completion and no retainage thereafter.

Moran notes the contractor did not provide the Exhibit with a list of allowances for review. A complete contract and satisfactory PCA are conditions to close.

Final payment will be made when (1) the General Contractor has fully performed the contract, (2) the General Contractor has submitted a final accounting for the Cost of the Work and a final application for payment, and (3) final certificate for payment has been issued by the Architect. The Owner's final payment to the General Contractor shall be made no later than thirty (30) days after the Architect's final Certificate for Payment.

2. SMG received the General Contractor's Certification of Requirements, whereby the General Contractor acknowledges and commits to adhere to all requirements related to a General Contractor as published within Rule Chapter 67-21 and 67-48 ("Rules"), Florida Administrative Code.
3. General Contractor fees as stated are within the 14% maximum per the RFA and Rule.
4. Costs associated with General Liability Insurance and Payment and Performance Bonds are contained within the construction contract but no GC Fee was taken on these costs.
5. The hard cost contingency is within the 5.00% allowed by the RFA and Rule and is not included within the GC Contract or schedule of values.
6. FF&E outside the Construction Contract are costs associated with residential furniture, fixtures and equipment, commercial grade washers and dryers, landscaping, appliances and signage. The cost of the commercial grade washers and dryers has been included as HC ineligible as they are income producing.
7. SMG engaged and received a Plan and Cost Analysis ("PCA") from Moran. Complete results are set forth in Section C of this credit underwriting report.

**MMRN, RRLP, ELI AND HC CREDIT UNDERWRITING REPORT**

**SMG**

GENERAL DEVELOPMENT COSTS:	Applicant Costs	Revised Applicant Costs	Underwriters Total Costs - CUR	Cost Per Unit	HC Ineligible Costs - CUR
Accounting Fees	\$30,000	\$42,500	\$42,500	\$759	\$21,250
Appraisal	\$5,000	\$3,200	\$3,200	\$57	
Architect's and Planning Fees				\$0	
Architect's Fee - Green Initiative				\$0	
Architect's Fee - Landscape				\$0	
Architect's Fee - Site/Building Design	\$156,077	\$480,480	\$480,480	\$8,580	
Architect's Fee - Supervision	\$52,026	\$84,000	\$84,000	\$1,500	
Building Permits	\$137,349	\$90,268	\$90,268	\$1,612	
Builder's Risk Insurance	\$131,105	\$294,741	\$294,741	\$5,263	
Engineering Fees	\$80,000			\$0	
Environmental Report	\$10,500	\$5,000	\$5,000	\$89	
FHFC Administrative Fees	\$36,597	\$42,131	\$41,732	\$745	\$41,732
FHFC Application Fee	\$3,000	\$3,000	\$3,000	\$54	\$3,000
FHFC Credit Underwriting Fee	\$30,000	\$27,781	\$26,781	\$478	\$26,781
FHFC Compliance Fee		\$243,215	\$243,215	\$4,343	\$243,215
FHFC Other Processing Fee(s)				\$0	
Impact Fee	\$248,920	\$196,392	\$196,392	\$3,507	
Lender Inspection Fees / Const Admin	\$140,000	\$10,500	\$10,500	\$188	
Green Building Cert. (LEED, FGBC, NGBS)	\$25,000	\$21,230	\$21,230	\$379	
Home Energy Rating System (HERS)				\$0	
Insurance	\$86,000	\$137,112	\$137,112	\$2,448	
Legal Fees - Organizational Costs	\$150,000	\$225,000	\$225,000	\$4,018	\$112,500
Market Study	\$6,500	\$9,000	\$9,000	\$161	\$9,000
Marketing and Advertising	\$28,000	\$14,000	\$14,000	\$250	\$14,000
Plan and Cost Review Analysis				\$0	
Property Taxes				\$0	
Soil Test	\$50,000			\$0	
Survey	\$25,000	\$15,000	\$15,000	\$268	\$3,750
Tenant Relocation Costs				\$0	
Title Insurance and Recording Fees	\$82,674	\$102,927	\$102,927	\$1,838	\$25,732
Traffic Study		\$13,000	\$13,000	\$232	
Utility Connection Fees	\$75,000	\$130,951	\$130,951	\$2,338	
Soft Cost Contingency	\$86,937	\$109,571	\$109,571	\$1,957	
Other:				\$0	
Other:				\$0	
<b>Total General Development Costs:</b>	<b>\$1,675,685</b>	<b>\$2,300,999</b>	<b>\$2,299,600</b>	<b>\$41,064</b>	<b>\$500,960</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, The Martin Architectural Group, P.A. dated September 25, 2023, last revised November 1, 2023.
2. The FHFC Administrative Fee is based on 5.5% of the recommended annual allocation of HC. The FHFC Application Fee is reflective of the application fees stated in RFA 2023-304. The total FHFC Credit Underwriting Fees are \$26,781. The FHFC Compliance Fee is estimated based on the 2024 FHFC Compliance Monitoring Fee calculator for 56 units set aside for 50 years, and payable at the time the FHFC Note is paid in full.



3. Impact Fees are based on the Applicant's estimate. Applicant provided detail reflecting the impact fees per unit for transportation concurrence, roads and recreation.
4. Green Building Certification Fees are based on the Proposal by and between the Owner and RunBrook, LLC dated January 15, 2024.
5. Utility Connection fees are based on the Applicant's estimate. Applicant provided detail reflecting the facilities fees per unit for water and sewer as well as the connection fee for the building.
6. Soft cost contingency is within the 5% allowed per the RFA and Rule.
7. Other General Development Costs are based on the Applicant's estimates, which appear reasonable.

**MMRN, RRLP, ELI 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	\$80,000	\$87,500	\$87,500	\$1,563	
Construction Loan Commitment Fee				\$0	
Construction Loan Closing Costs	\$15,000	\$85,000	\$85,000	\$1,518	
Construction Loan Interest	\$725,917	\$1,024,736	\$861,627	\$15,386	\$369,797
Construction Loan Servicing Fees				\$0	
Permanent Loan Application Fee				\$0	\$0
Permanent Loan Underwriting Fee				\$0	\$0
Permanent Loan Subsidy Layering Rev.				\$0	\$0
Permanent Loan Commitment Fee				\$0	\$0
Permanent Loan Origination Fee	\$28,730	\$25,150	\$25,150	\$449	\$25,150
Permanent Loan Closing Costs	\$25,000	\$50,300	\$50,300	\$898	\$50,300
Permanent Loan Interest				\$0	\$0
Permanent Loan Servicing Fee				\$0	\$0
FHFC Note Short-Term Redemption Fee			\$25,000	\$446	\$25,000
FHFC Note Fiscal Agent Fee			\$9,000	\$161	\$9,000
FHFC Note Credit Enhancement Fee	\$40,000			\$0	\$0
FHFC Note Cost of Issuance		\$57,750	\$207,373	\$3,703	\$207,373
FHFC Note Interest				\$0	\$0
FHFC Note Servicing Fee				\$0	\$0
RRLP Commitment Fee	\$53,944	\$53,944	\$53,944	\$963	\$53,944
RRLP Closing Costs				\$0	\$0
RRLP Interest				\$0	\$0
RRLP Servicing Fee				\$0	\$0
Misc Loan Application Fee				\$0	
Misc Loan Underwriting Fee				\$0	
Misc Loan Subsidy Layering Review				\$0	
Misc Loan Origination Fee		\$2,250	\$2,250	\$40	\$2,250
Misc Loan Closing Costs				\$0	
Misc Loan Interest				\$0	
Misc Loan Servicing Fee				\$0	
Legal Fees - Financing Costs				\$0	
Negative Arbitrage				\$0	
Placement Agent/Underwriter Fee			\$35,000	\$625	\$35,000
Initial TEFRA Fee			\$1,000	\$18	\$1,000
Other: Syndicator Fees	\$86,181	\$75,000	\$75,000	\$1,339	\$75,000
Other: FHFC Issuer Fee			\$42,000	\$750	\$42,000
Other: ACD Communities II, LLC Interest		\$106,774	\$52,425	\$936	\$22,500
Other:				\$0	
<b>Total Financial Costs:</b>	<b>\$1,054,772</b>	<b>\$1,568,404</b>	<b>\$1,612,569</b>	<b>\$28,796</b>	<b>\$918,314</b>
<b>Dev. Costs before Acq., Dev. Fee &amp; Reserves</b>	<b>\$11,620,787</b>	<b>\$13,694,091</b>	<b>\$13,736,857</b>	<b>\$245,301</b>	<b>\$1,609,842</b>

*Notes to the Financial Costs:*

1. Construction Loan Origination Fee is based on 1% of the loan amount per the Chase Bank LOI. Construction Loan Closing Costs were estimated by the Applicant and appear reasonable.
2. Permanent Loan Application Fee and Origination Fee (1%) are based on the NLP LOI. Permanent Loan Closing Costs were estimated by the Applicant and appear reasonable.

**MMRN, RRLP, ELI AND HC CREDIT UNDERWRITING REPORT**

**SMG**

3. Construction Loan Interest is based on SMG’s estimate. Interest is based on the construction completion and absorption estimates included in the construction schedule and Market Study. The estimate assumes an “all-in” interest rate of 7.96% for the first mortgage, a blended interest rate of 0.84% for the Second Mortgage RRLP Loan, a construction/stabilization period of 20 months, and 57% of the MMRN outstanding (on average) during the construction schedule.
4. FHFC Short-Term Redemption Fee is based on the minimum fee of \$25,000 and is due at conversion to permanent financing upon the FHFC Note being paid in full. This estimates the bonds to be redeemed at conversion, approximately 24 months from closing.
5. FHFC Note Fiscal Agent Fee represents 24 months of the annual Fiscal Agent Fee of \$4,500 during the construction period.
6. FHFC Note Cost of Issuance includes fees and expenses of the Real Estate Counsel for MMRN and RRLP Loan, Note Counsel, Disclosure Counsel, Fiscal Agent, and other fees.
7. RRLP Commitment Fee is 1% of the RRLP Base/RRLP-ELI Loan amount.
8. Misc Loan Origination Fee is 0.25% of the ADC Communities loan amount.
9. FHFC Issuer Fee represents 24 months of the annual Issuer Fee of 24 basis points (0.24%) during the construction period.
10. Other Financial Costs are based on the Applicant’s estimates, which appear reasonable.

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	
Other:				\$0	
<b>Total Non-Land Acquisition Costs:</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

*Notes to the Non-Land Acquisition Costs:*

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

DEVELOPER FEE ON NON-ACQUISITION COSTS	Applicant Costs	Revised Applicant Costs	Underwriters Total Costs - CUR	Cost Per Unit	HC Ineligible Costs - CUR
Developer Fee - Unapportioned	\$2,091,741	\$2,464,532	\$2,464,532	\$44,010	
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	
Other:				\$0	
<b>Total Other Development Costs:</b>	<b>\$2,091,741</b>	<b>\$2,464,532</b>	<b>\$2,464,532</b>	<b>\$44,010</b>	<b>\$0</b>

*Notes to the Other Development Costs:*

1. Developer Fee does not exceed 18% of the Development’s construction cost, exclusive of land acquisition costs and reserves, as required per Rule.

LAND ACQUISITION COSTS	Applicant Costs	Revised Applicant Costs	Underwriters Total Costs - CUR	Cost Per Unit	HC Ineligible Costs - CUR
Brokerage Fees - Land			\$0	\$0	\$0
Land Acquisition Cost				\$0	\$0
Land	\$1,250,000	\$1,250,000	\$1,250,000	\$22,321	\$1,250,000
Land Lease Payment				\$0	\$0
Land Carrying Costs				\$0	\$0
Other:				\$0	\$0
<b>Total Acquisition Costs:</b>	<b>\$1,250,000</b>	<b>\$1,250,000</b>	<b>\$1,250,000</b>	<b>\$22,321</b>	<b>\$1,250,000</b>

*Notes to the Land Acquisition Costs:*

1. Applicant provided a Special Warranty Deed dated December 4, 2023, between Maria C. Ware (“Grantor”) and Applicant (“Grantee”). A closing statement was provided dated December 4, 2023, reflecting a purchase price of \$1,250,000.

The appraised value of the vacant land is \$1,450,000, which supports the purchase price.

RESERVE ACCOUNTS	Applicant Costs	Revised Applicant Costs	Underwriters Total Costs - CUR	Cost Per Unit	HC Ineligible Costs - CUR
Operating Deficit Reserve (FHFC)				\$0	\$0
Operating Deficit Reserve (Lender)				\$0	\$0
Operating Deficit Reserve (Syndicator)		\$253,133	\$253,133	\$4,520	\$253,133
Debt Service Coverage Reserve (FHFC)				\$0	\$0
Debt Service Coverage Reserve (Lender)				\$0	\$0
Debt Service Coverage Reserve (Syndicator)				\$0	\$0
Other:				\$0	\$0
<b>Total Reserve Accounts:</b>	<b>\$0</b>	<b>\$253,133</b>	<b>\$253,133</b>	<b>\$4,520</b>	<b>\$253,133</b>

*Notes to Reserve Accounts:*

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

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

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

TOTAL DEVELOPMENT COSTS	Applicant Costs	Revised Applicant Costs	Underwriters Total Costs - CUR	Cost Per Unit	HC Ineligible Costs - CUR
<b>TOTAL DEVELOPMENT COSTS:</b>	<b>\$14,962,528</b>	<b>\$17,661,756</b>	<b>\$17,704,522</b>	<b>\$316,152</b>	<b>\$3,112,975</b>

*Notes to the Total Development Costs:*

1. Total Development Cost (“TDC”) limits per unit were intentionally omitted in RFA 2023-304.
2. Total Development Costs have increased by \$2,741,994 since the time of application due to increases in construction costs, general development costs associated with architectural fees, builder’s risk and general liability insurance, legal fees and impact/utility connection fees, financing costs associated with construction loan interest and cost of issuance fees, developer fees and the addition of reserves.

**MMRN, RRLP, ELI AND HC CREDIT UNDERWRITING REPORT**

**SMG**

**Operating Pro forma**

<b>OPERATING PRO FORMA</b>		<b>ANNUAL</b>	<b>PER UNIT</b>
<b>INCOME</b>	Gross Potential Rental Income	\$544,212	\$9,718
	Other Income:		
	Ancillary Income-Parking	\$0	\$0
	Miscellaneous	\$27,931	\$499
	Washer/Dryer Rentals	\$0	\$0
	Gross Potential Income	\$572,143	\$10,217
	Less:		
	Physical Vacancy Loss - Percentage: 4.0%	(\$22,886)	(\$409)
	Collection Loss - Percentage: 1.0%	(\$5,721)	(\$102)
	<b>Total Effective Gross Revenue</b>	\$543,536	\$9,706
<b>EXPENSES</b>	Fixed:		
	Real Estate Taxes	\$0	\$0
	Insurance	\$92,400	\$1,650
	Other	\$0	\$0
	Variable:		
	Management Fee - Percentage: 6.5%	\$35,468	\$633
	General and Administrative	\$17,920	\$320
	Payroll Expenses	\$83,608	\$1,493
	Utilities	\$21,000	\$375
	Marketing and Advertising	\$1,400	\$25
	Maintenance and Repairs	\$39,200	\$700
	Grounds Maintenance and Landscaping	\$0	\$0
	Resident Programs	\$0	\$0
	Contract Services	\$560	\$10
	Security	\$0	\$0
	Other-Pest Control	\$0	\$0
	Reserve for Replacements	\$16,800	\$300
	<b>Total Expenses</b>	\$308,356	\$5,506
	<b>Net Operating Income</b>	\$235,180	\$4,200
	<b>Debt Service Payments</b>		
<b>DEBT SERVICE</b>	First Mortgage - NLP	\$178,206	\$3,182
	Second Mortgage - FHFC RRLP Base / RRLP ELI	\$42,672	\$762
	Third Mortgage - ADC Communities	\$45,000	\$804
	All Other Mortgages -	\$0	\$0
	First Mortgage Fees - NLP	\$0	\$0
	Second Mortgage Fees - FHFC RRLP Base / RRLP ELI	\$12,622	\$225
	Third Mortgage Fees - ADC Communities	\$0	\$0
	All Other Mortgages Fees -	\$0	\$0
<b>Total Debt Service Payments</b>	\$278,500	\$4,973	
<b>Cash Flow After Debt Service</b>	(\$43,320)	(\$774)	

**MMRN, RRLP, ELI AND HC CREDIT UNDERWRITING REPORT**

**SMG**

<b>Debt Service Coverage Ratios</b>		
	DSC - First Mortgage plus Fees	1.320
	DSC - Second Mortgage plus Fees	1.007
	DSC - Third Mortgage plus Fees	0.844
	DSC - All Mortgages and Fees	0.844
<b>Financial Ratios</b>		
	Operating Expense Ratio	56.7%
	Break-Even Ratio	102.9%

*Notes to the Operating Pro forma and Ratios:*

- The MMRB program does not impose any rent restrictions; however, the development will be utilizing Housing Credits, RRLP and ELI which will impose rent restrictions. Lakewood Senior Housing is projected to achieve 2024 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 Energy Consulting, Inc. to prepare a UA Energy Consumption Model Estimate. This model was approved by Florida Housing on April 9, 2024. The model reflects the residents paying for electricity, water and sewer and the Applicant paying for trash pick-up.

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

County: Volusia County (Deltona – Daytona Beach – Ormond Beach HMFA)

Bed Rooms	Bath Rooms	Units	Square Feet	AMI%	Low HOME Rents	High HOME Rents	Gross HC Rent	Utility Allow.	Net Restricted Rents	PBRA Contr Rents	Applicant Rents	Appraiser Rents	CU Rents	Annual Rental Income
1	1.0	9	564	30%			\$466	\$122	\$344		\$344	\$344	\$344	\$37,152
1	1.0	20	564	60%			\$932	\$122	\$810		\$810	\$810	\$810	\$194,400
1	1.0	27	564	70%			\$1,087	\$122	\$965		\$965	\$965	\$965	\$312,660
		56	31,584											\$544,212

- The RRLP Base Loan and ADC Communities loan will be repaid from available cash flow. The Break-Even Ratio would be 87.6% if the RRLP and ADC Communities interest payments were excluded.
- Miscellaneous income includes laundry, late fees, and application fees.
- 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. Real Estate Tax expense is based on the Applicant’s plan to qualify as a 501(c)(3) organization in Florida and meet all requirements within Florida Statute 196.1978(1)(a), thereby granting the Development exemption from all real property taxes.
- Management Fees are based upon the Management Agreement provided by the Applicant that reflects a management fee equal to the 6.0% or \$2,700 per month, whichever is greater. The Manager will also receive a fee for compliance services in an amount equal to \$4.25 per unit per month, resulting in an effective fee of 6.5%.
- Contract Services reflects the cost to provide financial education at the Development.

8. Replacement Reserves in the amount of \$300 per unit per year meet RFA and Rule requirements. RBC requires the replacement reserve to be increased annually by 3.00%.
9. Other operating expense estimates are based on comparable properties and are supported by the appraisal.
10. A 15-year income and expense projection reflects increasing debt service coverage (“DSC”) with rental income increasing at an annual rate of 2% and expenses increasing at an annual rate of 3%. This projection is attached to this report as Exhibit 1.



SMG

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**Section B**

**Loan Conditions**

**HC Allocation Recommendation and Contingencies**

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OCTOBER 9, 2024

Special Conditions

These recommendations are contingent upon the review and approval of the following items by SMG and Florida Housing at least 30 days 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 the fully executed AIA A102 Agreement, including all exhibits, reflecting terms not substantially different from the unexecuted and undated AIA A102 Agreement utilized herein for underwriting.
2. Receipt and satisfactory review of an updated Phase I Environmental Report that is not substantially different than the report utilized herein for underwriting.
3. Receipt and satisfactory review of a fully executed management agreement reflecting terms not substantially different from the unexecuted and undated management agreement utilized herein for underwriting.
4. Confirmation that the following required features and amenities will be provided at the Development and receipt and satisfactory review of the updated PCA, including satisfactory receipt and review of a complete list of allowances, confirming the below features and amenities are included in the scope of work.
  - a. Horizontal grab bars in place around each tub and/or shower, or a corporation-approved alternative approach for grab bar installation is required. Moran states that all grab bars have been removed from all units the exception of the 5% ADA units (3 units).
  - b. Energy Star ceiling fans with lighting fixtures in bedrooms is required. Moran notes that these are not shown in the plans or specifications.
4. Confirmation of a RRLP Loan Debt Service Coverage Ratio of a minimum of 1.00 to 1.00.
5. Receipt and satisfactory review of an opinion prepared by a tax accountant confirming qualification for the tax exemption under Florida Statute 196.1978(1)(a).

General Conditions

This recommendation is contingent upon the review and approval of the following items by SMG and Florida Housing at least 30 days prior to loan closing. Failure to receive approval of these items within this time frame may result in postponement of the loan closing.

1. Borrower to comply with any and all recommendations noted in the Plan and Cost Review.
2. Signed and sealed survey, dated within 90 days of closing, unless otherwise approved by Florida Housing, and its Legal Counsel, based upon the particular circumstances of the transaction. The Survey shall be certified to Florida Housing and its Legal Counsel, as well as the title insurance company, and shall indicate the legal description, exact boundaries of the Development, easements, utilities, roads, and means of access to public streets, total acreage and flood hazard area, and any other requirements of Florida Housing.
3. Final "as permitted" (signed and sealed) site plans, building plans and specifications. The geotechnical report, if any, must be bound within the final plans and specifications.

4. Building permits and any other necessary approvals and permits (e.g., final site plan approval, water management district, Department of Environmental Protection, Army Corps of Engineers, Department of Transportation, etc.). Acceptable alternatives to this requirement are receipt and satisfactory review of a letter from the local permitting and approval authority that the above referenced permits and approvals will be issued upon receipt of applicable fees (with no other conditions), or evidence of 100% lien-free completion, if applicable. If a letter is provided, copies of all permits will be required as a condition of the first post-closing draw.
5. Final sources and uses of funds itemized by source and line item, in a format and in amounts approved by the Servicer. A detailed calculation of the construction interest based on the final draw schedule (see below), documentation of the closing costs, and draft loan closing statement must also be provided. The sources and uses of funds schedule will be attached to the Loan Agreement as the approved Development budget.
6. A final construction draw schedule showing itemized sources and uses of funds for each monthly draw. RRLP Loan Proceeds shall be in an amount per draw that does not exceed the ratio of the RRLP Loan to the Total Development Cost during the construction or rehabilitation phase, unless otherwise approved by the Credit Underwriter. RRLP-ELI Loan proceeds shall be disbursed in an amount per draw that does not exceed the ratio of the RRLP-ELI Loan to Total Development Cost during the construction or rehabilitation phase, unless otherwise approved by the Credit Underwriter. The closing draw shall include appropriate backup and ACH wiring instructions.
7. Construction Period Developer Fee shall be the lesser of i) 50% of the Total Developer Fee or ii) the Total Developer Fee less the Deferred Developer Fee listed in the Sources and Uses for the construction period, as calculated by the Servicer. At closing, a maximum of 35% of the Construction Period Developer Fee may be funded. Remaining Construction Period Developer Fee will be disbursed during construction/rehabilitation on a pro rata basis, based on the percentage of completion of the development, as approved and reviewed by FHFC and Servicer.

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

8. Evidence of insurance coverage pursuant to the Request for Application governing this proposed transaction and, if applicable, the FHFC Insurance Guide.
9. The General Contractor shall secure a payment and performance bond equal to 100% 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., 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 30 days 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 MMRN, RRLP and RRLP-ELI 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 MMRN, RRLP and RRLP-ELI 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 Operating Agreement or other applicable agreement. Florida Housing shall be satisfied in its sole discretion that all legal and program requirements for the Loans have been satisfied.
6. Evidence of insurance coverage pursuant to the Request for Application governing this proposed transaction and, if applicable, the FHFC Insurance Guide.
7. Receipt of a legal opinion from the Borrower's Legal Counsel acceptable to Florida Housing addressing the following matters:
  - a. The legal existence and good standing of the Borrower and of any partnership or limited liability company that is the general partner / member of the Borrower (the "GP") and of any corporation or partnership that is the managing general partner / member 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, 420.5087 and 420.509, Florida Statutes, Rule Chapters 67-21, 67-53, and 67-60, F.A.C., RFA 2023-304, 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 MMRN, RRLP and RRLP-ELI 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 Extended Low Income Housing Agreement(s).
3. If MMRN funds are used for construction or rehabilitation, all amounts necessary to complete construction must be deposited with the Fiscal Agent prior to Loan Closing, or any phased HC Equity pay-in of amount necessary to complete construction 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.
4. If applicable, receipt and satisfactory review of Financial Statements from all Guarantors dated within 90 days of Real Estate Closing.
5. Guarantors are to provide the standard FHFC Construction Completion Guaranty, to be released upon lien free completion as approved by the Servicer.
6. Guarantors for the MMRN 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 permanent first mortgage as determined by FHFC or its Servicer, and 90% Occupancy and 90% of Gross Potential Rental Income net of utility allowances, if applicable, for a period equal to twelve (12) consecutive months, all certified by an independent Certified Public Accountant ("CPA") and verified by the Servicer. The calculation of the debt service coverage ratio shall be made by 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.
7. Guarantors for the RRLP 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 RRLP Loan as determined by FHFC or its Servicer, and 90% Occupancy and 90% of Gross Potential Rental Income net of utility allowances, if applicable, for a period equal to twelve (12) consecutive months, all certified by an independent 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.
8. Guarantors are to provide the standard FHFC Environmental Indemnity Guaranty.
9. Guarantors are to provide the standard FHFC Guaranty of Recourse Obligations.

10. 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.
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 Reserves in the minimum amount of \$300 per unit per year are required to be deposited on a monthly basis into a designated escrow account, to be maintained by the First Mortgagee/Credit Enhancer, the Fiscal Agent, or Florida Housing's loan servicing agent. However, Applicant has the option to prepay Replacement Reserves, as allowed per RFA, in the amount of \$17,052 (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, increasing 3% 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.

13. Moran Construction Consultants, LLC ("Moran") or other construction inspector acceptable for Florida Housing is to act as Florida Housing's inspector during the construction period.
14. Under Lakewood Senior Housing's 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 the RFA and Rule minimum requirement.
15. Satisfactory completion of a pre-loan closing compliance audit conducted by Florida Housing or its Servicer, if applicable.
16. Closing of all funding sources prior to or simultaneous with the closing of the MMRN, RRLP and RRLP-ELI loans.
17. Any other reasonable requirements of the Servicer, Florida Housing or its Legal Counsel.

## **Housing Credit Allocation Recommendation**

Seltzer Management Group, Inc. recommends a preliminary annual Housing Credit allocation of \$758,760. Please see the HC Allocation Calculation section of this report for further details.

### **Contingencies**

The HC allocation recommendation is contingent upon the receipt and satisfactory review of the following items by SMG and the Florida Housing Finance Corporation by the deadline established in the Preliminary HC Allocation. Failure to submit these items within this time frame may result in forfeiture of the HC Allocation.

1. All items listed under the Special Conditions section of the Loan Conditions to Close.
2. Satisfactory resolution of any outstanding past due items and/or noncompliance items.
3. Any reasonable requirements of Florida Housing, SMG or its Legal Counsel.



**Exhibit 1**  
**Lakewood Senior Housing**  
**15 Year Income and Expense Projection**

<b>FINANCIAL COSTS:</b>		<b>Year 1</b>	<b>Year 2</b>	<b>Year 3</b>	<b>Year 4</b>	<b>Year 5</b>	<b>Year 6</b>	<b>Year 7</b>	<b>Year 8</b>	<b>Year 9</b>	<b>Year 10</b>	<b>Year 11</b>	<b>Year 12</b>	<b>Year 13</b>	<b>Year 14</b>	<b>Year 15</b>
<b>OPERATING PRO FORMA</b>																
<b>INCOME</b>	Gross Potential Rental Income	\$544,212	\$555,096	\$566,198	\$577,522	\$589,073	\$600,854	\$612,871	\$625,129	\$637,631	\$650,384	\$663,391	\$676,659	\$690,192	\$703,996	\$718,076
	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	\$27,931	\$28,490	\$29,059	\$29,641	\$30,233	\$30,838	\$31,455	\$32,084	\$32,726	\$33,380	\$34,048	\$34,729	\$35,423	\$36,132	\$36,854
	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	\$572,143	\$583,586	\$595,258	\$607,163	\$619,306	\$631,692	\$644,326	\$657,212	\$670,357	\$683,764	\$697,439	\$711,388	\$725,616	\$740,128	\$754,931
	Less:															
Economic Loss - Percentage:																
Physical Vacancy Loss - Percentage: 4.0%	(\$22,886)	(\$23,343)	(\$23,810)	(\$24,287)	(\$24,772)	(\$25,268)	(\$25,773)	(\$26,289)	(\$26,814)	(\$27,351)	(\$27,898)	(\$28,456)	(\$29,025)	(\$29,605)	(\$30,197)	
Collection Loss - Percentage: 1.0%	(\$5,721)	(\$5,836)	(\$5,953)	(\$6,072)	(\$6,193)	(\$6,317)	(\$6,443)	(\$6,572)	(\$6,704)	(\$6,838)	(\$6,974)	(\$7,114)	(\$7,256)	(\$7,401)	(\$7,549)	
<b>Total Effective Gross Revenue</b>	<b>\$543,536</b>	<b>\$554,407</b>	<b>\$565,495</b>	<b>\$576,805</b>	<b>\$588,341</b>	<b>\$600,108</b>	<b>\$612,110</b>	<b>\$624,352</b>	<b>\$636,839</b>	<b>\$649,576</b>	<b>\$662,567</b>	<b>\$675,819</b>	<b>\$689,335</b>	<b>\$703,122</b>	<b>\$717,184</b>	
<b>EXPENSES</b>	Fixed:															
	Ground Lease	\$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	
	Real Estate Taxes	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
	Insurance	\$92,400	\$95,172	\$98,027	\$100,968	\$103,997	\$107,117	\$110,330	\$113,640	\$117,050	\$120,561	\$124,178	\$127,903	\$131,740	\$135,693	\$139,763
	Other	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
	Variable:															
	Management Fee - Percentage: 6.5%	\$35,468	\$36,178	\$36,901	\$37,639	\$38,392	\$39,160	\$39,943	\$40,742	\$41,557	\$42,388	\$43,235	\$44,100	\$44,982	\$45,882	\$46,799
	General and Administrative	\$17,920	\$18,458	\$19,011	\$19,582	\$20,169	\$20,774	\$21,397	\$22,039	\$22,701	\$23,382	\$24,083	\$24,805	\$25,550	\$26,316	\$27,106
	Payroll Expenses	\$83,608	\$86,116	\$88,700	\$91,361	\$94,102	\$96,925	\$99,832	\$102,827	\$105,912	\$109,089	\$112,362	\$115,733	\$119,205	\$122,781	\$126,465
	Utilities	\$21,000	\$21,630	\$22,279	\$22,947	\$23,636	\$24,345	\$25,075	\$25,827	\$26,602	\$27,400	\$28,222	\$29,069	\$29,941	\$30,839	\$31,764
	Marketing and Advertising	\$1,440	\$1,442	\$1,485	\$1,530	\$1,576	\$1,623	\$1,672	\$1,722	\$1,773	\$1,827	\$1,881	\$1,938	\$1,996	\$2,056	\$2,118
	Maintenance and Repairs	\$39,200	\$40,376	\$41,587	\$42,835	\$44,120	\$45,444	\$46,807	\$48,211	\$49,657	\$51,147	\$52,682	\$54,262	\$55,890	\$57,567	\$59,294
	Grounds Maintenance and Landscaping	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
	Resident Programs	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
	Contract Services	\$560	\$577	\$594	\$612	\$630	\$649	\$669	\$689	\$709	\$731	\$753	\$775	\$798	\$822	\$847
	Security	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
	Other-Pest Control	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
	Reserve for Replacements	\$16,800	\$17,304	\$17,823	\$18,358	\$18,909	\$19,476	\$20,060	\$20,662	\$21,282	\$21,920	\$22,578	\$23,255	\$23,953	\$24,671	\$25,412
	<b>Total Expenses</b>	<b>\$308,356</b>	<b>\$317,252</b>	<b>\$326,408</b>	<b>\$335,831</b>	<b>\$345,530</b>	<b>\$355,512</b>	<b>\$365,785</b>	<b>\$376,360</b>	<b>\$387,243</b>	<b>\$398,445</b>	<b>\$409,974</b>	<b>\$421,841</b>	<b>\$434,055</b>	<b>\$446,627</b>	<b>\$459,567</b>
	<b>Net Operating Income</b>	<b>\$235,180</b>	<b>\$237,154</b>	<b>\$239,087</b>	<b>\$240,973</b>	<b>\$242,811</b>	<b>\$244,596</b>	<b>\$246,324</b>	<b>\$247,992</b>	<b>\$249,596</b>	<b>\$251,131</b>	<b>\$252,593</b>	<b>\$253,978</b>	<b>\$255,280</b>	<b>\$256,495</b>	<b>\$257,617</b>
<b>Debt Service Payments</b>																
<b>DEBT SERVICE</b>	First Mortgage - NLP	\$178,206	\$178,206	\$178,206	\$178,206	\$178,206	\$178,206	\$178,206	\$178,206	\$178,206	\$178,206	\$178,206	\$178,206	\$178,206	\$178,206	\$178,206
	Second Mortgage - FHFC RRLP Base / RRLP ELI	\$42,672	\$42,672	\$42,672	\$42,672	\$42,672	\$42,672	\$42,672	\$42,672	\$42,672	\$42,672	\$42,672	\$42,672	\$42,672	\$42,672	
	Third Mortgage - ADC Communities	\$45,000	\$45,000	\$45,000	\$45,000	\$45,000	\$45,000	\$45,000	\$45,000	\$45,000	\$45,000	\$45,000	\$45,000	\$45,000	\$45,000	
	Fourth Mortgage -	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
	Fifth Mortgage -	\$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	
	First Mortgage Fees - NLP	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
	Second Mortgage Fees - FHFC RRLP Base / RRLP ELI	\$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 - ADC Communities	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
	All Other Mortgage Fees -	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
<b>Total Debt Service Payments</b>	<b>\$278,500</b>	<b>\$278,500</b>	<b>\$278,500</b>	<b>\$278,500</b>	<b>\$278,500</b>	<b>\$278,500</b>	<b>\$278,500</b>	<b>\$278,500</b>	<b>\$278,500</b>	<b>\$278,500</b>	<b>\$278,500</b>	<b>\$278,500</b>	<b>\$278,500</b>	<b>\$278,500</b>	<b>\$278,500</b>	
<b>Cash Flow After Debt Service</b>	<b>(\$43,320)</b>	<b>(\$41,346)</b>	<b>(\$39,413)</b>	<b>(\$37,527)</b>	<b>(\$35,689)</b>	<b>(\$33,904)</b>	<b>(\$32,176)</b>	<b>(\$30,508)</b>	<b>(\$28,904)</b>	<b>(\$27,369)</b>	<b>(\$25,907)</b>	<b>(\$24,522)</b>	<b>(\$23,220)</b>	<b>(\$22,005)</b>	<b>(\$20,883)</b>	
<b>Debt Service Coverage Ratios</b>																
DSC - First Mortgage plus Fees	1.320	1.331	1.342	1.352	1.363	1.373	1.382	1.392	1.401	1.409	1.417	1.425	1.432	1.439	1.446	
DSC - Second Mortgage plus Fees	1.007	1.016	1.024	1.032	1.040	1.048	1.055	1.062	1.069	1.076	1.082	1.088	1.093	1.098	1.103	
DSC - Third Mortgage plus Fees	0.844	0.852	0.858	0.865	0.872	0.878	0.884	0.890	0.896	0.902	0.907	0.912	0.917	0.921	0.925	
DSC - All Mortgages and Fees	0.844	0.852	0.858	0.865	0.872	0.878	0.884	0.890	0.896	0.902	0.907	0.912	0.917	0.921	0.925	
<b>Financial Ratios</b>																
Operating Expense Ratio	56.7%	57.2%	57.7%	58.2%	58.7%	59.2%	59.8%	60.3%	60.8%	61.3%	61.9%	62.4%	63.0%	63.5%	64.1%	
Break-Even Ratio	102.9%	102.4%	101.9%	101.5%	101.1%	100.7%	100.3%	100.0%	99.6%	99.3%	99.0%	98.8%	98.5%	98.3%	98.1%	

LAKWOOD SENIOR HOUSING  
RFA 2023-304 / (2023-206BR / 2022-547C)  
DESCRIPTION OF FEATURES AND AMENITIES

A. The Development will consist of:

56 Units located in 1 Mid-Rise residential building

Unit Mix:

Fifty six (56) one bedroom/one bath units;

56 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 Developments 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, Florida Statutes, Section 504 of the Rehabilitation Act of 1973, and Titles II and III of the Americans with Disabilities Act of 1990 as implemented by 28 CFR 35.

All Developments must meet the 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 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 units;
  8. Bathtub with shower in at least one bathroom in at least 90% of the new construction non-Elderly units;
  9. Elderly Developments must have a minimum of one elevator per residential building provided for all Elderly Set-Aside Units that are located on a floor higher than the first floor; and
  10. 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. The Corporation requires that the design, construction, or alteration of its financed Developments be in compliance with federal and state accessibility requirements. When more than one law and accessibility standard applies, the Applicant shall comply with the standard (2010 ADA Standards, Section 504, Fair Housing Act, or Florida Building Code, Accessibility) whichever 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. Accessibility Features in all Developments with the Elderly (ALF or Non-ALF) Demographic must also provide the following features:
- 20 percent of the new construction units must have roll-in showers.
  - Horizontal grab bars in place around each tub and/or shower, or a Corporation-approved alternative approach for grab bar installation. The installation of the grab bars must meet or exceed the 2010 ADA Standards for Accessible Design, Section 609. In addition, the following standards for grab bars are required:

- a. If a bathtub/shower combination with a permanent seat is provided, grab bars shall be installed to meet or exceed the 2010 ADA Standards for Accessible Design, Section 607.4.1.
  - b. If a bathtub/shower combination without a permanent seat is provided, grab bars shall be installed to meet or exceed the 2010 ADA Standards for Accessible Design, Section 607.4.2.
  - c. If a roll-in shower is provided, grab bars shall be installed to meet or exceed the 2010 ADA Standards for Accessible Design, Section 608.3.2;
  - Reinforced walls for future installation of horizontal grab bars in place around each toilet, or a Corporation-approved alternative approach for grab bar installation. The installation of the grab bars must meet or exceed the 2010 ADA Standards for Accessible Design;
  - All bathrooms in all new construction units must have vanity cabinets with at least one roll-out shelf or drawer in bottom of cabinet.;
  - Adjustable shelving in master bedroom closets (must be adjustable by resident); and
  - In one of the kitchen's base cabinets, there shall be a large bottom drawer that opens beyond full extension, also referred to as an "over-travel feature." Drawers with the over-travel feature allow drawers to extend completely past the cabinet front so all the contents can be accessed. The drawer shall be deep and wide enough to store pots and pans and the drawer slides shall have a weight load rating of a minimum of 100 pounds. The drawers shall be mounted on a pair of metal side rails that are ball-bearing.
- G. Green Building Features required in all Developments:
- All units and, as applicable, all common areas must have the features listed below.
- a. Low or No-VOC paint for all interior walls (Low-VOC means 50 grams per liter or less for flat; 150 grams per liter or less for non-flat paint);
  - b. Low-flow water fixtures in bathrooms – WaterSense labeled products or the following specifications:
    - i. Toilets: 1.28 gallons/flush or less
    - ii. Urinals: 0.5 gallons/flush,
    - iii. Lavatory Faucets: 1.5 gallons/minute or less at 60 psi flow rate,,
    - iv. Showerheads: 2.0 gallons/minute or less at 80 psi flow rate;;
  - c. Energy Star certified refrigerator;
  - d. Energy Star certified dishwasher;
  - e. Energy Star certified ventilation fan in all bathrooms;
  - f. Water heater minimum efficiency specifications:
    - Residential Electric:
      - i. Up to 55 gallons = 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.  $\geq 7.8$  HSPF/  $\geq 15.2$  SEER2/  $\geq 11.7$  EER for split systems
    - b.  $\geq 7.2$  HSPF/  $\geq 15.2$  SEER2/  $\geq 10.6$  EER for single package equipment including gas/electric package units
  - ii. Central Air Conditioners – Energy Star certified:
    - a.  $\geq 15.2$  SEER/  $\geq 12.0$  EER2 for split systems
    - b.  $\geq 15.2$  SEER/  $\geq 11.5$  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);
- Florida Green Building Coalition (FGBC);
- Enterprise Green Communities; or
- ICC 700 National Green Building Standard (NGBS).

H. 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.

Required Resident Program for all Applicants that select the Elderly Demographic

24 Hour Support to Assist Residents In Handling Urgent Issues

An important aging in place best practice is providing the residents access to property management support 24 hours per day, 7 days a week to assist them to appropriately and efficiently handle urgent issues or incidents that may arise. These issues may include, but are not limited to, an apartment maintenance emergency, security or safety concern, or a health risk incident in their apartment or on the property. The management's assistance will include a 24/7 approach to receiving residents' requests for assistance that will include a formal written process for relevant property management staff to effectively assess and provide assistance for each request.

This assistance may include staff:

- visiting or coordinating a visit to a resident's apartment to address an urgent maintenance issue;

- responding to a resident being locked out of their apartment;
- contacting on-site security or the police to address a concern;
- providing contact information to the resident and directing or making calls on a resident's behalf to appropriate community-based emergency services or related resources to address an urgent health risk incident;
- calling the resident's informal emergency contact; or
- addressing a resident's urgent concern about another resident.

Property management staff shall be on site at least 8 hours daily, but the 24-hour support approach may include contracted services or technology to assist the management in meeting this commitment, if these methods adequately address the intent of this service. The Development's owner and/or designated property management entity shall develop and implement policies and procedures for staff to immediately receive and handle a resident's call and assess the call based on a resident's request and/or need.

At a minimum, residents shall be informed by the property management, at move-in and via a written notice(s)/instructions provided to each resident and displayed in the Development's common or public areas, that staff are available to receive resident calls at all times. These notices shall also provide contact information and direction to first contact the community-based emergency services if they have health or safety risk concerns.

- I. Applicants who select the Elderly Demographic, must provide at least three additional resident programs:
  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. Assistance with Light Housekeeping, Grocery Shopping and/or Laundry - The Applicant or its Management Company must provide residents with a list of qualified service providers for (a) light housekeeping, and/or (b) grocery shopping, and/or (c) laundry and will coordinate, at no cost to the resident, the scheduling of services. The Developer or Management Company shall verify that the services referral information is accurate and up-to-date at least once every six months.
  3. Resident Assurance Check-In Program Provide and use an established system for checking in with each resident on a pre-determined basis not less than once per day, at no cost to the resident. Residents may opt out of this program with a written certification that they choose not to participate.

**COMPLETENESS AND ISSUES CHECKLIST**

DEVELOPMENT NAME: Lakewood Senior Housing

DATE: October 9, 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”).	Unsatis.	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.	
8. Market Study separate from the Appraisal.	Satis.	
9. Environmental Site Assessment – Phase I and/or Phase II if applicable (If Phase I and/or II disclosed environmental problems requiring remediation, a plan, including time frame and cost, for the remediation is required). If the report is not dated within one year of the application date, an update from the assessor must be provided indicating the current environmental status.	Satis.	2
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.	
11. Resumes and experience of Borrower, general contractor and management agent.	Satis.	

**MMRN, RRLP, ELI AND HC CREDIT UNDERWRITING REPORT**

**SMG**

12. Credit authorizations; verifications of deposits and mortgage loans.	Satis.	
13. Management Agreement and Management Plan.	Satis.	3
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. The PCA noted that certain features and amenities were not included in the plans and specifications or were not able to be verified.  
Response: Applicant will adhere to the committed to features and amenities per RFA 2023-304.
2. The Phase I Environmental Report provided for underwriting is dated April 19, 2023, and notes an expiration date of October 4, 2023.  
Response: Applicant will provide an updated Phase I prior to Closing.
3. An unexecuted and undated Property Management Agreement was provided between the Applicant and RAM.  
Response: Applicant will provide a fully executed Property Management Agreement not substantially different from the unexecuted and undated agreement utilized herein for underwriting.



**HC Allocation Calculation**

<b>Section I: Qualified Basis Calculation</b>	
Development Cost	\$17,704,522
Less Land Cost	(\$1,250,000)
Less Federal Funds	\$0
Less Other Ineligible Cost	(\$1,862,975)
Less Disproportionate Standard	\$0
<b>Total Eligible Basis</b>	<b>\$14,591,547</b>
Applicable Fraction	100.00%
DDA/QCT Basis Credit	130.00%
<b>Qualified Basis</b>	<b>\$18,969,011</b>
Housing Credit Percentage	4.00%
<b>Annual Housing Credit Allocation</b>	<b>\$758,760</b>

*Notes to the Qualified Basis Calculation:*

1. Other Ineligible Costs primarily include a portion of Site Work costs, income producing washer and dryer costs, a portion of accounting and legal fees, market study costs, marketing and advertising fees, Title Insurance/Recording fees, FHFC application, administrative, credit underwriting fees and HC compliance fees, construction loan interest costs during lease up, permanent loan underwriting and origination fees, MMRN cost of issuance, syndicator fees and reserves.
2. The Borrower committed to a set aside of 100%. Therefore, SMG has utilized an Applicable Fraction of 100%.
3. The Development was located in a Qualified Census Tract, 0823.02 at the time of Application. Therefore, the 130% basis credit has been applied to the Eligible Basis.
4. Per the FY 2021 Omnibus Consolidated Appropriations Act passed by Congress as of December 21, 2020, a permanent 4% minimum HC rate was established. For purposes of this report, a HC percentage of 4.00% has therefore been applied.

**MMRN, RRLP, ELI AND HC CREDIT UNDERWRITING REPORT**

**SMG**

<b>Section II: Gap Calculation</b>	
Total Development Cost (Including Land and Ineligible Costs)	\$17,704,522
Less Mortgages	(\$8,809,400)
Less Grants	\$0
Equity Gap	\$8,895,122
Percentage to Investment Partnership	99.99%
HC Syndication Pricing	\$0.885
HC Required to Meet Gap	\$10,051,991
Annual HC Required	\$1,005,199

*Notes to the Gap Calculation:*

1. Mortgages include the NLP first mortgage, FHFC RRLP second mortgage, FHFC RRLP-ELI second mortgage and ADC Communities II, LLC third mortgage.
2. HC Syndication Pricing and Percentage to Investment Partnership are based upon the September 3, 2024, LOI from RBC.

<b>Section III: Tax-Exempt Bond 50% Test</b>	
Total Depreciable Cost	\$14,591,547
Plus Land Cost	\$1,250,000
Aggregate Basis	\$15,841,547
Tax-Exempt Bond Amount	\$8,750,000
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	\$8,750,000
Proceeds Divided by Aggregate Basis	55.23%

*Notes to 50% Test:*

1. SMG estimates the Tax-Exempt MMRN amount to be 55.23% of Depreciable Development Costs plus Land Acquisition Costs. If, at the time of Final Cost Certification, the Tax-Exempt Note 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	\$758,760
HC per Gap Calculation	\$1,005,199
Annual HC Recommended	\$758,760

*Notes to the Summary:*

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

**FLORIDA HOUSING FINANCE CORPORATION  
AUTHORIZATION RESOLUTION  
LAKEWOOD SENIOR HOUSING**

**RESOLUTION NO.**

**A RESOLUTION AUTHORIZING THE ISSUANCE OF A MULTIFAMILY MORTGAGE REVENUE NOTE, 2024 SERIES \_\_ [ONE OR MORE SERIES OR SUBSERIES TO BE DESIGNATED] (LAKEWOOD SENIOR HOUSING), 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 OR PLACEMENT AGREEMENT, OR SIMILAR AGREEMENT, FROM OR ON BEHALF OF JPMORGAN CHASE BANK, N.A., OR SUCH OTHER ENTITY APPROVED BY FLORIDA HOUSING IN ACCORDANCE WITH THE TERMS HEREOF, TO THE FLORIDA HOUSING FINANCE CORPORATION, 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 SALE AND ISSUANCE OF SUCH NOTE, INCLUDING, BUT NOT LIMITED TO, A PRIVATE PLACEMENT MEMORANDUM OR TRANSACTION SUMMARY; AUTHORIZING ALL ACTIONS NECESSARY FOR FINAL APPROVAL OF THE SALE AND ISSUANCE 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 its 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] (Lakewood Senior Housing), 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 Lakewood Senior Housing, LLLP, together with its predecessors, successors, assigns, affiliates and/or related entities (the “Borrower”), to finance the acquisition, construction and equipping of an approximately 56 unit multifamily residential rental development for elderly persons of low, moderate and middle income, named Lakewood Senior Housing, located in the City of Daytona Beach, Volusia County, Florida (the “Property”); provided that the aggregate principal amount of the Note shall not exceed (a) \$8,750,000 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 elderly 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 this date (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 the 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 sale and issuance 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) \$8,750,000 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 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 between Florida Housing and the Borrower, or financing agreement 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 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 or placement agreement, or similar agreement, as applicable, among Florida Housing, JPMorgan Chase Bank, N.A., or such other entity as shall be approved by the Board or the Executive Director of Florida Housing to serve as the initial purchaser of the Note (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 or placement 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 purchase or placement agreement, or similar agreement, an Authorized Signatory is authorized to acknowledge and endorse such note purchase or 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 purchase or 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 or 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 or 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 22<sup>nd</sup> day of October, 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 a Resolution adopted at a duly noticed public meeting of the Florida Housing Finance Corporation, legally called and held on the 22<sup>nd</sup> day of October, 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.

\_\_\_\_\_  
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  
SALE RESOLUTION  
LAKEWOOD SENIOR HOUSING**

**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] (LAKEWOOD SENIOR HOUSING), 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 PURCHASE OR 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 its 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 a resolution authorizing the issuance of its Multifamily Mortgage Revenue Note, 2024 Series \_\_ [one or more series or subseries to be designated] (Lakewood Senior Housing), 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 56 unit multifamily residential rental development for elderly persons of low, moderate and middle income, named Lakewood Senior Housing, located in the City of Daytona Beach, Volusia County, Florida; provided that the aggregate principal amount of the Note shall not exceed (a) \$8,750,000 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 RBC Capital Markets, LLC, or any other placement agent approved by the Board or the Executive Director of Florida Housing to serve as the placement agent for the negotiated sale of the Note (hereinafter referred to as the “Placement Agent”), and JPMorgan Chase Bank, N.A., or such other entity as shall be approved by the Board or the

Executive Director of Florida Housing to serve as the initial purchaser of the Note (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]  
(Lakewood Senior Housing)  
[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 purchase or placement agreement, or similar agreement, as applicable, 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 negotiated sale and issuance 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 22<sup>nd</sup> day of October, 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 a Resolution adopted at a duly noticed public meeting of the Florida Housing Finance Corporation, legally called and held on the 22<sup>nd</sup> day of October, 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.

---

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

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Notary Public

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Name typed, printed or stamped

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

**Florida Housing Finance Corporation**

*Credit Underwriting Report (“CUR”)*

**Bayshore Pines**

**2023-101B**

**Multifamily Mortgage Revenue Notes (“MMRN”) and 4% Non-Competitive  
Housing Credits (“HC”)**

**Section A: Report Summary**

**Section B: MMRN Special and General Conditions and Housing Credit Allocation  
Recommendation and Contingencies**

**Section C: Supporting Information and Schedules**

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**Prepared by**

**AmeriNat®**

*Final Report*

**October 10, 2024**

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**Bayshore Pines**

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

**Recommendation**

AmeriNat® (“AmeriNat”) recommends the issuance of MMRN in the amount of \$35,043,000 by Florida Housing Finance Corporation (“FHFC” or “Florida Housing”) and an annual 4% HC allocation in the amount of \$3,199,909 to OHG FL Lee I Bayshore LP (“Applicant”) for the construction and permanent phase financing of Bayshore Pines (the proposed “Development”). This recommendation is only valid for six months from the date of the report.

DEVELOPMENT & SET-ASIDES																			
Development Name:	<u>Bayshore Pines</u>																		
RFA/Program Numbers:	<u>                                </u>	/	<u>2023-101B</u>	<u>                                </u>															
Address:	<u>5361 Bayshore Road (North Fort Myers)</u>																		
City:	<u>Unincorporated Lee County</u>	Zip Code:	<u>33917</u>	County:															
				<u>Lee</u>															
			County Size:	<u>Medium</u>															
Development Category:	<u>New Construction</u>	Development Type:	<u>Mid-Rise (4 Stories)</u>																
Construction Type:	<u>Masonry</u>	Number of Stories:	<u>4</u>																
Demographic Commitment:																			
Primary:	<u>Family</u>	for	<u>100%</u>	of the Units															
Unit Composition:																			
# of ELI Units:	<u>                                </u>	ELI Units Are Restricted to	<u>                                </u>	AMI, or less.															
# of Link Units:	<u>                                </u>	# of Preference units:	<u>                                </u>	IRS Minimum Set-Aside Commitment:															
# of NHTF Units:	<u>0</u>	# of units w/ PBRA?	<u>0</u>	TSP Approval Date:															
				<u>07/12/2024</u>															
Buildings:	Residential -	<u>4</u>	Non-Residential -	<u>1</u>															
Parking:	Parking Spaces -	<u>388</u>	Accessible Spaces -	<u>10</u>															
Set Asides:	<table border="1" style="width: 100%; border-collapse: collapse; text-align: center;"> <thead> <tr> <th style="width: 20%;">Program</th> <th style="width: 20%;">% of Units</th> <th style="width: 20%;"># of Units</th> <th style="width: 20%;">% AMI</th> <th style="width: 20%;">Term (Years)</th> </tr> </thead> <tbody> <tr> <td><u>MMRB</u></td> <td><u>40.0%</u></td> <td><u>72</u></td> <td><u>60%</u></td> <td><u>99</u></td> </tr> <tr> <td><u>HC-4%</u></td> <td><u>100.0%</u></td> <td><u>180</u></td> <td><u>60%</u></td> <td><u>30</u></td> </tr> </tbody> </table>				Program	% of Units	# of Units	% AMI	Term (Years)	<u>MMRB</u>	<u>40.0%</u>	<u>72</u>	<u>60%</u>	<u>99</u>	<u>HC-4%</u>	<u>100.0%</u>	<u>180</u>	<u>60%</u>	<u>30</u>
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The Applicant plans to apply for the 100% Ad Valorem Property Tax Exemption under Section 196.1978(4), Florida Statutes, which requires a ninety-nine (99) year total compliance period under a Land Use Restriction Agreement. Therefore, after the initial 30-year Compliance Period required by the Non-Competitive Application ("Compliance Period) expires, all MMRN set-aside units within the Development shall be rented to households who shall have a household income less than or equal to one hundred and twenty percent (120%) of the Area Median Income for a period of sixty-nine (69) years (“Ad Valorem Compliance Period”). The Ad Valorem Compliance Period, together with the Compliance Period shall have a term of ninety-nine (99) years (the “Total Compliance Period”) which will be defined under the MMRN Land Use Restriction Agreement. The Applicant will be responsible for compliance monitoring fees for 30 years which is to be paid to the Servicer, for years 31-99, compliance monitoring will be self-certified by the Applicant to FHFC. The Applicant will also be responsible for the compliance monitoring fee of \$6,900 (\$100 per year) for years 31-99 Ad Valorem Compliance Period, to be paid at closing to FHFC.

DDA: No    SADD: No    QCT: Yes    Multi-Phase Boost: No    QAP Boost: N/A    QAP Type:                                   
 Site Acreage: 9.16    Density: 19.7    Flood Zone Designation: AE  
 Zoning: Residential Planned Development    Flood Insurance Required?: Yes

**MMRN/HC CREDIT UNDERWRITING REPORT AMERINAT**

Credit Underwriter: AmeriNat Loan Services Date of Application: 04/26/2024  
 Date of Final CUR: 10/10/2024 Minimum 1st Mortgage per Rule: \_\_\_\_\_  
 TDC PU Limitation at Application: \_\_\_\_\_ TDC PU Limitation at Credit Underwriting: \_\_\_\_\_  
 Actual TDC PU for Limitation: \_\_\_\_\_ Amount Dev. Fee Reduced for TDC Limit: \_\_\_\_\_

Prepared by Matthew Smiley, Multifamily Credit Underwriter

*Matthew Smiley*

Reviewed by Kyle Kuenn, Multifamily Chief Credit Underwriter

*Kyle Kuenn*

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

MSA (County): Cape Coral-Fort Myers MSA (Lee)

Bed Rooms	Bath Rooms	Units	Square Feet	AMI%	Low HOME Rents	High HOME Rents	Gross HC Rent	Utility Allow.	Net Restrictd Rents	PBRA Contr Rents	Applicant Rents	Appraiser Rents	CU Rents	Annual Rental Income
1	1.0	24	630	60%			1,053	87	966		966	966	966	278,312
2	2.0	92	893	60%			1,263	103	1,160		1,160	1,160	1,160	1,280,220
3	2.0	64	1,127	60%			1,460	121	1,340		1,340	1,340	1,340	1,028,736
		180	169,404											2,587,268

When calculating an average market rental rate based on the unit mix, the rent advantage for all of the units at the Development is in excess of 110% of the applicable maximum Housing Credit rental rate.

**15 Year Operating Pro Forma**

FINANCIAL COSTS:	Year 1	Year 1 Per Unit	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	\$2,587,268	\$14,374	\$2,639,014	\$2,691,794	\$2,745,630	\$2,800,542	\$2,856,553	\$2,913,684	\$2,971,958	\$3,031,397	\$3,092,025	\$3,153,865	\$3,216,943	\$3,281,282	\$3,346,907	\$3,413,845
Other Income: (8.02%)																
Miscellaneous	\$207,600	\$1,153	\$211,752	\$215,987	\$220,307	\$224,713	\$229,207	\$233,791	\$238,467	\$243,236	\$248,101	\$253,063	\$258,125	\$263,287	\$268,553	\$273,924
Rent Concessions																
Gross Potential Income	\$2,794,868	\$15,527	\$2,850,766	\$2,907,781	\$2,965,936	\$3,025,255	\$3,085,760	\$3,147,475	\$3,210,425	\$3,274,633	\$3,340,126	\$3,406,929	\$3,475,067	\$3,544,569	\$3,615,460	\$3,687,769
Less:																
Physical Vac. Loss Percentage: 4.00%	\$111,795	\$621	\$114,031	\$116,311	\$118,637	\$121,010	\$123,430	\$125,899	\$128,417	\$130,985	\$133,605	\$136,277	\$139,003	\$141,783	\$144,618	\$147,511
Collection Loss Percentage: 1.00%	\$27,949	\$155	\$28,508	\$29,078	\$29,659	\$30,253	\$30,858	\$31,475	\$32,104	\$32,746	\$33,401	\$34,069	\$34,751	\$35,446	\$36,155	\$36,878
<b>Total Effective Gross Income</b>	<b>\$2,655,125</b>	<b>\$14,751</b>	<b>\$2,708,227</b>	<b>\$2,762,392</b>	<b>\$2,817,640</b>	<b>\$2,873,992</b>	<b>\$2,931,472</b>	<b>\$2,990,102</b>	<b>\$3,049,904</b>	<b>\$3,110,902</b>	<b>\$3,173,120</b>	<b>\$3,236,582</b>	<b>\$3,301,314</b>	<b>\$3,367,340</b>	<b>\$3,434,687</b>	<b>\$3,503,381</b>
Annual Escalation Rate (Income): 2.00%																
<b>EXPENSES:</b>																
Fixed:																
Real Estate Taxes																
Insurance	\$384,152	\$2,134	\$395,677	\$407,547	\$419,773	\$432,366	\$445,337	\$458,698	\$472,459	\$486,632	\$501,231	\$516,268	\$531,756	\$547,709	\$564,140	\$581,064
Variable:																
Management Fee Percentage: 3.50%	\$92,929	\$516	\$94,788	\$96,684	\$98,617	\$100,590	\$102,602	\$104,654	\$106,747	\$108,882	\$111,059	\$113,280	\$115,546	\$117,857	\$120,214	\$122,618
General and Administrative	\$68,400	\$380	\$70,452	\$72,566	\$74,743	\$76,985	\$79,294	\$81,673	\$84,123	\$86,647	\$89,246	\$91,924	\$94,682	\$97,522	\$100,448	\$103,461
Payroll Expenses	\$270,000	\$1,500	\$278,100	\$286,443	\$295,036	\$303,887	\$313,004	\$322,394	\$332,066	\$342,028	\$352,289	\$362,857	\$373,743	\$384,955	\$396,504	\$408,399
Utilities	\$135,000	\$750	\$139,050	\$143,222	\$147,518	\$151,944	\$156,502	\$161,197	\$166,033	\$171,014	\$176,144	\$181,429	\$186,872	\$192,478	\$198,252	\$204,200
Marketing and Advertising	\$6,300	\$35	\$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
Maintenance and Repairs/Pest Control	\$81,000	\$450	\$83,430	\$85,933	\$88,511	\$91,166	\$93,901	\$96,718	\$99,620	\$102,608	\$105,687	\$108,857	\$112,123	\$115,487	\$118,951	\$122,520
Grounds Maintenance and Landscaping	\$49,500	\$275	\$50,985	\$52,515	\$54,090	\$55,713	\$57,384	\$59,106	\$60,879	\$62,705	\$64,586	\$66,524	\$68,520	\$70,575	\$72,692	\$74,873
Other	\$27,000	\$150	\$27,810	\$28,644	\$29,504	\$30,389	\$31,300	\$32,239	\$33,207	\$34,203	\$35,229	\$36,286	\$37,374	\$38,496	\$39,650	\$40,840
Reserve for Replacements	\$54,000	\$300	\$54,000	\$54,000	\$54,000	\$54,000	\$54,000	\$54,000	\$54,000	\$54,000	\$54,000	\$54,000	\$54,000	\$54,000	\$54,000	\$54,000
<b>Total Expenses</b>	<b>\$1,168,281</b>	<b>\$6,490</b>	<b>\$1,200,781</b>	<b>\$1,234,236</b>	<b>\$1,268,676</b>	<b>\$1,304,130</b>	<b>\$1,340,628</b>	<b>\$1,378,201</b>	<b>\$1,416,881</b>	<b>\$1,456,700</b>	<b>\$1,497,692</b>	<b>\$1,538,864</b>	<b>\$1,604,085</b>	<b>\$1,651,052</b>	<b>\$1,699,405</b>	<b>\$1,749,185</b>
Annual Escalation Rate (Expenses): 3.00%																
<b>Net Operating Income</b>	<b>\$1,486,843</b>	<b>\$8,260</b>	<b>\$1,507,447</b>	<b>\$1,528,156</b>	<b>\$1,548,963</b>	<b>\$1,569,862</b>	<b>\$1,590,844</b>	<b>\$1,611,900</b>	<b>\$1,633,023</b>	<b>\$1,654,202</b>	<b>\$1,675,428</b>	<b>\$1,697,229</b>	<b>\$1,718,119</b>	<b>\$1,739,229</b>	<b>\$1,760,528</b>	<b>\$1,782,196</b>
<b>Debt Service Payments</b>																
First Mortgage - FHFC/Citi	\$1,196,515	\$6,647	\$1,196,515	\$1,196,515	\$1,196,515	\$1,196,515	\$1,196,515	\$1,196,515	\$1,196,515	\$1,196,515	\$1,196,515	\$1,196,515	\$1,196,515	\$1,196,515	\$1,196,515	\$1,196,515
Second Mortgage - Lee County CDBG																
First Mortgage Fees - FHFC	\$56,292	\$313	\$56,066.65	\$55,824.38	\$55,564.43	\$55,285.67	\$54,986.89	\$54,666.83	\$54,324.13	\$53,957.36	\$53,565.01	\$53,145.48	\$52,697.04	\$52,217.90	\$51,706.15	\$51,159.74
Second Mortgage Fees - Lee County CDBG																
Total Debt Service Payments	\$1,252,807	\$6,960	\$1,252,582	\$1,252,339	\$1,252,080	\$1,251,801	\$1,251,502	\$1,251,182	\$1,250,839	\$1,250,472	\$1,250,080	\$1,249,661	\$1,249,212	\$1,248,733	\$1,248,221	\$1,247,675
Cash Flow after Debt Service	\$234,036	\$1,300	\$254,865	\$275,816	\$296,884	\$318,061	\$339,342	\$360,719	\$382,184	\$403,730	\$425,348	\$448,458	\$472,017	\$496,055	\$520,607	\$545,511
<b>Debt Service Coverage Ratios</b>																
DSC - First Mortgage plus Fees	1.19x															
DSC - Second Mortgage plus Fees	1.19x															
DSC - All Mortgages and Fees	1.19x															
<b>Financial Ratios</b>																
Operating Expense Ratio	44.00%		44.34%	44.68%	45.03%	45.38%	45.73%	46.09%	46.46%	46.83%	47.20%	48.15%	48.59%	49.03%	49.48%	49.93%
Break-even Econ Occup Ratio (all debt)	86.80%		86.23%	85.69%	85.17%	84.66%	84.18%	83.71%	83.27%	82.85%	82.44%	82.60%	82.28%	81.98%	81.70%	81.44%
Break-even Econ Occup Ratio (must pay debt)	86.80%															



*Notes to the Operating Pro forma and Ratios:*

1. MMRN does not impose rent restrictions; however, the Development will be utilizing HC's and will impose rent restrictions. 100% of the units (180 units) will be set-aside for households earning 60% or less of Are Median Income ("AMI"). Overall, the maximum Housing Credit rents for 2024 published on FHFC's website for the Development are achievable as confirmed by the appraiser. Utility allowances were derived from a Utility Allowance Study prepared by KN Consultants, LLC prepared for Housing Authority of the City of Fort Myers dated August 5, 2023.
2. AmeriNat utilized a physical vacancy of 4.00% and collection loss of 1.00% for total vacancy of 5.00%, which is more conservative than the Appraiser's estimate.
3. Ancillary Income is comprised of income related to multifamily operations in the form of late fees, pet fees, transfer fees, retained deposits, application fees, laundry income, and other miscellaneous sources.
4. The Development will provide washers/dryers to the tenants with an option to lease at \$55 per month. Colliers estimated a 70% utilization rate based on comparable assets within the region.
5. The Applicant plans to apply for the Ad Valorem Tax Exemption under Section 196.1978(4), Florida Statutes for the Development. The Applicant submitted an executed Request for Consideration of Underwriting for Tax Exemption which was submitted to FHFC on September 16, 2024. Beginning in 2026, the property must apply to Lee County Property Appraiser by March 1st of the tax year. Applying for this exemption requires a 99-year Total Compliance Period with annual certifications. If the property fails to provide affordable housing under the agreement before the end of the agreement term, there will be a penalty that is equal to 100% of the total amount financed by Florida Housing multiplied by each year remaining in the agreement. AmeriNat to receive approval from all Lenders/parties involved in the transaction, their approval of the terms of the Ad Valorem Property Tax Exemption, is a condition precedent to the loan closing.
6. AmeriNat utilized an estimate of \$2,134 per unit for insurance, which is consistent with the appraisal. 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 FL market and the Development's location in a flood zone.
7. The Applicant submitted an executed Management Agreement, dated April 29, 2024, between the Applicant and Bryten, which provides for monthly compensation in the amount \$6,000 or 3.50% of the gross rental collections, whichever amount is greater. The term of the Agreement shall commence on June 1, 2025 and be in effect for a period of one year. The Agreement will renew automatically for additional one-year terms thereafter. AmeriNat utilized the 3.50% rate, which is consistent with both the Agreement and appraisal.
8. Replacement Reserves are budgeted at \$300 per unit per year, which is consistent with Rule 67-21 minimum requirement.
9. Based upon an estimated Net Operating Income ("NOI") of \$1,486,843 for the proposed Development's initial year of stabilized operations; the first mortgage loan plus fees can be supported by operations at a 1.19x to 1.00 DSC. The combined amount of the first and second mortgage loans plus fees can be supported by operations at a 1.19x to 1.00 DSC.

10. Rental income increases at an annual rate of 2% and expenses increasing at an annual rate of 3%.

**Financing Overview**

CONSTRUCTION FINANCING INFORMATION							
	1st Source	2nd Source	3rd Source	4th Source	5th Source	6th Source	Totals
Lien Position	First	Second	Third	NA	NA	NA	Totals
Source	FHFC - MMRB	Reg. Mtg Lender	Local CDBG	HC Equity	Op. Deficit Res.	Def. Dev. Fee	
Construction Amount	\$35,043,000	\$2,620,000	\$17,000,000	\$3,905,744	\$760,840	\$9,877,038	\$69,206,622
All In Interest Rate	7.80%	8.30%	0.00%				
Debt Service During Construction	\$2,733,354	\$2,908,569	\$0				
Bond Structure (if applicable)	Private Placement						

Proposed Construction Mortgage Loan:

An executed term sheet (the "Term Sheet") issued by Citibank, N.A. ("Citi") dated September 4, 2024, illustrates the proposed terms for a Tax-Exempt "Back-to-Back" Loan in the amount of \$35,043,000 in MMRN from FHFC. The loan will have an initial term of 36 months, plus two six-month extension options available. However, per Rule Chapter 67-21, the loan must start amortizing at the 37th month. If the conversion to the Permanent Phase does not occur on or before month 36 following closing, 0.05% will be added to the permanent interest rate. Payments of interest only will be required monthly on the outstanding principal balance. The loan will have a variable interest rate equal to the sum of 1-Month Term SOFR, as published by the CME Group (5.15% as of 9/4/24), subject to a floor of 0.50%, plus a spread of 1.90%. AmeriNat added a 0.75% cushion for an all-in rate of 7.80%.

Second Mortgage - Citi Taxable Loan

Additionally, Citi will provide a taxable construction loan in the amount of \$2,620,000. The loan will have an initial term of 36 months, plus two six-month extensions. If the conversion to the Permanent Phase does not occur on or before month 36 following closing, 0.05% will be added to the permanent interest rate. The loan will have a variable interest rate equal to the sum of 1-Month Term SOFR (5.15% as of 9/4/24), subject to a floor of 0.50%, plus a spread of 2.40%. AmeriNat added a 0.75% cushion for an all-in rate of 8.30%.

FHFC Issuer Fee of 24 basis points of the total Notes issued and the Annual Fiscal Agent Fee of \$4,500 for the 36-month construction period have been included in the Uses section of the report.

Deferred Reserves:

An ODR on the amount of \$760,840 shall be funded upon Permanent loan conversion; as such, it is being shown as a deferred source of funding during the construction period.

PERMANENT FINANCING INFORMATION					
Lien Position	First	Second	NA	NA	Totals
Source	FHFC - MMRB	Local CDBG	HC Equity	Def. Dev. Fee	
Lender/Grantor	FHFC/Citi	Lee County	RBC	Developer	
Permanent Amount	\$19,030,000	\$17,000,000	\$26,038,293	\$7,138,329	\$69,206,622
Permanent Funding Per Unit	\$105,722	\$94,444	\$144,657	\$39,657	\$384,481
% of Permanent Funding	27.5%	24.6%	37.6%	10.3%	100.0%
Underwritten Interest Rate	5.62%	0.00%			
All In Interest Rate	5.62%	0.00%			
Loan Term	15	50			
Amortization	40	0			
Must Pay or Cash Flow Dependent	Must-Pay	Cash Flow			
Permanent Debt Service, No Fees	\$1,196,515	\$0			\$1,196,515
Permanent Debt Service, with Fees	\$1,252,807	\$0			\$1,252,807
Debt Service Coverage, with Fees	1.19x	1.19x			
Operating Deficit & Debt Service Reserves	\$760,840				
# of Months covered by the Reserves	3.8				
Market Rate/Market Financing LTV	45.42%	85.99%			
Restricted Market Financing LTV	76.89%	145.58%			
Loan to Cost - Cumulative	27.50%	52.06%			

Proposed First Mortgage Loan:

The Term Sheet dated September 4, 2024, from Citi illustrates the terms in which the Construction Loan will be paid down to a Permanent Loan in the amount of \$19,030,000. However, conversion to a Permanent Loan is based upon the Development meeting the following requirements: i) Construction Completion, ii) the DSC ratio for the three consecutive months equals or exceeds 1.15x to 1.00, and iii) the average economic occupancy for three months equals at least 90%.

The Term Sheet indicated that the loan will have a fixed rate equal to the sum of the 18-year SOFR Swap Index (3.42% as of 9/4/24), subject to a floor of 0.75%, plus a spread of 2.20%. The indicative rate as of 9/4/24 was 5.62% and it will be locked at construction loan closing. If the conversion to the Permanent Phase does not occur on or before month 36 following closing, 0.05% will be added to the rate for each 6-month period past the initial 36-months. The term of the loan is 18 years, which includes a 3-year construction period and a 15-year permanent period. Payments of Principal and interest will be based on a 40-year amortization schedule. At the end of the 18th year following the Permanent Loan Closing Date, mandatory payment of the Tax-exempt Loan will be required in full.

According to the Term Sheet, Citi will provide an earn-out in an amount not to exceed 10% of the initial Permanent Phase Loan Amount. The earn-out is currently estimated to be \$1,903,000. The amount of the earn-out will be determined by Citi in its sole discretion. The rate on the earn-out will be set at conversion and will be equal to the applicable SOFR Swap rate at the time of conversion plus a spread of 2.20%. The earn-out interest rate shall have a floor rate equal to 0.25% below the Permanent Phase interest rate. Upon conversion, if the first mortgage loan is increased above the current recommended amount of \$19,030,000, it will be subject to a positive recommendation from the Credit Underwriter and FHFC's approval.

Additional fees included in the Debt Service calculation include an annual Issuer Fee of 24 bps of outstanding loan balance, annual Fiscal Agent Fee of \$4,500, annual Permanent Loan Servicing Fee of 2.3 bps of the outstanding loan amount, subject to a minimum of \$243 fee per month and an hourly fee of \$204 for extraordinary services and a Compliance Monitoring Fee based on \$188 per month plus an additional fee per set-aside unit of \$11.58, subject to a monthly minimum of \$295.

The permanent Note will mature 18 years following construction closing. At maturity, the Applicant may satisfy the Note via refinancing or sale of the Development pending market feasibility. In the event the Applicant is unable to refinance or sell the Development, then an event of default would not be triggered under the loan documents. Instead, a "Mortgage Assignment Event" would occur whereby Citi agrees to cancel the Note in exchange for an assignment, by the Fiscal Agent, of the mortgage and all other related documents and accounts. The Fiscal Agent would cancel the Note and discharge the lien of the Funding Loan Agreement. The Fiscal Agent would assign the mortgage loan and any other related documents and collateral to Citi, effectively ending the tax-exempt financing provided by FHFC. Under this scenario, the Note will have been redeemed/canceled not by payment of cash but by the assignment of the mortgage loan documents; therefore, there is no default. As the new direct mortgagee, Citi would then be in a position to work with the Applicant to arrive at a resolution without involvement of either FHFC or the Fiscal Agent (as the Note would have been canceled and would no longer be outstanding).

**MMRN/HC CREDIT UNDERWRITING REPORT**

Proposed Second Mortgage Loan – Lee County CDBG-DR:

The Applicant applied to Lee County for a CDBG-DR loan of \$17,000,000 for the construction/permanent financing of the Development. The loan will have a 0% interest rate and a 50-year term. Principal payments will be paid out of residual receipts at 10% of available cash flow, after Deferred Developer Fee is paid. The unpaid principal balance will be due and payable upon the expiration of the 50-year term.

Deferred Developer Fee:

The Applicant will be required to permanently defer \$7,138,329 or 71.21% of the total Developer Fee after stabilization subject to the terms outlined in Section B of this report.

Additional Permanent Sources of Funds:

The Applicant provided letter of interest dated August 14, 2024 from RBC Community Investments, LLC, its successors and assigns (“RBC”) that outlines the terms and conditions of the purchase of the HC. RBC will provide a net equity investment of \$26,038,293 in exchange for a 99.99% limited partnership ownership interest and a proportionate share of the total HC allocation estimated by RBC to be \$30,636,350. The HC allocation will be syndicated at a rate of approximately \$0.85 per \$1.00 of delivered tax credits.

The HC equity contribution to be paid as follows:

**Syndication Contributions:**

Capital Contributions	Amount	Percentage of Total	When Due
1st Installment	\$3,905,744	15.00%	Prior to or simultaneously with closing
2nd Installment	\$2,900,000	11.14%	100% completion
3rd Installment	\$18,732,549	71.94%	Stabilization
4th Installment	\$500,000	1.92%	Upon Receipt of IRS Form 8609
<b>Total</b>	<b>\$26,038,293</b>	<b>100.00%</b>	

Syndicator Name	RBC Community Investments, LLC, its successors and assigns
Date of LOI	8/14/2024
Total Credits Per Syndication Agreement:	\$30,636,350
Annual Credits Per Syndication Agreement:	\$3,063,635
Calculated HC Exchange Rate:	\$0.85
Limited Partner Ownership Percentage:	99.99%
Proceeds Available During Construction:	\$3,905,744
Annual Credits - Qualified in CUR:	\$3,199,909

**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?	Y	
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?	Y	
Is the Development feasible with all amenities/features listed in the Application?	Y	
Do the site plans/architectural drawings account for all amenities/features listed in the Application?	Y	
Does the applicant have site control at or above the level indicated in the Application?	Y	
Does the applicant have adequate zoning as indicated in the Application?	Y	
Has the Development been evaluated for feasibility using the total length of set-aside committed to in the Application?	Y	
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?	Y	
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?	Y	
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	N/A
HC ONLY: Is the rate of syndication the same as or greater than that shown in the Application?		3
Is the Development in all other material respects the same as presented in the Application?	Y	

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

- At the time of Application, Citi was providing a construction loan of \$45,953,260, consisting of a \$37,100,000 Tax-Exempt Loan and \$8,853,260 Taxable Loan and a permanent loan of \$22,880,000. A revised Term Sheet was received reflecting that Citi will provide a tax-exempt construction loan in the amount of \$35,043,000, taxable construction loan in the amount of \$2,620,000 and a permanent loan amount of \$19,030,000.

Additionally, since the time of application, RBC has replaced CREA, LLC ("CREA") as the HC syndicator and the amount of HC equity decreased from \$32,309,446 to \$26,038,293.

The Applicant has added Lee County funding in the amount of \$17,000,000 through the CDBG-DR Program. This source was not included as part of the original Application.

- Total Development Costs have decreased from \$69,726,193 to \$69,206,622 for a difference of \$519,571 since the Application due to decreases in Construction Costs, Financial Costs, and Reserves.
- The syndication rate has decreased from \$0.96 to \$0.85.

These changes have no substantial material impact to the MMRN and HC recommendations for the Development.

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

According to the October 18, 2023 Asset Management Noncompliance Report, the Development Team has no noncompliance items.



According to the September 12, 2024, Florida Housing Past Due Report, the Development Team has no past due items.

This recommendation is subject to satisfactory resolution of any outstanding noncompliance items and/or past due items prior to or at the time of loan closing and the issuance of the Annual HC allocation recommendation herein.

Strengths:

1. The Development Team has demonstrated the ability to successfully develop and operate affordable multifamily rental communities using a variety of different subsidies.
2. A Market Study performed by Colliers International Valuation & Advisory Services (“Colliers”) dated July 12, 2024 concludes that the Development should benefit from the rental rate advantage it will have over market rents. Based on the proposed rents, the Development will have a 153% rental rate advantage compared to the average achievable market rents for the area.
3. Within the primary market area, the restricted rent supply has a weighted average occupancy of 99.1%.

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 nonpayment of any Developer Fee is assumed by the Guarantors. The Guarantors have sufficient financial capacity to make a loan to the partnership, if needed. Language documenting this payment should be present in the Limited Partnership Agreement, once drafted.
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:

None.

Waiver Requests:

None.

Additional Information:

1. The construction loan has a term of 36-months, plus two 6-month extensions; however, Rule 67-21 requires that the MMRN Loan begin amortizing no later than the 37<sup>th</sup> month after closing.

**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>
New Rental Units	\$37,406,250	\$37,908,000	\$30,382,867	\$168,794	\$0
Site Work	\$0	\$0	\$5,541,000	\$30,783	\$831,150
Furniture, Fixture, & Equipment	\$0	\$0	\$840,700	\$4,671	\$60,000
Constr. Contr. Costs subject to GC Fee	\$37,406,250	\$37,908,000	\$36,764,567	\$204,248	\$891,150
General Conditions (2.0%)	\$0	\$0	\$735,291	\$4,085	\$0
Overhead (6.0%)	\$0	\$0	\$2,205,874	\$12,255	\$0
Profit (6.0%)	\$5,236,875	\$5,292,000	\$2,205,874	\$12,255	\$0
General Liability Insurance	\$0	\$0	\$220,587	\$1,225	\$0
Payment and Performance Bonds	\$0	\$0	\$251,470	\$1,397	\$0
Total Construction Contract/Costs	\$42,643,125	\$43,200,000	\$42,383,664	\$235,465	\$891,150
Hard Cost Contingency (5.0%)	\$2,132,156	\$2,160,000	\$2,119,183	\$11,773	\$0
<b>Total Construction Costs:</b>	<b>\$44,775,281</b>	<b>\$45,360,000</b>	<b>\$44,502,847</b>	<b>\$247,238</b>	<b>\$891,150</b>

*Notes to Actual Construction Costs:*

1. A draft Standard Form of Agreement Between the Owner and Contractor where the basis of payment is the Cost of the Work Plus a Fee with a Guaranteed Maximum Price in the amount \$42,383,663.80 (the "Construction Contract") has been provided. The draft Construction Contract is between the Applicant and Buckhaven, LLC ("General Contractor"). It indicates construction completion within 21 months from the date of the Notice to Proceed. The Construction Contract indicates retainage of ten percent (10%) will be withheld until 50% of the work is complete based on the Schedule of Values, at which point no additional retainage shall be withheld.
2. The General Contractor will secure a Payment and Performance Bond to secure the Construction Contract and an estimate of its cost is included in the Schedule of Values of the Construction Contract.
3. Furniture, Fixture, & Equipment consist of various appliances including washers and dryers that are income producing. Therefore, the cost to purchase the washers and dryers is ineligible.

**MMRN/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	\$45,000	\$45,000	\$45,000	\$250	\$0
Appraisal	\$21,500	\$21,500	\$7,000	\$39	\$0
Architect's Fees	\$558,000	\$658,000	\$768,000	\$4,267	\$0
Builder's Risk Insurance	\$673,313	\$680,400	\$680,400	\$3,780	\$0
Building Permits	\$421,280	\$378,000	\$378,000	\$2,100	\$0
Engineering Fees	\$200,000	\$200,000	\$148,680	\$826	\$0
Environmental Report	\$30,000	\$30,000	\$30,000	\$167	\$0
FHFC Administrative Fees	\$302,931	\$294,965	\$293,086	\$1,628	\$293,086
FHFC Application Fee	\$4,000	\$3,000	\$3,000	\$17	\$3,000
FHFC Compliance Fee	\$0	\$0	\$6,900	\$38	\$6,900
FHFC Credit Underwriting Fee	\$29,075	\$29,075	\$22,659	\$126	\$22,659
Green Building Cert. (LEED, FGBC, NAHB)	\$25,000	\$25,000	\$42,200	\$234	\$0
Impact Fee	\$1,742,220	\$1,698,120	\$1,698,120	\$9,434	\$0
Insurance	\$448,875	\$453,600	\$453,600	\$2,520	\$0
Legal Fees - Organizational Costs	\$175,000	\$175,000	\$175,000	\$972	\$25,000
Lender Inspection Fees / Const Admin	\$50,000	\$75,000	\$75,000	\$417	\$0
Market Study	\$15,000	\$20,000	\$5,000	\$28	\$5,000
Marketing and Advertising	\$72,000	\$72,000	\$72,000	\$400	\$72,000
Plan and Cost Review Analysis	\$0	\$0	\$5,850	\$33	\$0
Property Taxes	\$45,000	\$45,000	\$45,000	\$250	\$0
Soil Test	\$10,000	\$15,000	\$15,000	\$83	\$0
Survey	\$50,000	\$50,000	\$50,000	\$278	\$0
Title Insurance and Recording Fees	\$129,525	\$129,525	\$129,525	\$720	\$129,525
Utility Connection Fees	\$20,000	\$20,000	\$20,000	\$111	\$0
Soft Cost Contingency (5.0%)	\$50,000	\$150,000	\$286,066	\$1,589	\$0
Other: Transfer of Development Rights	\$0	\$552,300	\$552,300	\$3,068	\$552,300
<b>Total General Development Costs:</b>	<b>\$5,117,719</b>	<b>\$5,820,485</b>	<b>\$6,007,386</b>	<b>\$33,374</b>	<b>\$1,109,470</b>

*Notes to the General Development Costs:*

1. AmeriNat reflects the costs associated with the Architect's and Engineer's fees as stated in agreements between the Applicant and the professionals which were reviewed by AmeriNat.
2. FHFC Administrative Fee is based upon a fee of 9% of the annual HC allocation recommendation made herein.
3. FHFC Credit Underwriting Fee includes the MMRN Credit Underwriting Fee (\$16,984), multiple program fee for 4% HC (\$5,300), and a \$375 credit reporting fee.
4. Impact Fees are net fees provided by the Applicant.
5. The Applicant provided an executed agreement for NGBS National Green Building Standard Certification ("NGBS") between the Applicant and Community Development Reimagined, LLC.
6. The FHFC Compliance Fee of \$6,900 is based on \$100 per year for years 31-99 Ad Valorem Compliance Period. FHFC Compliance Fees through the initial 30 year Compliance period will be ongoing and are incorporated in the operating pro forma and debt service analysis within this report.
7. Transfer of Development Rights includes the fee that the County assessed in order to increase the level of density allowed in order to be able to build 180 units.
8. The remaining general development costs appear reasonable.

**MMRN/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 Closing Costs	\$85,350	\$85,350	\$84,000	\$467	\$0
Construction Loan Commitment Fee	\$459,533	\$357,932	\$282,473	\$1,569	\$0
Construction Loan Interest	\$4,954,666	\$3,880,174	\$3,880,174	\$21,557	\$1,243,989
Permanent Loan Closing Costs	\$90,500	\$100,200	\$100,200	\$557	\$100,200
Permanent Loan Commitment Fee	\$9,700	\$9,700	\$190,300	\$1,057	\$190,300
FHFC Note Cost of Issuance	\$807,972	\$770,331	\$337,152	\$1,873	\$337,152
FHFC Note Fiscal Agent Fee	\$0	\$0	\$13,500	\$75	\$13,500
Placement Agent/Underwriter Fee	\$0	\$0	\$40,000	\$222	\$40,000
Initial TEFRA Fee	\$0	\$1,000	\$1,000	\$6	\$1,000
Other: FHFC Issuer Fee	\$0	\$0	\$252,309	\$1,402	\$252,309
<b>Total Financial Costs:</b>	<b>\$6,407,721</b>	<b>\$5,204,687</b>	<b>\$5,181,108</b>	<b>\$28,784</b>	<b>\$2,178,450</b>
<b>Dev. Costs before Acq., Dev. Fee &amp; Reserves</b>	<b>\$56,300,721</b>	<b>\$56,385,172</b>	<b>\$55,691,341</b>	<b>\$309,396</b>	<b>\$4,179,070</b>

*Notes to the Financial Costs*

1. An interest reserve for the Construction Loans is supported by the Construction Loan terms illustrated in the LOI provided by Citi, 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.
2. FHFC Note Cost of Issuance includes fees and expenses of the Issuer, Real Estate Counsel for MMRN, Note Counsel, Disclosure Counsel and other fees.
3. FHFC Fiscal Agent Fee represents 3 years of the annual Fiscal Agent Fee of \$4,500 during the construction period.
4. The FHFC Issuer Fee represents 3 years of the annual Issuer Fee of 24 bps during construction.
5. The remaining Financial Costs appear reasonable.

<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	\$9,873,903	\$10,207,465	\$10,024,441	\$55,691	\$0
<b>Total Dev. Fee on Non-Acq. Costs (18.0%):</b>	<b>\$9,873,903</b>	<b>\$10,207,465</b>	<b>\$10,024,441</b>	<b>\$55,691</b>	<b>\$0</b>

*Notes to the Developer Fee on Non-Acquisition Costs:*

None.

<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>
Land	\$2,730,000	\$2,730,000	\$2,730,000	\$15,167	\$2,730,000
<b>Total Acquisition Costs:</b>	<b>\$2,730,000</b>	<b>\$2,730,000</b>	<b>\$2,730,000</b>	<b>\$15,167</b>	<b>\$2,730,000</b>

*Notes to Land Acquisition Costs:*

1. AmeriNat received a Purchase and Sale Agreement and Joint Escrow Instructions (“PSA”) between the B.I.G. LLC (“Seller”) and Onda Housing Group, LP (“OHG”), executed as of July 1, 2023. The Agreement illustrates the terms in which the Seller will convey the property to the OHG for a purchase price of \$2,600,000.
2. AmeriNat received a First Amendment to the PSA indicating that the Purchase Price increased to \$2,730,000, which is supported by the appraisal. The Closing Date was extended to January 5, 2025.
3. AmeriNat is in receipt of an Assignment of the PSA, dated May 30, 2024, indicating that OHG is assigning its development rights and obligations under the Agreement to the Applicant.

**MMRN/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 Reserves	\$821,569	\$782,379	\$760,840	\$4,227	\$760,840
<b>Total Reserve Accounts:</b>	<b>\$821,569</b>	<b>\$782,379</b>	<b>\$760,840</b>	<b>\$4,227</b>	<b>\$760,840</b>

*Notes to Reserve Accounts*

1. Operating Deficit Reserve (“ODR”) in the amount of \$760,840 is based on the requirements of RBC and equates to approximately three months of debt service.

<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>	<b>\$69,726,193</b>	<b>\$70,105,016</b>	<b>\$69,206,622</b>	<b>\$384,481</b>	<b>\$7,669,910</b>

*Notes to Total Development Costs:*

None.

<b>RFA Limits</b>	<b>Maximum per RFA (%)</b>	<b>Actual at CUR (%)</b>	<b>Maximum per RFA (\$)</b>	<b>Actual at CUR (\$)</b>
General Contractor Fee	14.00%	14.00%	\$5,147,039	\$5,147,039
Hard Cost Contingency	5.00%	5.00%	\$2,119,183	\$2,119,183
Soft Cost Contingency	5.00%	5.00%	\$286,066	\$286,066
Developer Fee	18.00%	18.00%	\$10,024,441	\$10,024,441

**Section B**  
**MMRN Special and General Conditions**

### **Special Conditions**

This recommendation is contingent upon receipt of the following item by Florida Housing at least two weeks prior to real estate loan closing. Failure to submit this item within this time frame may result in postponement of the loan closing date.

1. Receipt of a P&P Bond in the full amount of the Construction Contract.
2. Receipt of an executed construction contract and final PCR.
3. Receipt of a Term Sheet or Commitment Letter reflecting the terms and conditions of the \$17.0MM Lee County CDBG-DR Loan.
4. Confirmation from Moran Consultants, LLC (“Moran”) indicating the Structural Engineer of Record confirmed that their design conforms to the site-specific soils report and the buildings intended use.
5. Approval from the lenders/parties involved in the transaction, confirming their approval of the terms of the Ad Valorem Property Tax Exemption.
6. Receipt of the Compliance Monitoring Fee of \$6,900 for Ad Valorem Compliance Period.

### **General Conditions**

This recommendation is contingent upon the review and approval of the following items by AmeriNat and Florida Housing at least 30 days prior to Real Estate loan closing. Failure to receive approval of these items within this time frame may result in postponement of the loan closing.

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

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

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

8. Evidence of insurance coverage pursuant to the Request for Application governing this proposed transaction and, if applicable, the FHFC Insurance Guide.
9. The General Contractor shall secure a payment and performance bond equal to 100 percent of the total construction cost listing FHFC as a co-obligee, whose terms do not adversely affect the Corporation's interest, issued in the name of the General Contractor, from a company rated at least "A-" by AMBest & Co., or a Corporation-approved alternate security for the General Contractor's performance such as a letter of credit issued by a financial institution with a senior long term (or equivalent) credit rating of at least "Baa3" by Moody's, or at least "BBB-" by Standard & Poor's or Fitch, or a financial rating of at least 175 by IDC Financial Publishing. The LOC must include "evergreen" language and be in a form satisfactory to Florida Housing, its Servicer and its Legal Counsel.
10. Architect, Construction Consultant, and Applicant certifications on forms provided by Florida Housing will be required for both design and as-built with respect to Section 504 of the Rehabilitation Act, the Americans with Disabilities Act ("ADA"), and Federal Fair Housing Act requirements, as applicable.
11. A copy of an Amended and Restated Limited Partnership Agreement reflecting purchase of the HC under terms consistent with the assumptions contained within this Credit Underwriting Report. The Amended and Restated Limited Partnership Agreement shall be in a form and of financial substance satisfactory to Servicer and to FHFC and its Legal Counsel.
12. Satisfactory resolution of any outstanding past due and/or noncompliance issues.
13. Payment of any outstanding arrearages to the Corporation, its Legal Counsel, Servicer or any agent or assignee of the Corporation for past due issues applicable to the Development team (Applicant or Developer or Principal, Affiliate or Financial Beneficiary, as described in Rule Chapters 67-21.0025(5) F.A.C., of an Applicant or a Developer).
14. At all times there will be undisbursed loan funds (collectively held by Florida Housing, the first lender and any other source) sufficient to complete the Development. If at any time there are not sufficient funds to complete the Development, the Applicant will be required to expend additional equity on Development costs or to deposit additional equity with Florida Housing which is sufficient (in Florida Housing's judgment) to complete the Development before additional loan funds are disbursed. This condition specifically includes escrowing at closing all equity necessary to complete construction or another alternative acceptable to Florida Housing in its sole discretion.
15. At the end of the Compliance Period, any remaining balance of the ODR less amounts that may be permitted to be drawn (which includes Deferred Developer Fee and reimbursements for authorized



member/partner and guarantor loan(s) pursuant to the operating/partnership agreement), will be used to pay FHFC debt; if there is no FHFC loan debt on the proposed Development at the end of the Compliance Period, any remaining balance shall be used to pay any outstanding FHFC fees. If any balance is remaining in the ODR after the payments above, the amount should be placed in a Replacement Reserve account for the Development. In no event shall the payments of amounts to Applicant or the Developer from the Reserve Account cause the Developer fee or General Contractor Fee to exceed the applicable percentage limitations provided for in Rule 67-21. 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 30 days prior to Real Estate loan closing. Failure to receive approval of these items within this time frame may result in postponement of the loan closing.

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

- c. The Loan documents being in full force and effect and enforceable in accordance with their terms, subject to bankruptcy and equitable principles only;
  - d. The Applicant's and the guarantor's execution, delivery and performance of the loan documents shall not result in a violation of, or conflict with, any judgments, orders, contracts, mortgages, security agreements or leases to which the Applicant is a party or to which the Development is subject to the Applicant's Partnership/Operating Agreement and;
  - e. Such other matters as Florida Housing or its Legal Counsel may require.
8. Evidence of compliance with local concurrency laws, as applicable.
  9. UCC Searches for the Applicant, its partnerships, as requested by Legal Counsel.
  10. Such other assignments, affidavits, certificates, financial statements, closing statements, and other documents as may be reasonably requested by Florida Housing or its Legal Counsel in form and substance acceptable to Florida Housing and its Legal Counsel, in connection with the loan(s).
  11. Any other reasonable conditions established by Florida Housing and its Legal Counsel. Additional Conditions For MMRN & HC as Applicable:

This recommendation is also contingent upon the following additional conditions:

1. Compliance with all provisions of Sections 420.507, 420.5087, and 420.509, Florida Statutes, Rule Chapters 67-21, 67-53, and 67-60, F.A.C., Section 42 I.R.C., and any other State and Federal requirements.
2. Acceptance by the Applicant and execution of all documents evidencing and securing the MMRN 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 Extended Low Income Housing Agreement(s).
3. If applicable, receipt and satisfactory review of Financial Statements from all Guarantors dated within 90 days of Real Estate Closing.
4. Guarantors are to provide the standard FHFC Construction Completion Guaranty, to be released upon lien free completion as approved by the Servicer.
5. Guarantors for the MMRN 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 permanent First Mortgage MMRN as determined by FHFC or the Servicer, and 90% Occupancy and 90% of Gross Potential Rental Income net of utility allowances, if applicable, for a period equal to twelve (12) consecutive months, all certified by an independent Certified Public Accountant ("CPA") and verified by the Servicer. The calculation of the debt service coverage ratio shall be made by FHFC or the Servicer. Notwithstanding the above, the Operating Deficit Guaranty shall not terminate earlier than three (3) years following the final certificate of occupancy.
7. Guarantors are to provide the standard FHFC Environmental Indemnity Guaranty.
8. Guarantors are to provide the standard FHFC Guaranty of Recourse Obligations.
9. A mortgagee title insurance lender's policy naming Florida Housing as the insured mortgage holder in the amount of the Loans is to be issued at closing. Any exceptions to the title insurance policy must be acceptable to Florida Housing or its Legal Counsel. All endorsements that are required by Florida Housing are to be issued and the form of the title policy must be approved prior to closing.

10. Property tax and hazard insurance escrows are to be established and maintained by the First Lender or the Servicer. In the event the reserve account is held by Florida Housing's loan servicing agent, the release of funds shall be at Florida Housing's sole discretion.
11. Replacement Reserves in the minimum amount of \$300 per unit per year are required to be deposited on a monthly basis into a designated escrow account, to be maintained by the First Mortgagee/Credit Enhancer, the Fiscal Agent, or Florida Housing's loan servicing agent. However, Applicant has the option to prepay Replacement Reserves, as allowed per Rule Chapters 67-21, in the amount of \$54,000 (one-half the required Replacement Reserves for Years 1 and 2), in order to meet the applicable DSC loan requirements. Applicant can waive this election, if at closing of the loan(s) the required DSC is met without the need to exercise the option. It is currently estimated that Replacement Reserves will be funded from Operations in the amount of \$300 per unit per year for years 1 and 2, followed by \$300 per unit per year thereafter. The initial Replacement Reserve will have limitations on the ability to be drawn. New construction or Redevelopment Developments (with or without acquisition) shall not be allowed to draw during the first five years or until the establishment of a minimum balance equal to the accumulation of five years of replacement reserves per unit.  

The amount established as a Replacement Reserve shall be adjusted based on a Capital Needs Assessment ("CNA") to be received by the Corporation or its servicers, prepared by an independent third party and acceptable to the Corporation and its servicers at the time the CNA is required, beginning no later than the 10th year after the first residential building in the Development receives a certificate of occupancy, a temporary certificate of occupancy, or is placed in service, whichever is earlier ("Initial Replacement Reserve Date"). A subsequent CNA is required no later than the 15th year after the Initial Replacement Reserve Date and subsequently every five (5) years thereafter.
12. Moran or other construction inspector acceptable for Florida Housing is to act as Florida Housing's inspector during the construction period.
13. Under the terms of the construction contract, a minimum of 10% retainage holdback on all construction draws will be withheld until construction is 50% complete and thereafter no additional retainage is withheld. Retainage will not be released until successful lien free completion of construction and issuance of all certificates of occupancy, which satisfies the Rule Chapter 67-21 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 MMRN loan.
16. MMRN Loan - 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.
17. Housing Credits - Receipt of executed FHFC Fair Housing, Section 504 and ADA as-built certification forms 122, 127, and 129.
18. Any other reasonable requirements of the Servicer, Florida Housing or its Legal Counsel.

**Section C**

**Supporting Information & Schedules**

## Additional Development & Third-Party Information

### Appraisal Summary:

Appraisal Summary Questions	Responses	Note
Appraisal Firm Name	Colliers International Valuation & Advisory Services	
Date of Report	7/15/2024	
Confirm certified and prepared for FHFC (Y/N)	Y	
Date appraisers license expires (should be after report date)	11/30/2024	
Occupancy at Stabilization: Economic (%)	96.5%	
Occupancy at Stabilization: Physical (%)	97.0%	
Value: As Is market value of the land	\$4,150,000	
As of date and type of interest (as if vacant land)	6/22/2024; Fee Simple	
Value: As Is market value (as improved)		
As of date and type of interest (as improved)		
Value: "As Complete and Stabilized", subject to unrestricted rents	\$41,900,000	
As of date and type of interest (unrestricted rents)	6/22/2024; Leased Fee	
Value: "As Complete and Stabilized", subject to restricted rents	\$24,750,000	
As of date and type of interest (restricted rents)	6/22/2024; Leased Fee	
Value: "As Complete and Stabilized", subject to HAP contract rents		
As of date and type of interest (HAP Contract rents)		
Value: "As Complete and Stabilized", subject to favorable financing		
Does the As Is value of land or land & improvements to be acquired support the acquisition cost? (Y/N)	Y	

### Market Study:

Market Study Summary Questions	Responses	Note
Market Study Firm Name	Colliers International Valuation & Advisory Services	
Date of Report	7/12/2024	
Confirm certified and prepared for FHFC (Y/N)	Y	
Number of like-kind developments (existing and proposed) in the Competitive Market Area (CMA)	9	
Short Term and Long Term Impact to existing like-kind developments	Minimal	1.
Weighted Average Occupancy of like-kind developments (submarket) (must be ≥ 92%)	99.1%	
Number of Guarantee Fund Properties in PMA?	0	
Metrics for 5 mile radius:		
Level of Effort (%)	12.3%	2.
Capture Rate (%)	1.4%	
Remaining Potential Demand	10,854	
Absorption Rate	30 units/month	
Will the development achieve maximum allowable HC Rents? (Y/N)	Y	
For New Construction Units, is the average market rental rate, based on unit mix and annualized rent concessions at least 110% or greater of a 60 percent of Area Median Income rental rate?	Y	
Does market exist to support both the demographic and income restriction set-asides committed to in the Application or as approved by FHFC or the Board? (Y/N)	Y	

1. The newest comparable projects in the market are experiencing the highest occupancy rates, as they typically offer more modern units and better overall amenity packages. As such, the approval and subsequent construction of other new LIHTC communities in the subject market may ultimately lead to the decline of existing rent-restricted properties by possibly lowering occupancy rates and/or net effective rents. Occupancy rates may temporarily decline periodically as the new product is brought

**MMRN/HC CREDIT UNDERWRITING REPORT**

online, but overall the primary market area is reporting strong occupancy rates and the capture rate analysis exhibits adequate demand to absorb both the Development and any new development in the pipeline at this time. Thus, the long-term outlook is for conditions to remain strong.

- In lieu of Level of Effort, the Appraiser calculated a penetration rate of 12.3%, which indicates a low risk for saturation for additional restricted rental housing serving the elderly in the PMA. A penetration rate below 35% indicates a low risk for saturation and that the lease-up will be at normal levels.

**Environmental Report Summary:**

<b>Environmental Report Summary Questions</b>	<b>Responses</b>	<b>Note</b>
Preparer Firm Name	Partner Engineering and Science, Inc.	
Date of Report	12/27/2023	
Type of Report	Phase I ESA	
Confirm certified and prepared for FHFC (Y/N)	N	1.
Were any Recognized Environmental Conditions (RECs) noted? (Y/N)	N	
Is any further investigation required? (Y/N)	N	

- Receipt of an acceptable updated Environmental Audit Report, together with a reliance letter to Florida Housing, prepared within 90 days of the MMRN loan closing is a condition precedent to the loan closing.

**Soils Test Report Summary:**

<b>Soils Test Report Summary Questions</b>	<b>Responses</b>	<b>Note</b>
Preparer Firm Name	GHD	
Date of Report	3/21/2023	
Did the engineer provide recommendations for site prep, foundation, stormwater, and pavement that would make the site suitable for the proposed development? (Y/N)	Y	
Were recommendations outlined consistent with Structural/Engineering Drawings? (Y/N)	Y	

- Please note that no Foundational Minimal Depths were provided; however, the Structural Engineer of Record has signed / stamped the Construction Documents, certifying that the design shall be adequate for the intended loads. Moran recommends the Structural Engineer of Record confirm their design conforms to the site-specific soils report and the buildings intended use.

**MMRN/HC CREDIT UNDERWRITING REPORT**

Plan & Cost Review Summary:

Property Conditions Report (PCR) Summary Questions	Responses	Note
Preparer Firm Name	Moran Consultants, LLC	
Date of Report	9/6/2024	
Confirm certified and prepared for FHFC (Y/N)	Y	
Were all features and amenities in Exhibit B present in the PCA report? (Y/N)	Y	
Is the GC Contract a Guaranteed Maximum Price Contract? (Y/N)	Y	
General Contract (GC Contract) Amount (PCA should match GC Contract)(\$)	\$42,383,663.80	
Cost per Unit	\$235,464.80	
Costs for Similar Type Developments (Include Range)	\$183,386.16 - \$196,832.87	
Is the Cost per Unit reasonable? (Y/N)	Y	
Construction schedule to substantial completion	12/2/2026	
Is the development timeline considered feasible? (Y/N)	Y	1.
Was an ADA Accessibility Review completed? (Y/N)	Y	
Are accessibility requirements met and have executed Florida Housing Fair Housing, Section 504 and ADA Design Certification Forms 121, 126, and 128 been received? (Y/N)	Y	
Does the design conform with all applicable Florida Building and Design Codes? (Y/N)	Y	
Are the drawings and specifications satisfactory for completion and adherence to the scope of the project? (Y/N)	Y	

**Allowances:**

Site Electrical & Conduit	\$450,000
Secondary Drainage	\$100,000
Landscaping	\$550,000
Sidewalk & Curb Replacement	\$60,000
Structural Steel	\$50,000
Clubhouse Glazing Package	\$50,000
Fire Pumps	\$200,000
Radon System	\$75,000
Generator	\$170,000
Temp. Elec.	\$50,000
Low Voltage	\$100,000
Total	\$1,855,000

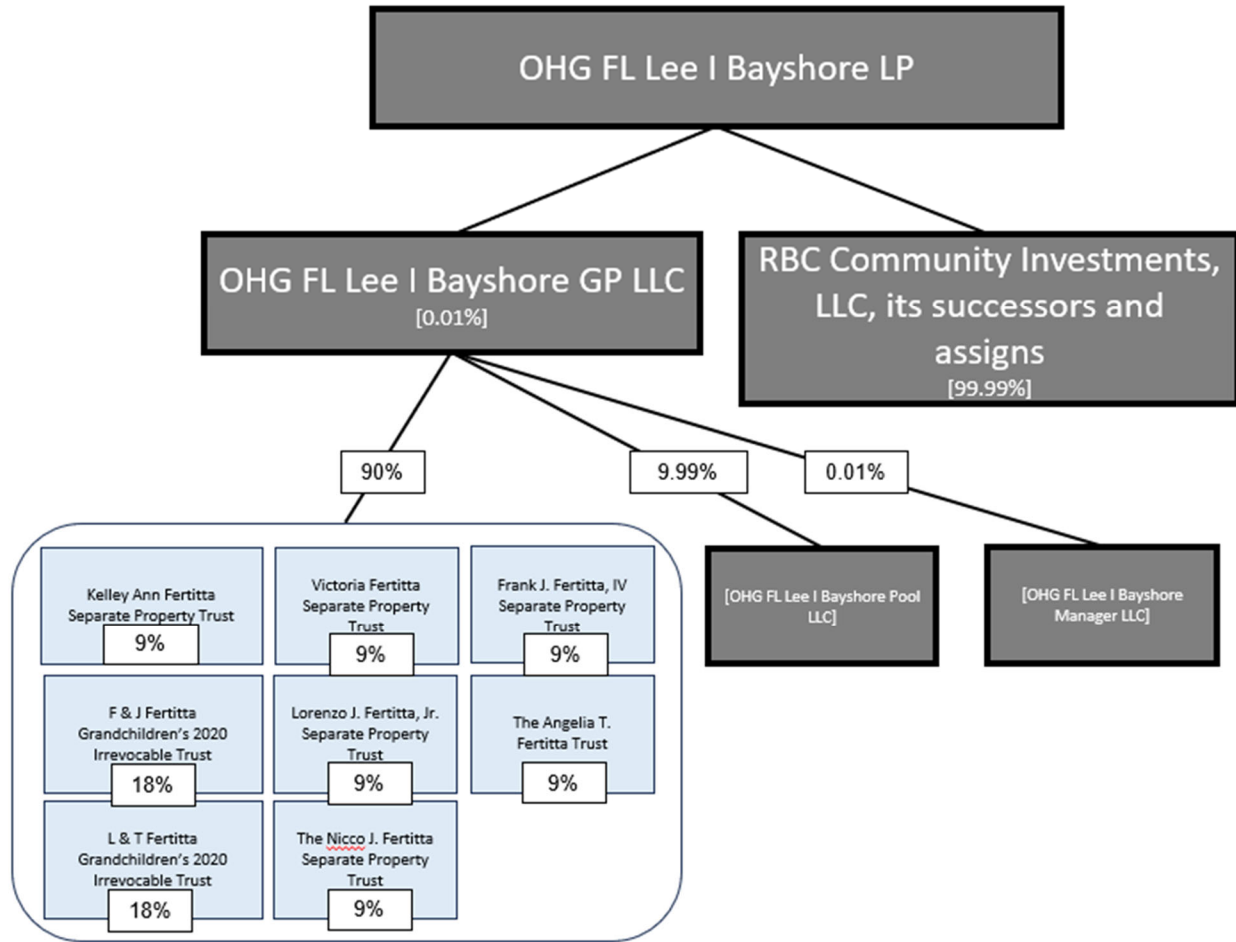
- Contractual Duration has been defined as 21 months from Notice to Proceed, with a Substantial Completion Date of 09-01-26. The provided Construction Schedule lists a Substantial Completion date of 12-02-26 which falls outside of the Contract Duration. Moran recommends an updated Schedule be provided upon true commencement as to properly track the defined 21-month Duration. If subcontractors are managed well and work is properly sequenced, the project duration appears adequate to complete the proposed scope of work.

Site Inspection Summary:

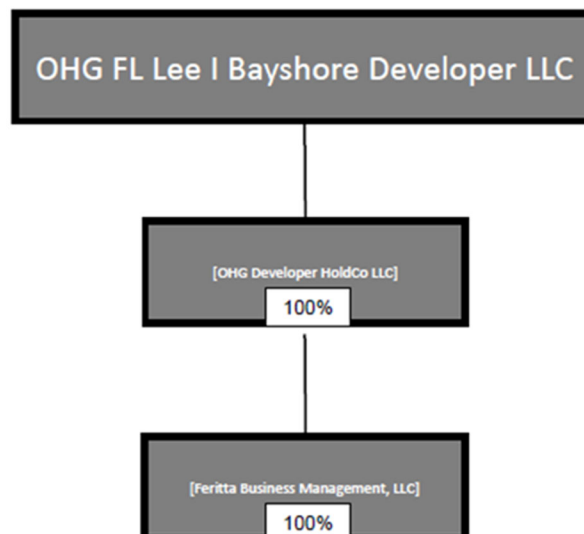
Site Visit Summary Questions	Responses	Note
Name of Inspector	Matt Smiley	
Date of Inspection	6/28/2024	
Were the observation(s) of the inspector in line with the Market Study? (Y/N)	Y	

**Applicant & Related Party Information:**

Borrower Org Chart:



Developer Org Chart:





	OHG FL Lee I Bayshore LP	OHG FL Lee I Bayshore GP LLC	OHG FL Lee 1 Bayshore Developer LLC	TBRE, LLC	David Hirschfeld	RBC Community Investments, LLC	Buckhaven, LLC	Bryten Real Estate Partners	Note
Relationship Type	Applicant	General Partner	Developer	Guarantor	Guarantor	Syndicator	General Contractor	Property Manager	
Contact Person Name & Title	Andrew Cribbs					Lake Newcomb Director	Vincent Schofield Partner	David Gates Executive Vice President	
Contact Information	acribbs@ondagr.com (312) 576-2617					lake.newcomb@rbccm.com (727) 895-8892	vschofield@buckhaven.com (407) 466-3472	(727) 498-8823	
Are Construction Completion, Operating Deficit, Environmental Indemnity and Recourse Obligations required to be signed?	Y	Y	Y	Y	Y	N/A	N/A	N/A	
Does entity have the necessary experience?	Y	Y	Y	Y	Y	Y	Y	Y	
Has a credit evaluation been completed and is it satisfactory?	Y	Y	Y	Y	Y	N/A	Y	N/A	
Have bank statements and/or trade references been received and reviewed and are they adequate?	N/A	N/A	N/A	Y	Y	N/A	Y	N/A	
Have all financial statements been reviewed and are they adequate?	N/A	N/A	N/A	Y	Y	Y	Y	N/A	
Have a Statements of Financial & Credit Affairs been reviewed for contingent liabilities?	Y	Y	Y	Y	Y	N/A	N/A	N/A	
P&P Bond, or LOC, required and received from company adequately rated as required by Rule?	Closing Item								
Have the Management Agreement and Plans been received, dated, and executed?	Y							Y	
Has the Property Manager been approved by FHFC's Asset Mgmt Dept (and if Rehab have they been approved prior to or at closing)?	N							1	
Does the entity have the relevant experience and possess the financial wherewithal to successfully construct and operate the Development as proposed?	Y	Y	Y	Y	Y	Y	Y	Y	

Note: FHFC reserves the right to request additional information.

- The selection of Bryten to manage the Development must be approved by FHFC's Asset Management Department prior to lease-up activity pursuant to Rule Chapter 67-53 F.A.C. As the Development is proposed to be constructed, said approval is not required at closing.

**Bayshore Pines**  
**2023-101B**

**DESCRIPTION OF FEATURES AND AMENITIES**

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

180 Units located in 4 Mid-Rise (4 Stories) residential buildings

Unit Mix:

Twenty-Four (24) one bedroom/one bath units;

Ninety-Two (92) two bedroom/two bath units;

Sixty-Four (64) three bedroom/two bath units:

180 Total Units

**B.** 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.** Federal and state law and building code regulations requires that programs, activities, and facilities be readily accessible to and usable by persons with disabilities. The Corporation requires that the design, construction, or alteration of its financed Developments be in compliance with federal and state accessibility requirements. When more than one law and accessibility standard applies, the applicant shall comply with the standard (2010 ADA Standards, Section 504, Fair Housing Act, or Florida Building Code, Accessibility) whichever 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.

- D.** Required 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.

- 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 the 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 the 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.** All selected features and amenities must be located on the Development site. In addition, if the proposed Development will consist of Scattered Sites, the Applicant must locate each selected feature and amenity that is not unit-specific on each of the Scattered Sites, or no more than 1/16 mile from the site with the most units, or a combination of both.

- G.** The Development must provide the following Optional Features and Amenities:

1. Community center or clubhouse
2. Swimming Pool
3. Two or more parking spaces per total number of units

- H.** The Development must provide the following Green Building Features:

1. Programmable thermostat in each unit
2. Energy Star qualified ventilation fans in all bathrooms
3. Energy efficient windows in each unit (there are specific requirements per Development Type, as outlined in Section 11.b.(3) of the Application instructions
4. Eco-friendly flooring - Carpet and Rug Institute Green Label certified carpet and pad, FloorScore certified flooring, bamboo, cork, 80% recycled content tile, and/or natural linoleum

5. Low-flow water fixtures in bathrooms - WaterSense labeled products or the following specifications:
  - a. Toilets: 1.28 gallons/flush or less; and
  - b. Urinals: 0.5 gallons/flush; and
  - c. Lavatory Faucets: 1.5 gallons/minute or less at 60 psi flow rate; and
  - d. Showerheads: 2.0 gallons/minute or less at 80 psi flow rate
  
- I. The Applicant has committed to provide the following Resident Programs:
  1. Resident Activities - These specified activities are planned, arranged, provided and paid for by the Applicant or its Management Company and held between the hours of 9:00 a.m. and 9:00 p.m. These activities must be an integral part of the management plan. The Applicant must develop and execute a comprehensive plan of varied activities that brings the residents together and encourages community pride. The goal here is to foster a sense of community by bringing residents together on a regularly scheduled basis by providing activities such as holiday and special occasion parties, community picnics, newsletters, children's special functions, etc.

## HOUSE CREDIT ALLOCATION CALCULATION

### Qualified Basis Calculation

Section I: Qualified Basis Calculation	
Development Cost	\$69,206,622
Less: Land Cost	(\$2,730,000)
Less: Other Ineligible Cost	(\$4,939,910)
Total Eligible Basis	\$61,536,711
Applicable Fraction	100.00%
DDA/QCT Basis Credit	130.00%
Qualified Basis	\$79,997,724
Housing Credit Percentage	4.00%
Annual Housing Credit Allocation	\$3,199,909

Notes to the Eligible Basis Calculation:

1. "Other Ineligible Costs" include, but are not limited to, a portion of site work, a portion of legal fees, market study, Florida Housing compliance, administrative, application, and underwriting fees, marketing/advertising fees, a portion of construction loan interest, permanent loan related costs, FHFC Bond costs and an Operating Deficit Reserve.
2. The Development is 100% set-aside; therefore, the applicable fraction is 100%.
3. Per the Application, the Development is located in a QCT (Census Tract #: 205.01); therefore, a 130% basis credit was applied.
4. Per the FY 2021 Omnibus Consolidated Appropriations Act passed by Congress as of December 21, 2020, a permanent 4% minimum HC rate was established. For the purposes of this report, a HC percentage of 4.00% has therefore been applied.

**GAP Calculation**

<b>Section II: Gap Calculation</b>	
Total Development Cost (Including Land and Ineligible Costs)	\$69,206,622
Less: Mortgages	(\$36,030,000)
Equity Gap	\$33,176,622
Percentage to Investment Partnership	99.99%
HC Syndication Pricing	\$0.850
HC Required to Meet Gap	\$39,035,224
Annual HC Required	\$3,903,522

Notes to the Gap Calculation:

1. Mortgages include mortgages provided by Citi and Lee County.
2. The HC Syndication Pricing and Percentage to the Investment Partnership are based upon the LOI from RBC dated August 14, 2024.

**Summary**

<b>Section III: Summary</b>	
HC per Qualified Basis	\$3,199,909
HC per Gap Calculation	\$3,903,522
Annual HC Recommended	\$3,199,909

Notes to the Summary:

1. The Annual HC recommended is based upon the lesser of the Qualified Basis or Gap Calculation; therefore, the Qualified Basis Calculation amount applies.

Tax Credit 50% Test

<b>Section III: Tax-Exempt Bond 50% Test</b>	
Total Depreciable Cost	\$61,536,711
Plus: Land Cost	\$2,730,000
Aggregate Basis	\$64,266,711
Tax-Exempt Bond Amount	\$35,043,000
Tax-Exempt Proceeds Used for Building and Land	\$35,043,000
Proceeds Divided by Aggregate Basis	54.53%

Notes to the Tax Credit 50% Test:

1. Based upon this analysis, the 50% Test is satisfactory.

**FLORIDA HOUSING FINANCE CORPORATION  
AUTHORIZATION RESOLUTION  
BAYSHORE PINES**

**RESOLUTION NO. 2024-**

**A RESOLUTION AUTHORIZING THE ISSUANCE, EXECUTION AND DELIVERY OF MULTIFAMILY MORTGAGE REVENUE NOTES, 2024 SERIES \_\_ [ONE OR MORE SERIES TO BE DESIGNATED] (BAYSHORE PINES) OF THE FLORIDA HOUSING FINANCE CORPORATION (“FLORIDA HOUSING”); PROVIDING FOR A MAXIMUM AGGREGATE PRINCIPAL AMOUNT OF THE NOTES (AS DEFINED HEREIN); APPROVING THE PREPARATION, ISSUANCE, EXECUTION AND DELIVERY OF A FUNDING LOAN AGREEMENT BETWEEN FLORIDA HOUSING AND A CORPORATE FISCAL AGENT, AND A PROJECT OR BORROWER LOAN AGREEMENT BETWEEN FLORIDA HOUSING AND THE BORROWER NAMED THEREIN; AUTHORIZING A LOAN FROM CITIBANK, N.A., OR AN AFFILIATE THEREOF, TO FLORIDA HOUSING EVIDENCED BY THE NOTES; AUTHORIZING THE LOAN MADE PURSUANT TO THE PROJECT OR BORROWER LOAN AGREEMENT TO THE BORROWER NAMED THEREIN; AUTHORIZING THE PREPARATION, EXECUTION, AND DELIVERY OF ALL DOCUMENTS NECESSARY FOR THE ISSUANCE, EXECUTION AND DELIVERY OF THE NOTES; AUTHORIZING ALL ACTIONS NECESSARY FOR FINAL APPROVAL OF THE ISSUANCE, EXECUTION AND DELIVERY OF THE NOTES, THE FINANCING OF BAYSHORE PINES INCLUDING, BUT NOT LIMITED TO, A PRIVATE PLACEMENT MEMORANDUM OR MEMORANDUM OF TERMS AND CONDITIONS, 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 its bonds, debentures, notes, or other evidence of financial indebtedness from time to time to fulfill its public purposes, which include the financing and refinancing of multifamily residential housing developments for rental to persons and families of low, moderate, or middle income; and



WHEREAS, pursuant to the Act, Florida Housing has now determined to authorize the issuance, execution and delivery of its Multifamily Mortgage Revenue Notes, 2024 Series \_\_ [one or more series to be designated] (Bayshore Pines) (the “Notes”), for the purpose of making a loan to OHG FL Lee I Bayshore LP, together with its predecessors, successors, assigns, affiliates and/or related entities (the “Borrower”), to finance the acquisition and construction of an approximately 180-unit multifamily residential rental development for persons of low, moderate, and middle income named Bayshore Pines located in unincorporated Lee County, Florida (the “Property”); provided that the aggregate principal amount of the Notes shall not exceed (a) \$35,043,000 or (b) such greater aggregate principal amount of Notes which, at the time of issuance, execution and delivery, does not exceed an aggregate principal amount which would result in a debt service coverage ratio for the Notes, as reflected in the Credit Underwriter Confirmation (as defined below) for the Property, of less than 1.00 (subject to receipt of private activity bond allocation being made available for the tax-exempt Notes and compliance with Section 147(f) of the Internal Revenue Code of 1986); and

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

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

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

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

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

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

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

2. Florida Housing hereby authorizes the issuance, execution and delivery of the Notes as tax-exempt or taxable “Notes” (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) \$35,043,000 or (b) such greater aggregate principal amount of Notes which, at the time of issuance, execution and delivery does not exceed an aggregate principal amount which would result in a debt service coverage ratio for the Notes, as reflected in the Credit Underwriter Confirmation for the Property, of less than 1.00, subject to receipt of private activity bond allocation being made available for the tax-exempt Notes and compliance with Section 147(f) of the Internal Revenue Code of 1986. Subject to the immediately preceding sentence, the maximum principal amount of the Notes that may be delivered shall be determined by an Authorized Signatory after receipt of the Credit Underwriter Confirmation for the Property. The

“Credit Underwriter Confirmation” is the written confirmation, delivered prior to the issuance of the Notes, from the Florida Housing Credit Underwriter with respect to the Property that, taking into account any increased aggregate principal amount of Notes, the conditions set forth in and the requirements of the Credit Underwriting Report have been satisfied. Conclusive evidence of determination of any such increased aggregate principal amount of Notes shall be evidenced by a certificate of an Authorized Signatory.

3. A funding loan agreement between Florida Housing and a corporate fiscal agent, setting forth the terms and conditions of the Notes, is hereby authorized to be prepared and delivered, in such form as may be approved by any member of the Board, the Executive Director (or any interim Executive Director), the Chief Financial Officer, 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 funding loan agreement shall set forth as to the Notes such maturities, interest rates and purchase price as shall be determined in accordance with the Act, including Section 420.509, Florida Statutes), and the execution of such funding loan agreement by an Authorized Signatory, and the attestation thereof by the Secretary or any Assistant Secretary of Florida Housing, is hereby authorized, and the execution thereof by such persons shall be conclusive evidence of such approval.

4. A project or borrower loan agreement between Florida Housing and the Borrower, setting out the terms of the loan of the proceeds of the Notes by Florida Housing to the Borrower (the “Mortgage Loan”), and the payment and other obligations of the Borrower in respect of the Mortgage Loan, including the note made by the Borrower to Florida Housing evidencing the Mortgage Loan, is hereby authorized to be prepared and delivered, in such form as may be approved by an Authorized Signatory, and the execution of such project or borrower loan

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

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

7. An Authorized Signatory is authorized to cause to be prepared and to issue, execute and deliver any additional documents necessary for the issuance, execution and delivery of the Notes, the making of the Mortgage Loan, and the security therefor, upon the approval of the terms of any credit enhancement, if applicable, and the security therefor, and the making of the Mortgage Loan, and the security therefor, by the staff of Florida Housing and Special Counsel to Florida Housing. All other actions by Florida Housing necessary for the final approval of financing for the Property and for issuance, execution and delivery of the Notes, upon the approval of the terms of any credit enhancement, if applicable, and the security therefor, are hereby authorized.

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

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

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

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

12. This Resolution shall take effect immediately upon adoption.

ADOPTED this 22nd day of October 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 a Resolution adopted at a duly noticed public meeting of the Florida Housing Finance Corporation, legally called and held on the 22nd day of October 2024, at which a quorum was present, all as will appear by reference to the original Resolution incorporated in the official record 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 October 2024 by Tim Kennedy, as Multifamily Loans and Bonds Director Programs of 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  
SALE RESOLUTION  
BAYSHORE PINES**

**RESOLUTION NO. 2024-**

**A RESOLUTION AUTHORIZING AND APPROVING THE PRIVATE PLACEMENT OF THE MULTIFAMILY MORTGAGE REVENUE NOTES, 2024 SERIES \_\_ [ONE OR MORE SERIES TO BE DESIGNATED] (BAYSHORE PINES) OF THE FLORIDA HOUSING FINANCE CORPORATION; AUTHORIZING THE NEGOTIATION AND EXECUTION OF A NOTE PLACEMENT AGREEMENT AND SUCH OTHER DOCUMENTS AS ARE NECESSARY FOR THE PRIVATE PLACEMENT OF THE TAX-EXEMPT MULTIFAMILY MORTGAGE NOTES (AS DEFINED HEREIN) OF THE FLORIDA HOUSING FINANCE CORPORATION; AUTHORIZING THE EXECUTIVE DIRECTOR (OR ANY INTERIM EXECUTIVE DIRECTOR), CHIEF FINANCIAL OFFICER, OR ANY MEMBER OF THE BOARD OF DIRECTORS OF THE FLORIDA HOUSING FINANCE CORPORATION, OR OTHER AUTHORIZED SIGNATORY TO TAKE ANY OTHER ACTIONS NECESSARY TO NEGOTIATE THE SALE OF THE NOTES OF THE FLORIDA HOUSING FINANCE CORPORATION AND MAKING OTHER PROVISIONS IN CONNECTION THEREWITH; AND PROVIDING AN EFFECTIVE DATE.**

WHEREAS, the Florida Housing Finance Corporation (“Florida Housing”) is a public corporation, created within the Department of 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 its bonds, debentures, notes, or other evidence of financial indebtedness from time to time to fulfill its public purposes, which include the financing and refinancing of multifamily residential housing developments for rental to persons and families of low, moderate, or middle income; and

WHEREAS, pursuant to the Act, Florida Housing adopted a resolution authorizing the issuance, execution and delivery of its Multifamily Mortgage Revenue Notes, 2024 Series \_\_ [one or more series to be designated] (Bayshore Pines) (the “Notes”), as tax-exempt or taxable notes, for the purpose of making funds available to finance the acquisition and construction of an

approximately 180-unit multifamily residential rental development for persons of low, moderate, and middle income named Bayshore Pines located in unincorporated Lee County, Florida (the “Property”); provided that the aggregate principal amount of the Notes shall not exceed (a) \$35,043,000 or (b) such greater aggregate principal amount of Notes which, at the time of issuance, execution and delivery of, does not exceed an aggregate principal amount which would result in a debt service coverage ratio for the Notes, as reflected in the Credit Underwriter Confirmation (as defined below) for the Property, of less than 1.00 (subject to receipt of private activity bond allocation being made available for the Notes and compliance with Section 147(f) of the Internal Revenue Code of 1986); and

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

WHEREAS, Florida Housing has reviewed the market conditions and trends affecting the sale of the Notes; and

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

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

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



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

NOW, THEREFORE, BE IT RESOLVED BY FLORIDA HOUSING:

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

2. The negotiated sale of the Notes is to be negotiated by Florida Housing with Citibank, N.A. (hereinafter referred to as the "Note Purchaser").

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

Florida Housing Finance Corporation  
Multifamily Mortgage Revenue Notes,  
2024 Series \_\_ [one or more series to be designated]  
(Bayshore Pines).

4. Florida Housing shall negotiate through the placement agent and execute such documents as are necessary to sell the Notes to the Note Purchaser pursuant to this Resolution. Any member of the Board, the Executive Director (or any interim Executive Director), the Chief Financial Officer, 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 Notes and to execute a note placement agreement, , as applicable, upon approval of the terms thereof, and the execution thereof by an Authorized Signatory shall be conclusive evidence of such approval.

5. The authority to execute the note placement agreement as applicable, is predicated upon the note placement agreement as applicable, providing for an interest rate on the Notes that would facilitate an interest rate on the Notes not to exceed 10% and the maximum rate authorized under Florida law and would provide for the private placement of the Notes in conformance with the program documents.

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

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

8. This Resolution shall take effect immediately upon adoption.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

ADOPTED this 22nd day of October 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 a Resolution adopted at a duly noticed public meeting of the Florida Housing Finance Corporation, legally called and held on the 22nd day of October 2024, at which a quorum was present, all as will appear by reference to the original Resolution incorporated in the official record 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 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:\_\_\_\_\_

October 8, 2024

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

**Re: Hermosa North Fort Myers II, 2024 Multifamily Mortgage Revenue Bond and Note 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 September 10, 2024, relating to Hermosa North Fort Myers II (the "Credit Underwriting Report"), and herein provide my recommendation for both a public offering method of sale and 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 bonds and 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 one series of bonds that are publicly offered during the construction phase and one series of tax-exempt notes that are privately placed during the permanent phase. During the construction phase, the bonds will bear interest at a variable rate. During the permanent phase the notes will bear interest at a fixed rate.

The Credit Underwriting Report proposes a public offering and negotiated private placement to be an effective method of sale for the tax-exempt bonds & notes respectively.

The following is a summary concerning this project and financing:

**Project Name:** Hermosa North Fort Myers II

**Construction Bond Purchaser:** Publicly Offered

**Permanent Note Purchaser:** Citibank, N.A.

**Developer / Key Representative:** Revital Development Group, LLC / Michael Allan  
Co-Developer: DDER Development, LLC / Deion Lowery  
Co-Developer: LCHA Developer, LLC / Lee County Housing Authority

**Recommended Method of Sale:** Public Offering & Negotiated private placement

Based on the structure of the bond and note issues and prevailing market conditions, a public offering and negotiated private placement will be an effective method of sale for the tax-exempt bonds & notes respectively. Based on Florida Housing's experience with similar offerings, current market conditions, and other recent housing finance agency multifamily transactions, these methods 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,

*Samuel Rees*

**Caine Mitter & Associates Incorporated**

Samuel Rees  
Vice President

cc: Tim Kennedy, Multifamily Loans & Bonds Director

October 8, 2024

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

**Re: Citadelle Village, 2024 Multifamily Mortgage Revenue Note 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 September 16, 2024, relating to Citadelle Village (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 one series of tax-exempt notes that are privately placed during the construction and permanent phase. During the construction phase the notes will bear interest at a variable rate. During the permanent phase the notes 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:** Citadelle Village

**Construction Note Purchaser:** Citibank, N.A.

**Permanent Note Purchaser:** Citibank, N.A.

**Developer / Key Representative:** Citadelle Village Developer, LLC / Joseph Chapman

**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,

*Samuel Rees*

**Caine Mitter & Associates Incorporated**

Samuel Rees  
Vice President

cc: Tim Kennedy, Multifamily Loans & Bonds Director

October 8, 2024

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

**Re: Palms Landing, 2024 Multifamily Mortgage Revenue Bonds 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 September 16, 2024, relating to Palms Landing (the "Credit Underwriting Report"), and herein provide my recommendation for a negotiated public offering 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 bonds,
- 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 two Series. The Series A Bonds and the Series B Bonds will be publicly offered. The Bonds will bear interest at a fixed rate during the construction and permanent financing.

The Credit Underwriting Report proposes a negotiated public offering to be an effective method of sale for the tax-exempt bonds.

The following is a summary concerning this project and financing:

**Project Name:** Palms Landing

**Construction Lender:** Publicly Offered

**Permanent Lender:** Berkadia Commercial Mortgage LLC / Fannie Mae

**Developer / Key Representative:** Southport Development, Inc. dba Southport Development Services, Inc. / J. David Page



**Recommended Method of Sale:** Negotiated public offering

Based on the structure of the bond issue and prevailing market conditions, a negotiated public offering will be an effective method of sale for the tax-exempt bonds. 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,

*Samuel Rees*

**Caine Mitter & Associates Incorporated**

Samuel Rees  
Vice President

cc: Tim Kennedy, Multifamily Loans & Bonds Director

October 8, 2024

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

**Re: Lakewood Senior Housing, 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 September 20, 2024, relating to Lakewood Senior Housing (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 Multifamily Mortgage Revenue Notes ("MMRN") privately placed with a bank during the construction phase. The notes will bear interest at a variable rate during the construction phase.

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:** Lakewood Senior Housing

**Construction Notes Purchaser:** JPMorgan Chase Bank, N.A.

**Developer / Key Representative:** ACRUVA Community Developers, LLC  
Co-Developer: Neighborhood Renaissance, Inc / Terri Murray

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

Based on the structure of the MMRN issue and prevailing market conditions, a negotiated private placement will be an effective method of sale for the tax-exempt MMRN. 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,

*Samuel Rees*

**Caine Mitter & Associates Incorporated**

Samuel Rees  
Vice President

cc: Tim Kennedy, Multifamily Loans & Bonds Director

October 8, 2024

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

Re: **Bayshore Pines, 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 September 16, 2024, relating to Bayshore Pines (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 Multifamily Mortgage Revenue Notes ("MMRN") privately placed with a bank during the construction phase and tax-exempt MMRN privately placed with a bank during the permanent phase. The Notes will bear interest at a variable rate during the construction phase and a fixed rate during the permanent phase.

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:** Bayshore Pines

**Construction Notes Purchaser:** Citibank, N.A.

**Permanent Notes Purchaser:** Citibank, N.A.

**Developer / Key Representative:** OHG FL Lee I Bayshore Developer, LLC / David Hirschfeld

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

Based on the structure of the MMRN issue and prevailing market conditions, a negotiated private placement will be an effective method of sale for the tax-exempt MMRN. 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,

*Samuel Rees*

**Caine Mitter & Associates Incorporated**

Samuel Rees  
Vice President

cc: Tim Kennedy, Multifamily Loans & Bonds Director



October 7, 2024

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

RE: The Enclave at Canopy Park ("Development") – Multifamily Mortgage Revenue Bonds ("MMRB") 2024 Series I/State Apartment Incentive Loan ("SAIL")/Extremely Low-Income Loan ("ELI")/National Housing Trust Fund Loan ("NHTF") RFA 2022-205 (2023-160BSN)/4% Non-Competitive Housing Credits ("HC") 2022-542C

Credit Underwriting Report Update Letter ("CUR Update Letter") – Changes to the Final Credit Underwriting Report ("Final CUR") dated August 12, 2024.

Dear Mr. Kennedy:

Florida Housing Finance Corporation ("Florida Housing" or "FHFC") has requested that AmeriNat® ("AmeriNat" or "Servicer") review correspondence dated September 17, 2024 and September 26, 2024, as submitted by The Enclave at Canopy Partners, LLC ("Applicant" or "Borrower") requesting consent to incorporate additional subordinate funding from Orange County Housing and Community Development Division ("Orange County HCDD") and an increase in the construction first mortgage MMRB amount. Other changes include a reduction in the permanent first mortgage MMRB amount, reduction in the HC Equity amount, an increase in the HC Allocation recommendation, removal of the Orange County SHIP funding, an increase in Bond Reinvestment Incomes and an increase in Uses. The Orange County HCDD loan will be subordinate to the MMRB, SAIL and ELI loans. AmeriNat has been requested to provide a recommendation for the above-referenced changes to the Final CUR approved at the August 23, 2024 FHFC Board meeting. An analysis of the proposed changes follows below.

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 dated
2. Correspondence from the Borrower
3. Orange County HCDD letter dated September 13, 2024
4. Bank of America, N.A. equity letter dated September 13, 2024
5. Borrower's updated Sources & Uses

Mr. Tim Kennedy  
The Enclave at Canopy Park  
October 7, 2024  
Page 2 of 12

**Background:**

The Development will be located at 45th Street, intersection of Rio Grande Avenue and 45th Street, Orlando, Orange County, FL 32839. The Development will be new construction consisting of garden style (1-3 stories) apartment buildings, containing 104 units, with a Family demographic.

Per the Final CUR, AmeriNat recommended an issuance of MMRB in the amount of \$16,500,000, a SAIL Loan in the amount of \$7,900,000, an ELI Loan in the amount of \$750,000, a NHTF Loan in the amount of \$1,375,000 and an annual 4% HC allocation in the amount of \$1,523,224 to the Applicant for the construction and permanent phase financing of Development.

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

CONSTRUCTION/PERMANENT SOURCES:				
Source	Lender	Construction	Permanent	Perm Loan/Unit
FHFC - MMRB	Publically Offered (const) FHFC/Citibank, NA (perm)	\$16,500,000	\$6,750,000	\$64,904
FHFC - SAIL	FHFC	\$7,900,000	\$7,900,000	\$75,962
FHFC - SAIL ELI	FHFC	\$750,000	\$750,000	\$7,212
FHFC - NHTF	FHFC	\$1,375,000	\$1,375,000	\$13,221
Local Government Subsidy	Orange County-SHIP	\$75,000	\$75,000	\$721
Other	Bond Reinvestment Income	\$1,575,750	\$1,575,750	\$15,151
HC Equity	Bank of America, NA	\$2,224,246	\$14,828,310	\$142,580
HC Equity	Bank of America, NA	\$100,000	\$100,000	\$962
Deferred Costs - Other	ODR	\$546,585	\$0	\$0
Deferred Developer Fee	Developer	\$3,936,322	\$1,628,843	\$15,662
<b>TOTAL</b>		\$34,982,903	\$34,982,903	\$336,374
<b>Cash Collateral Source(s):</b>				
Regulated Mortgage Lender	Bank of America, NA	\$16,500,000		

**Original Overview:**

Deferred Developer Fee	\$1,628,843
As-Is Land Value	\$2,080,000
Market Rent/Market Financing Stabilized Value	\$18,900,000
Rent Restricted Market Financing Stabilized Value	\$12,000,000
Projected Net Operating Income (NOI) - Year 1	\$661,072
Projected Net Operating Income (NOI) - 15 Year	\$767,211
Year 15 Pro Forma Income Escalation Rate	2.00%
Year 15 Pro Forma Expense Escalation Rate	3.00%
Bond Structure	Cash-Backed Bonds to Forward Tax-Exempt Debt
Housing Credit (HC) Syndication Price	\$0.94
HC Annual Allocation - Qualified in CUR	\$1,523,224
HC Annual Allocation - Equity Letter of Interest	\$1,577,480

Mr. Tim Kennedy  
The Enclave at Canopy Park  
October 7, 2024  
Page 3 of 12

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

CONSTRUCTION/PERMANENT SOURCES:				
Source	Lender	Construction	Permanent	Perm Loan/Unit
FHFC - MMRB	Publically Offered (const) FHFC/Citibank, NA (perm)	\$17,250,000	\$6,300,000	\$60,577
FHFC - SAIL	FHFC	\$7,900,000	\$7,900,000	\$75,962
FHFC - SAIL ELI	FHFC	\$750,000	\$750,000	\$7,212
FHFC - NHTF	FHFC	\$1,375,000	\$1,375,000	\$13,221
Local Government Subsidy	Orange County	\$3,000,000	\$3,000,000	\$28,846
Other	Bond Reinvestment Income	\$1,647,375	\$1,647,375	\$15,840
HC Equity	Bank of America, NA	\$2,128,991	\$14,193,271	\$136,474
HC Equity	Bank of America, NA	\$100,000	\$100,000	\$962
Deferred Costs - Other	ODR	\$573,348	\$0	\$0
Deferred Developer Fee	Developer	\$1,112,150	\$571,218	\$5,492
<b>TOTAL</b>		<b>\$35,836,864</b>	<b>\$35,836,864</b>	<b>\$344,585</b>
<b>Cash Collateral Source(s):</b>				
Regulated Mortgage Lender	Bank of America, NA	\$17,250,000		

**Proposed Permanent Sources:**

PERMANENT FINANCING INFORMATION						
	1st Source	2nd Source	3rd Source	4th Source	5th Source	Other
Lien Position	1	2	3	4	5	
Lender/Grantor	FHFC / Citibank, NA	FHFC-SAIL	FHFC-SAIL ELI	FHFC-NHTF	Orange County	
Amount	\$6,300,000	\$7,900,000	\$750,000	\$1,375,000	\$3,000,000	
Underwritten Interest Rate	6.20%	1.00%	0.00%	0.00%	0.50%	
All In Interest Rate	6.20%	1.00%	0.00%	0.00%	0.00%	
Loan Term	15.5	22.0	30.0	30	35	
Amortization	40	0	0	0	35	
Market Rate/Market Financing LTV	33%	75%	79%	86%	102%	
Restricted Market Financing LTV	53%	118%	125%	136%	161%	
Loan to Cost - Cumulative	18%	40%	42%	46%	54%	
Loan to Cost - SAIL Only		22%				
Debt Service Coverage	1.46	1.21	1.21	1.20	1.00	
Operating Deficit & Debt Service Reserves	\$573,348					
# of Months covered by the Reserves	5.2					



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**Proposed Overview:**

Deferred Developer Fee	\$571,218
As-Is Land Value	\$2,080,000
Market Rent/Market Financing Stabilized Value	\$18,900,000
Rent Restricted Market Financing Stabilized Value	\$12,000,000
Projected Net Operating Income (NOI) - Year 1	\$661,072
Projected Net Operating Income (NOI) - 15 Year	\$767,211
Year 15 Pro Forma Income Escalation Rate	2.00%
Year 15 Pro Forma Expense Escalation Rate	3.00%
Bond Structure	Cash-Backed Bonds to Forward Tax-Exempt Debt
Housing Credit (HC) Syndication Price	\$0.91
HC Annual Allocation - Qualified in CUR	\$1,559,615
HC Annual Allocation - Equity Letter of Interest	\$1,559,856

**Note:** Terms and conditions of the FHFC SAIL, SAIL ELI, and NHTF loans have remained the same since the time of the Final CUR.

**Proposed Construction MMRB Amount:**

At the time of the Final CUR, the construction first mortgage MMRB amount to be provided by Bank of America, NA (“BofA”) to cash-collateralize the MMRB issued by FHFC was approved in an amount not to exceed \$16,500,000. BofA is requiring an increase of \$750,000 in the construction first mortgage MMRB to an amount not to exceed \$17,250,000 to improve the Tax Credit 50% Test from 52.73% to 59.07%.

**Proposed Permanent MMRB Amount:**

At the time of the Final CUR, the permanent first mortgage MMRB amount to be provided by Citibank, NA (“Citibank”) was approved in an amount not to exceed \$6,750,000. Per a letter of interest dated September 13, 2024 from BofA, the HC equity provider, the permanent first MMRB amount is not to exceed \$6,400,000. The permanent first mortgage MMRB amount has been underwritten at \$6,300,000, for a total reduction of \$450,000, under Citibank’s original terms and conditions provided in the Final CUR.

Citibank may resize the Permanent Loan at Permanent Loan conversion. However, a positive recommendation from AmeriNat and approval by FHFC’s Board will be required if the permanent loan is sized to an amount greater than the current recommended amount of \$6,300,000.

See below for the Debt Service Coverage (“DSC”) Ratio calculation and the one-year Operating Pro Forma and Exhibit 1 for the 15-year Operating Pro Forma.

**Local Government Subsidy - Orange County:**

A commitment letter was provided, dated September 13, 2024, whereby Orange County HCDD will provide a \$3,000,000 loan for the construction and permanent financing of the Development. The loan shall be non-recourse with a 35-year term and 35-year amortization at a 0.50% interest rate through the term of the loan. There is an annual servicing fee of 0.50% of the original loan amount. See below for the

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DSC ratio calculation and the one-year Operating Pro Forma and Exhibit 1 for the 15-year Operating Pro Forma.

Note: The \$75,000 Orange County SHIP funding underwritten as a Source in the Final CUR is no longer being provided.

**Proposed Construction and Permanent Bond Reinvestment Income:**

The projected interest earnings during the construction period, since the Final CUR, has increased by \$71,625 from \$1,575,750 to \$1,647,375 during the construction period, which will serve as a source during the permanent phase.

**HC Equity:**

Since the time of the Final CUR, the total amount of HC Equity provided by BofA has decreased by \$635,039 from \$14,828,310 to \$14,193,271. The HC rate has been reduced from \$0.94 to \$0.91.

The Applicant provided a letter of intent/proposal dated September 13, 2024 from BofA that outlines the terms and conditions of the purchase of the HC. BofA will provide a net equity investment of \$14,193,271 in exchange for a 99.99% limited partnership ownership interest. The HC allocation will be syndicated at a rate of approximately \$0.91 per \$1.00 of delivered tax credits. An initial HC equity installment of \$2,128,991 will be available at construction loan closing, which satisfies the 15.00% RFA 2022-205 requirement. Additional installments will be paid as follows:

Capital Contributions	Amount	Percent of Total	Due upon
1st Installment	\$2,128,991	15.00%	Loan Closing
2nd Installment	\$4,967,645	35.00%	100% Construction Completion
3rd Installment	\$6,812,770	48.00%	Conversion and Stabilization
4th Installment	\$283,865	2.00%	Receipt of Form 8609
<b>Total:</b>	<b>\$14,193,271</b>	<b>100%</b>	

Annual Credits Per Syndication Agreement	\$1,559,856
Total Credits Per Syndication Agreement	\$15,597,000
Calculated HC Rate:	\$0.91
Limited Partner Ownership Percentage	99.99%
Proceeds During Construction	\$2,128,991

**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 decreased by \$2,824,172 from \$3,936,322 to \$1,112,150 or 22.05% of total Developer Fee. Deferred Developer Fee during the permanent phase has decreased by \$1,057,625 from \$1,628,843 to \$571,218 or 11.33% of total Developer Fee, which meets the RFA requirements.

**Debt Service Coverage:**

Due to a decrease in the permanent first mortgage MMRB amount the DSC has improved from 1.37x to 1.46x including fees. The DSC for the combined permanent first mortgage MMRB and the SAIL loan improved from 1.15x to 1.21x including fees. The DSC for all debt has decreased from 1.13x to 1.00x due to the inclusion of the Orange County HCDD loan including fees. See below for the DSC ratio calculation and the one-year Operating Pro Forma and Exhibit 1 for the 15-year Operating Pro Forma.

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**OPERATING PRO FORMA**

FINANCIAL COSTS:		Year 1	Year 1 Per Unit
<b>OPERATING PRO FORMA</b>			
<b>INCOME:</b>	Gross Potential Rental Income	\$1,349,772	\$12,979
	Other Income		\$0
	Ancillary Income	\$13,376	\$129
	Washer/Dryer Rentals	\$28,080	\$270
	Gross Potential Income	\$1,391,228	\$13,377
	Less:		
	Physical Vac. Loss      Percentage: 4.00%	\$55,649	\$535
	Collection Loss          Percentage: 0.50%	\$6,956	\$67
<b>Total Effective Gross Income</b>	<b>\$1,328,623</b>	<b>\$12,775</b>	
<b>EXPENSES:</b>	Fixed:		
	Real Estate Taxes	\$0	\$0
	Insurance	\$156,000	\$1,500
	Variable:		
	Management Fee      Percentage: 5.00%	\$66,431	\$639
	General and Administrative	\$57,200	\$550
	Payroll Expenses	\$166,400	\$1,600
	Utilities	\$101,400	\$975
	Marketing and Advertising	\$7,800	\$75
	Maintenance and Repairs/Pest Control	\$60,320	\$580
	Grounds Maintenance and Landscaping	\$20,800	\$200
	Reserve for Replacements	\$31,200	\$300
	<b>Total Expenses</b>	<b>\$667,551</b>	<b>\$6,419</b>
<b>Net Operating Income</b>	<b>\$661,072</b>	<b>\$6,356</b>	
<b>Debt Service Payments</b>			
First Mortgage - FHFC/Citibank	\$426,549	\$4,101	
Second Mortgage - FHFC SAIL	\$79,000	\$760	
Third Mortgage - FHFC SAIL ELI	\$0	\$0	
Fourth Mortgage - FHFC NHTF	\$0	\$0	
Fifth Mortgage - Orange County	\$93,451	\$899	
First Mortgage Fees - FHFC/Citibank	\$26,076	\$251	
Second Mortgage Fees - FHFC SAIL	\$12,622	\$121	
Third Mortgage Fees - FHFC SAIL ELI	\$3,970	\$38	
Fourth Mortgage Fees - FHFC NHTF	\$4,492	\$43	
Fifth Mortgage Fees - Orange County	\$15,000	\$144	
Total Debt Service Payments	\$661,160	\$6,357	
Cash Flow after Debt Service	(\$88)	(\$1)	
<b>Debt Service Coverage Ratios</b>			
DSC - First Mortgage plus Fees	1.46x		
DSC - Second Mortgage plus Fees	1.21x		
DSC - Third Mortgage plus Fees	1.21x		
DSC - Fourth Mortgage plus Fee	1.20x		
DSC - Fifth Mortgage plus Fees	1.00x		
DSC - All Mortgages and Fees	1.00x		
<b>Financial Ratios</b>			
Operating Expense Ratio	50.24%		
Break-even Economic Occupancy Ratio (all debt)	95.73%		

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**Proposed Changes in the Uses:**

Since the Final CUR, the Uses have increased by \$853,961 from \$34,982,903 to \$35,836,864 . The increase is mainly due to an increase in Furniture/Fixtures/Equipment (“FF&E”) for the purchase of exterior public art (a requirement of the Orange County HCDD), an increase in Financial Costs due to the inclusion of the Orange County HCDD loan, an increase in the FHFC Bond Interest and an increase in Developer Fee and Reserves. The increase in FF&E is outside of the Construction Contract; therefore, the Contract amount remains the same as underwritten and approved in the Final CUR. As this Development is currently in the closing process, the Uses will be vetted and approved by AmeriNat, and a final closing draw will be provided at the time of loan closing. See total Uses below. The Applicant Costs column reflects the Final CUR total costs.

CONSTRUCTION COSTS:	Applicant Costs	Revised Applicant Costs	Underwriters Total Costs - CUR	Cost Per Unit	HC Ineligible Costs - CUR
<b>Total Construction Costs:</b>	\$19,733,323	\$20,165,550	\$20,198,205	\$194,214	\$395,790

GENERAL DEVELOPMENT COSTS:	Applicant Costs	Revised Applicant Costs	Underwriters Total Costs - CUR	Cost Per Unit	HC Ineligible Costs - CUR
<b>Total General Development Costs:</b>	\$2,615,387	\$2,640,504	\$2,640,145	\$25,386	\$310,957

FINANCIAL COSTS:	Applicant Costs	Revised Applicant Costs	Underwriters Total Costs - CUR	Cost Per Unit	HC Ineligible Costs - CUR
<b>Total Financial Costs:</b>	\$4,967,662	\$5,134,412	\$5,179,037	\$49,798	\$2,361,175
<b>Dev. Costs before Acq., Dev. Fee &amp; Reserves</b>	\$27,316,372	\$27,940,466	\$28,017,387	\$269,398	\$3,067,922

DEVELOPER FEE ON NON-ACQUISITION COSTS	Applicant Costs	Revised Applicant Costs	Underwriters Total Costs - CUR	Cost Per Unit	HC Ineligible Costs - CUR
<b>Total Other Development Costs:</b>	\$4,916,946	\$4,992,031	\$5,043,129	\$48,492	\$0

LAND ACQUISITION COSTS	Applicant Costs	Revised Applicant Costs	Underwriters Total Costs - CUR	Cost Per Unit	HC Ineligible Costs - CUR
<b>Total Acquisition Costs:</b>	\$2,000,000	\$2,000,000	\$2,000,000	\$19,231	\$2,000,000

RESERVE ACCOUNTS	Applicant Costs	Revised Applicant Costs	Underwriters Total Costs - CUR	Cost Per Unit	HC Ineligible Costs - CUR
<b>Total Reserve Accounts:</b>	\$749,585	\$776,348	\$776,348	\$7,465	\$776,348

TOTAL DEVELOPMENT COSTS	Applicant Costs	Revised Applicant Costs	Underwriters Total Costs - CUR	Cost Per Unit	HC Ineligible Costs - CUR
<b>TOTAL DEVELOPMENT COSTS:</b>	\$34,982,903	\$35,708,845	\$35,836,864	\$344,585	\$5,844,270

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In accordance with RFA 2022-205, 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, Garden-ESSC, 1-3 stories), inclusive of a \$7,500/unit add-on for using tax-exempt bonds per the RFA and a 6.00% escalation rate applied to the base \$370,000 per unit allowable, is \$400,150 per unit. The TDC as underwritten equals \$317,889.58. As such, the Development does not exceed the per unit maximum TDC and is eligible for funding as a result.

Since the time of the Final CUR, Developer Fee has increased by from \$4,916,946 to \$5,043,129

**Recommendation:**

AmeriNat’s review indicates that an increase in the construction first mortgage MMRB loan amount, reduction in the permanent first mortgage MMRB loan amount, increase in the Bond Reinvestment Income, a reduction in the HC Equity amount, increase of the HC Allocation recommendation, the inclusion of the additional subordinate debt Orange County HCDD loan, which will be subordinate to the MMRB, SAIL and ELI loans, and removal of the Orange County SHIP funding 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**  
**The Enclave at Canopy Park**  
**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	\$1,349,772	\$1,376,767	\$1,404,303	\$1,432,389	\$1,461,037	\$1,490,257	\$1,520,063	\$1,550,464	\$1,581,473	\$1,613,102	\$1,645,365	\$1,678,272	\$1,711,837	\$1,746,074	\$1,780,995	
	Other Income																
	Ancillary Income	\$13,376	\$13,644	\$13,916	\$14,195	\$14,479	\$14,768	\$15,064	\$15,365	\$15,672	\$15,986	\$16,305	\$16,631	\$16,964	\$17,303	\$17,649	
	Gross Potential Income	\$1,391,228	\$1,419,053	\$1,447,434	\$1,476,382	\$1,505,910	\$1,536,028	\$1,566,749	\$1,598,084	\$1,630,045	\$1,662,646	\$1,695,899	\$1,729,817	\$1,764,413	\$1,799,702	\$1,835,696	
	Less:																
	Physical Vac. Loss Percentage: 4.00%	\$55,649	\$56,762	\$57,897	\$59,055	\$60,236	\$61,441	\$62,670	\$63,923	\$65,202	\$66,506	\$67,836	\$69,193	\$70,577	\$71,988	\$73,428	
	Collection Loss Percentage: 0.50%	\$6,956	\$7,095	\$7,237	\$7,382	\$7,530	\$7,680	\$7,834	\$7,990	\$8,150	\$8,313	\$8,480	\$8,649	\$8,822	\$8,999	\$9,178	
	<b>Total Effective Gross Income</b>	<b>\$1,328,623</b>	<b>\$1,355,195</b>	<b>\$1,382,299</b>	<b>\$1,409,945</b>	<b>\$1,438,144</b>	<b>\$1,466,907</b>	<b>\$1,496,245</b>	<b>\$1,526,170</b>	<b>\$1,556,693</b>	<b>\$1,587,827</b>	<b>\$1,619,584</b>	<b>\$1,651,975</b>	<b>\$1,685,015</b>	<b>\$1,718,715</b>	<b>\$1,753,089</b>	
	<b>EXPENSES:</b>	Fixed:															
		Real Estate Taxes	\$0														
Insurance		\$156,000	\$160,680	\$165,500	\$170,465	\$175,579	\$180,847	\$186,272	\$191,860	\$197,616	\$203,545	\$209,651	\$215,940	\$222,419	\$229,091	\$235,964	
Variable:																	
Management Fee Percentage: 5.00%		\$66,431	\$67,760	\$69,115	\$70,497	\$71,907	\$73,345	\$74,812	\$76,308	\$77,835	\$79,391	\$80,979	\$82,599	\$84,251	\$85,936	\$87,654	
General and Administrative		\$57,200	\$58,916	\$60,683	\$62,504	\$64,379	\$66,310	\$68,300	\$70,349	\$72,459	\$74,633	\$76,872	\$79,178	\$81,554	\$84,000	\$86,520	
Payroll Expenses		\$166,400	\$171,392	\$176,534	\$181,830	\$187,285	\$192,903	\$198,690	\$204,651	\$210,791	\$217,114	\$223,628	\$230,337	\$237,247	\$244,364	\$251,695	
Utilities		\$101,400	\$104,442	\$107,575	\$110,803	\$114,127	\$117,550	\$121,077	\$124,709	\$128,450	\$132,304	\$136,273	\$140,361	\$144,572	\$148,909	\$153,377	
Marketing and Advertising		\$7,800	\$8,034	\$8,275	\$8,523	\$8,779	\$9,042	\$9,314	\$9,593	\$9,881	\$10,177	\$10,483	\$10,797	\$11,121	\$11,455	\$11,798	
Maintenance and Repairs/Pest Control		\$60,320	\$62,130	\$63,993	\$65,913	\$67,891	\$69,927	\$72,025	\$74,186	\$76,412	\$78,704	\$81,065	\$83,497	\$86,002	\$88,582	\$91,239	
Grounds Maintenance and Landscaping	\$20,800	\$21,424	\$22,067	\$22,729	\$23,411	\$24,113	\$24,836	\$25,581	\$26,349	\$27,139	\$27,953	\$28,792	\$29,656	\$30,546	\$31,462		
Reserve for Replacements	\$31,200	\$31,200	\$31,200	\$31,200	\$31,200	\$31,200	\$31,200	\$31,200	\$31,200	\$31,200	\$31,200	\$32,136	\$33,100	\$34,093	\$35,116	\$36,169	
<b>Total Expenses</b>	<b>\$667,551</b>	<b>\$685,977</b>	<b>\$704,943</b>	<b>\$724,464</b>	<b>\$744,557</b>	<b>\$765,239</b>	<b>\$786,527</b>	<b>\$808,438</b>	<b>\$830,992</b>	<b>\$854,208</b>	<b>\$879,040</b>	<b>\$904,601</b>	<b>\$930,913</b>	<b>\$957,998</b>	<b>\$985,879</b>		
<b>Net Operating Income</b>	<b>\$661,072</b>	<b>\$669,218</b>	<b>\$677,356</b>	<b>\$685,481</b>	<b>\$693,587</b>	<b>\$701,668</b>	<b>\$709,718</b>	<b>\$717,732</b>	<b>\$725,701</b>	<b>\$733,615</b>	<b>\$740,544</b>	<b>\$747,374</b>	<b>\$754,101</b>	<b>\$760,717</b>	<b>\$767,211</b>		
<b>Debt Service Payments</b>																	
First Mortgage - FHFC/Citibank	\$426,549	\$426,549	\$426,549	\$426,549	\$426,549	\$426,549	\$426,549	\$426,549	\$426,549	\$426,549	\$426,549	\$426,549	\$426,549	\$426,549	\$426,549	\$426,549	
Second Mortgage - FHFC/SAIL	\$79,000	\$79,000	\$79,000	\$79,000	\$79,000	\$79,000	\$79,000	\$79,000	\$79,000	\$79,000	\$79,000	\$79,000	\$79,000	\$79,000	\$79,000	\$79,000	
Third Mortgage - FHFC/SAIL ELI	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Fourth Mortgage - FHFC/NHTF	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Fifth Mortgage - Orange County	\$93,451	\$93,451	\$93,451	\$93,451	\$93,451	\$93,451	\$93,451	\$93,451	\$93,451	\$93,451	\$93,451	\$93,451	\$93,451	\$93,451	\$93,451	\$93,451	
First Mortgage Fees - FHFC/Citibank	\$26,076	\$26,093	\$26,108	\$26,121	\$26,130	\$26,136	\$26,138	\$26,136	\$26,130	\$26,119	\$26,102	\$26,080	\$26,052	\$26,017	\$25,975		
Second 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		
Third 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		
Fourth Mortgage Fees - FHFC/NHTF	\$4,492	\$4,492	\$4,492	\$4,492	\$4,492	\$4,492	\$4,492	\$4,492	\$4,492	\$4,492	\$4,492	\$4,492	\$4,492	\$4,492	\$4,492		
Fifth Mortgage Fees - Orange County	\$15,000	\$15,000	\$15,000	\$15,000	\$15,000	\$15,000	\$15,000	\$15,000	\$15,000	\$15,000	\$15,000	\$15,000	\$15,000	\$15,000	\$15,000		
<b>Total Debt Service Payments</b>	<b>\$661,160</b>	<b>\$661,178</b>	<b>\$661,193</b>	<b>\$661,205</b>	<b>\$661,214</b>	<b>\$661,220</b>	<b>\$661,222</b>	<b>\$661,220</b>	<b>\$661,214</b>	<b>\$661,203</b>	<b>\$661,186</b>	<b>\$661,164</b>	<b>\$661,136</b>	<b>\$661,101</b>	<b>\$661,059</b>		
Cash Flow after Debt Service	(\$88)	\$8,040	\$16,163	\$24,276	\$32,373	\$40,448	\$48,497	\$56,512	\$64,487	\$72,417	\$79,357	\$86,210	\$93,065	\$99,916	\$106,767		
<b>Debt Service Coverage Ratios</b>																	
DSC - First Mortgage plus Fees	1.46x	1.48x	1.50x	1.51x	1.53x	1.55x	1.57x	1.59x	1.60x	1.62x	1.64x	1.65x	1.67x	1.68x	1.70x		
DSC - Second Mortgage plus Fees	1.21x	1.23x	1.24x	1.26x	1.27x	1.29x	1.30x	1.32x	1.33x	1.35x	1.36x	1.37x	1.39x	1.40x	1.41x		
DSC - Third Mortgage plus Fees	1.21x	1.22x	1.24x	1.25x	1.27x	1.28x	1.29x	1.31x	1.32x	1.34x	1.35x	1.36x	1.38x	1.39x	1.40x		
DSC - Fourth Mortgage plus Fee	1.20x	1.21x	1.23x	1.24x	1.25x	1.27x	1.28x	1.30x	1.31x	1.33x	1.34x	1.35x	1.36x	1.38x	1.39x		
DSC - Fifth Mortgage plus Fees	1.00x	1.01x	1.02x	1.04x	1.05x	1.06x	1.07x	1.09x	1.10x	1.11x	1.12x	1.13x	1.14x	1.15x	1.16x		
DSC - All Mortgages and Fees	1.00x	1.01x	1.02x	1.04x	1.05x	1.06x	1.07x	1.09x	1.10x	1.11x	1.12x	1.13x	1.14x	1.15x	1.16x		
<b>Financial Ratios</b>																	
Operating Expense Ratio	50.24%	50.62%	51.00%	51.38%	51.77%	52.17%	52.57%	52.97%	53.38%	53.80%	54.28%	54.76%	55.25%	55.74%	56.24%		
Break-even Economic Occupancy Ratio (all debt)	95.73%	95.16%	94.61%	94.08%	93.58%	93.09%	92.63%	92.19%	91.77%	91.37%	90.97%	90.59%	90.23%	89.88%	89.54%		

**Exhibit 2**  
**The Enclave at Canopy Park**  
**HC Allocation Calculation**

<b><u>Qualified Basis Calculation</u></b>	
Total Development Cost	\$35,836,864
Less Land Costs	\$2,000,000
Less Other Ineligible Costs	\$3,844,270
Total Eligible Basis	\$29,992,594
Applicable Fraction	100%
DDA/QCT Basis Credit, if applicable	130%
Qualified Basis	\$38,990,372
Housing Credit Percentage (Federal allocation)	4.00%
Annual Housing Credit Allocation	\$1,559,615

<b><u>GAP Calculation</u></b>	
Total Development Cost (including land and ineligible costs)	\$35,836,864
Less Mortgages	\$19,325,000
Equity Gap	\$16,511,864
HC Percentage to Investment Partnership	99.99%
HC Syndication Pricing	\$0.91
HC Required to meet Equity Gap	\$18,144,904
Annual HC Required	\$1,814,490

Note: The actual HC Syndication Pricing is \$0.910091073.

HC Per Qualified Basis	\$1,559,615
HC Per GAP Calculation	\$1,814,490
<b>Annual HC Recommended</b>	<b>\$1,559,615</b>
HC Proceeds Recommended	\$14,192,497

Note: Since the Final CUR, the Annual HC Recommendation has increased by \$36,391 from \$1,523,224 to \$1,559,615.



**Exhibit 2**  
**The Enclave at Canopy Park**  
**HC Allocation Calculation**

<b><u>Tax Credit 50% Test</u></b>	
Total DEPRECIABLE Cost	\$29,992,594
Plus: Land Cost	\$2,000,000
Equals Aggregate Basis	\$31,992,594
Tax Exempt Bond Amount	\$17,250,000
Plus GIC Income	\$1,647,375
Tax Exempt Proceeds Used for Building and Land	\$18,897,375
Tax Exempt Proceeds as a Percentage of Aggregate Basis	59.07%

**FLORIDA HOUSING FINANCE CORPORATION  
AMENDED AND RESTATED AUTHORIZATION RESOLUTION  
THE ENCLAVE AT CANOPY PARK**

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

**A RESOLUTION AMENDING AND RESTATING RESOLUTION NO. 2024-033; AUTHORIZING THE ISSUANCE OF THE MULTIFAMILY MORTGAGE REVENUE BONDS AND/OR NOTES, 2024 SERIES I [ONE OR MORE SERIES OR SUBSERIES TO BE DESIGNATED] (THE ENCLAVE AT CANOPY PARK) OF THE FLORIDA HOUSING FINANCE CORPORATION (“FLORIDA HOUSING”); PROVIDING FOR A MAXIMUM AGGREGATE PRINCIPAL AMOUNT OF THE MULTIFAMILY MORTGAGE REVENUE BONDS AND/OR NOTES, 2024 SERIES I [ONE OR MORE SERIES OR SUBSERIES TO BE DESIGNATED] (THE ENCLAVE AT CANOPY PARK); APPROVING THE PREPARATION, EXECUTION AND DELIVERY OF ONE OR MORE TRUST INDENTURES AND/OR FUNDING LOAN AGREEMENTS WITH A CORPORATE TRUSTEE AND/OR FISCAL AGENT NAMED THEREIN AND ONE OR MORE LOAN AGREEMENTS, FINANCING AGREEMENTS AND/OR PROJECT LOAN AGREEMENTS BETWEEN FLORIDA HOUSING AND THE BORROWER NAMED THEREIN; AUTHORIZING ONE OR MORE LOANS MADE PURSUANT TO ONE OR MORE LOAN AGREEMENTS, FINANCING AGREEMENTS AND/OR PROJECT LOAN AGREEMENTS TO THE BORROWER NAMED THEREIN; AUTHORIZING THE PREPARATION, EXECUTION AND DELIVERY OF ALL DOCUMENTS NECESSARY FOR THE ISSUANCE AND SALE OF THE BONDS AND/OR NOTES, INCLUDING, BUT NOT LIMITED TO, A BOND PURCHASE AGREEMENT AND A PRELIMINARY AND A FINAL OFFICIAL STATEMENT; AUTHORIZING ALL ACTIONS NECESSARY FOR FINAL APPROVAL OF THE ISSUANCE AND SALE OF THE BONDS AND/OR NOTES AND THE FINANCING OF THE ENCLAVE AT CANOPY PARK 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”). Florida Housing is authorized

by the Act to issue its bonds, debentures, notes or other evidence of financial indebtedness from time to time to fulfill its public purposes, which include the financing and refinancing of multifamily residential housing developments for rental to persons and families of low, moderate or middle income; and

WHEREAS, pursuant to the Act, Florida Housing has now determined to authorize the issuance of its Multifamily Mortgage Revenue Bonds and/or Notes, 2024 Series I [one or more series or subseries to be designated] (The Enclave at Canopy Park), as tax-exempt or taxable bonds and/or notes (the “Bonds”), for the purpose of making one or more loans to The Enclave at Canopy Partners, LLC, together with its predecessors, successors, assigns, affiliates and/or related entities (the “Borrower”), to finance the acquisition, new construction and equipping of an approximately 104-unit multifamily residential rental development named The Enclave at Canopy Park located in Orlando, Orange County, Florida (the “Property”); provided that the maximum aggregate principal amount of the Bonds shall not exceed (a) \$17,250,000 or (b) such greater maximum aggregate principal amount of the Bonds which, at the time of issuance, does not exceed a maximum aggregate principal amount which would result in a debt service coverage ratio for the Bonds, as reflected in the Credit Underwriter Confirmation (as defined below), of less than 1.00x (subject to receipt of private activity bond allocation being made available for the tax-exempt Bonds and compliance with Section 147(f) of the Internal Revenue Code of 1986, as amended); and

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

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

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

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

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

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

1. The Property is hereby given final approval for financing on the terms and conditions as described in the Credit Underwriting Report for the Property prepared by AmeriNat (the “Credit Underwriter”), presented to and approved by the Board on August 23, 2024, as amended and supplemented by that certain letter dated September 30, 2024 from the Credit Underwriter, presented to and approved by the Board on this date (collectively, the “Credit Underwriting Report”), with such deviations as an Authorized Signatory (as defined below), in consultation with the staff of Florida Housing, Bond Counsel and/or Special Counsel to Florida Housing, may approve. Execution of one or more trust indentures and/or funding loan agreements and one or more loan agreements and/or financing agreements, each as described below, by an Authorized Signatory (as defined below) shall be conclusive evidence of such approval.

2. Florida Housing hereby authorizes the issuance of the Bonds as a tax-exempt or taxable “Bond” (as such term is defined in, and within the meaning of, the Act), in such series or subseries as Florida Housing shall designate, in a maximum aggregate principal amount that does not exceed (a) \$17,250,000 or (b) such greater maximum aggregate principal amount of the Bonds which does not exceed a maximum aggregate principal amount which would result in a debt service coverage ratio for the Bonds, as reflected in the Credit Underwriter Confirmation, of less than 1.00x (subject to receipt of private activity bond allocation being made available for the tax-exempt Bonds and compliance with Section 147(f) of the Internal Revenue Code of 1986, as amended). The final maximum aggregate principal amount of the Bonds that may be issued shall be determined by an Authorized Signatory after receipt of the Credit Underwriter Confirmation, provided that in no event shall the maximum aggregate principal amount of the Bonds, at the time of issuance, exceed a maximum aggregate principal amount which would result in a debt service coverage ratio for the Bonds, as reflected in the Credit Underwriter Confirmation, of less than 1.00 (subject to receipt of private activity bond allocation being made available for the tax-exempt Bonds and compliance with Section 147(f) of the Internal Revenue Code of 1986, as amended). The “Credit Underwriter Confirmation” is the written confirmation with respect to the Property from the Credit Underwriter, delivered prior to the issuance of the Bonds, that, taking into account any increase in the maximum aggregate principal amount of the Bonds, the conditions set forth in and the requirements of the Credit Underwriting Report have been satisfied. Conclusive evidence of the determination and approval of any such increase in the maximum aggregate principal amount of the Bonds shall be evidenced by a certificate of an Authorized Signatory.

3. One or more trust indentures and/or funding loan agreements between Florida Housing and a corporate trustee and/or fiscal agent named therein (the “Trustee”) setting out the

terms and conditions of the Bonds are hereby authorized to be prepared and delivered, in such forms as may be approved by any member of the Board, the Executive Director or the Interim Executive Director, the Chief Financial Officer, the Comptroller or any other person designated by separate resolution of the Board (or any person or persons acting in such capacities) (collectively, or each individually, an “Authorized Signatory”), which forms shall set forth as to the Bonds such maturities, interest rates and purchase price as shall be determined in accordance with the Act, including Section 420.509, Florida Statutes, and the execution of such trust indentures and/or funding loan agreements by an Authorized Signatory, and the attestation thereof by the Secretary or any Assistant Secretary of Florida Housing, be and hereby is authorized, and the execution thereof by such persons shall be conclusive evidence of such approval.

4. One or more loan agreements, financing agreements and/or project loan agreements between Florida Housing and the Borrower setting out the terms of one or more loans of the proceeds of the Bonds by Florida Housing to the Borrower (collectively, the “Loan”) and the payment and other obligations of the Borrower with respect to the Loan (including one or more promissory notes made by the Borrower to Florida Housing evidencing the Loan), the Bonds and the Property are hereby authorized to be prepared and delivered, in such forms as may be approved by an Authorized Signatory, and the execution of such loan agreements, financing agreements and/or project loan agreements by an Authorized Signatory, and the attestation thereof by the Secretary or any Assistant Secretary of Florida Housing, be and hereby is authorized, and the execution thereof by such persons shall be conclusive evidence of such approval.

5. One or more preliminary official statements (or preliminary limited offering memorandums) and one or more final official statements (or final limited offering memorandums) are each hereby authorized to be prepared and distributed in connection with the sale of the Bonds

in such forms as shall be approved by an Authorized Signatory, and the execution of such preliminary official statement and final official statement, if necessary, by an Authorized Signatory shall be conclusive evidence of such approval.

6. The Bonds shall be sold in accordance with the requirements of the Act, including Section 420.509(12), Florida Statutes. In the event that, pursuant to the Act, the Bonds shall be sold by negotiated sale, an Authorized Signatory is authorized to execute a bond purchase agreement upon approval of the terms thereof by the staff of Florida Housing, Bond Counsel and/or Special Counsel to Florida Housing, and the execution of such bond purchase agreement by an Authorized Signatory shall be conclusive proof of such approval.

7. It is expected that upon the satisfaction of certain conditions of conversion, the Bonds will be paid down and exchanged for a governmental note that will be purchased by Citibank, NA, or a related entity. An Authorized Signatory is authorized to cause to be prepared by the staff of Florida Housing, Bond Counsel and/or Special Counsel to Florida Housing and to execute and deliver any additional documents necessary for the issuance of the Bonds and the making of the Loan, and the security therefor, and if applicable in connection with the exchange of the Bonds in accordance with the terms and conditions contained in one or more trust indentures and/or funding loan agreements and loan agreements, financing agreements and/or project loan agreements, in each case upon the approval by the staff of Florida Housing, Bond Counsel and/or Special Counsel to Florida Housing. All other actions by Florida Housing necessary for the issuance of the Bonds and the making of the Loan, and the security therefor (including, but not limited to, the changing of the title of the Bonds and the series designation of the Bonds, if desirable), and if applicable in connection with the exchange of the Bonds in accordance with the terms and conditions contained in one or more trust indentures and/or funding loan agreements

and in one or more loan agreements, financing agreements and/or project loan agreements, are hereby authorized.

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

9. The Bonds may be executed either manually or by facsimile signature by an Authorized Signatory or other officer of Florida Housing. In case any Authorized Signatory or officer whose signature or a facsimile of whose signature appears on the Bonds ceases to be an Authorized Signatory or officer before delivery of the Bonds, the signature or facsimile signature is nevertheless valid and sufficient for all purposes as fully and to the same extent as if he or she had remained in office until the delivery of the Bonds.

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

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



12. This Resolution shall take effect immediately upon adoption.

[Remainder of page intentionally left blank]

ADOPTED this 22<sup>nd</sup> day of October, 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:

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

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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 a Resolution adopted at a duly noticed public meeting of the Florida Housing Finance Corporation, legally called and held on the 22<sup>nd</sup> day of October, 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 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 October, 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  
THE ENCLAVE AT CANOPY PARK**

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

**A RESOLUTION AMENDING AND RESTATING RESOLUTION NO. 2024-034; AUTHORIZING AND APPROVING THE NEGOTIATED SALE OF THE MULTIFAMILY MORTGAGE REVENUE BONDS AND/OR NOTES, 2024 SERIES I [ONE OR MORE SERIES OR SUBSERIES TO BE DESIGNATED] (THE ENCLAVE AT CANOPY PARK) OF THE FLORIDA HOUSING FINANCE CORPORATION (“FLORIDA HOUSING”); AUTHORIZING THE NEGOTIATION AND EXECUTION OF ONE OR MORE BOND PURCHASE AGREEMENTS, BOND PLACEMENT AGREEMENTS, TRUST INDENTURES AND/OR FUNDING LOAN AGREEMENTS AND SUCH OTHER DOCUMENTS AS ARE NECESSARY FOR THE NEGOTIATED SALE OF THE BONDS AND/OR NOTES; AUTHORIZING THE EXECUTIVE DIRECTOR OR INTERIM EXECUTIVE DIRECTOR, THE CHIEF FINANCIAL OFFICER, THE COMPTROLLER OR ANY MEMBER OF THE BOARD OF DIRECTORS OF FLORIDA HOUSING OR OTHER AUTHORIZED SIGNATORY TO TAKE ANY OTHER ACTIONS NECESSARY TO NEGOTIATE THE SALE OF THE BONDS AND/OR NOTES AND MAKING OTHER PROVISIONS IN CONNECTION THEREWITH; AND PROVIDING AN EFFECTIVE DATE.**

WHEREAS, the Florida Housing Finance Corporation (“Florida Housing”) is a public corporation, created within the Department of 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”). Florida Housing is authorized by the Act to issue its bonds, debentures, notes or other evidence of financial indebtedness from time to time to fulfill its public purposes, which include the financing and refinancing of multifamily residential housing developments for rental to persons or families of low, moderate or middle income; and

WHEREAS, Florida Housing adopted a resolution authorizing the issuance of its Multifamily Mortgage Revenue Bonds and/or Notes, 2024 Series I [one or more series or subseries to be designated] (The Enclave at Canopy Park), as tax-exempt or taxable bonds and/or notes (the “Bonds”), for the purpose of making one or more loans to The Enclave at Canopy Partners, LLC, together with its predecessors, successors, assigns, affiliates and/or related entities (the “Borrower”), to finance the acquisition, new construction and equipping of an approximately 104-unit multifamily residential rental development named The Enclave at Canopy Park located in Orlando, Orange County, Florida; provided that the maximum aggregate principal amount of the Bonds shall not exceed (a) \$17,250,000 or (b) such greater maximum aggregate principal amount of the Bonds which, at the time of issuance, does not exceed a maximum aggregate principal amount which would result in a debt service coverage ratio for the Bonds of less than 1.00x (subject to receipt of private activity bond allocation being made available for the tax-exempt Bonds and compliance with Section 147(f) of the Internal Revenue Code of 1986, as amended); and

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

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

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

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

WHEREAS, the nature and structure of the Bonds and the current and anticipated market conditions render the Bonds a candidate for a negotiated sale; and

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

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

NOW, THEREFORE, BE IT RESOLVED BY FLORIDA HOUSING:

1. A negotiated sale of the Bonds is in the best interest of Florida Housing and the public for the reasons herein described.
2. The negotiated sale of the Bonds is to be negotiated by Florida Housing with or through RBC Capital Markets, LLC (hereinafter referred to as the “Underwriter”) and the purchaser or purchasers of the Bonds (collectively, the “Purchaser”).
3. The Bonds are to be generally described as follows:  
  
Florida Housing Finance Corporation  
Multifamily Mortgage Revenue Bonds and/or Notes,  
2024 Series I [one or more series or subseries to be designated]  
(The Enclave at Canopy Park).

4. Florida Housing shall negotiate with or through the Underwriter and shall execute such documents as are necessary to sell the Bonds to the Purchaser pursuant to this Resolution. It is expected that upon the satisfaction of certain conditions of conversion, the Bonds will be paid down and exchanged for a governmental note that will be purchased by Citibank, NA, or a related entity. Any member of the Board, the Executive Director or the Interim Executive Director, the Chief Financial Officer, the Comptroller or any other person designated by separate resolution of the Board (or any person or persons acting in such capacities) (collectively, or each individually, an “Authorized Signatory”) is authorized to negotiate the terms of the negotiated sale of the Bonds and to execute a bond purchase agreement upon approval of the terms thereof, and the execution thereof by an Authorized Signatory shall be conclusive evidence of such approval.

5. The authority to execute the bond purchase agreement is predicated upon the bond purchase agreement, providing for an interest rate on the Bonds that will not exceed 10% per annum and will provide for a sale of the Bonds in conformance with the program documents.

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

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

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

9. This Resolution shall take effect immediately upon adoption.

[Remainder of page intentionally left blank]



ADOPTED THIS 22<sup>nd</sup> day of October, 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:

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

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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 a Resolution adopted at a duly noticed public meeting of the Florida Housing Finance Corporation, legally called and held on the 22<sup>nd</sup> day of October, 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 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 October, 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:  
\_\_\_\_\_

October 7, 2024

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

RE: The Salix on Vine (the "Development") – MMRB 2024 Series E / Viability RFA 2023-211 (2023-256V) / 4% HC (2021-561C) - Partial Release of Land

Dear Mr. Kennedy:

AmeriNat® ("AmeriNat" or "Servicer") has reviewed correspondence dated September 6, 2024, from a representative of Vineland Family Apartments, Ltd. (the "Borrower"), which requests Florida Housing Finance Corporation ("Florida Housing" or "FHFC") release approximately 0.442 acre of land currently encumbered by the Multifamily Mortgage Revenue Bonds ("MMRB") Land Use Restriction Agreement ("LURA"), MMRB Multifamily Mortgage, Assignment of Leases and Rents, Security Agreement and Fixture Filing and Viability Loan Mortgage and Security Agreement.

AmeriNat has reviewed the following documentation in conjunction with this request:

- Correspondence from FHFC regarding approval of the request detailed above
- Final MMRB, Viability Loan & Housing Credit ("HC") Underwriting Report ("CUR") for the Development dated March 14, 2024, and Final Servicer Closing Letter, dated June 12, 2024
- MMRB Multifamily Mortgage, Assignment of Leases and Rents, Security Agreement and Fixture Filing, dated June 1, 2024
- MMRB LURA, dated June 1, 2024
- Viability Loan Mortgage and Security Agreement, dated June 12, 2024
- Survey, dated May 9, 20224
- FHFC Past Due Report dated September 12, 2024
- FHFC Noncompliance Report dated October 18, 2023
- Construction Progress Report #4, dated September 20, 2024
- Rule Chapters 67-48 and 67-21
- Various other correspondence related to the aforementioned documentation

### **Background**

The Development is located at 2200 Old Vineland Road, Kissimmee, Osceola County, Florida, 34746. It consists of 252 apartment units in eight garden-style buildings serving a Family demographic. The Development site contains approximately 13.66 acres including the approximate 0.442 acre of land requested for release. Jeremy Bronfman and Eli Bronfman are the principals of the Borrower. Per the Loan Documents, financing includes an issuance of MMRB in the amount of \$50,000,000, Viability Loan in the amount of \$4,300,000 and a \$4,785,131 annual allocation of 4% Housing Credits.

Mr. Tim Kennedy  
The Salix on Vine – Partial Release of Land  
October 7, 2024  
Page 2 of 3

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For a term of thirty (30) years, the Development's MMRB LURA and Extended Low Income Housing Agreement require the Development set aside a minimum of 100% of the units for tenants earning 60% or less of the Area Median Income ("AMI").

According to Construction Progress Report #4, dated September 20, 2024, construction is estimated to be 4% complete. No issues were reported.

According to the FHFC Past Due Report dated September 12, 2024, the Development Team has no past due items.

The FHFC Asset Management Noncompliance Report, dated October 18, 2023, reflects the following noncompliance items:

- \*Cypress Oaks fka Montclair Oaks (Lincoln Avenue Capital LLC / Jeremy S. Bronfman) – Failure to document eligibility upon initial occupancy.
- \*Fox Hollow (Lincoln Avenue Capital LLC / Jeremy S. Bronfman) – 1) Failure to obtain/reconfirm utility allowance (HC). 2) Failure to document eligibility upon initial occupancy.
- \*Huntington Reserve (Lincoln Avenue Capital LLC / Jeremy S. Bronfman) – 1) Failure to document eligibility upon initial occupancy. 2) Failure to obtain/reconfirm UA. (HC)
- \*Lakeside Commons (Lincoln Avenue Capital LLC / Jeremy S. Bronfman) - 1) Failure to perform first anniversary income determination. 2) Failure to meet Regulatory Agreements (ELIHA). 3) Failure to meet required Features/Amenities/Programs. 4) Failure to meet UPCS for Units. 5) Failure to meet UPCS for Building Exterior. 6) Failure to meet UPCS for Site. 7) Failure to meet UPCS for Health and Safety. 8) Failure to meet UPCS for Common Areas

\*Close out letters from Seltzer Management Group, Inc. have been received for Cypress Oaks, dated March 6, 2024, Fox Hollow Apartments, dated December 27, 2023, Huntington Reserve, dated December 27, 2023, and from AmeriNat for Lakeside Commons, dated December 28, 2023.

### **Partial Release of Land Overview**

The Development is required by Osceola County ("County") to deed a small area on the Development's eastern border abutting Olde Vineland Road for a roadway Right of Way ("ROW"). This is part of the approved site development plan and is a requirement to obtain Certificates of Occupancy when the Development is completed. In addition, a portion of the site needs to be deeded to the Tohopekaliga Water Authority ("TOHO"), to accommodate water utilities for the Development. In total, this equates to 0.442 acre. According to the appraiser, releasing this land will have no impact on the value of the site.

These conveyances were contemplated prior to closing but were not able to be completed due to scheduling issues with the County and TOHO. To effectuate the partial releases of land to the County and TOHO, the Borrower is requesting approval to execute certain deeds and allow the Borrower to execute the required documentation.

Mr. Tim Kennedy  
The Salix on Vine – Partial Release of Land  
October 7, 2024  
Page 3 of 3

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**Recommendation**

AmeriNat recommends that FHFC approve the release of the approximate 0.442 acre of land at the Development and approve the Borrower to execute certain deeds and the required documentation for the partial releases, as needed. The partial release of land will not negatively impact the continued operation of the Development, and is subject to the following:

1. Review and approval of all documents needed to effectuate the partial release of land (approximately 0.442 acre), as noted above.
2. The Borrower is not to benefit financially by providing the noted land releases and no funds shall be exchanged to the Borrower from the County and/or TOHO for this purpose.
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 Chapter 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 noncompliance and/or past due items.
5. Any other requirement of Florida Housing, its Legal Counsel and Servicer.
6. Payment of all costs and fees to Florida Housing, its Legal Counsel and Servicer, as applicable.
7. Approval of the release of land by all other lenders and the equity provider, as applicable.

Please do not hesitate to contact me if you need further assistance.

Sincerely,



Tom Loulodes  
Senior Credit Underwriter

**RESOLUTION**  
*of the*  
**Board of Directors of**  
**Florida Housing Finance Corporation**  
*pertaining to*  
**the Acknowledgement Resolution for**  
**Southward Village CNI Phase 4**

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 SOUTHWARD VILLAGE PHASE 4, LP, OR AN AFFILIATE THEREOF OR ANY ENTITY IN WHICH SOUTHWARD VILLAGE PHASE 4, LP, IS A GENERAL PARTNER OR MANAGING MEMBER, RELATING TO A MULTIFAMILY RESIDENTIAL RENTAL DEVELOPMENT, SUBJECT TO THE SATISFACTION OF CERTAIN CONDITIONS PRECEDENT TO PROVIDING ANY TAX-EXEMPT FINANCING, MAKING CERTAIN FINDINGS AND AUTHORIZING THE DEVELOPMENT OF A PLAN OF FINANCING FOR OBTAINING NOT TO EXCEED \$39,600,000 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 Southward Village Phase 4, LP, or an affiliate thereof or any entity in which Southward Village Phase 4, LP is a general partner or managing member (the "Developer"), on a site located in Lee County, Florida, and known as Southward Village CNI Phase 4, 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 \$39,600,000 in tax-exempt financing for a portion of the cost of acquiring, constructing and equipping approximately 143 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 2024 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 22<sup>nd</sup> day of October, 2024.

(SEAL)

ATTEST:

---

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

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

---

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 22<sup>nd</sup> day of October, 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 October 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**  
**Towne Villas**

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 TOWNE VILLAS SJ LLC, OR AN AFFILIATE THEREOF OR ANY ENTITY IN WHICH TOWNE VILLAS SJ 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 \$50,600,000 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 Towne Villas SJ LLC, or an affiliate thereof or any entity in which Towne Villas SJ LLC is a general partner or managing member (the "Developer"), on a site located in Miami-Dade County, Florida, and known as Towne Villas, 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 \$50,600,000 in tax-exempt financing for a portion of the cost of acquiring, constructing and equipping approximately 180 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 Miami-Dade 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 2024 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 22<sup>nd</sup> day of October, 2024.

(SEAL)

ATTEST:

---

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

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

---

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 22<sup>nd</sup> day of October, 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 October 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**  
**Towne Villas 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 TOWNE VILLAS II LLC, OR AN AFFILIATE THEREOF OR ANY ENTITY IN WHICH TOWNE VILLAS II 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 \$56,100,000 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 Towne Villas II LLC, or an affiliate thereof or any entity in which Towne Villas II LLC is a general partner or managing member (the "Developer"), on a site located in Miami-Dade County, Florida, and known as Towne Villas 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 \$56,100,000 in tax-exempt financing for a portion of the cost of acquiring, constructing and equipping approximately 180 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 Miami-Dade 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 2024 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 22<sup>nd</sup> day of October, 2024.

(SEAL)

ATTEST:

---

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

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

---

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 22<sup>nd</sup> day of October, 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 October 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**  
**Culmer Place V**

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 ATLANTIC PACIFIC COMMUNITIES III, LTD., OR AN AFFILIATE THEREOF OR ANY ENTITY IN WHICH ATLANTIC PACIFIC COMMUNITIES III, 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 \$100,100,000 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 Atlantic Pacific Communities III, Ltd., or an affiliate thereof or any entity in which Atlantic Pacific Communities III, Ltd. is a general partner or managing member (the "Developer"), on a site located in Miami-Dade County, Florida, and known as Culmer Place V, 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 \$100,100,000 in tax-exempt financing for a portion of the cost of acquiring, constructing and equipping approximately 375 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 Miami-Dade 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 2024 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 22<sup>nd</sup> day of October, 2024.

(SEAL)

ATTEST:

---

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

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

---

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 22<sup>nd</sup> day of October, 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 October 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: \_\_\_\_\_



September 6, 2024

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

Re: Lake Shore Apartments  
Multifamily Housing Revenue Bonds (“MMRB”) 2004 Series H, State Apartment  
Incentive Loan (“SAIL”) 2003-010BS and 4% Housing Credits (“HC”) 2004-505C

Transfer of Ownership / First Mortgage Refinancing / Assumption and Subordination of  
the Florida Housing Finance Corporation (“Florida Housing” or “FHFC”) MMRB Land  
Use Restriction Agreement (“LURA”), SAIL LURA, & Extended Low Income Housing  
Agreement (“ELIHA”)

Dear Mr. Kennedy:

First Housing Development Corporation of Florida (“FHDC”, “First Housing”, or “Servicer”) has reviewed a letter, dated July 15, 2024, from representatives of Lakeshore Apartments, LLC (“Seller” or “Current Owner”) and acknowledged by Richman Lakeshore, LLC (“Buyer” or “Proposed Owner”), requesting that FHFC approve the transfer of ownership, the assumption of the existing MMRB and SAIL LURAs and ELIHA, the refinancing of the existing first mortgage and subordination of the existing MMRB and SAIL LURAs and ELIHA to the new first mortgage of Lake Shore Apartments (“Development”), as the existing MMRB will be redeemed and the SAIL Loan will be paid off.

First Housing has been requested to determine if the Proposed Owner has the prerequisite financial strength and experience to successfully own and operate the Development.

On behalf of FHFC, First Housing has reviewed the request, performed certain due diligence, and formulated recommendations and conditions which are contained at the end of this report. For the purposes of this analysis, First Housing has reviewed the following:

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- Letter, dated July 15, 2024, from the Current Owner and acknowledged by the Proposed Owner regarding approval of the request detailed above.
- Rule Chapters 67-21 and 67-48.
- MMRB, SAIL and 4% Credit Underwriting Report (“CUR”), dated February 13, 2004.
- MMRB LURA, dated June 24, 2004 and First Amendment to LURA, dated August 25, 2005.
- SAIL LURA, dated June 24, 2004 and First Amendment to LURA, dated August 25, 2005.
- 4% HC ELIHA, dated September 28, 2006 and First Amendment to ELIHA, dated November 12, 2008.
- FHFC’s Occupancy Reports.
- Proposed Owner’s Organizational Chart.
- Consolidated Financial Statement for The Richman Group Development Corporation, dated December 31, 2023.
- Financial Statements for Richman Housing Development, LLC, dated December 31, 2023.
- Unaudited Statement of Certain Assets and Known Liabilities for Richard Paul Richman, dated June 30, 2024.
- Purchase and Sale Agreement, dated June 7, 2024.
- Letter of Interest from CIBC Bank USA (“CIBC”), dated August 20, 2024.
- Letter of Interest from Citibank, N.A. (“Citi”), dated August 20, 2024.
- Firm Commitment, dated August 6, 2024, from The Richman Group Affordable Housing Corporation (“TRGAHC”).
- Letter for Seller Financing, dated September 4, 2024.
- FHFC Past Due Report, dated August 12, 2024.
- FHFC Noncompliance Report, dated October 18, 2023.

- Annual Management Review and Physical Inspection, dated October 30, 2023.

**Background:**

Lake Shore is an existing 192-unit affordable multifamily development consisting of eight (8) garden style apartment buildings and a single-story clubhouse located at 4660 N. Congress Avenue, West Palm Beach, FL 33407. The Development consists of one hundred twenty-eight (128) two-bedroom/two-bathroom units and sixty-four (64) three-bedroom/two-bathroom units.

The Development was financed with MMRB Series H in the amount of \$7,900,000 and a SAIL Loan in the amount of \$2,000,000 which closed on June 24, 2004 and an allocation of 4% Housing Credits. The MMRB will be redeemed and the SAIL loan will be paid off. As of December 31, 2023, the outstanding principal balance on the MMRB was \$7,000,000. As of December 31, 2023 the outstanding principal balance on the SAIL loan was \$2,000,000 and the outstanding accrued interest was \$60,000.

Operation of the Development is restricted by terms and conditions detailed in various loan documents, including but not limited to the MMRB LURA, SAIL LURA, and HC ELIHA.

The MMRB LURA and the first amendment require the following set-asides for a period of 50 years:

- 7% of the units (14 units) set aside at or below 30% of the Area Median Income (“AMI”)
- 78% of the units (150 units) at or below 60% of the AMI

The SAIL LURA and the amendments require the following set-asides for a period of 50 years:

- 7% of the units (14 units) set side at or below 30% of the AMI.
- 93% of the units (remaining units) at or below 60% of the AMI

The 4% HC ELIHA requires the following set-asides for a period of 50 years:

- 100% of the units set aside at or below 60% of the AMI

**Status of Development Noncompliance/Past Due:**

The Development Team was not reported on Florida Housing’s August 12, 2024 Past Due Report.



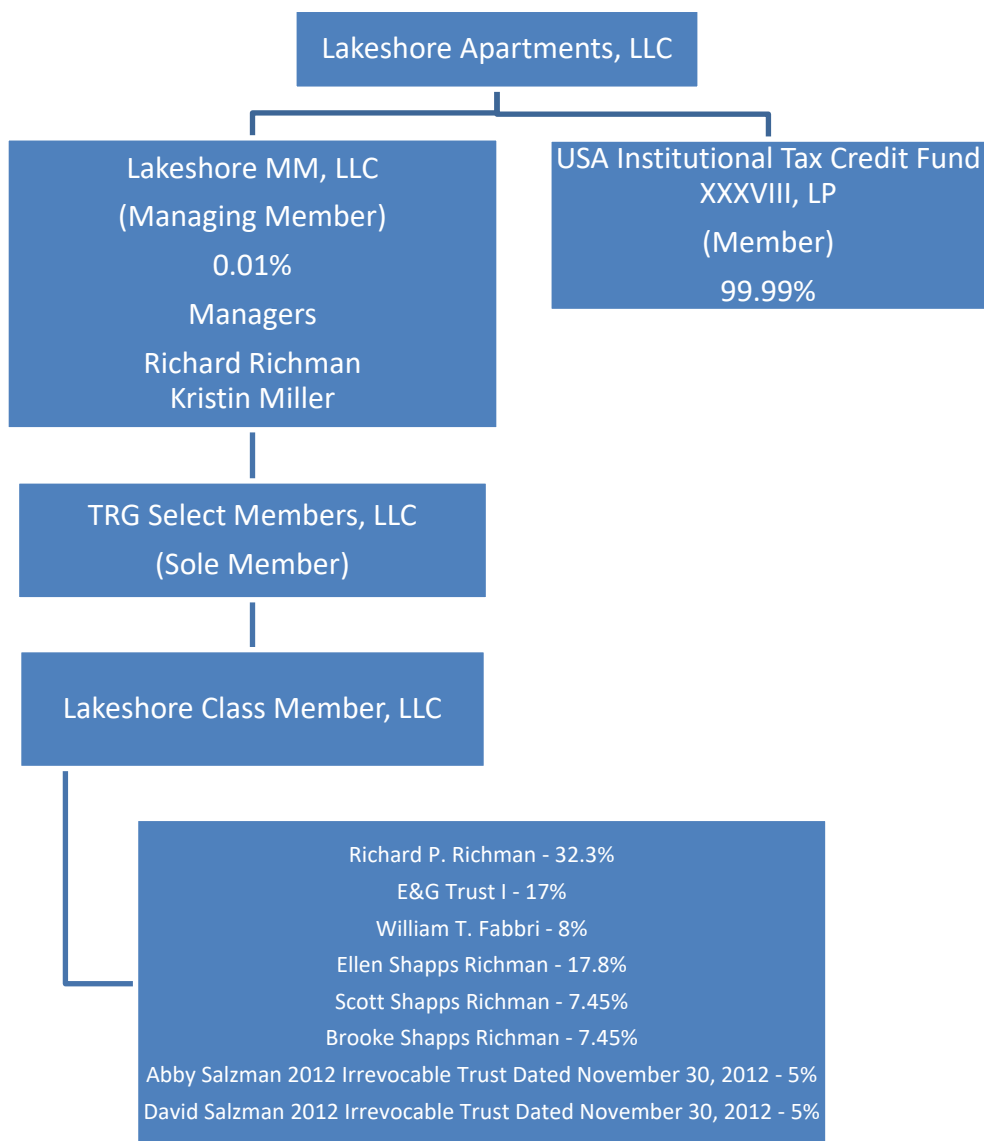
The Development Team was reported on Florida Housing's October 18, 2023 Noncompliance Report for the following:

- Grande Oaks – 1) Failure to meet Uniform Physical Inspection Standards (UPCS) for Units 2) Failure to meet Uniform Physical Inspection Standards (UPCS) for Common Areas 3) Failure to meet ELIHA/LURA Amenity Requirement
- Summer Lakes – Failure to meet uniform physical condition standards - Casualty Loss; vehicle collision

Based on Florida Housing's occupancy reports, the Development's occupancy has averaged 98.31% for January through December 2023 and 99.74% for January through June 2024.

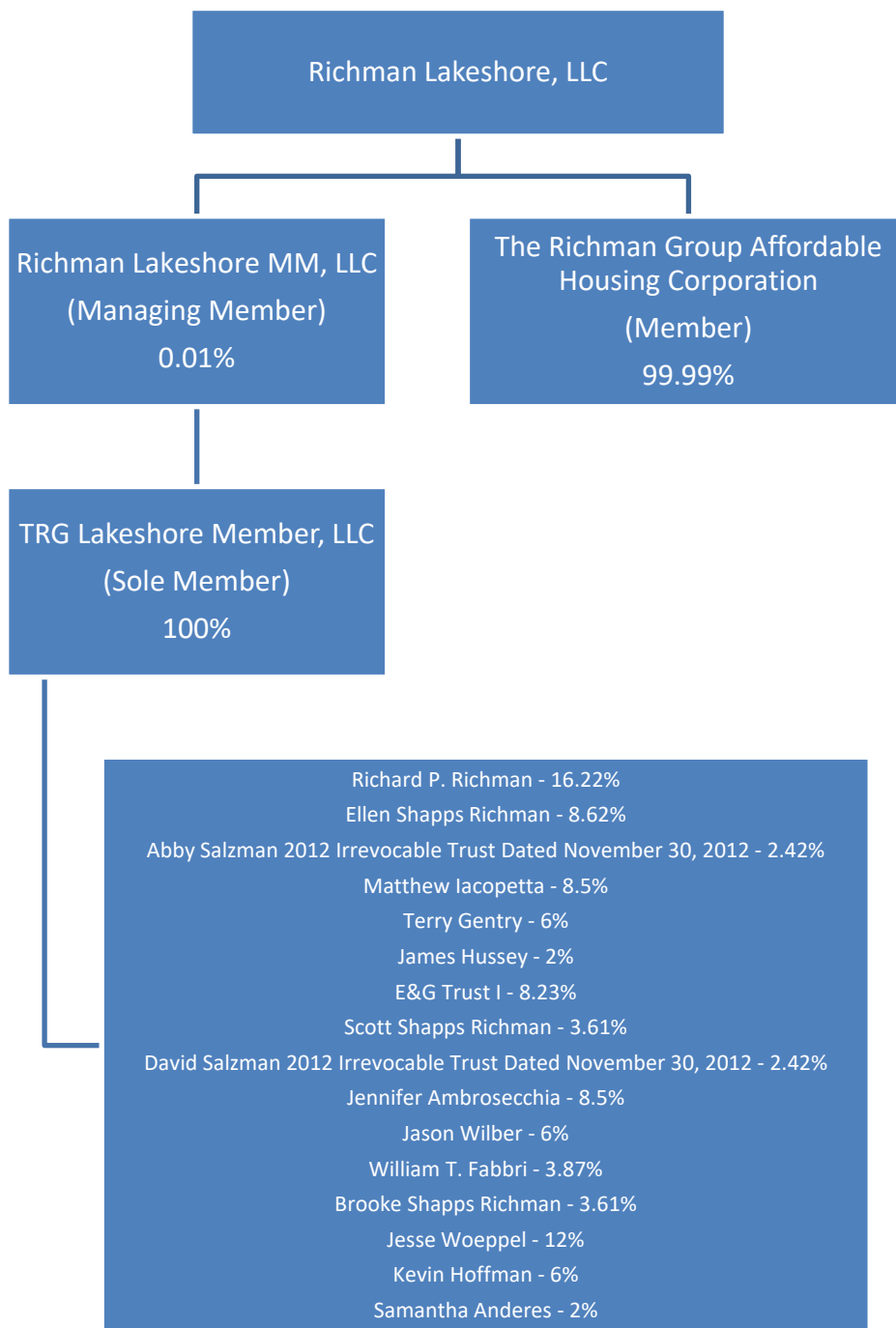
The Annual Management Review and Physical Inspection, dated October 30, 2023, found the Development to be in noncompliance. A close-out letter was issued on December 18, 2023.

**Current Ownership Structure:**



First Housing reviewed a Purchase and Sale Agreement between Seller and Buyer, dated June 7, 2024, which indicates the purchase price is \$30,424,476. The closing shall take place no later than 220 days after the Effective Date (or January 13, 2025).

**Proposed Ownership Structure:**



**Experience and Financial Information of the Proposed Ownership Entities:**

The proposed ownership entities are an affiliate of The Richman Group (“TRG”). First Housing is relying on the experience and financials of The Richman Group Development Corporation to provide the necessary experience to effectively operate the Development.

TRG was founded by Richard P. Richman to syndicate and develop affordable housing throughout the country. Over the past 30+ years, TRG has grown, diversified and evolved. Since its inception in 1986, TRG has grown and is consistently ranked as one of the top 10 largest residential apartment portfolios in the United States. TRG’s property portfolio is located in 49 states, Washington, DC, Puerto Rico, Guam and Saipan. In addition to being one of the nation’s largest affordable housing participants, today the firm is an active developer of top of the market luxury rental apartments in Florida, California, Texas, Colorado and the Northeast. Its staff has the expertise in-house to execute all phases of the businesses: land acquisition, process governmental approvals and entitlements, design and construct properties, arrange equity and mortgage financing for itself and its clients, and conduct long term asset and property management.

First Housing has been provided with a Consolidated Financial Statements for The Richman Group Development Corporation, dated December 31, 2023 and the Financial Statements for Richman Housing Development, LLC, dated December 31, 2023. First Housing has been provided with the unaudited Statement of Certain Assets and Known Liabilities for Richard P. Richman, dated June 30, 2024. The financials reflected significant liquidity and net worth.

**Refinancing Overview:**

The Buyer has requested \$26,000,000 in Tax-Exempt MMRB from the Housing Finance Authority of Palm Beach County (“HFAPBC”). The proceeds from the refinance will be used to acquire/rehabilitate the Development. The Development scope of work includes, but is not limited to, replacement of building roofs, replacement of appliances, replacement of all water heaters, replacement of windows, replacement of cabinets, replacement of air conditioning in 147 units, and new vinyl flooring in 145 units.

First Housing reviewed a Letter of Interest, dated August 20, 2024, where CIBC will provide two construction facilities, a tax-exempt loan of up to \$26,000,000 and a taxable loan of up to \$8,761,421. The facilities shall not be in an amount that exceeds the low-income housing tax credit (“LIHTC”) equity installments and permanent financing that the loan will bridge. The loans may not exceed 80% loan to appraised “As Stabilized” value, including the value of the tax credits and any other favorable financing. The loan term will be up to 24 months from closing with one (1) six-month extension option. The tax-exempt loan will consist of a floating interest rate based on the one-month term SOFR plus 2.50%, with a SOFR floor of 0.40%. The taxable loan will

consist of a floating interest rate based on the one-month term SOFR plus 2.75%, with a SOFR floor of 0.40%. Interest only payments will be paid monthly during the loan term. Principal repayment will be made from LIHTC equity and the permanent financing.

First Housing received a Letter of Interest from Citi, dated August 20, 2024. According to the Term Sheet, Citi will provide a Tax-Exempt “Back-to-Back” Loan Structure. The permanent phase loan amount is estimated to be in the maximum amount of \$22,300,000 or other loan amount supported by Citi’s underwriting at the time of conversion. At the end of 18.5 years following the closing date, mandatory prepayment of the tax-exempt loan will be required in full. The interest rate will be fixed equal to the sum of 19-year SOFR Swap Index (which shall have a floor of 0.75%) plus a spread of 2.15%. The current indicative rate is 5.58% (pricing is based on current market conditions and is subject to change). Principal and interest payments will be based on a 40-year amortization schedule. However, payments during the first three years of the permanent phase will be interest-only. Further, Citi will provide an earn-out in an amount not to exceed 10% of the initial permanent phase loan. The amount of the earn-out will be determined by Citi in its sole discretion based on its underwriting at the time of conversion.

First Housing received a letter, dated September 4, 2024, indicating the Seller’s willingness to provide Seller financing to the Buyer. The principal amount of the note during construction is \$18,952,122, which will be paid down to \$7,500,000 at the permanent phase. The interest rate is 8.5%, with payments of interest and principal shall be payable from cash flow in accordance with the waterfall provisions in the operating agreement. The term of the note will be 30 years from the acquisition, or such longer term as agreed to by the Seller.

First Housing reviewed a Firm Commitment letter, dated August 6, 2024, which indicates a fund sponsored by TRGAHC will acquire 99.99% ownership in the Buyer. Based on a syndication rate of \$0.87, TRGAHC anticipates a net capital contribution of \$17,115,445 paid in four (4) installments.

**Management Company:**

The existing management company is Richman Property Service, Inc. and there is no plan to change the management company. Continued approval is subject to ongoing satisfactory performance.

**Recommendations:**

First Housing's review indicates that the Proposed Owner has the prerequisite financial strength and experience to successfully own and operate the Development. First Housing recommends approval of the transfer of ownership from Lakeshore Apartments, LLC to Richman Lakeshore, LLC, assumption of the existing MMRB and SAIL LURAs and HC ELIHA, refinancing of the existing first mortgage loan, subordination of the existing MMRB and SAIL LURAs and ELIHA (as applicable) to the new first mortgage loan, and the modification of any other documents as required to effectuate the transaction subject to the following conditions:

1. The Buyer and its entities and principals (if applicable), as well as withdrawing entities, to execute any and all assignment and assumption documents and any other loan documents FHFC and its Legal Counsel deemed necessary to effectuate the transaction.
2. 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. and 67-21.0025(5) F.A.C., of an Applicant or a Developer).
3. Redemption of the MMRB and payoff of the SAIL Loan.
4. 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, if applicable.
5. Satisfactory resolution of any outstanding noncompliance and/or past due items.
6. Verification that all Insurance Certificates are current and acceptable to Servicer and FHFC.
7. Confirmation of approval of the transfer of ownership by all other lenders and the tax credit syndicator, if applicable.
8. Receipt of a non-refundable MMRB transfer and assumption fee of \$2,500 on or before the closing date.
9. Receipt of a non-refundable MMRB LURA, SAIL LURA, and ELIHA subordination fee of \$1,000 each on or before the closing date, if applicable.
10. Prepayment of any required compliance monitoring fees and servicing fees, as applicable.

11. Review and approval of all loan documents consistent with the terms outlined above by FHFC, its Legal Counsel and Servicer.
12. Confirmation of closing costs prior to closing.
13. Payment of all costs and fees to Florida Housing, its Legal Counsel and Servicer, as applicable.
14. All other requirements by FHFC, its Legal Counsel and Servicer.

Prepared by:



Stephanie Petty  
Senior Credit Underwriter

Reviewed By:



Ed Busansky  
Senior Vice President

# ***MHP Magnolia Oaks, LLC***

Ms. Lisa Nickerson  
Florida Housing Finance Corporation  
227 N. Bronough Street, Suite 5000  
Tallahassee, Florida 32301  
[Lisa.Nickerson@floridahousing.org](mailto:Lisa.Nickerson@floridahousing.org)

*Sent via E-mail*

*Re: MHP Magnolia Oaks, LLC; Application No. 2020-074RB; Request to Change Developer Principal*

Dear Ms. Nickerson,

As you may recall, MHP Magnolia Oaks, LLC (“Applicant”) submitted Application No. 2020-074RB in response to RFA 2019-111 (Rental Recovery Loan Program) (the “RFA”) seeking certain Florida Housing Finance Corporation funding for Ekos Magnolia Oaks Apartments (the “Development”). The Development comprises 110 garden apartments located in Leon County, Florida. The Developer for the Development is MHP Magnolia Oaks Developer, LLC (the “Developer”). The Applicant was invited to credit underwriting on March 11, 2020, financing for the Development closed on July 14, 2021 and the Development was completed in August of 2023.

Given the completion of the Development, a member of the Developer (specifically, Heartland Development Group, LLC (“Heartland”)) desires to withdraw from the Developer. The sole member and manager of Heartland is Martin Wohl. Mr. Wohl provided the required developer experience for the Development. Rule 67-48.004(3)(b) (7/11/19) states:

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

\*\*\*

(b) Principals of each Developer, including all co-Developers; notwithstanding the foregoing, the Principals of the Developer(s) **may be changed only by written request of an Applicant to Corporation staff and approval of the Board** after the Applicant has been invited to enter credit underwriting. With regard to said approval, the Board shall consider the facts and circumstances of each Applicant’s request, inclusive of validity and consistency of Application documentation;

Section Four (A)(3)b.3. of the RFA states:

b. General Developer Information



\*\*\*

(3) General Development Experience

To be eligible for funding, at least one natural person Principal of the Developer entity, or if more than one Developer entity, at least one natural person Principal of at least one of the Developer entities, must meet the General Development Experience requirements in (a) and (b) below. **The individual meeting the General Development Experience requirements must be disclosed on the Principals of the Applicant and Developer(s) Disclosure Form (Form Rev. 05-2019) and must remain with the Development for three years following the issuance of the final certificate of occupancy or, in the event a final certificate of occupancy is not routinely provided by the applicable jurisdiction, such other information evidencing completion of the Development which is deemed acceptable to the Corporation.**

Section Four (A)(3)c.3. also provides:

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

Pursuant to the Rule, Applicant requests staff and Board approval to allow for the withdrawal of Heartland from the ownership structure of the Developer. Additionally, Applicant respectfully requests a waiver of the RFA requirement that the individual meeting the General Development Experience requirements remain with the Development for three years following the issuance of the final certificate of occupancy. The Developer's remaining member-managers (*i.e.*, McDowell Housing Partners, LLC and Shear Development Company, LLC) now meet the experience requirements that were met by Mr. Wohl.

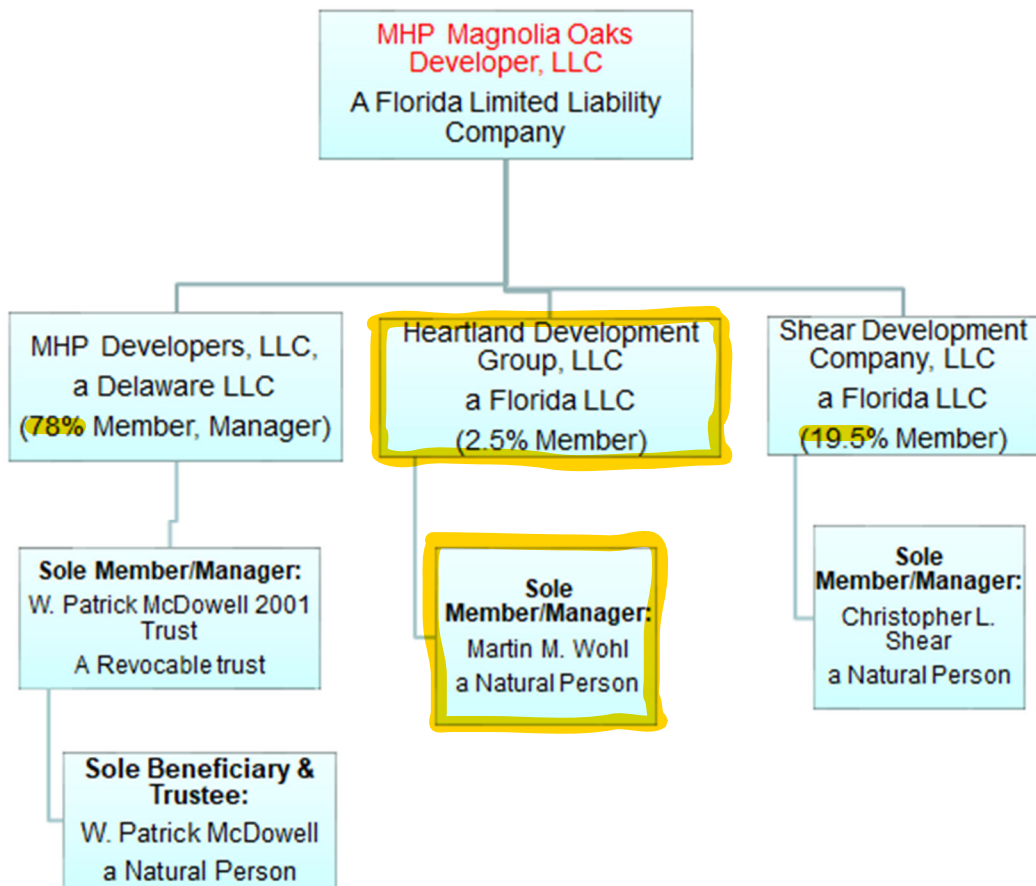
Enclosed for your consideration in conjunction with this request are: (1) the original and proposed org charts, and (2) an updated Principal Disclosure Form. Should you have any comments or questions, please do not hesitate to contact me at (773)981-1817 or [cshar@mcdhousing.com](mailto:cshar@mcdhousing.com).



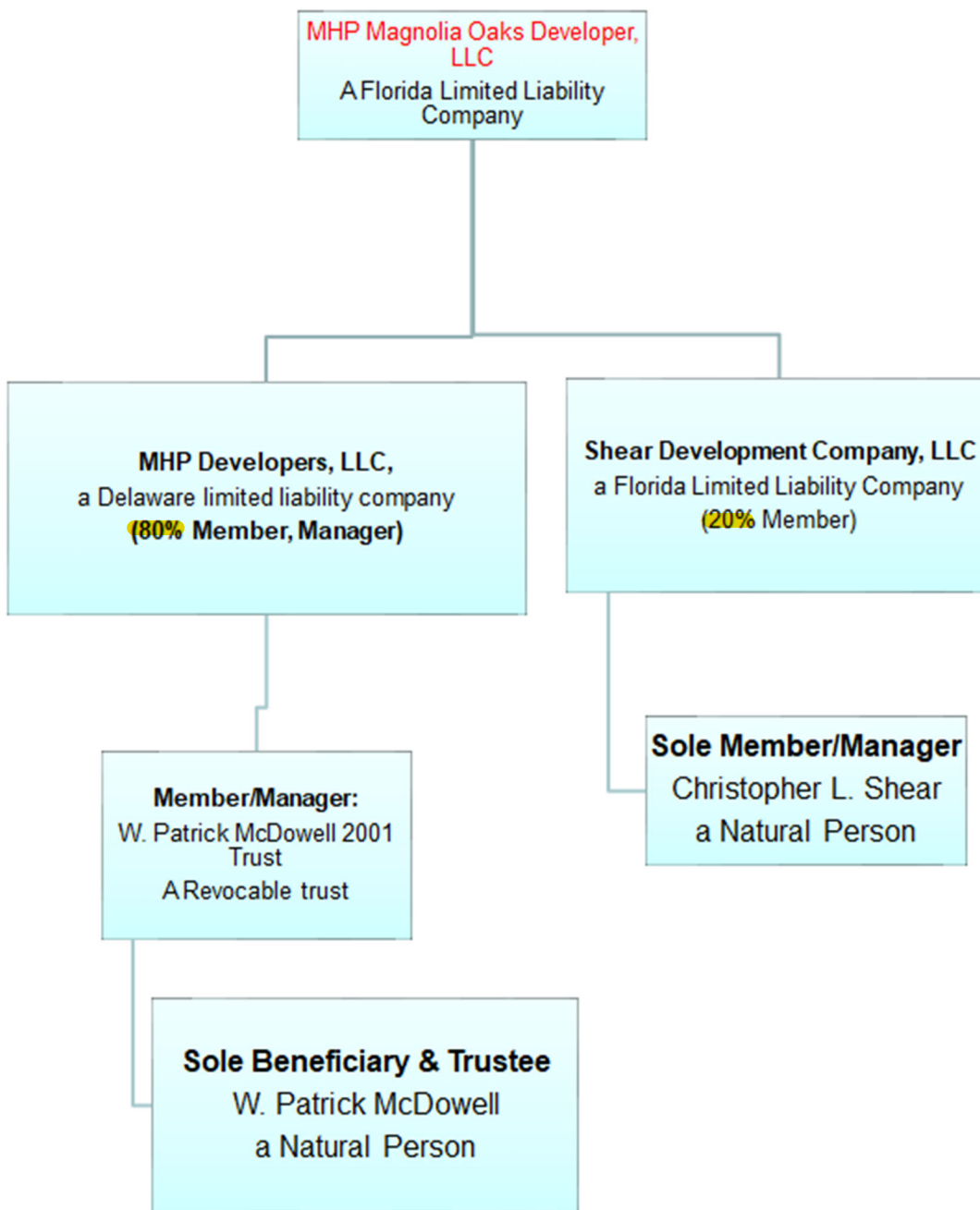
Respectfully, \_\_\_\_\_

Christopher Shear  
Authorized Principal Representative

**Magnolia Oaks  
Developer – Current**



### Magnolia Oaks Developer - Proposed



**Principal Disclosures for the Developer**

*APPROVED for HOUSING CREDITS  
FHFC Advance Review 10.2.19*

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:

MHP Magnolia Oaks Developer, LLC

**First Principal Disclosure Level:**

MHP Magnolia Oaks Developer, 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>Manager</u>	<u>McDowell Housing Partners, LLC</u>	<u>Limited Liability Company</u>
2.	<u>Member</u>	<u>McDowell Housing Partners, LLC</u>	<u>Limited Liability Company</u>
3.	<u>Manager</u>	<u>Shear Development Company, LLC</u>	<u>Limited Liability Company</u>
4.	<u>Member</u>	<u>Shear Development Company, LLC</u>	<u>Limited Liability Company</u>
5.	<u>Member</u>	<u>Heartland Development Group, LLC</u>	<u>Limited Liability Company</u>

**Second Principal Disclosure Level:**

MHP Magnolia Oaks Developer, LLC

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

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

Select the type of Principal being associated with the corresponding First Level Principal Entity

Select organizational structure of Second Level Principal identified

<u>Second Level Entity #</u>	<u>Select Type of Principal of Developer</u>	<u>Enter Name of Second Level Principal</u>	<u>Select organizational structure of Second Level Principal identified</u>
<u>1. (McDowell Housing Partners, LLC)</u>	<u>1.A. Manager</u>	<u>W. Patrick McDowell 2001 Trust</u>	<u>Trust</u>
<u>1. (McDowell Housing Partners, LLC)</u>	<u>1.B. Manager</u>	<u>Archipelago Housing, LLC</u>	<u>Limited Liability Company</u>
<u>2. (McDowell Housing Partners, LLC)</u>	<u>2.A. Member</u>	<u>W. Patrick McDowell 2001 Trust</u>	<u>Trust</u>
<u>2. (McDowell Housing Partners, LLC)</u>	<u>2.B. Member</u>	<u>Archipelago Housing, LLC</u>	<u>Limited Liability Company</u>
<u>3. (Shear Development Company, L</u>	<u>3.A. Manager</u>	<u>Shear, Christopher L.</u>	<u>Natural Person</u>
<u>4. (Shear Development Company, L</u>	<u>4.A. Member</u>	<u>Shear, Christopher L.</u>	<u>Natural Person</u>
<u>5. (Heartland Development Group,</u>	<u>5.A. Manager</u>	<u>Wohl, Martin M.</u>	<u>Natural Person</u>
<u>5. (Heartland Development Group,</u>	<u>5.B. Member</u>	<u>Wohl, Martin M.</u>	<u>Natural Person</u>

**Principal Disclosures for the Developer**

How many Developers are part of this Application structure?

1

Select the organizational structure for the Developer entity:

The Developer is a: Limited Liability Company

Provide the name of the Developer Limited Liability Company:

MHP Magnolia Oaks Developer, LLC

**First Principal Disclosure Level:**

MHP Magnolia Oaks Developer, LLC

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

First Level Entity #	Select Type of Principal of Developer	Enter Name of First Level Principal	Select organizational structure of First Level Principal identified
1.	Manager	MHP Developers, LLC	Limited Liability Company
2.	Member	MHP Developers, LLC	Limited Liability Company
3.	Member	Shear Development Company, LLC	Limited Liability Company
4.			
5.	<Select an option>		<Select an option>
6.	<Select an option>		<Select an option>
7.	<Select an option>		<Select an option>
8.	<Select an option>		<Select an option>
9.	<Select an option>		<Select an option>
10.	<Select an option>		<Select an option>
11.	<Select an option>		<Select an option>
12.	<Select an option>		<Select an option>
13.	<Select an option>		<Select an option>
14.	<Select an option>		<Select an option>
15.	<Select an option>		<Select an option>
16.	<Select an option>		<Select an option>
17.	<Select an option>		<Select an option>
18.	<Select an option>		<Select an option>
19.	<Select an option>		<Select an option>
20.	<Select an option>		<Select an option>

**Second Principal Disclosure Level:**

MHP Magnolia Oaks Developer, LLC

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

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

Second Level Entity #

Select the type of Principal being associated with the corresponding First Level Principal Entity

Enter Name of Second Level Principal

Select organizational structure of Second Level Principal identified

<u>1. (MHP Developers, LLC)</u>	1.A.	Manager	W. Patrick McDowell 2001 Trust	Trust
<u>2. (MHP Developers, LLC)</u>	2.A.	Member	W. Patrick McDowell 2001 Trust	Trust
<u>3. (Shear Development Company, L</u>	3.A.	Manager	Shear, Christopher L.	Natural Person
<u>4. (Shear Development Company, L</u>	4.A.	Member	Shear, Christopher L.	Natural Person
<Select a #>		<Select an option>		<Select an option>
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<Select a #>		<Select an option>		<Select an option>
<Select a #>		<Select an option>		<Select an option>

## Exhibit C

Developer Prior Experience.
Name of the natural person Principal with the required experience: Christopher L. Shear
Name of Developer Entity (for the proposed Development) for which the above individual is a Principal: MHP Magnolia Oaks, LLC

Name of Development	Location (City & State)	Affordable Housing Program that Provided Financing (e.g. Housing Credits, Tax Exempt Bonds, HOME, SAIL, etc.)	Total Number of Units	Year Completed
Ekos Magnolia Oaks	Tallahassee, FL	Housing Credits, Tax Exempt Bonds	110	2023
Ekos at the Perverve	Irving, TX	Housing Credits	84	2024
Ekos on Santa Barbara	Naples, FL	Housing Credits, Tax Exempt Bonds	82	2023
Ekos City Heights	Austin, TX	Housing Credits	179	2024
Ekos Allegro	Naples, FL	Housing Credits	160	2024



August 5, 2024

Tim Kennedy  
Multifamily Loans/Bonds Director  
Florida Housing Finance Corp.  
227 N. Bronough Street, Suite 5000  
Tallahassee, FL 32301

**RE: Walden Pond Preservation, L.P.  
Loan Extension Request**

Dear Mr. Kennedy:

Walden Pond Preservation, L.P. kindly requests a one-year extension of the 2009 Series B Multifamily Mortgage Revenue Bond loan with a new maturity of December 1, 2025. We are working on a new rehabilitation with an anticipated closing in the 3<sup>rd</sup> quarter of 2025 and additional time is needed to secure the financing. Citibank, as the funding lender and bondholder, has agreed to the extension.

Please let us know if you need any additional information. Thank you for your time and assistance.

Best regards,

A handwritten signature in blue ink, appearing to read "Tony Del Pozzo".

Tony Del Pozzo  
Vice President

# **Florida Housing Finance Corporation**

*Credit Underwriting Report*

## **Lake Bradford Apartments**

**SAIL Financing of Affordable Multifamily Housing Developments to be used in Conjunction  
with Tax-Exempt Bond Financing and Non-Competitive Housing Credits**

**SAIL, ELI, and 4% HC**

**RFA 2023-205 / 2024-028S / 2024-522C**

**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*

*October 9, 2024*



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**LAKE BRADFORD APARTMENTS**

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**SMG**

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

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**OCTOBER 9, 2024**

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

**SMG**

**Recommendation**

Seltzer Management Group, Inc. (“SMG” or “Seltzer” or “Servicer”) recommends a State Apartment Incentive Loan (“SAIL”) in the amount of \$6,184,700 comprised of the SAIL Base Loan in the amount of \$5,434,700 and a SAIL-Extremely Low Income (“SAIL-ELI”) Loan in the amount of \$750,000. SMG also recommends an annual Housing Credit (“HC”) allocation of \$2,499,153 to Lake Bradford Apartments (“Development”) for construction and permanent financing.

**DEVELOPMENT & SET-ASIDES**

Development Name: Lake Bradford Apartments

RFA/Program Numbers: RFA 2023-205 / 2024-0285 2023-522C

Address: Kissimmee St, SE of the intersection of Kissimmee St and Lake Bradford Rd

City: Tallahassee Zip Code: 32310 County: Leon County Size: Medium

Development Category: New Construction Development Type: Mid-Rise (4 Stories)

Construction Type: Wood Frame

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

Unit Composition:  
# of ELI Units: 39 ELI Units Are Restricted to 30% AMI, or less. Total # of units with PBRA? 39  
# of Link Units: 20 Are the Link Units Demographically Restricted? Yes # of NHTF Units: 0

Bed Rooms	Bath Rooms	Units	Square Feet	AMI%	Low HOME Rents	High HOME Rents	Gross HC Rent	Utility Allow.	Net Restricted Rents	PBRA Contr Rents	Applicant Rents	Appraiser Rents	CU Rents	Annual Rental Income
1	1.0	2	703	30%			\$499	\$71	\$428	\$1,241	\$1,241	\$1,241	\$1,241	\$29,784
1	1.0	3	703	30%*			\$499	\$71	\$428	\$1,241	\$1,241	\$1,241	\$1,241	\$44,676
1	1.0	2	703	60%			\$998	\$71	\$927		\$927	\$927	\$927	\$22,248
1	1.0	11	703	70%			\$1,164	\$71	\$1,093		\$1,093	\$1,093	\$1,093	\$144,276
1	1.0	2	703	80%			\$1,331	\$71	\$1,260		\$1,260	\$1,260	\$1,260	\$30,240
2	2.0	22	919	30%			\$599	\$83	\$516	\$1,397	\$1,397	\$1,397	\$1,397	\$368,808
2	2.0	1	919	30%*			\$599	\$83	\$516	\$1,397	\$1,397	\$1,397	\$1,397	\$16,764
2	2.0	9	919	60%			\$1,198	\$83	\$1,115		\$1,115	\$1,115	\$1,115	\$120,420
2	2.0	51	919	70%			\$1,398	\$83	\$1,315		\$1,315	\$1,315	\$1,315	\$804,780
2	2.0	9	919	80%			\$1,598	\$83	\$1,515		\$1,515	\$1,515	\$1,515	\$163,620
3	2.0	10	1,150	30%			\$691	\$94	\$597	\$1,793	\$1,793	\$1,793	\$1,793	\$215,160
3	2.0	1	1,150	30%*			\$691	\$94	\$597	\$1,793	\$1,793	\$1,793	\$1,793	\$21,516
3	2.0	6	1,150	60%			\$1,383	\$94	\$1,289		\$1,289	\$1,289	\$1,289	\$92,808
3	2.0	25	1,150	70%			\$1,614	\$94	\$1,520		\$1,520	\$1,520	\$1,520	\$456,000
3	2.0	4	1,150	80%			\$1,845	\$94	\$1,751		\$1,751	\$1,751	\$1,751	\$84,048
		158	151,508											\$2,615,148

\* Also designated as City of Tallahassee HOME Units

The Applicant selected Average Income Test; therefore, as required by the RFA 2023-205 (“RFA”), the Applicant must set aside 15% of the total units (24 units) as ELI Set-Aside units at 30% of AMI. However, the Applicant has selected to set-aside 24.68% of the units (39 units) as ELI set-aside units at 30% or less of the AMI. Persons with Special Needs Set-Aside Commitment: The proposed Development must set aside 50% of the ELI set-aside units (20 units) as Link units for Persons with Special Needs.

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

**SMG**

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 Florida Housing Finance Corporation (“FHFC” of “Florida Housing”) 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 (Leon County). The fully executed MOU was approved by FHFC on October 7, 2024.

Per the RFA, Self-Sourced Applicants will retain the right to seek a qualified contract in accordance with Section 42 of the I.R.C., as amended and Rule Chapter 67-21 F.A.C. All Other Applicants will waive the right to seek a qualified contract. Additionally, if a Self-Sourced Applicant transfers ownership of the Development within the first 15 years of the Compliance Period, the new owner must waive the right to seek a qualified contract.

Buildings: Residential - 1 Non-Residential - 0  
 Parking: Parking Spaces - 236 Accessible Spaces - 8

Set Asides:

Program	% of Units	# of Units	% AMI	Term (Years)
SAIL/ELI/HC	24.683%	39	30%	50
SAIL/HC	10.760%	17	60%	50
SAIL/HC	55.063%	87	70%	50
SAIL/HC	9.494%	15	80%	50
Local HOME-ARP	3.165%	5	30%	50

Absorption Rate 27 units per month for 6 months.

Occupancy Rate at Stabilization: Physical Occupancy 96.00% Economic Occupancy 95.00%  
 Occupancy Comments new construction

DDA: No QCT: Yes Multi-Phase Boost: No QAP Boost: No  
 Site Acreage: 4.75 Density: 33.2632 Flood Zone Designation: X  
 Zoning: CU-45 (Central Urban) Flood Insurance Required?: No

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

**SMG**

DEVELOPMENT TEAM		
Applicant/Borrower:	ECG Lake Bradford, LP	% Ownership
General Partner	ECG Lake Bradford GP, LLC	0.0080%
General Partner	THA Lake Bradford, LLC	0.0020%
Limited Partner	R4 Capital, LLC non-affiliate designee ("R4 Capital")	99.9900%
Construction Completion Guarantor(s):		
CC Guarantor 1:	ECG Lake Bradford, LP	
CC Guarantor 2:	ECG Lake Bradford GP, LLC	
CC Guarantor 3:	THA Lake Bradford, LLC	
CC Guarantor 4:	Tallahassee Housing Authority	
CC Guarantor 5:	Lake Bradford Developer, LLC	
CC Guarantor 6:	C. Hunter Nelson	
CC Guarantor 7:	John Shepard	
CC Guarantor 8:	Elmington Affordable, LLC ("EA LLC")	
CC Guarantor 9:	Tallahassee Housing Economic Corporation ("THEC")	
Operating Deficit Guarantor(s):		
OD Guarantor 1:	ECG Lake Bradford, LP	
OD Guarantor 2:	ECG Lake Bradford GP, LLC	
OD Guarantor 3:	THA Lake Bradford, LLC	
OD Guarantor 4:	Tallahassee Housing Authority	
OD Guarantor 5:	Lake Bradford Developer, LLC	
OD Guarantor 6:	C. Hunter Nelson	
OD Guarantor 7:	John Shepard	
OD Guarantor 8:	EA LLC	
CC Guarantor 9:	THEC	
Note Purchaser	R4 Capital Funding, LLC	
Developer:	Lake Bradford Developer, LLC	
Principal 1	ECG Lake Bradford Developer, LLC	
Principal 2	Tallahassee Housing Economic Corporation	
General Contractor 1:	Elmington Construction, LLC ("EC LLC")	
Management Company:	Elmington Property Management, LLC ("EPM LLC")	
Syndicator:	R4 Capital	
Note Issuer:	Housing Finance Authority of Leon County	
Architect:	Southeast Venture Design, LLC (a.k.a. SV Design, LLC)	
Market Study Provider:	Apprise by Walker & Dunlop	
Appraiser:	Apprise by Walker & Dunlop	

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

**SMG**

PERMANENT FINANCING INFORMATION						
	1st Source	2nd Source	2nd Source	3rd Source	4th Source	Other
Lender/Grantor	HFA Leon Co MMRN / R4 Funding	FHFC - SAIL	FHFC - ELI	City of Tallahassee HOME-ARP	EA LLC Self- Sourced	
Amount	\$19,891,000	\$5,434,700	\$750,000	\$961,300	\$2,717,350	
Underwritten Interest Rate	5.50%	1.00%	0.00%	0.01%	8.50%	
Loan Term	16.0	16.0	16.0	55.0	20.0	
Amortization	40.0	N/A	N/A	55.0	0.0	
Market Rate/Market Financing LTV	60.0%	76.4%	78.7%	81.6%	90%	
Restricted Market Financing LTV	74.1%	94.3%	97.1%	101%	111%	
Loan to Cost - Cumulative	35.8%	45.6%	47.0%	48.7%	53.6%	
Loan to Cost - SAIL Only		9.8%				
Debt Service Coverage	1.293	1.222	1.222	1.027	1.027	
Operating Deficit & Debt Service Reserves	\$771,958					
# of Months covered by the Reserves	8.9					

Deferred Developer Fee	\$4,321,296
As-Is Land Value	\$2,370,000
Market Rent/Market Financing Stabilized Value	\$33,150,000
Rent Restricted Market Financing Stabilized Value	\$26,850,000
Projected Net Operating Income (NOI) - Year 1	\$1,486,141
Projected Net Operating Income (NOI) - 15 Year	\$1,777,505
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	\$0.8625
HC Annual Allocation - Qualified in CUR	\$2,499,153
HC Annual Allocation - Equity Letter of Interest	\$2,484,073

**SAIL, ELI, 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	HFA Leon Co MMRN Series A / R4 Funding	\$19,891,000	\$19,891,000	\$125,892.41
Local HFA Bonds	HFA Leon Co MMRN Series B / R4 Funding	\$15,109,000	\$0	\$0.00
FHFC - SAIL	FHFC - SAIL	\$5,434,700	\$5,434,700	\$34,396.84
FHFC - SAIL ELI	FHFC - ELI	\$750,000	\$750,000	\$4,746.84
Local Government Subsidy	City of Tallahassee HOME-ARP	\$961,300	\$961,300	\$6,084.18
Self-Sourced: Non-Bond Financing	EA LLC Self-Sourced	\$2,717,350	\$2,717,350	\$17,198.42
HC Equity	R4 Capital Designee	\$3,213,900	\$21,426,000	\$135,607.59
Deferred Developer Fee	Lake Bradford Developer, LLC	\$7,424,396	\$4,321,296	\$27,349.97
<b>TOTAL</b>		\$55,501,646	\$55,501,646	\$351,276.24

Financing Structure:

Applicant submitted to Housing Finance Authority of Leon County (“HFA LC”) an application for \$35,000,000 in MMRB and an application to FHFC for Non-Competitive HC and SAIL under RFA 2023-205. The MMRN of \$35,000,000 will be underwritten by R4 Capital Funding, LLC (“R4 Funding”) through their Direct Bond Purchase Program where R4 Funding would purchase an estimated \$19,891,000 of construction-permanent tax-exempt notes (“Series A Notes”) and \$15,109,000 of construction period tax-exempt notes (“Series B Notes”). Proceeds of the Notes will be lent to the Applicant on a Draw Basis pursuant to a schedule mutually agreed upon prior to Closing in order to reduce construction period interest. Upon conversion to the permanent period, the MMRN Series B Notes will be redeemed, and the MMRN Series A Notes in the amount of \$19,891,000 will remain as permanent financing.

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	

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

**SMG**

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?	N/A	
HC ONLY: Is the rate of syndication the same as or greater than that shown in the Application?		3
Is the Development in all other material respects the same as presented in the Application?		4

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

1. Changes in Sources of Funds:

- The Applicant, following submission of the application, provided a Letter of Intent (“LOI”) from R4 Funding dated February 2, 2024 (revised August 7, 2024) for the purchase of an estimated \$19,891,000 of construction-permanent tax-exempt notes (“Series A Notes”) and \$15,109,000 construction-period tax-exempt notes (“Series B Notes”) for a total of \$35,000,000 of Tax-Exempt Notes under its Direct Bond Purchase Program.
- The Application included an LOI for Housing Credit equity from Raymond James Affordable Housing Investments, Inc. (“RJAHI”) purchasing \$26,604,699 of Housing Credits at a \$0.87 HC Exchange rate per dollar of Housing Credits. The Applicant subsequently provided an LOI from R4 Capital, LLC (“R4 Capital”) replacing RJAHI as the Equity Provider syndicating \$21,426,010 Housing Credits at a \$0.8625 HC Exchange rate per dollar of Housing Credits.
- The Applicant provided a Resolution dated August 24, 2023 and approved by the HFA LC to issue Multifamily Housing Revenue Bonds in an amount not to exceed \$35,000,000 (an increase of \$5,000,000 over the previously approved Bond amount of \$30,000,000).
- The Applicant provided a Loan Commitment Letter from the City of Tallahassee dated August 22, 2024 in the amount of \$1,150,000 in the form of subsidy funded through HOME-ARP (\$961,300) and the remaining portion in the form of fee waivers and incentives already provided by the City.
- As a result of the addition of the HOME-ARP funds from the City of Tallahassee, the SAIL funding amount was reduced from \$6,396,000 to \$5,434,700 as required in RFA 2023-205 (“RFA”) which states that if a Self-Sourced Applicant demonstrates Permanent Sources that Cause Reduction in Maximum SAIL Request Amounts of Self-Sourced Applicants, such funding will not be considered



self-sourced financing and said funding will be divided by the total number of units. The result of this will be deducted from the maximum per unit SAIL request.

- The Applicant reduced the Self-Sourced funding amount from \$3,198,000 to \$2,717,350 which complies with the RFA requirement that the self-sourced permanent financing must be in an amount that is at least half of the Applicant’s eligible SAIL Request Amount. The Applicant submitted a request to Florida Housing on August 20, 2024 to change the Self-Sourced entity from C. Nelson Hunter to Elmington Affordable, LLC. FHFC Staff approved the change on October 9, 2024.
2. Total Development Costs have decreased by \$1,207,604 from \$56,709,250 in the application to \$55,501,646 primarily due to decreases in construction costs and developer fees.
  3. Change in Rate of Syndication:
    - a. The exchange rate of syndication decreased from \$0.87 to \$0.8625 per dollar allocated to HC.
  4. Other Material Changes from Application:
    - a. The Applicant submitted a request, dated July 30, 2024, to increase the total number of units and to change the unit mix and set asides as detailed below. FHFC Staff approved the changes on August 13, 2024.

Item Description (From)	Item Description (To)
156 Total Units	158 Total Units
Federal set-aside commitment of "Average Income Test" with the following breakdown of 156 units under SAIL, SAIL/ELI and 4% HC Program:	Federal set-aside commitment of "Average Income Test" with the following breakdown of 158 units under SAIL, SAIL/ELI and 4% HC Program:
39 Units @ 30% AMI 15 Units @ 60% AMI 87 Units @ 70% AMI <u>15 Units @ 80% AMI</u> Averaging AMI = 60%	39 Units @ 30% AMI 17 Units @ 60% AMI 87 Units @ 70% AMI <u>15 Units @ 80% AMI</u> Averaging AMI = 60%
20 – 1 Bedroom / 1 Bath 92 - 2 Bedroom / 1 Bathroom 44 - 3 Bedroom / 2 Bathroom	20 – 1 Bedroom / 1 Bath 92 - 2 Bedroom / 2 Bathroom 46 - 3 Bedroom / 2 Bathroom

- b. The Applicant submitted a request, dated July 30, 2024, to add THA Lake Bradford, LLC (“THA LB LLC”) as a Co-General Partner with 0.002% ownership interest with the existing General Partner, ECG Lake Bradford GP, LLC ownership changing from .0100% to .0080%. In addition, the Applicant requested the replacement of the existing Developer ECG Lake Bradford Developer, LLC (“ECG LB Dev LLC”) with a new Developer entity, Lake Bradford Developer LLC (“LB Dev LLC”). A revised Principal Disclosure incorporating these entities reflects the Tallahassee Housing Authority (“THA”) as the sole Member of TH ALB LLC and shows ECG LB Dev LLC (80% ownership interest) and Tallahassee Housing Economic Corporation - “THEC” (20% ownership interest) as the new Members of LB Dev LLC. Furthermore, the Applicant requested a change to the membership of Elmington Affordable, LLC, a member of the General Partner of the Applicant entity as well as a member of the Developer entity. The proposed change replaced four of the current members with trusts, of which the existing members, along with several family members, would be trustees and beneficiaries. FHFC staff approved the changes on August 13, 2024.

- c. The Site Control changed from a purchase and sale of the land to a Ground Lease. The Applicant provided a Draft Assignment and Assumption of Purchase and Sale Agreement transitioning the purchase and ownership of the land from the Applicant to THA and a Draft Ground Lease leasing the land back to the Applicant.

These changes have no substantial material impact to the SAIL, SAIL-ELI 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 September 12, 2024 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, Apprise by Walker & Dunlap ("Apprise") indicated that the property is located in an area that is projected to experience population growth across all analysis areas. The overall annual demand for multifamily units within Leon County is forecast to be 459 units per year over the next five years.
2. Although the Borrower, General Partner ("GP") and Developer are single-purpose/newly formed entities, the Natural Person Members of the GP and Developer have sufficient experience and financial resources to develop, construct and operate the proposed Development.

Other Considerations: None

Waiver Requests/Special Conditions: None

Additional Information:

1. The Applicant added the THA to its organizational structure and provided a draft Assignment of Land Agreement assigning over the land from the Applicant to THA. In addition, the Applicant provided a draft Ground Lease Agreement leasing the land back to the Applicant. The Applicant and THA have indicated the building will be owned by the Applicant. Executed copies of the Assignment of Land and Ground Lease are conditions to close.

The Applicant provided the following detail related to the purchase of the land:

- The Applicant is going to assign the PSA to THA.
- THA is going to purchase the land and immediately enter into the ground lease with the Applicant upon or prior to the expiration of the PSA on October 31, 2024 (prior to the targeted tax credit closing in mid-December 2024).
- The ground lease calls for the Applicant to make a capitalized lease payment to THA in the same amount as the purchase price THA is paying for the land. The funds to pay the capitalized lease

payment to THA will be advanced by Elmington Capital, LLC to the Applicant. The ground lease specifies that the Tenant shall be the owner(s) of the Demised Premises and the Development for income or franchise tax purposes.

- The advanced funds for the capitalized lease payment will then be reimbursed to Elmington by the Applicant (without interest) along with the rest of Elmington's reimbursables at the tax credit closing.
2. The Applicant has indicated the Development will qualify for tax exemption under Florida Statute 196.199(2) and has indicated a Tax Accountant will provide an opinion confirming qualification for the tax exemption prior to Closing. Confirmation of the Development qualifying for the tax exemption is a condition to close.
  3. The Applicant provided a bond financing proposal from R4 Funding for the purchase of MMRB and a LOI from R4 Capital for the HC syndication. However, the Housing Credits will be purchased by a non-affiliated, designated capital partner of R4 Capital. Therefore, there will not be a substantial user issue during construction or permanent financing.

The Applicant provided a bond financing proposal from the First Mortgage Lender (R4 Funding) through their Direct Bond Purchase Program and the Syndicator (R4 Capital or one of its affiliates). However, R4 Capital provided the following statement related to Substantial User issues:

*"R4 can confirm that there will be no substantial user issues a result of (a) the equity being provided by a LIHTC fund sponsored by an affiliate of R4 Capital LLC as fund general partner, with no limited partner in the LIHTC fund owning 25% or more of the fund and (b) the tax-exempt debt being originated by R4 Capital Funding LLC and provided by one of R4CF's institutional investors."*

Confirmation that Substantial User issues are not applicable to the transaction will be a condition to close.

Issues and Concerns: None

Mitigating Factors: None

Recommendation:

SMG recommends a recommends a SAIL in the amount of \$6,184,700 comprised of the SAIL Base Loan in the amount of \$5,434,700 and a SAIL-ELI Loan in the amount of \$750,000. SMG also recommends an annual HC allocation of \$2,499,153 to the Development 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, ELI Loan Conditions and HC Allocation Recommendation and Contingencies (Section B). The reader is cautioned to refer to these sections for complete information.

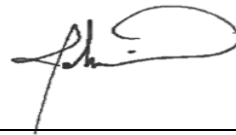
This recommendation is only valid for six months from the date of the report.

Prepared by:



Frank Sforza  
Senior 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	HFA Leon Co MMRN Series A / R4 Funding	\$30,000,000	\$19,891,000	\$19,891,000	5.50%	\$1,742,203
First Mortgage	HFA Leon Co MMRN Series B / R4 Funding	\$0	\$15,109,000	\$15,109,000	5.50%	\$1,323,360
Second Mortgage	FHFC - SAIL	\$6,396,000	\$5,434,700	\$5,434,700	1.00%	\$86,548
Second Mortgage	FHFC - ELI	\$750,000	\$750,000	\$750,000	0.00%	\$0
Third Mortgage	City of Tallahassee HOME-ARP	\$0	\$961,300	\$961,300	0.01%	\$153
Fourth Mortgage	EA LLC Self-Sourced	\$3,198,000	\$2,717,350	\$2,717,350	8.50%	\$367,827
HC Equity	R4 Capital Designee	\$10,415,740	\$3,213,900	\$3,213,900		
Deferred Developer Fee	Lake Bradford Developer, LLC	\$5,949,510	\$7,481,333	\$7,424,396		
<b>Total</b>		<b>\$56,709,250</b>	<b>\$55,558,583</b>	<b>\$55,501,646</b>		<b>\$3,520,090</b>

First Mortgage Loan:

The Applicant initially applied for \$30,000,000 in Tax-Exempt Bonds to be issued by HFA LC for the acquisition and construction of Lake Bradford Apartments. On August 24, 2023, HFA LC approved the Applicant’s request to increase the MMRN to \$35,000,000. The Applicant provided a Note Financing LOI from R4 Funding dated February 2, 2024, last revised August 7, 2024, for the purchase of an estimated \$19,891,000 of construction-permanent tax-exempt notes (“Series A Notes”) and \$15,109,000 construction-period tax-exempt notes (“Series B Notes”) for a total of \$35,000,000 of Tax-Exempt Notes under its Direct Bond Purchase Program and the proceeds of the notes will be lent to the Applicant. The term of the loans for the construction phase is expected to be 60 months.

The construction-period loan / Series B Notes interest rate will be fixed based upon the 3-Year Treasury Index, published by Thomas Reuters, plus a spread of 1.75% and is subject to a floor rate of 5.50%. The 3-Year Treasury as of September 6, 2024 was 3.53% resulting in the floor rate being in effect and an overall interest rate of 5.50%. The payments will be interest only until maturity (conversion to permanent). Upon construction completion and conversion to permanent financing, the Series B Notes will be redeemed. In addition, an origination fee of 1.0%, Application Fee of \$45,000, and a construction fee of 0.50% is due at construction loan closing.

Other Construction Sources of Funds:

Additional sources of funds for this Development during construction consists of a FHFC SAIL Base Loan in the amount of \$5,434,700, a FHFC SAIL-ELI Loan in the amount of \$750,000, a City of Tallahassee HOME-ARP loan in the amount of \$961,300, Self-Sourced funding in the amount of \$2,717,350, Housing Credit equity of \$3,213,900, and deferred Developer Fee in the amount of \$7,424,396. See the Permanent Financing section below for details.

Construction/Stabilization Period:

Based upon market analysis, the appraiser projects an absorption rate of approximately 27 units per month to achieve stabilized occupancy within six months following construction completion. The appraiser assumed pre-leasing will begin at least four months prior to completion. The construction contract requires substantial completion within approximately 23 months. For purposes of this Credit Underwriting, SMG assumes a 29-month construction / stabilization period.

**SAIL, ELI, 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	HFA Leon Co MMRN / R4 Funding	\$15,540,000	\$19,891,000	\$19,891,000	5.50%	40	16	\$1,231,102
Second Mortgage	FHFC - SAIL	\$6,396,000	\$5,434,700	\$5,434,700	1.00%	N/A	16	\$54,347
Second Mortgage	FHFC - ELI	\$750,000	\$750,000	\$750,000	0.00%	N/A	16	\$0
Third Mortgage	City of Tallahassee HOME-ARP	\$0	\$961,300	\$961,300	0.01%	55	55	\$96
Fourth Mortgage	EA LLC Self-Sourced	\$3,198,000	\$2,717,350	\$2,717,350	8.50%		20	\$230,975
HC Equity	R4 Capital Designee	\$23,146,088	\$21,426,000	\$21,426,000				
Def. Developer Fee	Lake Bradford Developer, LLC	\$7,679,162	\$4,378,233	\$4,321,296				
<b>Total</b>		<b>\$56,709,250</b>	<b>\$55,558,583</b>	<b>\$55,501,646</b>				<b>\$1,516,520</b>

First Mortgage Loan:

The Applicant provided a Note Financing LOI from R4 Funding dated February 2, 2024 and last revised August 7, 2024, for the purchase of an estimated \$19,891,000 of construction-permanent tax-exempt notes ("Series A Notes") and \$15,109,000 construction-period tax-exempt notes ("Series B Notes") for a total of \$35,000,000 of Tax-Exempt Notes under its Direct Note Purchase Program and the proceeds of the notes will be lent to the Applicant. The Series B Notes will redeem in full upon conversion to permanent financing.

The construction-permanent loan / Series A Notes interest rate will be fixed based upon the 10-Year Treasury Index, published by Thomas Reuters, plus a spread of 1.75% and is subject to a floor rate of 5.50%. The 10-Year Treasury as of September 6, 2024 was 3.71%, resulting in the floor rate being in effect and an overall interest rate of 5.50% amortized over a 40 year period. Payments will be interest only for the first 60 months from loan closing followed by principal and interest payments through the term of the loan. Following the interest only construction period, mandatory redemption of the Series A Notes shall occur, in part, on a monthly basis of principal and interest sufficient to fully amortize over 40 years. Upon the 16th anniversary of stabilization, the noteholder shall have the option to require a mandatory tender of the Series A Notes and will be required to provide six months' notice for such mandatory tender.

The Development shall be required to achieve stabilization prior to 36 months from closing. R4 Funding's stabilization requirements include: (i) the ratio of net operating income of the property for the prior three months to the maximum debt service in any three-month period equals or exceeds 1.15x to 1.00, (ii) the average economic occupancy in each of the three months equals at least 90%, and (iii) the property has achieved Final Completion.

The Permanent Loan will mature sixteen (16) years following conversion to 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 R4 Funding Designee 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 Trust Indenture, and it would then assign the mortgage loan (Project loan) and any other related documents and collateral to R4 Funding Designee, 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, R4 Funding Designee would then be in

position to work with the Borrower to arrive at a resolution without involvement of either HFA Leon 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 debt service coverage ratio. Fees include a Permanent Loan Servicing Fee to be paid annually based on 2.3 basis points of the outstanding MMRN amount or a minimum of \$243 per month, and an hourly fee of \$204 for extraordinary services and an Annual Compliance Monitoring Fee based on \$188 per month plus an additional fee per set-aside unit of \$11.58, subject to a minimum monthly fee of \$295. HFA LC fees include a 20-basis point Issuer Fee, an annual Fiscal Agent Fee of \$4,500 and a Closing Fee of 25 basis points of the MMRN amount, subject to a minimum fee of \$10,000. In addition, there is a Financial Monitoring Fee of \$2,413 increasing at 3% annually. All fees have been included in the Uses and Proforma sections of this report.

Second Mortgage Loan

The Applicant applied to FHFC under RFA 2023-205 for SAIL funds in the amount of \$6,396,000 that was subsequently reduced to \$5,434,700. The total SAIL Loan is in the amount of \$6,184,700 comprised of a SAIL Base Loan in the amount of \$5,434,700 plus a SAIL-ELI Loan in the amount of \$750,000. The SAIL Base loan and the SAIL-ELI loan will be closed as one loan and will have one set of closing documents. The SAIL Base Loan will have a total term of 18.5 years, of which two and a half years is for the construction/stabilization period and a 16-year permanent period. The SAIL Base Loan term will be co-terminus with the first mortgage as allowed by Rule 67-48 ("Rule"). The SAIL Base Loan will be non-amortizing and with a 1.00% interest rate 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. However, at the maturity of the SAIL Base Loan, all principal and unpaid interest is due. Annual payments of all applicable fees will be required.

Applicants who submit an Application under RFA 2023-205 are also eligible for ELI Loan funding for the required ELI set-aside units not to exceed the lesser of (a) \$750,000; or (b) the maximum amount based on the ELI set-aside per unit limits; for 10% of the total units. The ELI Loan is in the form of a forgivable loan in an amount of \$750,000. The ELI AMI for Leon County is 40%. The Borrower committed to an average income test set aside resulting in 24.68% of the total units (39 units) at or below 30% of AMI for ELI. The ELI Loan is non-amortizing with an interest rate of 0.00% per annum over the life of the loan. The principal is forgivable at maturity, provided the units for which the ELI Loan amount is awarded are targeted to ELI Households for the first 15 years of the 50-year Compliance Period. The Persons with Special Needs set-aside requirement must be maintained throughout the entire 50-year Compliance Period. The ELI Loan will have a total term of 18.5 years, of which two and a half years is for the construction/stabilization period and a 16 year permanent period. The ELI loan term will be co-terminus with the first mortgage as allowed by the RFA. Annual payments of all applicable fees will be required.

For the total SAIL 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.

Third Mortgage Loan:

The Applicant provided an email dated August 20, 2024 and a Loan Commitment Letter dated August 22, 2024, detailing the terms of a loan from the City of Tallahassee. The loan amount is \$1,150,000, of which \$961,300 is in the form of subsidy funded through HOME-ARP. The remaining portion of the loan is in the form of fee waivers and incentives provided by the City of Tallahassee. The interest rate is 0.01% throughout the 55-year loan term with payments to be made based on available cash flow after all superior debt has been satisfied. The Compliance period is 50 years.

Fourth Mortgage Loan

The Applicant provided a Self-Sourced Commitment Letter dated August 16, 2024, in the amount of \$3,198,000 (subsequently amended to \$2,717,350) from Elmington Affordable, LLC. The loan will have an interest rate not to exceed 8.50% per annum, is non-forgivable and must be repaid within 20 years. Payments will be interest only subject to available cash flow and will be repayable after the Developer Fee.

The Self-sourced financing will be funded and dispersed pro rata along with SAIL Base funding. The Self-Sourced Financing must be subordinate to the SAIL Base Loan; no principal may be paid on the Self-Sourced Financing prior to the payoff of the SAIL Base Loan in full. Any payment of Self-Sourced Financing interest will be made subordinate to SAIL Base Loan interest payments. Additionally, the Self-Sourced Financing must remain as a source in the Development for a minimum of 15 years and may not be repaid to the Applicant from any funding source, including development cash flow per the RFA. If self-sourced financing is repaid to the Applicant prior to the payment of the SAIL Base Loan in full, the SAIL Base Loan will be in default and must be paid in full and the Applicant and any associated Applicant or Developer principals or affiliates may be subject to material misrepresentation consequences set forth in Rule 67-48.004(2), F.A.C.



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

**SMG**

Housing Credits Equity Investment:

The Borrower has applied to Florida Housing to receive 4% Housing Credits directly from the United States Treasury in conjunction with tax-exempt bond financing. A HC calculation is contained in Exhibit 4 of this credit underwriting report.

Based upon a February 5, 2024 (revised August 7, 2024) LOI, R4 Capital or an affiliate will purchase a 99.99% membership interest in the Applicant and provide HC equity as follows:

Capital Contributions	Amount	Percent of Total	When Due
1st Installment	\$3,213,900	15.00%	paid prior to or simultaneous with the closing of construction financing and admission of the Limited Partner to the Partnership
2nd Installment	\$16,368,842	76.40%	Latest of: Rental achievement, 37 months after payment 1, 1/1/28
3rd Installment	\$1,071,300	5.00%	Latest of: 8609s, 9 months after payment 2, 10/1/28
4th Installment	\$771,958	3.60%	Latest of: 60 months after payment 3, 1/1/33
<b>Total</b>	<b>\$21,426,000</b>	<b>100.00%</b>	

Annual Tax Credits per Syndication Agreement:	\$2,484,073
Total HC Available to Syndicator (10 years):	\$24,838,246
Syndication Percentage (investor member interest):	99.99%
Calculated HC Exchange Rate (per dollar):	\$0.8625
Proceeds Available During Construction:	\$3,213,900

Sufficient equity proceeds will be disbursed at closing to meet regulatory requirements.

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 R4 Capital LOI have been received, the Developer will have to defer \$4,321,296 of Developer Fees. There is sufficient Developer Fee available until the fourth installment is received.

**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	\$100,000	\$160,634	\$160,634	\$1,017	\$160,634
Installation of Pre Fab Units				\$0	
New Rental Units	\$29,966,667	\$25,420,125	\$25,345,125	\$160,412	\$61,600
Off-Site Work				\$0	\$0
Recreational Amenities			\$75,000	\$475	
Rehab of Existing Common Areas				\$0	
Rehab of Existing Rental Units				\$0	
Site Work	\$2,000,000	\$3,516,451	\$3,516,451	\$22,256	\$527,468
Swimming Pool				\$0	
Furniture, Fixture, & Equipment				\$0	
Hard Cost Contingency - in Constr. Cont.				\$0	
Constr. Contr. Costs subject to GC Fee	\$32,066,667	\$29,097,210	\$29,097,210	\$184,160	\$749,702
General Conditions	\$4,033,333	\$1,745,832	\$1,745,832	\$11,050	
Overhead		\$581,944	\$581,944	\$3,683	
Profit		\$1,745,832	\$1,745,832	\$11,050	
Builder's Risk Insurance				\$0	
General Liability Insurance		\$64,000	\$64,000	\$405	
Payment and Performance Bonds		\$226,000	\$226,000	\$1,430	
Contract Costs not subject to GC Fee		\$150,000	\$150,000	\$949	
Total Construction Contract/Costs	\$36,100,000	\$33,610,818	\$33,610,818	\$212,727	\$749,702
Hard Cost Contingency	\$1,805,000	\$1,673,041	\$1,673,041	\$10,589	
PnP Bond paid outside Constr. Contr.				\$0	
Fees for LOC used as Constr. Surety				\$0	
Demolition paid outside Constr. Contr.				\$0	
FF&E paid outside Constr. Contr.		\$75,000	\$75,000	\$475	
Other: <u>Electrical Relocation</u>		\$105,820	\$105,820	\$670	\$105,820
<b>Total Construction Costs:</b>	<b>\$37,905,000</b>	<b>\$35,464,679</b>	<b>\$35,464,679</b>	<b>\$224,460</b>	<b>\$855,522</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 July 16, 2024 in the amount of \$33,610,818. The contract provides for a date of commencement 14 days after the Notice to Proceed is received and grading permit has been issued. The contract calls for achievement of substantial completion no later than 665 days 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

Fencing at Ponds	\$ 50,000
Bicycle Storage	\$ 50,000
Car Wash Area	\$ 5,000
Garden Area	\$ 5,000
Picnic Area	\$ 15,000
Landscaping and Irrigation	\$ 40,000/acre (\$188,000)
Site Furnishings	\$ 1,000/acre (\$4,700)

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

**SMG**

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Electrical Primary Duct Bank	\$100,000
Queen Size Brick	\$ 600/thousand
Monument Sign	\$ 25,000
Building and Unit Signage	\$ 100/unit (\$15,800)
Fire Pucks at Each Unit Range	\$ 100/unit (\$15,800)
<u>Rough-In for Access Control Panel</u>	<u>\$ 11,850</u>
Total	\$486,150 (plus brick allowance)

On Solid Ground, Inc. (“OSG”) indicated the specified Allowances were reasonable for this Development.

Final payment will be made when (1) the General Contractor has fully performed the contract, (2) the General Contractor has submitted a final accounting for the Cost of the Work and a final application for payment, and (3) final certificate for payment has been issued by the Architect. The Owner’s final payment to the General Contractor shall be made no later than 30 days after the Architect’s final Certificate for Payment.

2. SMG received the General Contractor’s Certification of Requirements, whereby the General Contractor acknowledges and commits to adhere to all requirements related to a General Contractor as published within Rule Chapter 67-21 and Rule Chapter 67-48 (“Rules”), Florida Administrative Code.
3. General Contractor fees as stated are within the 14% maximum per the RFA and Rules.
4. Ineligible costs include demolition costs, storefront costs and a portion of Site Work costs.
5. Costs associated with General Liability Insurance, Payment and Performance Bonds and Building Permit Fees (Permit Fees are labeled as “Contract Costs not subject to GC Fee”) are contained within the construction contract but no GC Fee was taken on these costs.
6. The hard cost contingency is within the 5.00% allowed by the RFA and Rules and is not included within the GC Contract or schedule of values.
7. FF&E outside the Construction Contract are costs associated with Leasing office items including but not limited to, computers, desks, chairs, filing cabinets, printers, bookshelves, and gym equipment.
8. Other: Electrical Relocation Costs are associated with work that will be completed by the city or a city contractor and assessed to the Applicant in order to relocate above-ground powerlines prior to construction.
9. 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.

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

**SMG**

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	\$253	\$20,000
Appraisal		\$4,800	\$4,800	\$30	
Architect's and Planning Fees				\$0	
Architect's Fee - Green Initiative				\$0	
Architect's Fee - Landscape				\$0	
Architect's Fee - Site/Building Design		\$596,480	\$537,184	\$3,400	
Architect's Fee - Supervision		\$75,000	\$134,296	\$850	
Building Permits				\$0	
Builder's Risk Insurance	\$695,000	\$825,824	\$825,824	\$5,227	
Capital Needs Assessment/Rehab				\$0	
Engineering Fees		\$221,000	\$221,000	\$1,399	
Environmental Report		\$100,000	\$100,000	\$633	
Federal Labor Standards Monitoring				\$0	
FHFC Administrative Fees		\$249,073	\$226,562	\$1,434	\$226,562
FHFC Application Fee	\$538,430	\$3,000	\$3,000	\$19	\$3,000
FHFC Credit Underwriting Fee		\$20,506	\$20,506	\$130	\$20,506
FHFC Compliance Fee		\$279,843	\$279,843	\$1,771	\$279,843
FHFC Other Processing Fee(s)				\$0	
Impact Fee				\$0	
Lender Inspection Fees / Const Admin		\$35,000	\$35,000	\$222	
Green Building Cert. (LEED, FGBC, NGBS)		\$63,200	\$63,200	\$400	
Home Energy Rating System (HERS)				\$0	
Insurance		\$25,000	\$25,000	\$158	
Legal Fees - Organizational Costs		\$375,000	\$375,000	\$2,373	\$187,500
Local Subsidy Underwriting Fee				\$0	
Market Study		\$4,500	\$4,500	\$28	\$4,500
Marketing and Advertising		\$75,000	\$75,000	\$475	\$75,000
Plan and Cost Review Analysis		\$3,000	\$3,000	\$19	
Property Taxes	\$25,000			\$0	
Soil Test		\$25,000	\$25,000	\$158	
Survey		\$25,000	\$25,000	\$158	\$6,250
Tenant Relocation Costs		\$407,750	\$407,750	\$2,581	\$407,750
Title Insurance and Recording Fees		\$80,000	\$80,000	\$506	\$20,000
Traffic Study				\$0	
Utility Connection Fees		\$446,794	\$446,794	\$2,828	
Soft Cost Contingency	\$150,000	\$100,000	\$100,000	\$633	\$50,000
Other: Professional Fees	\$1,705,000			\$0	
Other: Combined Fees	\$703,000			\$0	
Other: 45L Tax Credit Testing		\$63,200	\$63,200	\$400	\$63,200
Other: Zoning Fees		\$10,000	\$10,000	\$63	
<b>Total General Development Costs:</b>	<b>\$3,816,430</b>	<b>\$4,153,970</b>	<b>\$4,131,459</b>	<b>\$26,148</b>	<b>\$1,364,111</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, Southeast Venture Design, LLC (a.k.a. SV Design) dated July 10, 2024.
3. Engineering Fees are based on the Contract for Professional Services by and between the owner and Kimley-Horn and Associates, Inc. dated October 27, 2023.

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

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4. 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 2023-205. The total FHFC Credit Underwriting Fees are \$20,506. FHFC Compliance Fees through the initial 50-year Compliance period will be ongoing and are incorporated in the operating pro forma and debt service analysis within this report.
5. Impact Fees have been waived by the City of Tallahassee (refer to City of Tallahassee loan in the Permanent Financing Sources section of this report).
6. Green Building Certification Fee is based on the Econsultants, LLC proposal to certify National Green Building Standards (“NGBS”) dated October 17, 2023.
7. Property Taxes are anticipated to be exempted. The Applicant has indicated the Development will qualify for tax exemption under Florida Statute 196.199(2) and has indicated a Tax Accountant will provide an opinion confirming qualification for the tax exemption prior to Closing. Confirmation of the Development qualifying for the tax exemption is a condition to close.
8. Tenant Relocation Costs are based on the Applicant’s Tenant Relocation Plan, dated August 9, 2024, to relocate tenants currently in existing structures that will be demolished as part of the construction of the new Development.
9. Utility Connection Fees were based on an email from the Deputy Building Official at the City of Tallahassee, dated August 12, 2024, that provided estimates of these fees.
10. Soft cost contingency is within the 5% as allowed per the RFA and Rules.
11. Other: 45L Tax Credit Testing were costs the Applicant indicated were assessed by a third party to certify the development was eligible for the tax credit.
12. Other: Zoning Fees were costs the Applicant indicated were incurred for drawings and submittals when they applied to receive the affordable housing density bonus.
13. Other General Development Costs are based on the Applicant’s estimates, which appear reasonable.

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

**SMG**

FINANCIAL COSTS:	Applicant Costs	Revised Applicant Costs	Underwriters Total Costs - CUR	Cost Per Unit	HC Ineligible Costs - CUR
Construction Loan Application Fee		\$45,000	\$45,000	\$285	
Construction Loan Underwriting Fee		\$25,000	\$25,000	\$158	
Construction Loan Origination Fee		\$350,000	\$350,000	\$2,215	
Construction Loan Commitment Fee				\$0	
Construction Loan Closing Costs				\$0	
Construction Loan Interest		\$3,600,000	\$3,520,090	\$22,279	\$1,105,209
Construction Loan Servicing Fees	\$3,225,000			\$0	
Permanent Loan Application Fee				\$0	\$0
Permanent Loan Underwriting Fee				\$0	\$0
Permanent Loan Subsidy Layering Rev.				\$0	\$0
Permanent Loan Commitment Fee				\$0	\$0
Permanent Loan Origination Fee		\$175,000	\$175,000	\$1,108	\$175,000
Permanent Loan Closing Costs				\$0	\$0
Permanent Loan Interest				\$0	\$0
Permanent Loan Servicing Fee	\$251,320			\$0	\$0
Local HFA Note Application Fee		\$35,000	\$34,500	\$218	\$34,500
Local HFA Note Underwriting Fee		\$20,506	\$16,984	\$107	\$16,984
Local HFA Note Subsidy Layering Rev.				\$0	\$0
Local HFA Note Origination Fee				\$0	\$0
Local HFA Note Commitment Fee				\$0	\$0
Local HFA Note Fiscal Agent Fee		\$13,500	\$11,400	\$72	\$11,400
Local HFA Note Credit Enh. Fee				\$0	\$0
Local HFA Note Rating Fee				\$0	\$0
Local HFA Note Cost of Issuance		\$271,257	\$310,363	\$1,964	\$310,363
Local HFA Note Closing Costs		\$87,500	\$87,500	\$554	\$87,500
Local HFA Note Interest				\$0	\$0
Local HFA Note Servicing Fee				\$0	\$0
Local HFA Legal - Tax Counsel				\$0	\$0
Local HFA Legal - Borrower's Counsel				\$0	\$0
Local HFA Legal - Issuer's Counsel				\$0	\$0
Local HFA Legal - Lender's Counsel				\$0	\$0
Local HFA Legal - U/W's Counsel				\$0	\$0
SAIL Commitment Fee				\$0	\$0
SAIL Closing Costs				\$0	\$0
SAIL Interest				\$0	\$0
SAIL Servicing Fee				\$0	\$0
SAIL-ELI Commitment Fee		\$61,847	\$61,847	\$391	\$61,847
SAIL-ELI Closing Costs		\$25,000	\$12,500	\$79	\$12,500
SAIL-ELI Servicing Fee				\$0	\$0
Legal Fees - Financing Costs		\$25,000	\$25,000	\$158	
Negative Arbitrage				\$0	
Forward Rate Lock Fee				\$0	
Placement Agent/Underwriter Fee		\$37,500	\$37,500	\$237	\$37,500
Initial TEFRA Fee				\$0	\$0
Other: Short-Term Bond Redemption Fees		\$25,685	\$25,685	\$163	\$25,685
Other: Closing Fees	\$465,500			\$0	
Other: HFA Leon Issuer Fee		\$169,190	\$169,190	\$1,071	\$169,190
Other:				\$0	
Other:				\$0	
<b>Total Financial Costs:</b>	<b>\$3,941,820</b>	<b>\$4,966,985</b>	<b>\$4,907,559</b>	<b>\$31,061</b>	<b>\$2,047,678</b>
<b>Dev. Costs before Acq., Dev. Fee &amp; Reserves</b>	<b>\$45,663,250</b>	<b>\$44,585,635</b>	<b>\$44,503,698</b>	<b>\$281,669</b>	<b>\$4,267,311</b>

*Notes to the Financial Costs:*

1. The Construction Loan Application fee, Underwriting fee, Origination fee and Closing costs reflects the fees noted in the R4 Funding LOI dated February 2, 2024, revised August 7, 2024.
  - a. The LOI indicated there was a 1.00% origination fee based on the Note amount (0.50% allocated to the construction origination fee line, 0.50% allocated to the permanent origination fee line item).
  - b. Seltzer allocated the 0.50% construction fee to the construction origination fee line item, for a total fee of 1% of the construction loan amount.
2. Construction Loan Interest is based on SMG’s estimate. Interest is based on the construction completion and absorption estimates included in the construction schedule and Market Study. The estimate assumes an “all-in” interest rate of 5.50% for the first mortgage Series A Note Loan, a 5.50% interest rate for the first mortgage Series B Note Loan, an interest rate of 1.00% for the SAIL Mortgage Loan, a construction/stabilization period of 29 months, and 57% of the MMRN outstanding (on average) during the construction schedule.
3. HFA LC Note Fiscal Agent Fee represents 29 months of the annual Fiscal Agent Fee of \$4,500 during the construction period.
4. HFA LC Note Cost of Issuance includes fees and expenses of the Real Estate Counsel for MMRN, Note Counsel, Disclosure Counsel, and other fees (Application Fee, Fiscal Agent Fee and Placement Agent Fee are broken out and listed on their respective lines).
5. SAIL-ELI Commitment Fee is based on 1% of the SAIL and ELI Loan amounts.  
FHFC closing costs for FHFC legal counsel fees are \$12,500 for the SAIL/ELI loan.
6. Legal Fees – Financing Costs are estimates provided by the Applicant.
7. Other: Short Term Bond Redemption Fees are based on a redemption amount of \$15,109,000 and the Bonds being redeemed after 29 months resulting in a 17-basis point fee on the redeemed amount.
8. Other: HFA LC Issuer Fee represents 29 months of the annual Issuer Fee of 20 basis points (0.20%) during the construction period.
9. Other Financial Costs are based on the Applicant’s estimates, which appear reasonable.

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	
<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.

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DEVELOPER FEE ON NON-ACQUISITION COSTS	Applicant Costs	Revised Applicant Costs	Underwriters Total Costs - CUR	Cost Per Unit	HC Ineligible Costs - CUR
Developer Fee - Unapportioned	\$8,200,000	\$7,779,250	\$7,779,250	\$49,236	
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		\$45,000	\$45,000	\$285	
DF to Guaranty Fees				\$0	
Other: <u>Relocation Consulting</u>		\$75,750	\$75,750	\$479	\$75,750
<b>Total Other Development Costs:</b>	<b>\$8,200,000</b>	<b>\$7,900,000</b>	<b>\$7,900,000</b>	<b>\$50,000</b>	<b>\$75,750</b>

*Notes to Developer Fee on Non-Acquisition Costs:*

1. Developer Fee does not exceed 18% of the Development’s construction cost, exclusive of land acquisition costs and reserves, as required per the RFA and Rules.
2. Consulting Fees are associated with Florida Consulting Group assisting with Applicant’s application and a firm assisting with relocation of tenants in buildings that will be demolished.

LAND ACQUISITION COSTS	Applicant Costs	Revised Applicant Costs	Underwriters Total Costs - CUR	Cost Per Unit	HC Ineligible Costs - CUR
Brokerage Fees - Land			\$0	\$0	\$0
Land Acquisition Cost				\$0	\$0
Land	\$2,300,000	\$2,300,000		\$0	\$0
Land Lease Payment		\$990	\$2,325,990	\$14,721	\$2,325,990
Land Carrying Costs				\$0	\$0
Other:				\$0	\$0
Other:				\$0	\$0
Other:				\$0	\$0
<b>Total Acquisition Costs:</b>	<b>\$2,300,000</b>	<b>\$2,300,990</b>	<b>\$2,325,990</b>	<b>\$14,721</b>	<b>\$2,325,990</b>

*Notes to the Land Acquisition Costs:*

1. The Applicant provided the following:
  - a Purchase and Sale Agreement (“PSA”) signed July 5, 2023 between Bradford Village, LLC and ECG Acquisitions, LLC (“ECGA LLC”), with a purchase price of \$2,300,000, and a Closing date within 90 days of the expiration of the Inspection Period, which must take place within 90 days of the Effective Date (July 5, 2023) with the option to extend the Closing for three consecutive months.
  - an Assignment of the PSA signed July 11, 2023, assigning the PSA from ECGA LLC to the Applicant
  - a First Amendment to the PSA signed August 15, 2023 amending the Effective Date to August 15, 2023
  - a Second Amendment to the PSA signed December 6, 2024 amending the Purchase Price to \$2,325,000 and the Effective Date to December 6, 2023
  - a Draft Assignment and Assumption of PSA from the Applicant to THA
  - a Draft 99-Year Ground Lease between THA and the Applicant that requires a capital lease payment of \$2,325,000 to be paid within 3 days of the Commencement Date of the Ground Lease and an annual base rent of \$10 per year to be paid in advance



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Receipt of executed copies of the Draft Assignment and Assumption of PSA and the Draft Ground Lease that are not substantially different than the drafts utilized in this credit underwriting report are Conditions of Closing.

- The appraised value of the vacant land is \$2,370,000, which supports the purchase/ground lease price.

RESERVE ACCOUNTS	Applicant Costs	Revised Applicant Costs	Underwriters Total Costs - CUR	Cost Per Unit	HC Ineligible Costs - CUR
ACC Reserve (Lender)				\$0	\$0
ACC Reserve (Syndicator)				\$0	\$0
Operating Deficit Reserve (FHFC)				\$0	\$0
Operating Deficit Reserve (Lender)				\$0	\$0
Operating Deficit Reserve (Syndicator)	\$546,000	\$771,958	\$771,958	\$4,886	\$771,958
Debt Service Coverage Reserve (FHFC)				\$0	\$0
Debt Service Coverage Reserve (Lender)				\$0	\$0
Debt Service Coverage Reserve (Syndicator)				\$0	\$0
Replacement Reserves (FHFC)				\$0	\$0
Replacement Reserves (Lender)				\$0	\$0
Replacement Reserves (Syndicator)				\$0	\$0
Reserves - Start-Up/Lease-up Expenses				\$0	\$0
Reserves - Working Capital				\$0	\$0
<b>Total Reserve Accounts:</b>	<b>\$546,000</b>	<b>\$771,958</b>	<b>\$771,958</b>	<b>\$4,886</b>	<b>\$771,958</b>

*Notes to Reserve Accounts:*

- Reserves – Operating Deficit is the Operating Deficit Reserve (“ODR”) required by the Syndicator, R4 Capital.

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

In exchange for receiving funding from the Corporation, the Corporation reserves the authority to restrict the disposition of any funds remaining in any operating deficit reserve(s) after the term of the reserve’s original purpose has terminated or is near termination. Authorized disposition uses are limited to payments towards any outstanding loan balances of the Development funded from the Corporation, any outstanding Corporation fees, any unpaid costs incurred in the completion of the Development (i.e., deferred Developer Fee), the Development’s capital replacement reserve account (provided, however, that any operating deficit reserve funds deposited to the replacement reserve account will not replace, negate, or otherwise be considered an advance payment or pre-funding of the Applicant’s obligation to periodically fund the replacement reserve account), the reimbursement

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

TOTAL DEVELOPMENT COSTS	Applicant Costs	Revised Applicant Costs	Underwriters Total Costs - CUR	Cost Per Unit	HC Ineligible Costs - CUR
<b>TOTAL DEVELOPMENT COSTS:</b>	\$56,709,250	\$55,558,583	\$55,501,646	\$351,276	\$7,441,009

*Notes to the Total Development Costs:*

1. Per RFA 2023-205, Total Development Cost (“TDC”) is limited on a per unit basis based on the construction type of the units as indicated by the Applicant. The Applicant has indicated a construction type of Mid-Rise (4 stories) – Non-ESSC Construction, which had a maximum allowable per unit cost of \$339,200.00 . Per an analysis of the approved development costs identified in this report, the costs presented do not exceed the maximum allowable TDC per the RFA.
2. Total Development Costs have decreased by \$1,207,604, from \$56,709,250 in the application to \$55,501,646, primarily due to decreases in construction costs and developer fees.

SAIL, ELI, AND HC CREDIT UNDERWRITING REPORT

SMG

Operating Pro Forma

OPERATING PRO FORMA		ANNUAL	PER UNIT
INCOME	Gross Potential Rental Income	\$2,615,148	\$16,552
	Rent Subsidy (ODR)	\$0	\$0
	Other Income:		
	Ancillary Income-Parking	\$0	\$0
	Miscellaneous	\$49,296	\$312
	Gross Potential Income	\$2,664,444	\$16,864
	Less:		
	Economic Loss - Percentage: 0.0%	\$0	\$0
	Physical Vacancy Loss - Percentage: 4.0%	(\$106,578)	(\$675)
	Collection Loss - Percentage: 1.0%	(\$26,644)	(\$169)
<b>Total Effective Gross Revenue</b>		\$2,531,222	\$16,020
EXPENSES	Fixed:		
	Ground Lease	\$0	\$0
	Sub-Ground Lease	\$0	\$0
	Real Estate Taxes	\$11,850	\$75
	Insurance	\$311,892	\$1,974
	Other Ground Rent	\$0	\$0
	Variable:		
	Management Fee - Percentage: 3.8%	\$95,229	\$603
	General and Administrative	\$59,250	\$375
	Payroll Expenses	\$237,000	\$1,500
	Utilities	\$142,200	\$900
	Marketing and Advertising	\$7,900	\$50
	Maintenance and Repairs	\$118,500	\$750
	Grounds Maintenance and Landscaping	\$0	\$0
	Resident Programs	\$10,000	\$63
	Other- Compliance Monitoring	\$3,860	\$24
	Reserve for Replacements	\$47,400	\$300
<b>Total Expenses</b>		\$1,045,081	\$6,614
<b>Net Operating Income</b>		\$1,486,141	\$9,406
<b>Debt Service Payments</b>			
DEBT SERVICE	First Mortgage - HFA Leon Co MMRN / R4 Funding	\$1,094,005	\$6,924
	Second Mortgage - FHFC SAIL/ELI	\$54,347	\$344
	Third Mortgage - City of Tallahassee HOME-ARP	\$96	\$1
	Fourth Mortgage - EA LLC Self-Sourced	\$230,975	\$1,462
	All Other Mortgages -	\$0	\$0
	First Mortgage Fees - HFA Leon Co MMRN / R4 Funding	\$55,356	\$350
	Second Mortgage Fees - SAIL/ELI	\$12,622	\$80
	Third Mortgage Fees - City of Tallahassee HOME-ARP	\$0	\$0
	Fourth Mortgage Fees - EA LLC Self-Sourced	\$0	\$0
	All Other Mortgages Fees -	\$0	\$0
	<b>Total Debt Service Payments</b>		\$1,447,400
<b>Cash Flow After Debt Service</b>		\$38,741	\$245

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

**SMG**

<b>Debt Service Coverage Ratios</b>	
DSC - First Mortgage plus Fees	1.293
DSC - Second Mortgage plus Fees	1.222
DSC - Third Mortgage plus Fees	1.222
DSC - Fourth Mortgage plus Fees	1.027
DSC - All Mortgages and Fees	1.027

<b>Financial Ratios</b>	
Operating Expense Ratio	41.3%
Break-Even Ratio	93.7%

*Notes to the Operating Pro forma and Ratios:*

- The Development will be utilizing SAIL, ELI and 4% Housing Credits which will impose rent restrictions. Lake Bradford Apartments is projected to achieve 2024 Maximum Allowable HC Rents published by Florida Housing on all units based upon the Appraiser’s estimate of achievable rents per comparable properties surveyed. However, the Development received approval from the THA for Project-Based Voucher (“PBV”) assistance for 39 of the 158 units for a term of no less than 15 years. The City of Tallahassee HOME-ARP units (5 units) are all at 30% AMI or below and are all Project Based Voucher units. The rent roll below reflects the anticipated PBV rents that will be in place when the building is placed in service. The Applicant engaged Diamond Property Consultants, Inc. who engaged Enercon Services, Inc. to prepare a Utility Allowance Energy Consumption Model Estimate. This model was approved by Florida Housing on March 14, 2024. The model reflects the residents paying for electricity and the Applicant paying for gas, water, sewer, trash and all other utilities.

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

Leon County: Tallahassee HMFA:

Bed Rooms	Bath Rooms	Units	Square Feet	AMI%	Low HOME Rents	High HOME Rents	Gross HC Rent	Utility Allow.	Net Restricted Rents	PBRA Contr Rents	Applicant Rents	Appraiser Rents	CU Rents	Annual Rental Income
1	1.0	2	703	30%			\$499	\$71	\$428	\$1,241	\$1,241	\$1,241	\$1,241	\$29,784
1	1.0	3	703	30%*			\$499	\$71	\$428	\$1,241	\$1,241	\$1,241	\$1,241	\$44,676
1	1.0	2	703	60%			\$998	\$71	\$927		\$927	\$927	\$927	\$22,248
1	1.0	11	703	70%			\$1,164	\$71	\$1,093		\$1,093	\$1,093	\$1,093	\$144,276
1	1.0	2	703	80%			\$1,331	\$71	\$1,260		\$1,260	\$1,260	\$1,260	\$30,240
2	2.0	22	919	30%			\$599	\$83	\$516	\$1,397	\$1,397	\$1,397	\$1,397	\$368,808
2	2.0	1	919	30%*			\$599	\$83	\$516	\$1,397	\$1,397	\$1,397	\$1,397	\$16,764
2	2.0	9	919	60%			\$1,198	\$83	\$1,115		\$1,115	\$1,115	\$1,115	\$120,420
2	2.0	51	919	70%			\$1,398	\$83	\$1,315		\$1,315	\$1,315	\$1,315	\$804,780
2	2.0	9	919	80%			\$1,598	\$83	\$1,515		\$1,515	\$1,515	\$1,515	\$163,620
3	2.0	10	1,150	30%			\$691	\$94	\$597	\$1,793	\$1,793	\$1,793	\$1,793	\$215,160
3	2.0	1	1,150	30%*			\$691	\$94	\$597	\$1,793	\$1,793	\$1,793	\$1,793	\$21,516
3	2.0	6	1,150	60%			\$1,383	\$94	\$1,289		\$1,289	\$1,289	\$1,289	\$92,808
3	2.0	25	1,150	70%			\$1,614	\$94	\$1,520		\$1,520	\$1,520	\$1,520	\$456,000
3	2.0	4	1,150	80%			\$1,845	\$94	\$1,751		\$1,751	\$1,751	\$1,751	\$84,048
		158	151,508											\$2,615,148

- Miscellaneous income was based on the Appraiser’s estimates that included associated with retained deposits, application fees, transfer fees, month to month fees, pet fees, etc.

3. Seltzer utilized a physical vacancy of 4.00% and a 1.00% collection loss, which is more conservative than the Appraiser's estimate.
4. Real estate tax expense is based on the Applicant's estimate. As noted in the "Additional Information" section of this report, the Applicant has indicated the Development will qualify for tax exemption under Florida Statute 196.199(2) and has indicated a Tax Accountant will provide an opinion confirming qualification for the tax exemption prior to Closing. Confirmation of the Development qualifying for the tax exemption is a condition to close.
5. Insurance expense is based on the Appraiser's and the Applicant's estimate.
6. Management Fees are based upon the executed Management Agreement provided by the Applicant that reflects a management fee in the amount of 3.5% of the gross receipts plus an annual compliance services fee of \$42 per unit per year paid monthly for an overall Management Fee percentage of 3.8%.
7. General Administrative Costs are based on the Applicant's estimate.
8. Grounds maintenance expense is included in the maintenance and repairs line item.
9. Residential Program Costs are based on the Applicant's estimate.
10. Replacement Reserves in the amount of \$300 per unit per year meet RFA and Rule requirements. The Syndicator requires an annual escalation by 3%.
11. Other operating expense estimates are based on comparable properties and are supported by the appraisal.
12. A 15-year income and expense projection reflects increasing debt service coverage ("DSC") in years 1-3, decreasing in year 4 and increasing in years 5-15. The projections reflect income increasing at an annual rate of 2% and expenses increasing at an annual rate of 3%. This projection is attached to this report as Exhibit 1.

**SMG**

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**Section B**

**Loan Conditions**

**HC Allocation Recommendation and Contingencies**

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**OCTOBER 9, 2024**

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. Confirmation that all the items identified as Recognized Environmental Conditions in Terracon Consultants, Inc's Phase I and Phase II Environment Assessment Reports (i.e., Soil Mitigation Plan, permanent two-inch monitoring well) have been resolved.
  - Confirmation from the Permitting Office that items identified in the Environmental Reports are satisfactorily addressed and permits can be issued.
2. Receipt of an updated Operating Agreement for ECG Lake Bradford LP that reflects the organizational structure and ownership percentages noted in the Applicant's revised Principal Disclosure statement (adding THA Lake Bradford, LLC as a General Partner).
3. Receipt of an executed Assignment and Assumption of Purchase and Sale Agreement transitioning the purchase and ownership of the land from the Applicant to THA that is not substantially different than the Draft utilized in this credit underwriting report.
4. Receipt of an executed Ground Lease that is not substantially different than the Draft utilized in this credit underwriting report.
5. Confirmation from a Tax Accountant opinion that the Development will qualify for tax exemption under Florida Statute 196.199(2).
6. Receipt of FHFC's approval of the Tenant Selection Plan.
7. Confirmation from FHFC Counsel that Substantial User issues are not applicable to the transaction.

General Conditions

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

1. Borrower to comply with any and all recommendations noted in the Plan and Cost Review.
2. Signed and sealed survey, dated within 90 days of closing, unless otherwise approved by Florida Housing, and its Legal Counsel, based upon the particular circumstances of the transaction. The Survey shall be certified to Florida Housing and its Legal Counsel, as well as the title insurance company, and shall indicate the legal description, exact boundaries of the Development, easements, utilities, roads, and means of access to public streets, total acreage and flood hazard area, and any other requirements of Florida Housing.
3. Final "as permitted" (signed and sealed) site plans, building plans and specifications. The geotechnical report, if any, must be bound within the final plans and specifications.
4. Building permits and any other necessary approvals and permits (e.g., final site plan approval, water management district, Department of Environmental Protection, Army Corps of Engineers, Department of Transportation, etc.). Acceptable alternatives to this requirement are receipt and

satisfactory review of a letter from the local permitting and approval authority that the above referenced permits and approvals will be issued upon receipt of applicable fees (with no other conditions), or evidence of 100% lien-free completion, if applicable. If a letter is provided, copies of all permits will be required as a condition of the first post-closing draw.

5. Final sources and uses of funds itemized by source and line item, in a format and in amounts approved by the Servicer. A detailed calculation of the construction interest based on the final draw schedule (see below), documentation of the closing costs, and draft loan closing statement must also be provided. The sources and uses of funds schedule will be attached to the Loan Agreement as the approved Development budget.
6. A final construction draw schedule showing itemized sources and uses of funds for each monthly draw. SAIL and ELI Loan Proceeds shall be disbursed pro rata with other funding sources during the construction or rehabilitation phase, unless otherwise approved by the Credit Underwriter. The closing draw shall include appropriate backup and ACH wiring instructions.
7. Construction Period Developer Fee shall be the lessor of i) 50% of the Total Developer Fee or ii) the Total Developer Fee less the Deferred Developer Fee listed in the Sources and Uses for the construction period, as calculated by the Servicer. At closing, a maximum of 35% of the Construction Period Developer Fee may be funded. Remaining Construction Period Developer Fee will be disbursed during construction/rehabilitation on a pro rata basis, based on the percentage of completion of the development, as approved and reviewed by FHFC and Servicer.

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

8. Evidence of insurance coverage pursuant to the Request for Application governing this proposed transaction and, if applicable, the FHFC Insurance Guide.
9. The General Contractor shall secure a payment and performance bond equal to 100% of the total construction cost listing FHFC as co-obligee, whose terms do not adversely affect the Corporation's interest, issued in the name of the General Contractor, from a company rated at least "A-" by A.M. Best & Co., or a Corporation-approved alternate security for the General Contractor's performance such as a Letter of Credit ("LOC") issued by a financial institution with a senior long term (or equivalent) credit rating of at least "Baa3" by Moody's, or at least "BBB-" by Standard & Poor's or Fitch, or a financial rating of at least 175 by IDC Financial Publishing. The LOC must include "evergreen" language and be in a form satisfactory to Florida Housing, its Servicer and its Legal Counsel.
10. Architect, Construction Consultant, and Borrower certifications on forms provided by Florida Housing will be required for both design and as-built with respect to Section 504 of the Rehabilitation Act, the Americans with Disabilities Act ("ADA"), and Federal Fair Housing Act requirements, as applicable.
11. A copy of an Amended and Restated Operating Agreement reflecting purchase of the HC under terms consistent with the assumptions contained within this Credit Underwriting Report. The Amended and Restated Operating Agreement shall be in a form and of financial substance satisfactory to Servicer and to FHFC and its Legal Counsel.



12. Satisfactory resolution of any outstanding past due and/or noncompliance items.
13. Payment of any outstanding arrearages to the Corporation, its Legal Counsel, Servicer or any agent or assignee of the Corporation for past due issues applicable to the Development team (Applicant or Developer or Principal, Affiliate or Financial Beneficiary, as described in 67-21.0025 (5) 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 SAIL and ELI 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 SAIL and ELI 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 Operating Agreement or other applicable agreement. Florida Housing shall be satisfied in its sole discretion that all legal and program requirements for the Loans have been satisfied.
6. Evidence of insurance coverage pursuant to the Request for Application governing this proposed transaction and, if applicable, the FHFC Insurance Guide.
7. Receipt of a legal opinion from the Borrower's Legal Counsel acceptable to Florida Housing addressing the following matters:
  - a. The legal existence and good standing of the Borrower and of any partnership or limited liability company that is the general partner of the Borrower (the "GP") and of any corporation or partnership that is the managing general partner of the GP, of any corporate guarantor and any manager;
  - b. Authorization, execution, and delivery by the Borrower and the guarantors, of all Loan documents;
  - 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, 420.5087 and 420.509, Florida Statutes, Rule Chapters 67-21, 67-48, 67-53, and 67-60, F.A.C., RFA 2023-205, 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 SAIL and ELI 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 Extended Low Income Housing Agreement(s).
3. If applicable, receipt and satisfactory review of Financial Statements from all Guarantors dated within 90 days of Real Estate Closing.

4. Guarantors are to provide the standard FHFC Construction Completion Guaranty, to be released upon lien free completion as approved by the Servicer.
5. Guarantors for the SAIL are to provide the standard FHFC Operating Deficit Guaranty. If requested in writing by the Applicant, Servicer will consider a recommendation to release the Operating Deficit Guaranty if all conditions are met, including achievement of a 1.15 DSC on the combined permanent first mortgage and SAIL as determined by FHFC or its Servicer, and 90% Occupancy and 90% of Gross Potential Rental Income net of utility allowances, if applicable, for a period equal to twelve (12) consecutive months, all certified by an independent Certified Public Accountant (“CPA”) and verified by the Servicer. The calculation of the debt service coverage ratio shall be made by 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. Guarantors are to provide the standard FHFC Environmental Indemnity Guaranty.
7. Guarantors are to provide the standard FHFC Guaranty of Recourse Obligations.
8. A mortgagee title insurance lender’s policy naming Florida Housing as the insured second and third 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.
9. 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.
10. 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 \$48,111 (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 year, increasing 3% per unit per year thereafter. The initial Replacement Reserve will have limitations on the ability to be drawn. New construction or Redevelopment Developments (with or without acquisition) shall not be allowed to draw during the first five years or until the establishment of a minimum balance equal to the accumulation of five years of replacement reserves per unit.

The amount established as a Replacement Reserve shall be adjusted based on a Capital Needs Assessment (“CNA”) to be received by the Corporation or its servicers, prepared by an independent third party and acceptable to the Corporation and its servicers at the time the CNA is required, beginning no later than the 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.

11. 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.
12. Under the Lake Bradford Apartments 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 the RFA and Rule minimum requirement.
13. Satisfactory completion of a pre-loan closing compliance audit conducted by Florida Housing or its Servicer, if applicable.
14. Closing of all funding sources prior to or simultaneous with the closing of the SAIL/ELI loan.
15. Any other reasonable requirements of the Servicer, Florida Housing or its Legal Counsel.

## **Housing Credit Allocation Recommendation**

Seltzer Management Group, Inc. recommends a preliminary annual Housing Credit allocation of \$2,499,153. Please see the HC Allocation Calculation section of this report for further details.

### **Contingencies**

The HC allocation recommendation is contingent upon the receipt and satisfactory review of the following items by SMG and the Florida Housing Finance Corporation by the deadline established in the Preliminary HC Allocation. Failure to submit these items within this time frame may result in forfeiture of the HC Allocation.

1. All items listed under the Special Conditions section of the Loan Conditions to Close.
2. Satisfactory resolution of any outstanding past due items and/or noncompliance items.
3. Any reasonable requirements of Florida Housing, SMG or its Legal Counsel.

**EXHIBIT I  
LAKE BRADFORD APARTMENTS  
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>																	
<b>INCOME</b>	Gross Potential Rental Income	\$2,615,148	\$2,667,451	\$2,720,800	\$2,775,216	\$2,830,720	\$2,887,335	\$2,945,081	\$3,003,983	\$3,064,063	\$3,125,344	\$3,187,851	\$3,251,608	\$3,316,640	\$3,382,973	\$3,450,632	
	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	\$0
	Miscellaneous	\$49,296	\$50,282	\$51,288	\$52,313	\$53,360	\$54,427	\$55,515	\$56,626	\$57,758	\$58,913	\$60,092	\$61,293	\$62,519	\$63,770	\$65,045	
	Washer/Dryer Rentals	\$0	\$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	\$0
	Rent Concessions	\$0	\$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	\$0
	Gross Potential Income	\$2,664,444	\$2,717,733	\$2,772,088	\$2,827,529	\$2,884,080	\$2,941,761	\$3,000,597	\$3,060,609	\$3,121,821	\$3,184,257	\$3,247,942	\$3,312,901	\$3,379,159	\$3,446,742	\$3,515,677	
	Less:																
	Economic Loss - Percentage:																
	Physical Vacancy Loss - Percentage: 4.0%	(\$106,578)	(\$108,709)	(\$110,884)	(\$113,101)	(\$115,363)	(\$117,670)	(\$120,024)	(\$122,424)	(\$124,873)	(\$127,370)	(\$129,918)	(\$132,516)	(\$135,166)	(\$137,870)	(\$140,627)	
Collection Loss - Percentage: 1.0%	(\$26,644)	(\$27,177)	(\$27,721)	(\$28,275)	(\$28,841)	(\$29,418)	(\$30,006)	(\$30,606)	(\$31,218)	(\$31,843)	(\$32,479)	(\$33,129)	(\$33,792)	(\$34,467)	(\$35,157)		
<b>Total Effective Gross Revenue</b>	<b>\$2,531,222</b>	<b>\$2,581,846</b>	<b>\$2,633,483</b>	<b>\$2,686,153</b>	<b>\$2,739,876</b>	<b>\$2,794,673</b>	<b>\$2,850,567</b>	<b>\$2,907,578</b>	<b>\$2,965,730</b>	<b>\$3,025,044</b>	<b>\$3,085,545</b>	<b>\$3,147,256</b>	<b>\$3,210,201</b>	<b>\$3,274,405</b>	<b>\$3,339,893</b>		
<b>EXPENSES</b>	<b>Fixed:</b>																
	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	\$11,850	\$12,206	\$12,572	\$12,949	\$13,337	\$13,737	\$14,150	\$14,574	\$15,011	\$15,462	\$15,925	\$16,403	\$16,895	\$17,402	\$17,924	
	Insurance	\$311,892	\$321,249	\$330,886	\$340,813	\$351,037	\$361,568	\$372,415	\$383,588	\$395,095	\$406,948	\$419,157	\$431,731	\$444,683	\$458,024	\$471,765	
	Other	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
	<b>Variable:</b>																
	Management Fee - Percentage: 3.8%	\$95,229	\$97,133	\$99,076	\$101,058	\$103,079	\$105,140	\$107,243	\$109,388	\$111,576	\$113,807	\$116,083	\$118,405	\$120,773	\$123,189	\$125,652	
	General and Administrative	\$59,250	\$61,028	\$62,858	\$64,744	\$66,686	\$68,687	\$70,748	\$72,870	\$75,056	\$77,308	\$79,627	\$82,016	\$84,476	\$87,011	\$89,621	
	Payroll Expenses	\$237,000	\$244,110	\$251,433	\$258,976	\$266,746	\$274,748	\$282,990	\$291,480	\$300,225	\$309,231	\$318,508	\$328,063	\$337,905	\$348,042	\$358,484	
	Utilities	\$142,200	\$146,466	\$150,860	\$155,386	\$160,047	\$164,849	\$169,794	\$174,888	\$180,135	\$185,539	\$191,105	\$196,838	\$202,743	\$208,825	\$215,090	
	Marketing and Advertising	\$7,900	\$8,137	\$8,381	\$8,633	\$8,892	\$9,158	\$9,433	\$9,716	\$10,007	\$10,308	\$10,617	\$10,935	\$11,264	\$11,601	\$11,949	
	Maintenance and Repairs	\$118,500	\$122,055	\$125,717	\$129,488	\$133,373	\$137,374	\$141,495	\$145,740	\$150,112	\$154,616	\$159,254	\$164,032	\$168,953	\$174,021	\$179,242	
	Grounds Maintenance and Landscaping	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
	Resident Programs	\$10,000	\$10,300	\$10,609	\$10,927	\$11,255	\$11,593	\$11,941	\$12,299	\$12,668	\$13,048	\$13,439	\$13,842	\$14,258	\$14,685	\$15,126	
	Contract Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
	Security	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
	Other-Compliance Monitoring	\$3,860	\$3,976	\$4,095	\$4,218	\$4,344	\$4,475	\$4,609	\$4,747	\$4,890	\$5,036	\$5,188	\$5,343	\$5,503	\$5,669	\$5,839	
	Reserve for Replacements	\$47,400	\$48,822	\$50,287	\$51,795	\$53,349	\$54,950	\$56,598	\$58,296	\$60,045	\$61,846	\$63,702	\$65,613	\$67,581	\$69,608	\$71,697	
<b>Total Expenses</b>	<b>\$1,045,081</b>	<b>\$1,075,481</b>	<b>\$1,106,774</b>	<b>\$1,138,986</b>	<b>\$1,172,145</b>	<b>\$1,206,279</b>	<b>\$1,241,416</b>	<b>\$1,277,586</b>	<b>\$1,314,820</b>	<b>\$1,353,149</b>	<b>\$1,392,605</b>	<b>\$1,433,222</b>	<b>\$1,475,035</b>	<b>\$1,518,078</b>	<b>\$1,562,389</b>		
<b>Net Operating Income</b>	<b>\$1,486,141</b>	<b>\$1,506,365</b>	<b>\$1,526,709</b>	<b>\$1,547,166</b>	<b>\$1,567,730</b>	<b>\$1,588,394</b>	<b>\$1,609,151</b>	<b>\$1,629,992</b>	<b>\$1,650,910</b>	<b>\$1,671,896</b>	<b>\$1,692,940</b>	<b>\$1,714,034</b>	<b>\$1,735,166</b>	<b>\$1,756,327</b>	<b>\$1,777,505</b>		
<b>Debt Service Payments</b>																	
<b>DEBT SERVICE</b>	First Mortgage - HFA Leon Co MMRN / R4 Funding	\$1,094,005	\$1,094,005	\$1,094,005	\$1,231,102	\$1,231,102	\$1,231,102	\$1,231,102	\$1,231,102	\$1,231,102	\$1,231,102	\$1,231,102	\$1,231,102	\$1,231,102	\$1,231,102	\$1,231,102	
	Second Mortgage - FHFC SAIL/ELI	\$54,347	\$54,347	\$54,347	\$54,347	\$54,347	\$54,347	\$54,347	\$54,347	\$54,347	\$54,347	\$54,347	\$54,347	\$54,347	\$54,347	\$54,347	
	Third Mortgage - City of Tallahassee HOME-ARP	\$96	\$96	\$96	\$96	\$96	\$96	\$96	\$96	\$96	\$96	\$96	\$96	\$96	\$96	\$96	
	Fourth Mortgage - EA LLC Self-Sourced	\$230,975	\$230,975	\$230,975	\$230,975	\$230,975	\$230,975	\$230,975	\$230,975	\$230,975	\$230,975	\$230,975	\$230,975	\$230,975	\$230,975	\$230,975	
	All Other Mortgages -	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
	First Mortgage Fees - HFA Leon Co MMRN / R4 Funding	\$55,356	\$55,551	\$55,751	\$55,958	\$56,169	\$56,383	\$56,599	\$56,817	\$57,037	\$57,259	\$57,483	\$57,709	\$57,937	\$58,167	\$58,398	
	Second Mortgage Fees - SAIL/ELI	\$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 - City of Tallahassee HOME-ARP	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
	Fourth Mortgage Fees - EA LLC Self-Sourced	\$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>	<b>\$1,447,400</b>	<b>\$1,447,595</b>	<b>\$1,447,796</b>	<b>\$1,585,100</b>	<b>\$1,584,944</b>	<b>\$1,584,773</b>	<b>\$1,584,586</b>	<b>\$1,584,383</b>	<b>\$1,584,163</b>	<b>\$1,583,923</b>	<b>\$1,583,664</b>	<b>\$1,583,383</b>	<b>\$1,583,079</b>	<b>\$1,582,752</b>	<b>\$1,582,398</b>		
<b>Cash Flow After Debt Service</b>	<b>\$38,741</b>	<b>\$58,770</b>	<b>\$78,913</b>	<b>(\$37,934)</b>	<b>(\$17,213)</b>	<b>\$3,622</b>	<b>\$24,565</b>	<b>\$45,609</b>	<b>\$66,747</b>	<b>\$87,973</b>	<b>\$109,277</b>	<b>\$130,651</b>	<b>\$152,087</b>	<b>\$173,575</b>	<b>\$195,107</b>		
<b>Debt Service Coverage Ratios</b>																	
DSC - First Mortgage plus Fees	1.293	1.310	1.328	1.202	1.218	1.234	1.251	1.267	1.284	1.300	1.317	1.334	1.350	1.367	1.384		
DSC - Second Mortgage plus Fees	1.222	1.238	1.255	1.143	1.158	1.173	1.189	1.204	1.220	1.236	1.252	1.267	1.283	1.299	1.315		
DSC - Third Mortgage plus Fees	1.222	1.238	1.255	1.143	1.158	1.173	1.189	1.204	1.220	1.236	1.252	1.267	1.283	1.299	1.315		
DSC - Fourth Mortgage plus Fees	1.027	1.041	1.055	0.976	0.989	1.002	1.016	1.029	1.042	1.056	1.069	1.083	1.096	1.110	1.123		
DSC - All Mortgages and Fees	1.027	1.041	1.055	0.976	0.989	1.002	1.016	1.029	1.042	1.056	1.069	1.083	1.096	1.110	1.123		
<b>Financial Ratios</b>																	
Operating Expense Ratio	41.3%	41.7%	42.0%	42.4%	42.8%	43.2%	43.5%	43.9%	44.3%	44.7%	45.1%	45.5%	45.9%	46.4%	46.8%		
Break-Even Ratio	93.7%	93.0%	92.3%	96.5%	95.8%	95.1%	94.4%	93.7%	93.1%	92.4%	91.8%	91.2%	90.7%	90.2%	89.6%		

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LAKE BRADFORD APARTMENTS  
RFA 2023-205 (2024-028S) / 2023-522C  
DESCRIPTION OF FEATURES AND AMENITIES

A. The Development will consist of:

158 Units located in 1 Mid-Rise residential building

Unit Mix:

Twenty (20) one bedroom/one bath units:

Ninety-two (92) two bedroom/two bath units;

Forty-six (46) three bedroom/two bath units;

158 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;
- 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

  X   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. Homeownership Opportunity Program - Applicant commits to provide a financial incentive which includes the following provisions:

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

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.

## COMPLETENESS AND ISSUES CHECKLIST

DEVELOPMENT NAME: Lake Bradford Apartments

DATE: October 9, 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.	
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, Borrower, general partner, principals, guarantors and general contractor.	Satis.	

**SAIL, ELI, 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.	UnSatis.	2

**NOTES AND APPLICANT’S RESPONSES:**

**1. Environmental Site Assessment**

- a. Confirmation that all the items identified as Recognized Environmental Conditions in Terracon Consultants, Inc’s Phase I and Phase II Environment Assessment Reports (i.e., Soil Mitigation Plan, permanent two-inch monitoring well) have been resolved.
  - Confirmation from the Permitting Office that items identified in the Environmental Reports are satisfactorily addressed and permits can be issued.

Response: To be provided as a condition to close.

**2. Additional Items Required by Underwriter**

- a. Receipt of an updated Operating Agreement for ECG Lake Bradford LP that reflects the organizational structure and ownership percentages noted in the Applicant’s revised Principal Disclosure statement (adding THA Lake Bradford, LLC as a General Partner).

Response: To be provided as a condition to close.

- b. Receipt of an executed Assignment and Assumption of Purchase and Sale Agreement transitioning the purchase and ownership of the land from the Applicant to THA that is not substantially different than the Draft utilized in this credit underwriting report.

Response: To be provided as a condition to close.

- c. Receipt of an executed Ground Lease that is not substantially different than the Draft utilized in this credit underwriting report.

Response: To be provided as a condition to close.

- d. Receipt of FHFC's approval of the Tenant Selection Plan.

Response: To be provided as a condition to close.

- e. Confirmation from FHFC Counsel that Substantial User issues are not applicable to the transaction.

Response: To be provided as a condition to close.

**HC Allocation Calculation**

<b>Section I: Qualified Basis Calculation</b>	
Development Cost	\$55,501,646
Less Land Cost	(\$2,325,990)
Less Federal Funds	\$0
Less Other Ineligible Cost	(\$5,115,019)
Less Disproportionate Standard	\$0
<b>Total Eligible Basis</b>	<b>\$48,060,637</b>
Applicable Fraction	100.00%
DDA/QCT Basis Credit	130.00%
<b>Qualified Basis</b>	<b>\$62,478,828</b>
Housing Credit Percentage	4.00%
<b>Annual Housing Credit Allocation</b>	<b>\$2,499,153</b>

*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, and reserves.
2. The Borrower committed to a set aside of 100%. Therefore, SMG has utilized an Applicable Fraction of 100.00%.
3. The Development is not located in a Difficult Development Area (“DDA”) or a Small Area DDA but is located in a Qualified Census Tract (11.01) and a Geographical Area of Opportunity. Therefore, the 130.00% basis credit has been applied to the Eligible Basis.
4. Per the FY 2021 Omnibus Consolidated Appropriations Act passed by Congress as of December 21, 2020, a permanent 4% minimum HC rate was established. For purposes of this report, a HC percentage of 4.00% has therefore been applied.



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

**SMG**

<b>Section II: Gap Calculation</b>	
Total Development Cost (Including Land and Ineligible Costs)	\$55,501,646
Less Mortgages	(\$29,754,350)
Less Grants	\$0
Equity Gap	\$25,747,296
Percentage to Investment Partnership	99.99%
HC Syndication Pricing	\$0.8625
HC Required to Meet Gap	\$29,853,710
Annual HC Required	\$2,985,371

*Notes to the Gap Calculation:*

1. Mortgages include the R4 Funding first mortgage, FHFC SAIL second mortgage, FHFC ELI third mortgage, a City of Tallahassee HOME-ARP fourth mortgage and EA LCC Self-Sourced loan fifth mortgage.
2. HC Syndication Pricing and Percentage to Investment Partnership are based upon the February 5, 2024 (revised August 7, 2024) LOI from R4 Capital.

<b>Section III: Tax-Exempt Bond 50% Test</b>	
Total Depreciable Cost	\$48,060,637
Plus Land Cost	\$2,325,990
Aggregate Basis	\$50,386,627
Tax-Exempt Bond Amount	\$35,000,000
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	\$35,000,000
Proceeds Divided by Aggregate Basis	69.46%

*Notes to 50% Test:*

1. SMG estimates the Tax-Exempt MMRB amount to be 69.46% of Depreciable Development Costs plus Land Acquisition Costs. If, at the time of Final Cost Certification, the Tax-Exempt Bond Amount is less than 50%, developer fees will have to be reduced by an amount to ensure compliance with the 50% Test. That may, in turn, result in a reduction to HC Equity.

Section IV: Summary	
HC per Qualified Basis	\$2,499,153
HC per Gap Calculation	\$2,985,371
Annual HC Recommended	\$2,499,153

*Notes to the Summary:*

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



July 15, 2024

Mr. Tim Kennedy  
Florida Housing Finance Corporation ("FHFC")  
227 N. Bronough Street, Suite 5000  
Tallahassee, FL 32301  
[Tim.kennedy@floridahousing.org](mailto:Tim.kennedy@floridahousing.org)

**Subject: Legacy Park II (2023-220BR / 2022-448C) (the "Application") – Firm Loan Commitment Extension Request**

Dear Mr. Kennedy:

HTG Legacy II, Ltd. (the "Applicant"), hereby requests approval from FHFC for one (1) extension of up to six (6) months to secure a firm loan commitment on the SAIL and ELI Loans.

The Applicant timely submitted the Application in response to RFA 2023-304 – Rental Recovery Loan Program (RRLP) Financing to be Used for Rental Developments in Hurricane Ian and Hurricane Nicole Impacted Counties. The Applicant received an Invitation to Credit Underwriting dated August 29, 2023 ("Invitation") and accepted the Invitation on September 1, 2023.

**A. The Request:**

The Applicant is hereby requesting FHFC to approve a 6-month extension to obtain a firm loan commitment as per Rule 67-48.0072(21)(b) and set the new deadline as March 1, 2025.

**B. Considerations:**

The Applicant has applied for Lee County CDBG-DR funding to develop an additional 50 units and increase the total unit count for Legacy Park II from 80 to 130 units. Delivering more affordable units to Lee County which experienced one of the most destructive hurricanes in United States history. The increase in units has required the applicant to revise the plans and specs to accommodate the 50 more units. Ultimately, delaying credit underwriting, site plan approval and permit ready letter. The initial 12-month period to obtain a firm commitment ends on August 29, 2024.

If this request is approved, the Applicant shall submit, as per Rule 67-48.0072(21)(b), the 1% extension fee of the RRLP and ELI Loan amounts, equal to \$89,506.00.

The Applicant greatly appreciates FHFC's attention to this matter. Please let our team know if you have any further questions.

Sincerely,

**HTG Legacy II, Ltd.**  
A Florida limited partnership

By: HTG Legacy II SLP, LLC  
a Florida limited liability company,  
its Special Limited Partner

By:   
Matthew Rieger, Manager



**SMITH & HENZY**  
AFFORDABLE GROUP

98 SE 6<sup>TH</sup> AVENUE  
DELRAY BEACH, FLORIDA 33483

TELEPHONE: (561) 859-8520  
DSMITH@SMITHHENZY.COM  
WWW.SMITHHENZY.COM

September 4, 2024

Melissa Levy  
Assistant Director of Multifamily Programs  
Florida Housing Finance Corporation  
227 N. Bronough St., Suite 5000  
Tallahassee, FL 32301

Re: Lofts on Lemon Phase II (2023-201R/2022-544C) – Extension Request

Dear Ms. Levy,

Please accept this letter as our formal request for a six-month extension for submission of the Credit Underwriting Report (“CUR”), closing of tax credit partnership, and construction commencement. Per the Invitation to Credit Underwriting, the firm loan commitment must be issued by the date of the Board of Directors meeting immediately following twelve (12) months after the Applicant is invited to enter credit underwriting, which in this case would be the October board meeting. We have continued to make progress in the pre-construction phase, but we are not able to provide the CUR by August 31, 2024, to make this meeting. Specifically, this development has run into delays caused by design, permitting and construction costs. Lofts on Lemon Phase II is the second phase of Lofts on Lemon which requires coordinated planning to accommodate the existing phase I development on the same site. Moreover, an underground sewer main needs to be relocated and FPL overhead lines need to be routed underground. Based on the above and other factors, the development also changed from a proposed high rise to midrise development to make it financially feasible.

Upon approval of the six-month extension, we will submit the non-refundable extension fee totaling \$106,571 and the CUR would then be due by February 28, 2025.

We will keep you up to date as to the status of the development and inform you immediately if circumstances warrant altering this timeline. If you should have any questions, please do not hesitate to contact me.

Sincerely,

Darren Smith, Authorized Representative  
Lofts on Lemon II, LLC



# LANDINGS AT SUGARLOAF KEY

*Building Livable Places for Working Families*

Post Office Box 343529, 19308 SW 380<sup>th</sup> Street, Florida City, FL 33034

Telephone 305-242-2142 Facsimile 305-242-2143

September 24<sup>th</sup>, 2024

Mr. Tim Kennedy  
Florida Housing Finance Corporation  
227 N. Bronough Street, Suite 5000  
Tallahassee, FL 32310

Re: Landings at Sugarloaf Key 2024-064CS

Dear Mr. Kennedy:


Rural Neighborhoods, Incorporated (Developer) and The Landings at Sugarloaf Key, LLC (Applicant) received an Invitation to Credit Underwriting on September 15<sup>th</sup>, 2023, and by rule were required to obtain a Firm Loan commitment within 12 months of receipt. Per the invitation and rule, applicants may request one extension of up to six months to secure a firm loan commitment at a charge of 1% of the loan amount. The Developer and the Applicant request such an extension until March 15<sup>th</sup>, 2025.

The parties have undertaken significant actions to bring construction costs into alignment. Bids from five licensed Florida general contractors were obtained representing a broad price range; the highest bid, for example, exceeded the selected bid by more than 65%. Managing construction prices in the Lower Florida Keys market has proved challenging given the limited number of trades and sources of critical materials such as concrete causing repeated approaches to various builders. The Developer has also consulted with its design consultants to value engineer plans to make the project more feasible while maintaining ESS construction. It defers additional Developer Fees below those prescribed in the Viability Funding RFA to further bring the project to fruition. Rural Neighborhoods and its co-developers have now selected an experienced GC to carry out construction enabling it to move ahead with credit underwriting.

In addition, economic conditions beginning at the time of the Invitation to the Firm Commitment until its recent due date (i.e. September 2023 – July 2024) impeded progress. Federal funds rates rose three (3) percentage points during the above interval until the recent 50 basis point drop on September 18<sup>th</sup>. Impact of ever increasing construction and permanent loan interest coupled with lower housing credit pricing limited The Landings at Sugarloaf Key's ability to secure suitable third party financial commitments throughout the planned credit underwriting period. The recent drop in Federal funds rate together with those forecast in November 2024 provide an improved economic climate to secure feasible debt and equity capital.

I urge FHFC to recognize the parties exercised prudent and continuous actions to maintain the underwriting schedule to the best of our abilities. The requested extension will aid in providing the much needed affordable rental housing in Monroe County. I look forward to providing any clarification that is required. Please telephone me at 305-242-2188 if I can be of assistance.

Sincerely,



Steven Kirk  
President





September 17, 2024

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

RE: Gardens at Casa Familia, RFA 2023-106, 2023-185CGN  
DD Grant and NHTF Loan Commitment Extension Request

Dear Mr. Kennedy:

I hope this message finds you well.

I am writing regarding the Gardens at Casa Familia project (Gardens), the proposed second phase of a multi-phase developmental disabilities affordable housing community situated in Miami-Dade County. We are respectfully seeking a waiver from Exhibit J(1)(d) of the RFA such that an extension to June 30, 2025 of the Firm Loan Commitment for the \$4,600,000 DD Grant and \$1,600,000 NHTF Loan may be granted.

As you are well aware, Phase I of the project is currently under construction and is anticipated to be completed by the summer of 2025. With the challenges of Phase I being addressed and construction now underway, we have been able to make significant progress with entitlement and design for the Gardens. Our current schedule indicates that we will be ready to close and break ground in quarter two of 2025.

Recently, we engaged a general contractor, an affiliate of Pinnacle, PC Building II, LLC, who was selected during a Special Board Meeting on Monday, July 8, 2024, following a thorough interview process with six firms. PC Building II requires appropriate time for review of construction drawings and bidding before finalizing a GMP Contract.

In addition, we have already engaged our property management company, Royal American Management Company (RAM), and our service provider, United Community options (UCO). Given the substantial progress made and the resolution of previous obstacles, we believe that this extension will enable us to meet all necessary deadlines effectively. We appreciate your understanding and support in this matter.

Should you or your staff have any questions or require further information, please do not hesitate to contact Debbie Lawrence at 954-605-8789 or [dlawrence@casafamiliainc.org](mailto:dlawrence@casafamiliainc.org) or me at 305-342-3160 or [natashalowell6@aol.com](mailto:natashalowell6@aol.com).

Thank you for your continued assistance and consideration of our request.

Sincerely,

Natasha Lowell

Chair

cc: Lisa Walker, FHFC  
Josh Scribner, Seltzer  
Marc Plonskier, Casa Familia, Inc.

Anay Abraham, Casa Familia, Inc.  
Deborah Lawrence, Casa Familia, Inc.

# Osprey Sound Apartments, L.P.

To: Mr. Tim Kennedy  
Multi-Family Loans & Bonds Director  
Florida Housing Finance Corporation  
227 N. Bronough St., Suite 5000  
Tallahassee, FL 32301

From: Osprey Sound Apartments, L.P.

Re: Osprey Sound Apartments; RFA 2023-211; 2021-107B/2023-258V  
Request for Approval to Waive RFA Credit Underwriting Timing Requirement

Dear Mr. Kennedy,

Osprey Sound Apartments, L.P. (the “Applicant”) submitted application no. 2023-258V in response to RFA 2023-221 (the “RFA”) on May 16, 2023, for Osprey Sound Apartments, a new construction affordable housing community to be located at 1 401 D uskin A venue, O rlando, F L 3 2839 ( the “Development” or “Project”). The Development will consist of 100 newly constructed (Mid-Rise 5 to 6-stories) units for Elderly Non-ALF. Unit set-asides at the property will include 30 units restricted at 50% AMI, 52 units restricted at 60% AMI, and 18 units restricted at 70% AMI, for an overall average income below 60% of AMI.

As a result of the Applicant’s RFA application (#2023-258V), the Project was awarded \$4,300,000 of Viability Loan Funding. This is an addition to \$22,380,000 in Corporation-issued Multifamily Mortgage Revenue Bonds and \$1,725,096 annually in 4% Non-Competitive Housing Credits under the original application no. 2021-107b.

The original RFA award required that the Credit Underwriting Report be completed or updated as applicable prior to March 31, 2024 (the “RFA Credit Underwriting Timing Requirement”) (see *RFA, Section 4(a) (Exhibit A items)*). Due to circumstances outside the Applicant’s control, the Applicant was unable to meet the RFA Credit Underwriting Timing Requirement. These reasons were stated in a letter to FHFC dated March 5, 2024, requesting an extension of the RFA Credit Underwriting Timing Requirement to the October 22, 2024, board meeting (the “Adjusted RFA Credit Underwriting Timing Requirement”). Among other things, the letter explained that the need for the extension was caused by delays stemming from interactions with the County. In addition to the County having a backlog, the Development’s required final site plan submission had a few complexities that increased the amount of coordination needed amongst the design team, county reviewers, and others – which delays were compounded by short staffing at Orange County Utilities, the Orlando Utilities Commission, Orange County Traffic, and Orange County Engineering. This extension request was approved by the FHFC Board as a part of the consent agenda at the March 26<sup>th</sup>, 2024, FHFC Board Meeting. This prior approved extension request is attached to this letter as **Exhibit A**.



While the Applicant has worked diligently to meet the Adjusted RFA Credit Underwriting Timing Requirement, forces beyond Applicant's control necessitate a second extension request. Specifically (as it relates to the deadlines set by First Housing in the Credit Underwriting Approval process), due to a high volume of tax credit developments seeking CUW approval at the October 22, 2024, FHFC Board Meeting (*i.e.*, the Adjusted RFA Credit Underwriting Timing Requirement), the deadlines for submission of due diligence to the assigned credit underwriter (First Housing) have been significantly shortened. Below is a summary of the original expected deadlines for due diligence submission, compared with the new deadlines identified by First Housing.

	Expected Deadline	Actual Deadline
Deadline for Due Diligence	08/27/2024	08/02/2024
Deadline for GMP Contract Execution	09/23/2024	08/02/2024
FHFC Board Meeting	10/22/2024	10/22/2024

UDG's timeline for the GMP construction contract was set per the expected timeline and is detailed below:

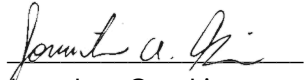
Drawings & Specifications Sent out for Final Bid	07/15/2024
Bid Pricing Due	09/09/2024
Finalize & Execute GMP	09/23/2024

Based on the foregoing changes in deadlines for required submission of due diligence and project documents, the Applicant will need to request a second extension of the RFA Credit Underwriting Timing Requirement. With the knowledge and expectation of the increased timing requirements for due diligence, the Applicant is prepared to achieve full credit underwriting approval by the January 25<sup>th</sup>, 2025, FHFC Board Meeting.

If this request is not granted, the Applicant may be forced to return the award of Viability Loan Funds previously committed to the Development by FHFC in June 2023. If these previously awarded funds are revoked, a new financing gap will be created, and the Development will no longer be financially feasible.

The Applicant has invested a significant amount of time, effort, and capital into the Development and remains committed to bringing the project to fruition. Specifically, the Applicant has invested \$4.025 million of its own capital to purchase the Development site for the project. This investment will ensure that site control is maintained while Applicant completes (1) the building permit review process with Orange County, and (2) the credit underwriting approval process with FHFC. In addition, the Applicant applied for Orange County Housing Trust Funds of \$7 million and expects to be awarded the requested funds in September 2024. Following this award, the Applicant will be fully ready to move forward with the development and construction of the site. If this extension request is not granted, however, the Applicant will be forced to sell the land and abandon the affordable housing project. Abandonment of the Development will undermine the goals set forth in the Orange County Housing for All 10-Year Action Plan and will result in an increase in the deficit of affordable housing available in the community.

Respectfully submitted,

A handwritten signature in cursive script, appearing to read "Jonathan A. Gruskin", written over a horizontal line.

Jonathan Gruskin

Authorized Representative

Exhibit A

# Osprey Sound Apartments, L.P.

Mr. Tim Kennedy  
Multi-Family Loans & Bonds Director  
Florida Housing Finance Corporation  
227 N. Bronough St., Suite 5000  
Tallahassee, FL 32301

*Re: Osprey Sound Apartments; RFA 2023-211; 2021-107B/2023-258V  
Request for Approval to Waive RFA Credit Underwriting Timing Requirement*

Dear Mr. Kennedy,

Osprey Sound Apartments, L.P. (“Applicant”) submitted application no. 2023-258V in response to RFA 2023-211 (the “RFA”) on May 16, 2023 for Osprey Sound Apartments, 1401 Duskin Avenue, Orlando, FL 32839 (the “Development”). The Development will consist of 100 newly constructed (Mid-Rise 5 to 6-stories) units in Orange County. The Applicant was awarded \$4,300,000 of Viability Loan Funding in relation to application no. 2023-258V, as well as \$22,380,000 in Corporation-issued Multifamily Mortgage Revenue Bonds and \$1,725,096 in 4% Non-Competitive Housing Credits (annual amount) under the original application no. 2021-107B. The demographic for the Development is Elderly Non-ALF with a minimum set-aside commitment of 30% at or below 50% AMI, 52% at or below 60% AMI, and 18% at or below 70% AMI. The Developer is Osprey Sound Developer, LLC (“Developer”).

The RFA requires that the Credit Underwriting Report be completed or updated as applicable prior to March 31, 2024 (the “RFA Credit Underwriting Timing Requirement”). *See* RFA, Section 4(a) (Exhibit A Items). Unfortunately, due to circumstances beyond Applicant’s control, Applicant cannot meet the RFA Credit Underwriting Timing Requirement. Specifically:

- Immediately following FHFC’s award of \$4.3 million in viability loan funds to the Development on June 14<sup>th</sup>, 2023, Applicant released the project architect and engineers to complete the full project design scope for the Development.
  - In addition, Applicant’s contract with the project Architect of record included a fee for expediting the development of the building permit submission for the Development. The amount of this fee was \$25,000.
- Following the release of design, a formal Final Site Plan application was submitted to Orange County for review on August 15<sup>th</sup>, 2023. In addition, a formal building permit application was submitted to Orange County on November 1<sup>st</sup> 2023. Since the submission of these applications, Applicant has been working diligently to obtain final site plan and building permit approval from Orange County, yet – despite Applicant’s efforts to diligently progress the process – both applications still remain under review as of today.

- Though Applicant has done its best to push the site plan and building permit approval process forward, Applicant is ultimately subject to the County's rate of speed.
- In addition to the County having a backlog, the Development's required final site plan submission had a few complexities that increased the amount of coordination needed amongst the design team, county reviewers, and others, further slowing progress. Namely:
  - off-site utility improvements, which also necessitated coordination with Orange County Utilities, and the Orlando Utilities Commission;
  - re-striping of a public roadway, and incorporation of a new left turn lane, which required coordination with the Orange County Traffic Department, Orange County Utilities and the Orlando Utilities Commission, to prevent any possible conflicts between new and existing improvements; and
  - division of the site plan into two phases. The re-design of the project into two phases required a complete re-work of the property site layout, while also maintaining the same development impact area, to prevent any disturbance of the protected wetland areas on the northern side of the property.
- Applicant also experienced frequent delays related to having to coordinate meetings with the County, as well as review times.
  - While it is difficult enough to find a meeting time when numerous parties are simultaneously available (generally resulting in a meeting date further out than anticipated), the delay was compounded by short staffing at Orange County Utilities, the Orlando Utilities Commission, Orange County Traffic, and Orange County Engineering.
- Given the current status of review, applicant anticipates receipt of final site plan approval in April 2024, and final approval of building permits by August 2024.
- Because of the importance of capturing building permit comments from the County in the contract scope of work, and the inability of the general contractor to hold pricing for an extended period of time, Applicant cannot execute the guaranteed maximum price ("GMP") construction contract until additional progress has been made on the building permit review process.
  - Applicant expects that the GMP construction contract will be executed approximately three months prior to closing (estimated for Q3 2024).

- Since Applicant cannot commence construction until the building permits have been issued, and since the building permits likely will not be issued until late in 2024, Applicant believes it will be able to close and commence construction in Q4 2024.

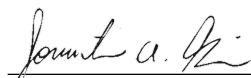
For the foregoing reasons, Applicant cannot satisfy the RFA Credit Underwriting Time Requirement. However, based on the current status of its building permit approval and GMP construction contract, Applicant has a high degree of confidence that it will be in a position to seek formal credit underwriting approval at Florida Housing's October 22, 2024 Board meeting. Applicant therefore seeks approval to extend the RFA Credit Underwriting Timing Requirement accordingly.

If this request is not granted, Applicant may be forced to return the award of Viability Loan Funds previously committed to the Development by FHFC in June 2023. If these previously awarded funds are revoked, a new financing gap will be created, and the Development will no longer be financially feasible.

Applicant has invested a significant amount of time, effort and capital into the Development, and remains committed to bringing the project to fruition. Specifically, Applicant has invested \$4.025 million of its own capital to purchase the Development site. This investment will ensure that site control is maintained while Applicant completes (1) the building permit review process with Orange County, and (2) the credit underwriting approval process with FHFC.

However, if the extension request is not granted, Applicant will be forced to sell the land and abandon the affordable housing project. Abandonment of the Development will undermine the goals set forth in the Orange County Housing for All 10-Year Action Plan, and result in an increase in the deficit of affordable housing available in the community.

Respectfully submitted,



---

Jonathan Gruskin  
Authorized Representative



# POLLYWOG CREEK MEWS, LLC

*Building Livable Places for Working Families*

Post Office Box 343529, 19308 SW 380<sup>th</sup> Street, Florida City, FL 33034  
Telephone 305-242-2142 Facsimile 305-242-2143

September 23<sup>rd</sup>, 2024

Mr. Tim Kennedy  
Florida Housing Finance Corporation  
227 N. Bronough Street, Suite 5000  
Tallahassee, FL 32310

Re: Pollywog Creek Mews 2021-206/2022H and 2023-211/2023-238V CUR Deadline

Dear Mr. Kennedy, et al:

Rural Neighborhoods, Incorporated (Developer) and Pollywog Mews, LLC (Applicant) received a prior waiver under RFA 2023-211 to extend its deadline to October 22<sup>nd</sup>, 2024. The Developer has undertaken significant action to bring construction costs into alignment since that approval: the residential buildings were redesigned to meet various contractor value engineering suggestions and still maintain ESS construction; two additional GCs were solicited to enhance the scarce numbers of interested contractors willing to build in the rural Hendry County market, and RN agreed to defer additional Developer Fees to make the project feasible. This has resulted in the selection of DEC Contracting as a qualified general contractor and our commitment to move the project forward as soon as possible. Nonetheless, these time intensive steps have made meeting the planned firm commitment deadline of October 22<sup>nd</sup> untenable.

This letter serves as a request by Rural Neighborhoods, Incorporated, and Pollywog Creek Mews, LLC to further extend the project until **January 24th, 2025**. To schedule FHFC Board consideration will require completion of all credit underwriting items to First Housing 60-days in advance of the board meeting date to provide FHFC staff 30 days of review prior to the meeting. To meet the January 24<sup>th</sup> meeting deadline will require the submission of all materials to First Housing on or before November 24<sup>th</sup>. In contrast, the requisite third party reviews such as PCA cannot be completed before the October 13<sup>th</sup> deadline of the December 13<sup>th</sup> meeting based on the recent receipt of a viable construction price.

For your information, simultaneous to this request for administrative approval re 2023-211, the Developer and Applicant have filed a Rule Waiver to extend HOME funds also

awarded to the project under *RFA 2021-206 HOME Financing for the Construction of Small Rural Developments*.

I urge FHFC to recognize that parties exercised diligent steps throughout this extension period to maintain the underwriting schedule to the best of our abilities. This effort resulted in a significant reduction of building costs from \$8.3M to \$7.6M making the project viable. I look forward to providing any clarification that is required. Please telephone me at 305-242-2188 if I can be of assistance.

Sincerely,



Steven Kirk  
President

MHP FL IX LLLP

777 Brickell Avenue, Suite 1300, Miami, Florida 33131

August 20, 2024

**VIA Electronic Mail (melissa.levy@floridahousing.org)**

Florida Housing Finance Corporation  
227 North Bronough Street, Suite 5000  
Tallahassee, Florida 32301-1329  
Attn: Melissa Levy, Managing Director of Multifamily Programs

RE: RFA 2023-205 (the "**RFA**"), Application #2024-036S (the "**Application**"); Southpointe Vista II (the "**Development**"); Request for approval of changes in ownership structures of the Applicant and Developer

Dear Ms. Levy,

This letter is being sent in connection with the Application submitted by MHP FL IX LLLP, a Florida limited liability limited partnership (the "**Applicant**") in connection with the RFA. The Applicant was invited to credit underwriting pursuant to that certain letter from Florida Housing Finance Corporation (the "**Corporation**") dated December 20, 2023 and accepted such invitation on or about December 24, 2023. In connection with the reorganization of various entities affiliated with McDowell Housing Partners, LLC ("McDowell"), and pursuant to Section 4.A.3.c.(4)(b) and Section 4.A.3.c.(4)(c) of the RFA, and Section 67-48.004(3)(b), Florida Administrative Code ("**F.A.C.**") (2023), the Applicant hereby requests the approval of the Corporation for (1) Archipelago Housing II, LLC, a Delaware limited liability company ("**Archipelago II**"), a principal of MHP FL IX GP, LLC, a Florida limited liability company (the "**GP**"), a principal of the Applicant, to transfer all of its ownership interests in the GP to W. Patrick McDowell 2001 Trust (the "**McDowell Trust**") (the "**GP Transfer**"), (2) each of (i) Kenneth P. Lee, a principal of MHP Developers X, LLC, a Delaware limited liability company ("**Developers X**"), a principal of MHP FL IX Developer, LLC, a Florida limited liability company (the "**Developer**") (the "**K. Lee Transfer**") and (ii) Michael C. Lee, a principal of Developers X, a principal of the Developer, to transfer all of their respective ownership interests in Developers X to the McDowell Trust the "**M. Lee Transfer**" and, together with the K. Lee Transfer, collectively the "**Lee Transfers**"), and (3) the transfer by Sariol Development LLC, a Florida limited liability company ("**Sariol**") of its interest in the Developer to McDowell Trust (the "**Sariol Transfer**" and, together with the Lee Transfers, collectively the "**Developer Transfers**").

Section 4.A.3.c.(4)(b) of the RFA indicates that the GP Transfer requires review and recommendation of the Corporation, and approval of the Board of Directors of the Corporation (the "**Board**"), prior to the transfer. However, Section 4.A.3.c.(4)(c) of 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 to enter credit underwriting as outlined in Rule Chapter 67-48, F.A.C."**

Further, Section 67-48.004(3)(b), F.A.C. (2023), states:

**"Principals of each Developer, including all co-Developers; notwithstanding the foregoing, the Principals of the Developer(s) may be changed only by written request of an Applicant to Corporation staff and approval of the Corporation after the Applicant has been invited to enter Credit Underwriting. With regard to said approval, the Corporation shall consider the facts and circumstances of each Applicant's request, inclusive of validity and consistency of Application documentation. Any allowable replacement to the natural person Principals of a Public Housing Authority or officers and/or directors of a non-profit entity will apply to all preliminarily awarded Applications and Applications pending final Board action that include the Public Housing Authority or non-profit entity. Any allowable replacement of a Principal that was identified as the experienced**



Developer in a competitive solicitation must meet the experience requirements met by the original Principal;”

As such, pursuant to Section 4.A.3.c.(4)(c) of the RFA and Section 67-48.004(3)(b), F.A.C. (2023), Applicant requests that Corporation staff and the Corporation approval of Proposed Transfers (2) and (3) described (the “**Developer Transfers**”) at earliest convenience. Further, pursuant to Section 4.A.3.c.(4)(b) of the RFA, Applicant requests that the GP Transfer be included on the agenda for the Corporation’s next Board meeting.

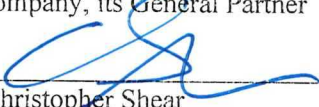
Please note that (a) the McDowell Trust is currently a member of both GP and Developers X, (b) Developers X is currently a member of the Developer, and (c) the GP Transfer and Lee Transfers are materially similar to those previously approved by the Corporation with respect to various entities affiliated with McDowell (including Developers X) during the Corporation’s board meeting held on February 2, 2024.

Please confirm the Corporation’s approval of the Developer Transfers and the inclusion of the GP Transfer on the agenda for the Corporation’s next Board meeting at your earliest convenience. If you have any questions or require any additional information, please contact Lloyd Burman, Corporate Counsel of McDowell Housing Partners, LLC, via email (lburman@mcdhousing.com).

Sincerely,

**MHP FL IX LLLP**, a Florida limited liability limited partnership

By: MHP FL IX GP, LLC, a Florida limited liability company, its General Partner

By:   
Christopher Shear  
Chief Operating Officer

CC: Florida Housing Finance Corporation, Attention: Tim Kennedy, Lisa Nickerson, and Mandy Atkins (via email only: Tim.Kennedy@floridahousing.org; Lisa.Nickerson@floridahousing.org; Mandy.atkins@floridahousing.org); AMERINAT, Attn: Mathew Smiley (via email only: msmiley@amerinatls.com)

### Principal Disclosures for the Applicant

**APPROVED for HOUSING CREDITS**  
**FHFC Advance Review**  
 Received 7.17.2023; Approved 7.19.2023

Select the organizational structure for the Applicant entity:

The Applicant is a: Limited Partnership

Provide the name of the Applicant Limited Partnership:

MHP FL IX LLLP

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

#### First Principal Disclosure Level:

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

First Level Entity #	Select Type of Principal of Applicant	Enter Name of First Level Principal	Select organizational structure of First Level Principal identified	% Ownership of Applicant
1.	<u>General Partner</u>	<u>MHP FL IX GP, LLC</u>	<u>Limited Liability Company</u>	<u>0.0100%</u>
2.	<u>Investor LP</u>	<u>McDowell, William P.</u>	<u>Natural Person</u>	<u>99.9900%</u>

#### Second Principal Disclosure Level:

MHP FL IX LLLP

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

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

Second Level Entity #	Select the type of Principal being associated with the corresponding First Level Principal Entity	Enter Name of Second Level Principal	Select organizational structure of Second Level Principal identified	Second Level Principal % Ownership of First Level Principal
<u>1. (MHP FL IX GP, LLC)</u>	<u>1.A. Manager</u>	<u>W. Patrick McDowell 2001 Trust</u>	<u>Trust</u>	<u>79.9900%</u>
<u>1. (MHP FL IX GP, LLC)</u>	<u>1.B. Member</u>	<u>W. Patrick McDowell 2001 Trust</u>	<u>Trust</u>	<u>79.9900%</u>
<u>1. (MHP FL IX GP, LLC)</u>	<u>1.C. Manager</u>	<u>Archipelago Housing II, LLC</u>	<u>Limited Liability Company</u>	<u>0.0100%</u>
<u>1. (MHP FL IX GP, LLC)</u>	<u>1.D. Member</u>	<u>Archipelago Housing II, LLC</u>	<u>Limited Liability Company</u>	<u>0.0100%</u>
<u>1. (MHP FL IX GP, LLC)</u>	<u>1.E. Manager</u>	<u>Shear Holdings, LLC</u>	<u>Limited Liability Company</u>	<u>20.0000%</u>
<u>1. (MHP FL IX GP, LLC)</u>	<u>1.F. Member</u>	<u>Shear Holdings, LLC</u>	<u>Limited Liability Company</u>	<u>20.0000%</u>

#### Third Principal Disclosure Level:

MHP FL IX LLLP

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

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

Third Level Entity #	Select the type of Principal being associated with the corresponding Second Level Principal Entity	Enter Name of Third Level Principal who must be either a Natural Person or a Trust	The organizational structure of Third Level Principal identified Must be either a Natural Person or a Trust	3rd Level Principal % Ownership of 2nd Level Principal
<u>1.B. (W. Patrick McDowell 2001 Trust)</u>	<u>1.B.(1) Trustee</u>	<u>McDowell, William P.</u>	<u>Natural Person</u>	<u>100.0000%</u>
<u>1.B. (W. Patrick McDowell 2001 Trust)</u>	<u>1.B.(2) Beneficiary</u>	<u>McDowell, William P.</u>	<u>Natural Person</u>	<u>100.0000%</u>
<u>1.D. (Archipelago Housing II, LLC)</u>	<u>1.D.(1) Manager</u>	<u>Revocable Trust of Kenneth Lee Dated October 19, 2022</u>	<u>Trust</u>	<u>98.0000%</u>
<u>1.D. (Archipelago Housing II, LLC)</u>	<u>1.D.(2) Member</u>	<u>Revocable Trust of Kenneth Lee Dated October 19, 2022</u>	<u>Trust</u>	<u>98.0000%</u>
<u>1.D. (Archipelago Housing II, LLC)</u>	<u>1.D.(3) Member</u>	<u>Lee, Michael C.</u>	<u>Natural Person</u>	<u>2.0000%</u>
<u>1.F. (Shear Holdings, LLC)</u>	<u>1.F.(1) Manager</u>	<u>Shear, Christopher L.</u>	<u>Natural Person</u>	<u>100.0000%</u>
<u>1.F. (Shear Holdings, LLC)</u>	<u>1.F.(2) Member</u>	<u>Shear, Christopher L.</u>	<u>Natural Person</u>	<u>100.0000%</u>

#### Fourth Principal Disclosure Level:

MHP FL IX LLLP

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

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

Fourth Level Entity #	Select the type of Principal being associated with the corresponding Third Level Principal Entity	Enter Name of Fourth Level Principal who must be a Natural Person	The organizational structure of Fourth Level Principal identified Must Be a Natural Person	4th Level Principal % Ownership of 3rd Level Principal
<u>1.D.(2) (Revocable Trust of Kenneth Lee Dated O</u>	<u>Trustee</u>	<u>Lee, Kenneth P.</u>	<u>Natural Person</u>	<u>100.0000%</u>
<u>1.D.(2) (Revocable Trust of Kenneth Lee Dated O</u>	<u>Beneficiary</u>	<u>Lee, Kenneth P.</u>	<u>Natural Person</u>	<u>100.0000%</u>





APPROVED for HOUSING CREDITS  
FHFC Advance Review  
Received 7.17.2023; Approved 7.19.2023

**Principal Disclosures for the Developer**

How many Developers are part of this Application structure?

1

Select the organizational structure for the Developer entity:

The Developer is a: Limited Liability Company

Provide the name of the Developer Limited Liability Company:

MHP FL IX Developer, LLC**First Principal Disclosure Level:**

MHP FL IX Developer, 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>Manager</u>	<u>MHP Developers X, LLC</u>	<u>Limited Liability Company</u>
2.	<u>Member</u>	<u>MHP Developers X, LLC</u>	<u>Limited Liability Company</u>
3.	<u>Manager</u>	<u>Shear Development Company, LLC</u>	<u>Limited Liability Company</u>
4.	<u>Member</u>	<u>Shear Development Company, LLC</u>	<u>Limited Liability Company</u>
5.	<u>Manager</u>	<u>Sariol Development LLC</u>	<u>Limited Liability Company</u>
6.	<u>Member</u>	<u>Sariol Development LLC</u>	<u>Limited Liability Company</u>

**Second Principal Disclosure Level:**

MHP FL IX Developer, LLC

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

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

<u>Second Level Entity #</u>	<u>Select the type of Principal being associated with the corresponding First Level Principal Entity</u>	<u>Enter Name of Second Level Principal</u>	<u>Select organizational structure of Second Level Principal identified</u>
<u>2. (MHP Developers X, LLC)</u>	<u>2.A. Manager</u>	<u>W. Patrick McDowell 2001 Trust</u>	<u>Trust</u>
<u>2. (MHP Developers X, LLC)</u>	<u>2.B. Member</u>	<u>W. Patrick McDowell 2001 Trust</u>	<u>Trust</u>
<u>2. (MHP Developers X, LLC)</u>	<u>2.C. Manager</u>	<u>Lee, Kenneth P.</u>	<u>Natural Person</u>
<u>2. (MHP Developers X, LLC)</u>	<u>2.D. Member</u>	<u>Lee, Kenneth P.</u>	<u>Natural Person</u>
<u>2. (MHP Developers X, LLC)</u>	<u>2.E. Member</u>	<u>Lee, Michael C.</u>	<u>Natural Person</u>
<u>4. (Shear Development Company, L</u>	<u>4.A. Manager</u>	<u>Shear, Christopher L.</u>	<u>Natural Person</u>
<u>4. (Shear Development Company, L</u>	<u>4.B. Member</u>	<u>Shear, Christopher L.</u>	<u>Natural Person</u>
<u>6. (Sariol Development LLC)</u>	<u>6.A. Manager</u>	<u>Sariol, Mario A.</u>	<u>Natural Person</u>
<u>6. (Sariol Development LLC)</u>	<u>6.B. Member</u>	<u>Sariol, Mario A.</u>	<u>Natural Person</u>

Proposed

**Principal Disclosures for the Developer**

How many Developers are part of this Application structure?

1

Select the organizational structure for the Developer entity:

The Developer is a: Limited Liability Company

Provide the name of the Developer Limited Liability Company:

MHP FL IX Developer, LLC

**First Principal Disclosure Level:**

MHP FL IX Developer, LLC

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

Select organizational structure of First Level Principal identified

First Level Entity #	Select Type of Principal of Developer	Enter Name of First Level Principal	Select organizational structure of First Level Principal identified
1.	<u>Manager</u>	<u>MHP Developers X, LLC</u>	<u>Limited Liability Company</u>
2.	<u>Member</u>	<u>MHP Developers X, LLC</u>	<u>Limited Liability Company</u>
3.	<u>Manager</u>	<u>Shear Development Company, LLC</u>	<u>Limited Liability Company</u>
4.	<u>Member</u>	<u>Shear Development Company, LLC</u>	<u>Limited Liability Company</u>
5.	<u>&lt;Select an option&gt;</u>		<u>&lt;Select an option&gt;</u>
6.	<u>&lt;Select an option&gt;</u>		<u>&lt;Select an option&gt;</u>
7.	<u>&lt;Select an option&gt;</u>		<u>&lt;Select an option&gt;</u>
8.	<u>&lt;Select an option&gt;</u>		<u>&lt;Select an option&gt;</u>
9.	<u>&lt;Select an option&gt;</u>		<u>&lt;Select an option&gt;</u>
10.	<u>&lt;Select an option&gt;</u>		<u>&lt;Select an option&gt;</u>
11.	<u>&lt;Select an option&gt;</u>		<u>&lt;Select an option&gt;</u>
12.	<u>&lt;Select an option&gt;</u>		<u>&lt;Select an option&gt;</u>
13.	<u>&lt;Select an option&gt;</u>		<u>&lt;Select an option&gt;</u>
14.	<u>&lt;Select an option&gt;</u>		<u>&lt;Select an option&gt;</u>
15.	<u>&lt;Select an option&gt;</u>		<u>&lt;Select an option&gt;</u>
16.	<u>&lt;Select an option&gt;</u>		<u>&lt;Select an option&gt;</u>
17.	<u>&lt;Select an option&gt;</u>		<u>&lt;Select an option&gt;</u>
18.	<u>&lt;Select an option&gt;</u>		<u>&lt;Select an option&gt;</u>
19.	<u>&lt;Select an option&gt;</u>		<u>&lt;Select an option&gt;</u>
20.	<u>&lt;Select an option&gt;</u>		<u>&lt;Select an option&gt;</u>

**Second Principal Disclosure Level:**

MHP FL IX Developer, LLC

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

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

Second Level Entity #	Select the type of Principal being associated with the corresponding First Level Principal Entity	Enter Name of Second Level Principal	Select organizational structure of Second Level Principal identified
<u>1. (MHP Developers X, LLC)</u>	<u>1.A. Manager</u>	<u>W.Patrick McDowell 2001 Trust</u>	<u>Trust</u>
<u>1. (MHP Developers X, LLC)</u>	<u>1.B. Member</u>	<u>W.Patrick McDowell 2001 Trust</u>	<u>Trust</u>
<u>2. (MHP Developers X, LLC)</u>	<u>2.A. Manager</u>	<u>W.Patrick McDowell 2001 Trust</u>	<u>Trust</u>
<u>2. (MHP Developers X, LLC)</u>	<u>2.B. Member</u>	<u>W.Patrick McDowell 2001 Trust</u>	<u>Trust</u>
<u>3. (Shear Development Company,</u>	<u>3.A. Manager</u>	<u>Shear, Christopher L.</u>	<u>Natural Person</u>
<u>3. (Shear Development Company,</u>	<u>3.B. Member</u>	<u>Shear, Christopher L.</u>	<u>Natural Person</u>
<u>4. (Shear Development Company,</u>	<u>4.A. Manager</u>	<u>Shear, Christopher L.</u>	<u>Natural Person</u>
<u>4. (Shear Development Company,</u>	<u>4.B. Member</u>	<u>Shear, Christopher L.</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>

**Florida Housing Finance Corporation**

*Credit Underwriting Report (“CUR”)*

**Southpointe Vista II**

**RFA 2023-205 (2024-036SN / 2023-526C)**

**State Apartment Incentive Loan (“SAIL”) Program, Extremely Low Income (“ELI”) Loan, National Housing Trust Fund (“NHTF”) and 4% Non-Competitive Housing Credits (“HC”)**

**SAIL Financing of Affordable Multifamily Housing Developments to Be Used In Conjunction With Tax-Exempt Bonds and Non-Competitive Housing Credits**

**Section A: Report Summary**

**Section B: SAIL, ELI and NHTF Special and General Conditions and Housing Credit Allocation Recommendation and Contingencies**

**Section C: Supporting Information and Schedules**

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**Prepared by**

**AmeriNat®**

*Final Report*

**October 10, 2024**

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## **Southpointe Vista II**

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

**SAIL, ELI, NHTF & HC CREDIT UNDERWRITING REPORT**

**Recommendation**

AmeriNat® (“AmeriNat”) recommends Florida Housing Finance Corporation (“FHFC” or “Florida Housing”) fund a total SAIL Base Loan in the amount of \$9,228,000, comprised of a SAIL Loan in the amount of \$8,478,000 plus an ELI Loan in the amount of \$750,000, a NHTF loan in the amount of \$1,110,000 and an annual 4% HC allocation in the amount of \$2,978,827 to MHP FL IX LLLP (“Applicant”) for the construction and permanent phase financing of Southpointe Vista II (the proposed “Development”). This recommendation is only valid for six months from the date of the report.

DEVELOPMENT & SET-ASIDES			
Development Name:	<u>Southpointe Vista II</u>		
RFA/Program Numbers:	<u>RFA 2023-205</u>	/	<u>2024-036SN</u> <u>2023-526C</u>
Address:	<u>East side of SW 117th Ct, northeast of the intersection of SW 214th St &amp; SW 117th Ct</u>		
City:	<u>Unincorporated Miami-Dade County</u>	Zip Code:	<u>33177</u> County: <u>Miami-Dade</u> County Size: <u>Large</u>
Development Category:	<u>New Construction</u>	Development Type:	<u>High-Rise</u>
Construction Type:	<u>Masonry</u>	Number of Stories:	<u>12</u>
Demographic Commitment:	Primary: <u>Family</u> for <u>100%</u> of the Units Link Units: <u>Persons with Special Needs</u> for <u>8%</u> of the Units NHTF Units: <u>Persons with Special Needs</u> for <u>1.4%</u> of the Units		
Unit Composition:	# of ELI Units: <u>34</u> ELI Units Are Restricted to <u>30%</u> AMI, or less.    Min % of Units @ ELI: <u>15%</u> # of Link Units: <u>17</u> # of Preference units: <u>          </u> IRS Minimum Set-Aside Commitment: <u>AIT</u> # of NHTF Units: <u>3</u> # of units w/ PBRA? <u>0</u> TSP Approval Date: <u>10/01/2024</u>		
Buildings:	Residential - <u>1</u>	Non-Residential -	<u>0</u>
Parking:	Parking Spaces - <u>182</u>	Accessible Spaces -	<u>6</u>
DDA:	<u>No</u> SADDA: <u>No</u> QCT: <u>Yes</u> Multi-Phase Boost: <u>No</u> QAP Boost: <u>No</u> QAP Type: <u>          </u>	Site Acreage: <u>2.35</u> Density: <u>88.51</u> Flood Zone Designation: <u>X</u> Zoning: <u>RM, Residential Multi-family</u> Flood Insurance Required?: <u>No</u>	
Credit Underwriter:	<u>AmeriNat Loan Services</u>	Date of Application:	<u>08/03/2023</u>
Date of Final CUR:	<u>10/10/2024</u>	Minimum 1st Mortgage per Rule:	<u>N/A</u>
TDC PU Limitation at Application:	<u>\$420,833</u>	TDC PU Limitation at Credit Underwriting:	<u>\$446,083</u>
Actual TDC PU for Limitation:	<u>\$339,184</u>	Amount Dev. Fee Reduced for TDC Limit:	<u>          </u>

Prepared by Matthew Smiley, Multifamily Credit Underwriter

*Matthew Smiley*

Reviewed by Kyle Kuenn, Multifamily Chief Credit Underwriter

*Kyle Kuenn*

**SAIL, ELI, NHTF & HC CREDIT UNDERWRITING REPORT**

Set Asides:

Program	% of Units	# of Units	% AMI	Term (Years)
ELI	16.346%	34	30%	99
SAIL	34.615%	72	60%	99
SAIL	49.038%	102	70%	99
HC-4%	16.346%	34	30%	50
HC-4%	34.615%	72	60%	50
HC-4%	49.038%	102	70%	50
NHTF	1.442%	3	30%	30

Persons with Special Needs Set-Aside Commitment: The proposed Development must set aside 50% of the ELI set-aside units (17 units) as Link units for Persons with Special Needs. In order to meet the commitment to set aside ELI units as Link units for Persons with Special Needs, the Applicant must develop and execute a Link Memorandum of Understanding (“MOU”) with at least one designated Special Needs Household Referral Agency (“Referral Agency”) serving the county and intended population where the Development will be located (Miami-Dade County) and rent units to households referred by the Referral Agency with which the MOU is executed. The fully executed MOU was approved by FHFC on October 1, 2024.

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 30% of AMI and are in addition to the fifty percent (50%) requirement for ELI set-aside units. Therefore, the Development will have a total of 20 units targeted for Link units for Persons with Special Needs (ELI - 17 units, NHTF - 3 units). The Persons with Special Needs set-aside commitment must be maintained throughout the entire 50- year Compliance Period.

Applicant plans to apply for the 100% Ad Valorem Property Tax Exemption under Section 196.1978(4), Florida Statutes, which requires a ninety-nine (99) year total compliance period under a Land Use Restriction Agreement. Therefore, after the initial 50-year Compliance Period required by the RFA (“Compliance Period”) expires, all SAIL set-aside units within the Development shall be rented to households who shall have a household income less than or equal to one hundred and twenty percent (120%) of the Area Median Income for a period of forty-nine (49) years (“Ad Valorem Compliance Period”). The Ad Valorem Compliance Period, together with the Compliance Period shall have a term of ninety-nine (99) years (the “Total Compliance Period”) which will be defined under the SAIL Land Use Restriction Agreement. The Applicant will be responsible for compliance monitoring fees for 50 years which is to be paid to the Servicer, for years 51-99, compliance monitoring will be self-certified by the Applicant to FHFC. The Applicant will also be responsible for the compliance monitoring fee of \$4,900 (\$100 per year) for years 51-99 Ad Valorem Compliance Period, to be paid at closing to FHFC.

Per the RFA, Self-Sourced Applicants will retain the right to seek a qualified contract in accordance with Section 42 of the I.R.C., as amended and Rule Chapter 67-21 F.A.C. All Other Applicants will waive the right to seek a qualified contract. Additionally, if a Self-Sourced Applicant transfers ownership of the Development within the first 15 years of the Compliance Period, the new owner must waive the right to seek a qualified contract.

**SAIL, ELI, NHTF & HC CREDIT UNDERWRITING REPORT**

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

Miami-Dade County, Miami-Miami Beach-Kendall HMFA

Bed Rooms	Bath Rooms	Units	Square Feet	AMI%	Low HOME Rents	High HOME Rents	Gross HC Rent	Utility Allow.	Net Restricted Rents	PBRA Contr Rents	Applicant Rents	Appraiser Rents	CU Rents	Annual Rental Income
1	1.0	3	602	30%			638	81	557		557	557	557	20,052
1	1.0	32	602	30%			638	81	557		557	557	557	213,888
1	1.0	65	602	60%			1,277	81	1,196		1,196	1,196	1,196	932,880
1	1.0	96	602	70%			1,490	81	1,409		1,409	1,409	1,409	1,623,168
2	2.0	2	867	30%			765	103	662		662	662	662	15,888
2	2.0	4	867	60%			1,531	103	1,428		1,428	1,428	1,428	68,544
2	2.0	6	867	70%			1,786	103	1,683		1,683	1,683	1,683	121,176
		208	128,396											2,995,596

When calculating an average market rental rate based on the unit mix and annualized rent concessions, the rent advantage for all of the units at the Development is in excess of 110% of the applicable maximum Housing Credit rental rate.

**SAIL, ELI, NHTF & HC CREDIT UNDERWRITING REPORT**

**AMERINAT**

**15 Year Operating Pro Forma**

FINANCIAL COSTS:	Year 1	Year 1 Per Unit	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	\$2,995,596	\$14,402	\$3,055,508	\$3,116,618	\$3,178,950	\$3,242,529	\$3,307,380	\$3,373,528	\$3,440,998	\$3,509,818	\$3,580,015	\$3,651,615	\$3,724,647	\$3,799,140	\$3,875,123	\$3,952,625
Other Income: (6.33%)			\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Miscellaneous	\$189,696	\$912	\$193,490	\$197,360	\$201,307	\$205,333	\$209,440	\$213,629	\$217,901	\$222,259	\$226,704	\$231,238	\$235,863	\$240,580	\$245,392	\$250,300
Rent Concessions			\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Gross Potential Income	\$3,185,292	\$15,314	\$3,248,998	\$3,313,978	\$3,380,257	\$3,447,862	\$3,516,820	\$3,587,156	\$3,658,899	\$3,732,077	\$3,806,719	\$3,882,853	\$3,960,510	\$4,039,720	\$4,120,515	\$4,202,925
Less:																
Physical Vac. Loss Percentage: 2.00%	\$63,706	\$306	\$64,980	\$66,280	\$67,605	\$68,957	\$70,336	\$71,743	\$73,178	\$74,642	\$76,134	\$77,657	\$79,210	\$80,794	\$82,410	\$84,059
Collection Loss Percentage: 1.00%	\$31,853	\$153	\$32,490	\$33,140	\$33,803	\$34,479	\$35,168	\$35,872	\$36,589	\$37,321	\$38,067	\$38,829	\$39,605	\$40,397	\$41,205	\$42,029
<b>Total Effective Gross Income</b>	<b>\$3,089,733</b>	<b>\$14,854</b>	<b>\$3,151,528</b>	<b>\$3,214,558</b>	<b>\$3,278,850</b>	<b>\$3,344,427</b>	<b>\$3,411,315</b>	<b>\$3,479,541</b>	<b>\$3,549,132</b>	<b>\$3,620,115</b>	<b>\$3,692,517</b>	<b>\$3,766,368</b>	<b>\$3,841,695</b>	<b>\$3,918,529</b>	<b>\$3,996,899</b>	<b>\$4,076,837</b>
Annual Escalation Rate (Income): 2.00%																
Fixed:																
Real Estate Taxes	\$396	\$2	\$408	\$420	\$433	\$446	\$459	\$473	\$487	\$502	\$517	\$532	\$548	\$565	\$582	\$599
Insurance	\$389,998	\$1,875	\$401,698	\$413,749	\$426,161	\$438,946	\$452,115	\$465,678	\$479,648	\$494,038	\$508,859	\$524,125	\$539,848	\$555,044	\$571,725	\$589,907
Variable:																
Management Fee Percentage: 3.00%	\$92,692	\$446	\$94,546	\$96,437	\$98,365	\$100,333	\$102,339	\$104,386	\$106,474	\$108,603	\$110,776	\$112,991	\$115,251	\$117,556	\$119,907	\$122,305
General and Administrative	\$93,600	\$450	\$96,408	\$99,300	\$102,279	\$105,348	\$108,508	\$111,763	\$115,116	\$118,570	\$122,127	\$125,791	\$129,564	\$133,451	\$137,455	\$141,578
Payroll Expenses	\$228,800	\$1,100	\$235,664	\$242,734	\$250,016	\$257,516	\$265,242	\$273,199	\$281,395	\$289,837	\$298,532	\$307,488	\$316,713	\$326,214	\$336,001	\$346,081
Utilities	\$104,000	\$500	\$107,120	\$110,334	\$113,644	\$117,053	\$120,565	\$124,181	\$127,907	\$131,744	\$135,696	\$139,767	\$143,960	\$148,279	\$152,728	\$157,309
Marketing and Advertising	\$10,400	\$50	\$10,712	\$11,033	\$11,364	\$11,705	\$12,056	\$12,418	\$12,791	\$13,174	\$13,570	\$13,977	\$14,396	\$14,828	\$15,273	\$15,731
Maintenance and Repairs/Pest Control	\$156,000	\$750	\$160,680	\$165,500	\$170,465	\$175,579	\$180,847	\$186,272	\$191,860	\$197,616	\$203,545	\$209,651	\$215,940	\$222,419	\$229,091	\$235,964
Reserve for Replacements	\$62,400	\$300	\$62,400	\$62,400	\$62,400	\$62,400	\$62,400	\$62,400	\$62,400	\$62,400	\$62,400	\$62,400	\$62,400	\$62,400	\$62,400	\$62,400
<b>Total Expenses</b>	<b>\$1,138,286</b>	<b>\$5,473</b>	<b>\$1,169,636</b>	<b>\$1,201,907</b>	<b>\$1,235,128</b>	<b>\$1,269,326</b>	<b>\$1,304,531</b>	<b>\$1,340,771</b>	<b>\$1,378,079</b>	<b>\$1,416,484</b>	<b>\$1,456,021</b>	<b>\$1,518,182</b>	<b>\$1,562,597</b>	<b>\$1,608,323</b>	<b>\$1,655,397</b>	<b>\$1,703,860</b>
Annual Escalation Rate (Expenses): 3.00%																
<b>Net Operating Income</b>	<b>\$1,951,447</b>	<b>\$9,382</b>	<b>\$1,981,892</b>	<b>\$2,012,651</b>	<b>\$2,043,722</b>	<b>\$2,075,100</b>	<b>\$2,106,784</b>	<b>\$2,138,770</b>	<b>\$2,171,054</b>	<b>\$2,203,631</b>	<b>\$2,236,497</b>	<b>\$2,248,186</b>	<b>\$2,279,097</b>	<b>\$2,310,206</b>	<b>\$2,341,502</b>	<b>\$2,372,978</b>
<b>Debt Service Payments</b>																
First Mortgage - HFAMDC/Newpoint	\$1,648,768	\$7,927	\$1,648,768	\$1,648,768	\$1,648,768	\$1,648,768	\$1,648,768	\$1,648,768	\$1,648,768	\$1,648,768	\$1,648,768	\$1,648,768	\$1,648,768	\$1,648,768	\$1,648,768	\$1,648,768
Second Mortgage - FHFC SAIL	\$84,780	\$408	\$84,780	\$84,780	\$84,780	\$84,780	\$84,780	\$84,780	\$84,780	\$84,780	\$84,780	\$84,780	\$84,780	\$84,780	\$84,780	\$84,780
Second Mortgage - FHFC SAIL EU	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Third Mortgage - FHFC NHTF	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Fourth Mortgage - Self Sourced Note	\$124,397	\$598	\$124,397	\$124,397	\$124,397	\$124,397	\$124,397	\$124,397	\$124,397	\$124,397	\$124,397	\$124,397	\$124,397	\$124,397	\$124,397	\$124,397
First Mortgage Fees - HFAMDC/Newpoint	\$76,910	\$370	\$76,910	\$76,910	\$76,910	\$76,910	\$76,910	\$76,910	\$76,910	\$76,910	\$76,910	\$76,910	\$76,910	\$76,910	\$76,910	\$76,910
Second Mortgage Fees - FHFC SAIL/EU	\$12,622	\$61	\$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 NHTF	\$3,970	\$19	\$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
Fourth Mortgage Fees - Self Sourced Note	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Debt Service Payments	\$1,951,447	\$9,382	\$1,951,447	\$1,951,447	\$1,951,447	\$1,951,447	\$1,951,447	\$1,951,447	\$1,951,447	\$1,951,447	\$1,951,447	\$1,951,447	\$1,951,447	\$1,951,447	\$1,951,447	\$1,951,447
Cash Flow after Debt Service	\$0	\$0	\$30,445	\$61,204	\$92,274	\$123,653	\$155,337	\$187,323	\$219,607	\$252,184	\$285,049	\$296,738	\$327,650	\$358,759	\$390,055	\$421,530
<b>Debt Service Coverage Ratios</b>																
DSC - First Mortgage plus Fees	1.13x		1.15x	1.17x	1.18x	1.20x	1.22x	1.24x	1.26x	1.28x	1.30x	1.30x	1.32x	1.34x	1.36x	1.38x
DSC - Second Mortgage plus Fees	1.07x		1.09x	1.10x	1.12x	1.14x	1.16x	1.17x	1.19x	1.21x	1.23x	1.23x	1.25x	1.27x	1.28x	1.30x
DSC - Third Mortgage plus Fees	1.07x		1.10x	1.12x	1.14x	1.15x	1.17x	1.19x	1.21x	1.22x	1.23x	1.23x	1.25x	1.28x	1.30x	1.30x
DSC - Fourth Mortgage plus Fee	1.07x		1.08x	1.10x	1.12x	1.14x	1.15x	1.17x	1.19x	1.21x	1.22x	1.23x	1.25x	1.26x	1.28x	1.30x
DSC - All Mortgages and Fees	1.00x		1.02x	1.03x	1.05x	1.06x	1.08x	1.10x	1.11x	1.13x	1.15x	1.15x	1.17x	1.18x	1.20x	1.22x
<b>Financial Ratios</b>																
Operating Expense Ratio	36.84%		37.11%	37.39%	37.67%	37.95%	38.24%	38.53%	38.83%	39.13%	39.43%	40.31%	40.67%	41.04%	41.42%	41.79%
Break-even Econ Occup Ratio (all debt)	97.09%		96.15%	95.24%	94.36%	93.50%	92.67%	91.87%	91.09%	90.33%	89.60%	89.45%	88.82%	88.21%	87.62%	87.06%
Break-even Econ Occup Ratio (must pay debt)	90.00%															

*Notes to the Operating Pro forma and Ratios:*

1. The Development will be utilizing Housing Credits in conjunction with SAIL, ELI, & NHTF which will impose rent restrictions. Overall, the maximum Housing Credit rents for 2024 published on FHFC's website for the Development are achievable as confirmed by the appraiser. Utility allowances were derived from a Utility Allowance Study dated March 15, 2024 prepared by Florida Solar Energy Center; however, FHFC Asset Management approval is pending.
2. A 3.00% total economic vacancy rate and collection loss was concluded by the appraisal and was relied upon by AmeriNat for underwriting purposes.
3. Miscellaneous Income is comprised of washers/dryers income and income related to multifamily operations in the form of forfeited deposits, antennae income, late charges, after-hour utility charges, etc.
4. The Development will provide washers/dryers to the tenants with an option to lease at \$50 per month with a 95% utilization rate.
5. AmeriNat utilized an annual real estate tax expense of \$396 based upon the conclusions of the appraisal. The Applicant plans to apply for the 100% Ad Valorem Tax Exemption under Section 196.1978(4), for the Development. The Applicant submitted an executed Request for Consideration of Underwriting for Tax Exemption which was received on August 20, 2024. Beginning in 2026, the property must apply to Miami-Dade County Property Appraiser by March 1st of the tax year. Applying for this exemption requires a 99-year Total Compliance Period with annual certifications. If the property fails to provide affordable housing under the agreement before the end of the agreement term, there will be a penalty that is equal to 100% of the total amount financed by Florida Housing multiplied by each year remaining in the agreement. AmeriNat to receive approval from all lenders involved in the transaction, confirming their approval of the terms of the Ad Valorem Property Tax Exemption, is a condition precedent to the loan closing.
6. AmeriNat utilized an estimate of \$1,875 per unit for insurance, which is consistent with the appraisal. The figure is within the range of the expense comparables presented by the appraiser, which ranged from \$802 to \$2,140 per unit. The Development will be located in flood zone "X". Zone "X" is an area outside of the 100-year flood plain which does not require flood insurance.
7. The Applicant submitted a draft Management Agreement, between the Applicant and Asset Living Southeast, LLC, which provides for monthly compensation in the amount \$3,000 or 3.00% of the gross rental collections, whichever amount is greater. The term of the Agreement shall be in effect for a period of one year beginning on the date upon which preleasing efforts commence. The Agreement will renew automatically for additional one-year terms thereafter.
8. Replacement Reserves are budgeted at \$300 per unit per year, which is consistent with RFA and Rules 67-48 and 67-21 minimum requirement.
9. The Break-even Economic Occupancy Ratio includes all debt; however, interest payments on the SAIL and Self-Sourced loans are based on available cash flow. This ratio would improve to 90.52% if the interest payments were not included.
10. Rental income increases at an annual rate of 2% and expenses increasing at an annual rate of 3%.

**Financing Overview**

<b>CONSTRUCTION FINANCING INFORMATION</b>									
Lien Position	First	First	Second	Second	Third	Fourth	NA	NA	Totals
Source	Local HFA Bond	Local HFA Bond	FHFC - SAIL	FHFC - SAIL ELI	FHFC - NHTF	Self-S'd: Bond	HC Equity	Def. Dev. Fee	
Lender/Grantor	HFAMDC/ Newpoint	HFAMDC/ Newpoint	FHFC	FHFC	FHFC	Developer	First Horizon	Developer	
Construction Amount	\$29,114,000	\$12,886,000	\$8,478,000	\$750,000	\$1,110,000	\$4,239,000	\$8,658,642	\$5,254,709	\$70,490,351
All In Interest Rate	6.51%	7.11%	1.00%	0.00%	0.00%	15.00%			
Debt Service During Construction	\$1,895,321	\$916,195	\$84,780	\$0	\$0	\$635,850			
Bond Structure (if applicable)	Private Placement	Private Placement							

Proposed Construction Mortgage Loan:

An executed term sheet (the “Term Sheet”) issued by Newpoint dated September 16, 2024, illustrates the proposed terms of two tax-exempt construction loans funded through the purchase in Multifamily Mortgage Revenue Bonds (“MMRB”) from the Housing Finance Authority of Miami-Dade County (“HFAMDC”). The Series A-1 Bonds in the amount of \$29,114,000 will have an interest rate equal to 15-year BVAL Municipal Index (non-callable) benchmark rate (“BVAL”), which was 2.91% as of 9/17/2024 plus a spread of 2.85%. In addition, AmeriNat added an additional 0.75% underwriting cushion for an all-in interest rate of 6.51%. The Series A-2 Bonds in the amount of \$12,886,000 will have an interest rate equal to BVAL (2.91% as of 9/17/2024) plus a spread of 3.45%. In addition, AmeriNat added an additional 0.75% underwriting cushion for an all-in interest rate of 7.11%. The loan will have an initial term of 30 months, plus two six-month extension options available. Payments of interest only will be required monthly on the outstanding principal balance. The Annual HFAMDC Issuer Fee of 25 basis points of the outstanding Bonds amount and the Annual Trustee Fee of \$4,250 have been included in the Uses section of the report.

PERMANENT FINANCING INFORMATION								
Lien Position	First	Second	Second	Third	Fourth	NA	NA	Totals
Source	Local HFA Bond	FHFC - SAIL	FHFC - SAIL ELI	FHFC - NHTF	Self-S'd: Bond	HC Equity	Def. Dev. Fee	
Lender/Grantor	HFAMDC/ Newpoint	FHFC	FHFC	FHFC	Developer	First Horizon	Developer	
Permanent Amount	\$26,468,000	\$8,478,000	\$750,000	\$1,110,000	\$4,239,000	\$28,862,143	\$583,208	\$70,490,351
Permanent Funding Per Unit	\$127,250	\$40,760	\$3,606	\$5,337	\$20,380	\$138,760	\$2,804	\$338,896
% of Permanent Funding	37.5%	12.0%	1.1%	1.6%	6.0%	40.9%	0.8%	100.0%
Underwritten Interest Rate	5.76%	1.00%	0.00%	0.00%	5.00%			
All In Interest Rate	5.76%	1.00%	0.00%	0.00%	5.00%			
Loan Term	15	15	15	30	30			
Amortization	45	0	0	0	0			
Must Pay or Cash Flow Dependent	Must-Pay	Cash Flow	Cash Flow	Cash Flow	Cash Flow			
Permanent Debt Service, No Fees	\$1,648,768	\$84,780	\$0	\$0	\$211,950			\$1,945,498
Permanent Debt Service, with Fees	\$1,725,678	\$97,402	\$3,970	\$0	\$211,950			\$2,039,000
Debt Service Coverage, with Fees	1.13x	1.07x	1.07x	1.07x	1.00x			
Operating Deficit & Debt Service Reserves	\$666,515							
# of Months covered by the Reserves	2.6							
Market Rate/Market Financing LTV	52%	69%	71%	73%	81%			
Restricted Market Financing LTV	74%	98%	100%	103%	115%			
Restricted Favorable Financing LTV								
Loan to Cost - Cumulative	38%	50%	51%	52%	58%			
Loan to Cost - SAIL Only		12%						



Proposed First Mortgage Loan:

The Term Sheet from Newpoint illustrates the terms in which the Construction Loan will be paid down to a Permanent Loan in the amount of \$26,468,000. However, conversion to a Permanent Loan is based upon the Development meeting the following requirements: ii) the Debt Service Coverage ("DSC") ratio for the three consecutive months equals or exceeds 1.15x to 1.00, and ii) the average economic occupancy for three months equals at least 90%.

Following conversion, mandatory redemption of the MMRB shall occur in part on a monthly basis sufficient to fully amortize the MMRB over a 45-year period. The Permanent Loan will have a term of 15 years. The Term Sheet indicated that the loan will have a fixed rate of 5.76%, which is equal to the sum of the BVAL (2.91% as of 9/17/24) plus a spread of 2.85%. The interest rate will be locked at construction loan closing.

Commencing with the 174<sup>th</sup> month following the Conversion Date, the Bonds are subject to optional redemption at the option of the Applicant with 30 days' notice upon the payment of the outstanding Bond amount.

In addition to the actual Bond rate, annual payments of all applicable fees will be required and are included in the Debt Service Coverage Ratio analysis. Fees include an annual Issuer Fee of 25 bps of outstanding Bond balance, annual Trustee Fee of \$4,250 and a Compliance Monitoring Fee based on \$188 per month plus an additional fee per set-aside unit of \$11.58, subject to a monthly minimum of \$295.

Proposed Second Mortgage Loan – SAIL Base and ELI:

Per an Invitation to Enter Credit Underwriting from FHFC dated December 20, 2023, the Applicant received a preliminary commitment for a total SAIL Loan in the amount of \$9,228,000, comprised of a SAIL Base Loan in the amount of \$8,478,000 plus an ELI Loan in the amount of \$750,000 under RFA 2023-205 for the construction/permanent financing of the Development. The SAIL Base Loan and the ELI loan will be closed as one loan and will have one set of closing documents. The SAIL Base Loan will have a total term of 18.5 years, including a 42-month construction/stabilization period and a 15-year permanent period. As required by the first mortgage lender and permitted by Rule 67-48, the SAIL Base Loan term will be coterminous with the first mortgage. The SAIL Base Loan shall be non-amortizing with a 1.00% interest rate over the life of the loan with annual payments based upon available cash flow. Any unpaid interest will be deferred until cash flow is available. However, at maturity of the SAIL Base Loan, all principal and unpaid interest will be due. Annual payments of all applicable fees will be required.

The ELI Loan shall be non-amortizing with a 0.00% interest rate per annum over the life of the loan with principal forgivable at maturity provided the units are targeted to ELI Households for the first 15 years of the 50-year Compliance Period. The Persons with Special Needs set-aside requirement must be maintained throughout the entire 50-year Compliance Period. The ELI loan total term will be 18.5 years including a 42-month construction/stabilization period and a 15-year permanent period. Annual payments of all applicable fees will be required.

Fees for the Total SAIL Loan 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 Third Mortgage Loan – NHTF:

Per an Invitation to Enter Credit Underwriting from FHFC dated June 3, 2024, the Applicant received a preliminary commitment for an NHTF loan of \$1,110,000 for the construction/permanent financing of the Development. The NHTF loan shall be a non-amortizing loan with an interest rate of 0.00% per annum 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 33.5 years, including a 42-month construction/stabilization period and a 30-year permanent period.

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 Fourth Mortgage – Self-Sourced Financing

A draft Promissory Note was provided by the Applicant for construction/permanent financing in the amount of \$4,239,000. The Loan shall be non-amortizing with a 15.00% interest rate for the first thirty (30) months of the Loan. Thereafter, the Loan will have a 5% interest rate. Payments will be based upon available cash flow. The Self-sourced financing will be funded and dispersed pro rata along with SAIL Base funding. The Self-Sourced Financing must be subordinate to the SAIL Base Loan; no principal may be paid on the Self-Sourced Financing prior to the payoff of the SAIL Base Loan in full. Any payment of Self-Sourced Financing interest will be made subordinate to SAIL Base Loan interest payments. Additionally, the Self-Sourced Financing must remain as a source in the Development for a minimum of 15 years and may not be repaid to the Applicant from any funding source, including development cash flow per the RFA.

Deferred Developer Fee:

The Applicant will be required to permanently defer \$583,208 or 6.12% of the total Developer Fee after stabilization subject to the terms outlined in Section B of this report.

Additional Permanent Sources of Funds:

The Applicant provided Letter of Interest (“LOI”) dated August 15, 2024 from First Horizon Community Investment Group, Inc. (“First Horizon”) that outlines the terms and conditions of the purchase of the HC. First Horizon, or its assigns will provide a net equity investment of \$28,862,143 in exchange for a 99.99% limited partnership ownership interest and a proportionate share of the total HC allocation estimated by First Horizon to be \$30,067,739. The HC allocation will be syndicated at a rate of approximately \$0.96 per \$1.00 of delivered tax credits. The HC equity contribution to be paid as follows:

**SAIL, ELI, NHTF & HC CREDIT UNDERWRITING REPORT**

**Syndication Contributions:**

Capital Contributions	Amount	Percentage of Total	When Due
1st Installment	\$5,772,428	20.00%	Paid prior to or simultaneously with closing
2nd Installment	\$2,886,214	10.00%	Paid at 95% construction completion
3rd Installment	\$4,329,321	15.00%	Paid at 100% construction completion
4th Installment	\$15,585,556	54.00%	Paid at stabilization
5th Installment	\$288,624	1.00%	Receipt of IRS Forms 8609
<b>Total</b>	<b>\$28,862,143</b>	<b>100.00%</b>	

Syndicator Name	First Horizon Community Investment Group, Inc.
Date of LOI	8/15/2024
Total Credits Per Syndication Agreement:	\$30,067,739
Annual Credits Per Syndication Agreement:	\$3,006,774
Calculated HC Exchange Rate:	\$0.96
Limited Partner Ownership Percentage:	99.99%
Proceeds Available During Construction:	\$8,658,642
Annual Credits - Qualified in CUR:	\$2,978,827

**Changes from the Application:**

**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?	Y	
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?	Y	
Is the Development feasible with all amenities/features listed in the Application?	Y	
Do the site plans/architectural drawings account for all amenities/features listed in the Application?	Y	
Does the applicant have site control at or above the level indicated in the Application?	Y	
Does the applicant have adequate zoning as indicated in the Application?	Y	
Has the Development been evaluated for feasibility using the total length of set-aside committed to in the Application?	Y	
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?	Y	
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?	Y	
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?		3
Is the Development in all other material respects the same as presented in the Application?		4; 5; 6

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

1. Since the time of application, First Horizon Community Investment Group, Inc. ("First Horizon") has replaced CREA, LLC ("CREA") as the HC syndicator and the amount of HC equity increased from \$25,996,717 to \$28,862,143.

Per the Invitation to Credit Underwriting issued by FHFC on June 3, 2024, the Applicant was awarded \$1,110,000 in NHTF funds.

2. Total Development Costs have increased from \$62,121,629 to \$70,490,351 for a difference of \$8,368,722 since the Application due to increases in Construction Costs, General Development Costs, Financial Costs, Developer Fee, and Land.
3. Since the time of Application, the syndication rate has decreased from \$0.97 to \$0.96 for each \$1.00 of syndicated HC received.
4. The Applicant requested a unit mix change in a request dated February 14, 2024. Florida Housing staff approved of the change on March 6, 2024.

From:

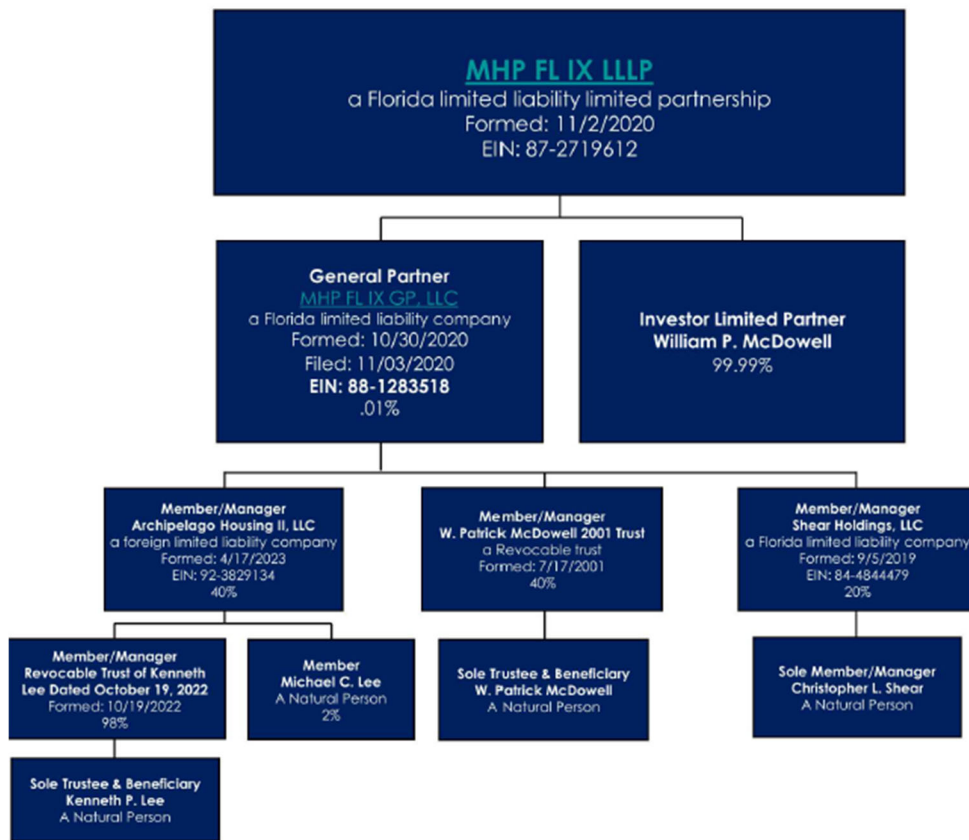
- 41 Zero bedroom/one bathroom units (7 ELI)
- 157 One bedroom/one bathroom units (26 ELI)
- 10 Two bedroom/two bathroom units (1 ELI)

**SAIL, ELI, NHTF & HC CREDIT UNDERWRITING REPORT**

To:  
 196 One bedroom/one bathroom units (32 ELI)  
 12 Two bedroom/two bathroom units (2 ELI)

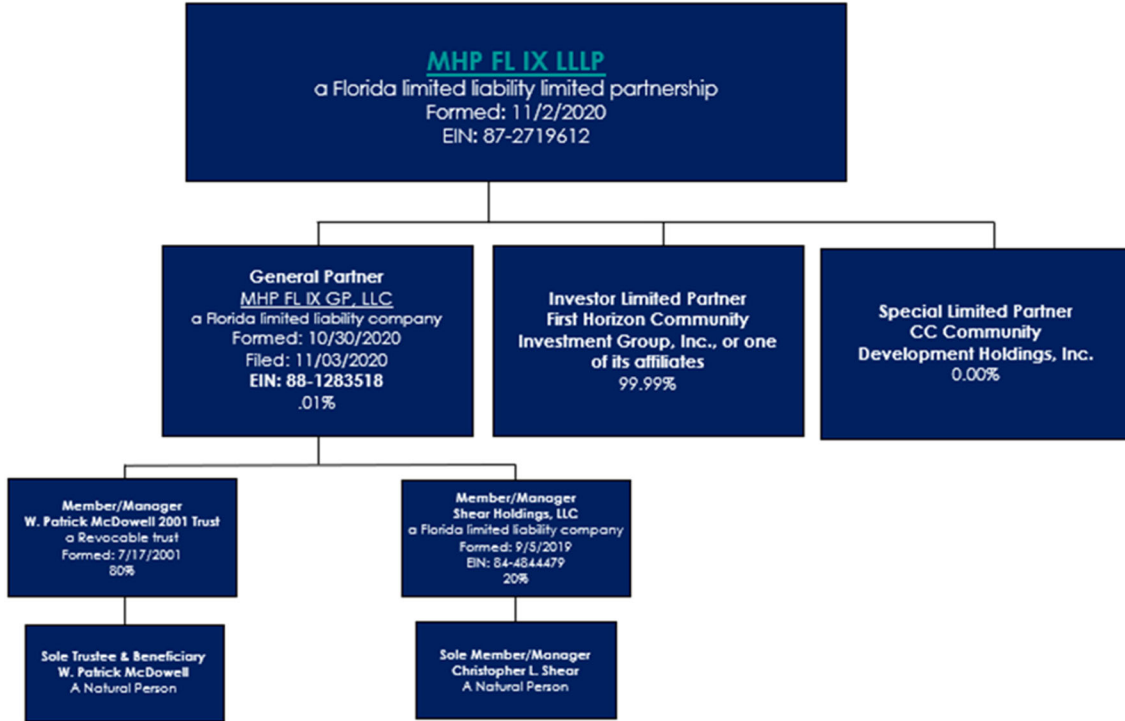
5. Since the time of Application, the management company changed from Bryten Real Estate Partners, LLC to Asset Living Southeast, LLC since the time of Application. Asset Living Southeast, LLC submitted their prior experience chart.
6. The Applicant submitted a request dated August 20, 2024 to change the organizational structure of the Applicant as follows:

From:



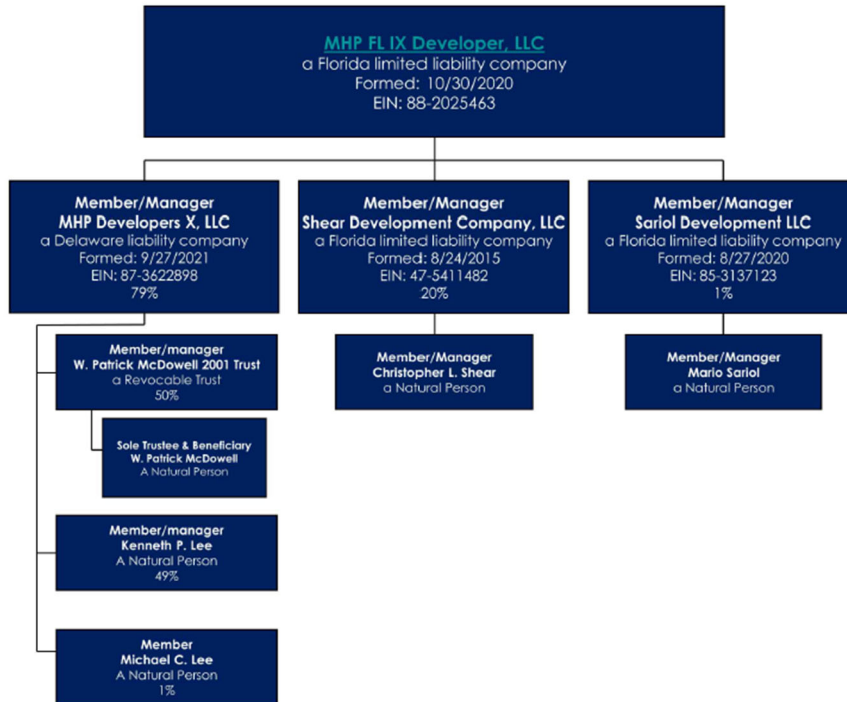
SAIL, ELI, NHTF & HC CREDIT UNDERWRITING REPORT

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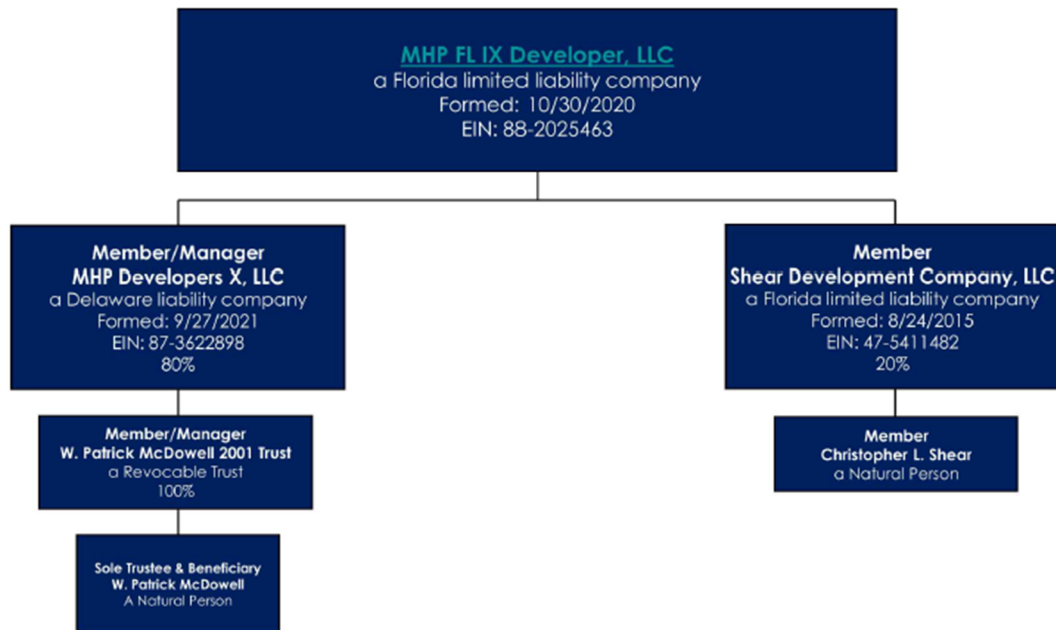


The Applicant submitted a request dated August 20, 2024 to change the organizational structure of the Developer Entity as follows:

From:



To:



FHFC staff approved these changes on October 2, 2024.

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

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

According to the October 18, 2023 Asset Management Noncompliance Report, the parent owner, McDowell Housing Partners, LLC, has the following noncompliance item associated with the Jordan Bayou development:

- Failure to document tenant eligibility upon initial occupancy

According to the September 12, 2024 Florida Housing Past Due Report, the Development Team has a past due Quarterly Section 3 Monitoring Fee in the amount of \$1,419 for Arbor Park.

This recommendation is subject to satisfactory resolution of any outstanding noncompliance items and/or past due items prior to or at the time of loan closing and the issuance of the Annual HC allocation recommendation herein.

Strengths:

1. The Development Team has demonstrated the ability to successfully develop and operate affordable multifamily rental communities using a variety of different subsidies.
2. A Market Study performed by Meridian Appraisal Group, Inc. dated February 19, 2024 concludes that the Development should benefit from the rental rate advantage it will have over market rents. Based

on the proposed rents, the Development will have a 165% rental rate advantage compared to the average achievable market rents for the area.

3. The weighted average occupancy rate for like-kind, existing, stabilized properties within the Development's CMA is 99.8%

Other Considerations:

1. In accordance with RFA, 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 (High-Rise)(New Construction), inclusive of a \$7,500/unit add-on for using tax-exempt bonds per the RFA and an 6.00% escalation rate applied to the base \$413,333 per unit allowable as approved at the April 1, 2022 Telephonic FHFC Board meeting, is \$446,083.33 per unit. With a total of 208 units, the maximum TDC for the Development is therefore \$92,785,332.64. The TDC as underwritten equals \$62,423,836. As such, the Development does not exceed the per unit maximum TDC and is eligible for funding as a result.
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:

None.

Waiver Requests:

None.

Additional Information:

None.



**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>
New Rental Units	\$31,746,880	\$34,100,279	\$32,686,342	\$157,146	\$244,000
Site Work	\$0	\$0	\$1,413,937	\$6,798	\$212,091
Constr. Contr. Costs subject to GC Fee	\$31,746,880	\$34,100,279	\$34,100,279	\$163,944	\$456,091
General Conditions (6.0%)	\$0	\$2,046,017	\$2,046,017	\$9,837	\$0
Overhead (2.0%)	\$0	\$682,006	\$682,006	\$3,279	\$0
Profit (6.0%)	\$4,444,563	\$2,046,017	\$2,046,016	\$9,837	\$0
General Liability Insurance	\$0	\$1,111,493	\$209,392	\$1,007	\$0
Payment and Performance Bonds	\$0	\$281,874	\$281,874	\$1,355	\$0
Contract Costs not subject to GC Fee	\$0	\$0	\$902,100	\$4,337	\$0
Total Construction Contract/Costs	\$36,191,443	\$40,267,685	\$40,267,684	\$193,595	\$456,091
Hard Cost Contingency (5.0%)	\$1,809,572	\$2,013,384	\$2,013,384	\$9,680	\$0
FF&E paid outside Constr. Contr.	\$300,000	\$251,304	\$251,304	\$1,208	\$0
<b>Total Construction Costs:</b>	<b>\$38,301,015</b>	<b>\$42,532,373</b>	<b>\$42,532,372</b>	<b>\$204,483</b>	<b>\$456,091</b>

**Allowances:**

Garage Vertical Pipe Guards	\$5,000
Signage Package	\$80,000
Owner FFE Install Assistance	\$5,000
Onsite Security	\$100,000
Milling SW 117th Avenue and SW 214th Street	\$35,000
Garage Ground Floor Drainage not on plumbing	\$32,500
Window Washing Equipment embeds	\$35,000
Expansion Joint Cover Allowance	\$2,000
Total	\$294,500

**Notes to Actual Construction Costs:**

1. A Standard Form of Agreement Between the Owner and Contractor where the basis of payment is the Cost of the Work Plus a Fee with a Guaranteed Maximum Price in the amount \$40,267,685 (the "Construction Contract"), dated August 21, 2024, has been provided. The executed Construction Contract is between the Applicant and MHP-ANF Group Construction, LLC ("General Contractor"). It indicates construction completion within 607 calendar days from the date of commencement. The Construction Contract indicates retainage of ten percent (10%) will be withheld until 50% of the work is complete based on the Schedule of Values, at which point no additional retainage shall be withheld.
2. The General Contractor will secure a Payment and Performance Bond to secure the Construction Contract and an estimate of its cost is included in the Schedule of Values of the Construction Contract.
3. New Rental Units includes \$244,000 for washers and dryers to be provided at the Development, which are income producing. Therefore, the cost to purchase the washers and dryers is ineligible.
4. FF&E Paid outside of the Construction Contract consists of furnishings, fitness equipment, mailboxes, trash compactor, recycling bins and signage.
5. The allowances included in the GC Contract are 0.73% of the GMP. Moran Consultants, LLC ("Moran") finds the specific allowances are reasonable for this Development.

**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	\$1,051,064	\$60,000	\$60,000	\$288	\$15,000
Appraisal	\$0	\$8,500	\$8,500	\$41	\$0
Architect's Fees	\$0	\$617,810	\$528,810	\$2,542	\$0
Builder's Risk Insurance	\$321,436	\$296,740	\$296,740	\$1,427	\$0
Building Permits	\$1,128,400	\$300,400	\$300,400	\$1,444	\$0
Engineering Fees	\$0	\$414,366	\$485,335	\$2,333	\$0
Environmental Report	\$0	\$5,000	\$5,000	\$24	\$0
FHFC Administrative Fees	\$382,813	\$271,972	\$268,094	\$1,289	\$268,094
FHFC Application Fee	\$0	\$3,000	\$3,000	\$14	\$3,000
FHFC Compliance Fee	\$0	\$320,974	\$270,912	\$1,302	\$270,912
FHFC Credit Underwriting Fee	\$0	\$46,302	\$26,181	\$126	\$26,181
Green Building Cert. (LEED, FGBC, NAHB)	\$0	\$27,021	\$43,130	\$207	\$0
Impact Fee	\$0	\$384,207	\$300,400	\$1,444	\$0
Insurance	\$0	\$358,800	\$358,788	\$1,725	\$358,788
Legal Fees - Organizational Costs	\$0	\$575,000	\$575,000	\$2,764	\$115,000
Lender Inspection Fees / Const Admin	\$0	\$91,956	\$91,956	\$442	\$0
Market Study	\$0	\$5,875	\$5,875	\$28	\$5,875
Marketing and Advertising	\$0	\$156,000	\$156,000	\$750	\$156,000
Plan and Cost Review Analysis	\$0	\$5,850	\$5,850	\$28	\$0
Property Taxes	\$0	\$60,000	\$60,000	\$288	\$0
Soil Test	\$0	\$4,500	\$4,500	\$22	\$0
Survey	\$0	\$30,000	\$30,000	\$144	\$0
Title Insurance and Recording Fees	\$1,302,380	\$225,000	\$225,000	\$1,082	\$40,000
Utility Connection Fees	\$0	\$291,280	\$291,280	\$1,400	\$0
Soft Cost Contingency (5.0%)	\$135,667	\$144,740	\$220,282	\$1,059	\$0
Other: FHFC SAIL Compliance Fee	\$0	\$0	\$4,900	\$24	\$4,900
<b>Total General Development Costs:</b>	<b>\$4,321,760</b>	<b>\$4,705,294</b>	<b>\$4,625,933</b>	<b>\$22,240</b>	<b>\$1,263,750</b>

*Notes to the General Development Costs:*

- AmeriNat reflects the costs associated with the Architect's and Engineer's fees as stated in agreements between the Applicant and the professionals which were reviewed by AmeriNat.
- FHFC Administrative Fee is based upon a fee of 9% of the annual HC allocation recommendation made herein.
- FHFC Credit Underwriting Fee includes the SAIL & ELI Credit Underwriting Fee (\$15,360), multiple program fee for 4% HC (\$5,146), multiple program fee for 4% HC (\$5,300) and a \$375 credit reporting fee.
- Impact Fees are net fees provided by the Applicant.
- The Applicant provided an executed agreement for NGBS National Green Building Standard Certification ("NGBS") between the Applicant and GreenBuilt Solutions, LLC.
- The remaining general development costs appear reasonable.
- The FHFC SAIL Compliance Fee of \$4,900 is based on \$100 per year for years 51-99 Ad Valorem Compliance Period. FHFC Compliance Fees through the initial 50 year Compliance Period will be ongoing and are incorporated in the operating pro forma and debt service analysis within this report.

**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 Closing Costs	\$0	\$25,000	\$25,000	\$120	\$0
Construction Loan Commitment Fee	\$396,364	\$420,000	\$420,000	\$2,019	\$0
Construction Loan Interest	\$3,712,414	\$4,091,198	\$4,091,198	\$19,669	\$2,211,817
Permanent Loan Closing Costs	\$0	\$25,000	\$25,000	\$120	\$25,000
Permanent Loan Commitment Fee	\$387,375	\$125,000	\$132,340	\$636	\$132,340
Local HFA Bond Cost of Issuance	\$0	\$358,237	\$358,683	\$1,724	\$358,683
Local HFA Bond Trustee Fee	\$0	\$12,750	\$12,750	\$61	\$12,750
SAIL Closing Costs	\$0	\$0	\$12,500	\$60	\$12,500
SAIL Commitment Fee	\$0	\$84,780	\$84,780	\$408	\$84,780
SAIL-ELI Commitment Fee	\$0	\$7,500	\$7,500	\$36	\$7,500
NHTF Closing Costs	\$0	\$0	\$12,500	\$60	\$12,500
Legal Fees - Financing Costs	\$0	\$200,000	\$200,000	\$962	\$200,000
Placement Agent/Underwriter Fee	\$0	\$45,000	\$45,000	\$216	\$45,000
Initial TEFRA Fee	\$0	\$1,000	\$1,000	\$5	\$1,000
Other: HFAMDC Issuer Fee (3 Years)	\$0	\$315,000	\$315,000	\$1,514	\$315,000
<b>Total Financial Costs:</b>	<b>\$4,496,153</b>	<b>\$5,710,465</b>	<b>\$5,743,251</b>	<b>\$27,612</b>	<b>\$3,418,870</b>
<b>Dev. Costs before Acq., Dev. Fee &amp; Reserves</b>	<b>\$47,118,928</b>	<b>\$52,948,132</b>	<b>\$52,901,556</b>	<b>\$254,334</b>	<b>\$5,138,711</b>

*Notes to the Financial Costs*

1. An interest reserve for the Construction Loans is supported by the Construction Loan terms illustrated in the Term Sheet provided by Newpoint, 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.
2. The Local HFA Bond Cost of Issuance includes applicable costs, and the appropriate line items were included in this section based on the representation contained in the draft COI.
3. The SAIL and ELI Commitment Fees represent 1.00% of each respective loan amount.
4. The SAIL/ELI and NHTF Closing Costs are \$12,500 each for FHFC legal fees.
5. The remaining Financial Costs appear reasonable.

<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	\$8,481,407	\$9,547,835	\$9,522,280	\$45,780	\$0
<b>Total Dev. Fee on Non-Acq. Costs (18.0%):</b>	<b>\$8,481,407</b>	<b>\$9,547,835</b>	<b>\$9,522,280</b>	<b>\$45,780</b>	<b>\$0</b>

*Notes to the Developer Fee on Non-Acquisition Costs:*

None.

<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>
Land	\$5,800,000	\$7,400,000	\$7,400,000	\$35,577	\$7,400,000
<b>Total Acquisition Costs:</b>	<b>\$5,800,000</b>	<b>\$7,400,000</b>	<b>\$7,400,000</b>	<b>\$35,577</b>	<b>\$7,400,000</b>

*Notes to Land Acquisition Costs:*

1. The Applicant provided a Special Warranty Deed executed as of April 4, 2022 between Cutler Ridge Investment Group, LLC (the "Seller") and the Applicant that illustrates the conveyance of the Development site from the Seller to the Applicant.
2. An Appraisal prepared by prepared by CBRE, Inc. dated September 9, 2024 identified an "As Is" value for the vacant land of \$7,400,000, which supports the purchase price.

**SAIL, ELI, NHTF & HC CREDIT UNDERWRITING REPORT**

RESERVE ACCOUNTS	Applicant Costs	Revised Applicant Costs	Underwriters Total Costs - CUR	Cost Per Unit	HC Ineligible Costs - CUR
Operating Deficit Reserves	\$721,294	\$650,449	\$666,515	\$3,204	\$666,515
<b>Total Reserve Accounts:</b>	<b>\$721,294</b>	<b>\$650,449</b>	<b>\$666,515</b>	<b>\$3,204</b>	<b>\$666,515</b>

*Notes to Reserve Accounts*

1. Operating Deficit Reserve is based on the requirements of First Horizon and equates to approximately three months of debt service.

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>\$62,121,629</b>	<b>\$70,546,416</b>	<b>\$70,490,351</b>	<b>\$338,896</b>	<b>\$13,205,226</b>

*Notes to Total Development Costs:*

None.

RFA Limits	Maximum per RFA (%)	Actual at CUR (%)	Maximum per RFA (\$)	Actual at CUR (\$)
General Contractor Fee	14.00%	14.00%	\$4,774,039	\$4,774,039
Hard Cost Contingency	5.00%	5.00%	\$2,013,384	\$2,013,384
Soft Cost Contingency	5.00%	5.00%	\$220,283	\$220,282
Developer Fee	18.00%	18.00%	\$9,522,280	\$9,522,280

**Section B**  
**SAIL, and ELI Loan Special and General Conditions**

### **Special Conditions**

This recommendation is contingent upon receipt of the following item by Florida Housing at least two weeks prior to real estate loan closing. Failure to submit this item within this time frame may result in postponement of the loan closing date.

1. Receipt of a P&P Bond in the full amount of the Construction Contract.
2. Receipt of an executed Management Agreement.
3. Completion of the HUD Section 3 pre-construction conference.
4. The Development shall meet the Section 3 requirements of the Housing and Urban Development Act of 1968 as amended (12 U.S.C. 1701u and 24 CFR Part 75).
5. Satisfactory receipt of the Affirmative Fair Housing Marketing Plan
6. Final loan terms/documents of the Self-Sourced financing with terms which are not substantially different than those utilized in this credit underwriting report.
7. Approval from the lenders/parties involved in the transaction, confirming their approval of the terms of the Ad Valorem Property Tax Exemption.
8. Receipt of the Compliance Monitoring Fee of \$4,900 for Ad Valorem Compliance Period.

### **General Conditions**

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

1. Applicant to comply with any and all recommendations noted in the Plan and Cost Review.
2. Signed and sealed survey, dated within 90 days of closing, unless otherwise approved by Florida Housing, and its Legal Counsel, based upon the particular circumstances of the transaction. The Survey shall be certified to Florida Housing and its Legal Counsel, as well as the title insurance company, and shall indicate the legal description, exact boundaries of the Development, easements, utilities, roads, and means of access to public streets, total acreage and flood hazard area, and any other requirements of Florida Housing.
3. Final "as permitted" (signed and sealed) site plans, building plans and specifications. The geotechnical report, if any, must be bound within the final plans and specifications.
4. Building permits and any other necessary approvals and permits (e.g., final site plan approval, water management district, Department of Environmental Protection, Army Corps of Engineers, Department of Transportation, etc.). Acceptable alternatives to this requirement are receipt and satisfactory review of a letter from the local permitting and approval authority that the above referenced permits and approvals will be issued upon receipt of applicable fees (with no other

conditions), or evidence of 100% lien-free completion, if applicable. If a letter is provided, copies of all permits will be required as a condition of the first post-closing draw.

5. Final sources and uses of funds itemized by source and line item, in a format and in amounts approved by the Servicer. A detailed calculation of the construction interest based on the final draw schedule (see below), documentation of the closing costs, and draft loan closing statement must also be provided. The sources and uses of funds schedule will be attached to the Loan Agreement as the approved Development budget.
6. A final construction draw schedule showing itemized sources and uses of funds for each monthly draw. SAIL, ELI & NHTF Loan Proceeds shall be disbursed in an amount per Draw that does not exceed the ratio of the SAIL, ELI & NHTF loans, respectively, to the Total Development Cost during the construction or rehabilitation phase, unless otherwise approved by the Credit Underwriter. The closing draw shall include appropriate backup and ACH wiring instructions.
7. Construction Period Developer Fee shall be the lesser of i) 50% of the Total Developer Fee or ii) the Total Developer Fee less the Deferred Developer Fee listed in the Sources and Uses for the construction period, as calculated by the Servicer. At closing, a maximum of 35% of the Construction Period Developer Fee may be funded. Remaining Construction Period Developer Fee will be disbursed during construction/rehabilitation on a pro rata basis, based on the percentage of completion of the development, as approved and reviewed by FHFC and Servicer.

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

8. Evidence of insurance coverage pursuant to the Request for Application governing this proposed transaction and, if applicable, the FHFC Insurance Guide.
9. The General Contractor shall secure a payment and performance bond equal to 100 percent of the total construction cost listing FHFC as a co-obligee, whose terms do not adversely affect the Corporation's interest, issued in the name of the General Contractor, from a company rated at least "A-" by AMBest & Co., or a Corporation-approved alternate security for the General Contractor's performance such as a letter of credit issued by a financial institution with a senior long term (or equivalent) credit rating of at least "Baa3" by Moody's, or at least "BBB-" by Standard & Poor's or Fitch, or a financial rating of at least 175 by IDC Financial Publishing. The LOC must include "evergreen" language and be in a form satisfactory to Florida Housing, its Servicer and its Legal Counsel.
10. Architect, Construction Consultant, and Applicant certifications on forms provided by Florida Housing will be required for both design and as-built with respect to Section 504 of the Rehabilitation Act, the Americans with Disabilities Act ("ADA"), and Federal Fair Housing Act requirements, as applicable.
11. A copy of an Amended and Restated Limited Partnership Agreement reflecting purchase of the HC under terms consistent with the assumptions contained within this Credit Underwriting Report. The Amended and Restated Limited Partnership Agreement shall be in a form and of financial substance satisfactory to Servicer and to FHFC and its Legal Counsel.
12. Satisfactory resolution of any outstanding past due and/or noncompliance 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 Rule Chapters 67-21.0025(5) and 67-48.0075 (5) F.A.C., of an Applicant or a Developer).

14. At all times there will be undisbursed loan funds (collectively held by Florida Housing, the first lender and any other source) sufficient to complete the Development. If at any time there are not sufficient funds to complete the Development, the Applicant will be required to expend additional equity on Development costs or to deposit additional equity with Florida Housing which is sufficient (in Florida Housing's judgment) to complete the Development before additional loan funds are disbursed. This condition specifically includes escrowing at closing all equity necessary to complete construction or another alternative acceptable to Florida Housing in its sole discretion.
15. At the end of the Compliance Period, any remaining balance of the ODR less amounts that may be permitted to be drawn (which includes Deferred Developer Fee and reimbursements for authorized member/partner and guarantor loan(s) pursuant to the operating/partnership agreement), will be used to pay FHFC debt; if there is no FHFC loan debt on the proposed Development at the end of the Compliance Period, any remaining balance shall be used to pay any outstanding FHFC fees. If any balance is remaining in the ODR after the payments above, the amount should be placed in a Replacement Reserve account for the Development. In no event shall the payments of amounts to Applicant or the Developer from the Reserve Account cause the Developer fee or General Contractor Fee to exceed the applicable percentage limitations provided for in Rule 67-21 and 67-48. 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 30 days prior to Real Estate loan closing. Failure to receive approval of these items within this time frame may result in postponement of the loan closing.

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



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

This recommendation is also contingent upon the following additional conditions:

1. Compliance with all provisions of Sections 420.507, 420.5087, and 420.509, Florida Statutes, Rule Chapters 67-21, 67-48, 67-53, and 67-60, F.A.C., RFA 2023-205, Section 42 I.R.C., and other State and Federal requirements.
2. Acceptance by the Applicant and execution of all documents evidencing and securing the SAIL, ELI & NHTF Loans in form and substance satisfactory to Florida Housing and its Legal Counsel, including, but not limited to, the Promissory Note(s), the Loan Agreement(s), the Mortgage and Security Agreement(s), the Land Use Restriction Agreement(s), and Extended Low Income Housing Agreement(s).
3. If applicable, receipt and satisfactory review of Financial Statements from all Guarantors dated within 90 days of Real Estate Closing.
4. Guarantors are to provide the standard FHFC Construction Completion Guaranty, to be released upon lien free completion as approved by the Servicer.
6. Guarantors for the SAIL 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 SAIL Loan, as determined by FHFC or the Servicer, and 90%

Occupancy and 90% of Gross Potential Rental Income net of utility allowances, if applicable, for a period equal to twelve (12) consecutive months, all certified by an independent Certified Public Accountant (“CPA”) and verified by the Servicer. The calculation of the debt service coverage ratio shall be made by FHFC or the Servicer. Notwithstanding the above, the Operating Deficit Guaranty shall not terminate earlier than three (3) years following the final certificate of occupancy.

7. Guarantors are to provide the standard FHFC Environmental Indemnity Guaranty.
8. Guarantors are to provide the standard FHFC Guaranty of Recourse Obligations.
9. A mortgagee title insurance lender’s policy naming Florida Housing as the insured mortgage holder in the amount of the Loans is to be issued at closing. Any exceptions to the title insurance policy must be acceptable to Florida Housing or its Legal Counsel. All endorsements that are required by Florida Housing are to be issued and the form of the title policy must be approved prior to closing.
10. Property tax and hazard insurance escrows are to be established and maintained by the First Lender or the Servicer. In the event the reserve account is held by Florida Housing’s loan servicing agent, the release of funds shall be at Florida Housing’s sole discretion.
11. Replacement Reserves in the minimum amount of \$300 per unit per year are required to be deposited on a monthly basis into a designated escrow account, to be maintained by the First Mortgagee/Credit Enhancer, the Fiscal Agent, or Florida Housing’s loan servicing agent. However, Applicant has the option to prepay Replacement Reserves, as allowed per RFA and Rule Chapters 67-21 and 67-48, in the amount of \$62,400 (one-half the required Replacement Reserves for Years 1 and 2), in order to meet the applicable DSC loan requirements. Applicant can waive this election, if at closing of the loan(s) the required DSC is met without the need to exercise the option. It is currently estimated that Replacement Reserves will be funded from Operations in the amount of \$300 per unit per year for years 1 and 2, followed by \$300 per unit per year thereafter. The initial Replacement Reserve will have limitations on the ability to be drawn. New construction or Redevelopment Developments (with or without acquisition) shall not be allowed to draw during the first five years or until the establishment of a minimum balance equal to the accumulation of five years of replacement reserves per unit.

The amount established as a Replacement Reserve shall be adjusted based on a Capital Needs Assessment (“CNA”) to be received by the Corporation or its servicers, prepared by an independent third party and acceptable to the Corporation and its servicers at the time the CNA is required, beginning no later than the 10th year after the first residential building in the Development receives a certificate of occupancy, a temporary certificate of occupancy, or is placed in service, whichever is earlier (“Initial Replacement Reserve Date”). A subsequent CNA is required no later than the 15th year after the Initial Replacement Reserve Date and subsequently every five (5) years thereafter.

12. Moran Consultants, LLC or other construction inspector acceptable for Florida Housing is to act as Florida Housing’s inspector during the construction period.
13. Under the terms of the construction contract, a minimum of 10% retainage holdback on all construction draws will be withheld until construction is 50% complete and thereafter no additional retainage is withheld. Retainage will not be released until successful lien free completion of construction and issuance of all certificates of occupancy, which satisfies the RFA and Rule Chapters 67-21 and 67-48 minimum requirement.
14. Satisfactory completion of a pre-loan closing compliance audit conducted by Florida Housing or its Servicer, if applicable.
15. Closing of all funding sources prior to or simultaneous with the closing of the SAIL, ELI and NHTF loans.

17. Housing Credits - Receipt of executed FHFC Fair Housing, Section 504 and ADA as-built certification forms 122, 127, and 129.
18. Any other reasonable requirements of the Servicer, Florida Housing or its Legal Counsel.

**Section C**

**Supporting Information & Schedules**

## Additional Development & Third-Party Information

### Appraisal Summary:

Appraisal Summary Questions	Responses	Note
Appraisal Firm Name	CBRE Valuation & Advisory Services	
Date of Report	9/9/2024	
Confirm certified and prepared for FHFC (Y/N)	Y	
Date appraisers license expires (should be after report date)	11/30/2024	
Occupancy at Stabilization: Economic (%)	97.0%	
Occupancy at Stabilization: Physical (%)	98.0%	
Value: As Is market value of the land	\$7,400,000	
Value: As Is restricted value of the land	\$7,400,000	
As of date and type of interest (as if vacant land)	8/22/2024 (Fee Simple)	
Value: "As Complete and Stabilized", subject to unrestricted rents	\$50,600,000	
As of date and type of interest (unrestricted rents)	8/22/2024 (Fee Simple)	
Value: "As Complete and Stabilized", subject to restricted rents	\$35,600,000	
As of date and type of interest (restricted rents)	8/22/2024 (Fee Simple)	
Does the As Is value of land or land & improvements to be acquired support the acquisition cost? (Y/N)	Y	

### Market Study:

Market Study Summary Questions	Responses	Note
Market Study Firm Name	Meridian Appraisal Group, Inc.	
Date of Report	2/19/2024	
Confirm certified and prepared for FHFC (Y/N)	Y	
Number of like-kind developments (existing and proposed) in the Competitive Market Area (CMA)	Six (5 existing, 1 under construction)	
Short Term and Long Term Impact to existing like-kind developments	Short Term - Moderate Impact Long Term - Weak Impact	
Weighted Average Occupancy of like-kind developments (submarket) (must be ≥ 92%)	99.8%	
Number of Guarantee Fund Properties in PMA?	0	
Metrics for 10 mile radius:		
Level of Effort (%)	72.7%	
Capture Rate (%)	0.4%	
Remaining Potential Demand	5356	
Metrics for 5 mile radius:		
Level of Effort (%)	111.5%	
Capture Rate (%)	1.0%	
Remaining Potential Demand	-867	
Metrics for 3 mile radius:		
Level of Effort (%)	109.6%	
Capture Rate (%)	1.8%	
Remaining Potential Demand	-383	
Absorption Rate	40 units per month	
Will the development achieve maximum allowable HC Rents? (Y/N)	Y	
For New Construction Units, is the average market rental rate, based on unit mix and annualized rent concessions at least 110% or greater of a 60 percent of Area Median Income rental rate?	Y	
For Live Local Units, is the average market rental rate, based on unit mix and annualized rent concessions at least 110% or greater of the highest percent Area Median Income rental rate?	N/A	
Does market exist to support both the demographic and income restriction set-asides committed to in the Application or as approved by FHFC or the Board? (Y/N)	Y	

**Environmental Report Summary:**

Environmental Report Summary Questions	Responses	Note
Preparer Firm Name	Langan Engineering and Environmental Services, LLC	
Date of Report	9/20/2024	
Type of Report	Phase I	
Confirm certified and prepared for FHFC (Y/N)	N	1.
Were any Recognized Environmental Conditions (RECs) noted? (Y/N)	Y	2.
Is any further investigation required? (Y/N)		

1. Receipt of an acceptable updated Environmental Audit Report, together with a reliance letter to Florida Housing, prepared within 90 days of the SAIL, ELI & NHTF loan closing is a condition precedent to the loan closing.
2. Langan Engineering and Environmental Services, LLC has been assisting the Owner with site assessment and remediation activities for the Southpointe Vista – Phase I and Phase II Projects since 2022. Site assessment activities at the subject property documented exceedances of arsenic in soil site-wide above the Direct Exposure Residential (DER) Soil Cleanup Target Level (SCTL) for arsenic of 2.1 milligrams per kilogram (mg/kg). No groundwater impacts were documented, and the owner pursued No Further Action (NFA) closure in regard to groundwater at the subject property and northern adjoining property (Phase I of the Southpointe Vista Project).

To pursue No Further Action with Conditions (NFAC) closure at the subject property in regard to soil, the top 6-inches of soil site-wide was excavated and disposed of off-site. Remaining arsenic-impacted soil located within the future Southwest 117th Court Right-of-Way (ROW) was excavated and will be reused beneath an engineering control (EC) in the central portion of the subject property. The Miami-Dade County Department of Regulatory and Economic Resources Division of Environmental Management has approved the use of ECs at the subject property in pursuit of NFAC closure as determined in the Engineering Control Plan (ECP).

A Site Assessment Report Addendum (SARA) is currently being prepared by Langan and will be submitted to DERM no later than 1 October 2024. Since the SARA approval and NFAC closure at the subject property are pending from DERM, Langan considers the documented arsenic-impacted soil at the subject property to be an REC.

**Soils Test Report Summary:**

Soils Test Report Summary Questions	Responses	Note
Preparer Firm Name	NV5, Inc.	
Date of Report	7/22/2024	
Did the engineer provide recommendations for site prep, foundation, stormwater, and pavement that would make the site suitable for the proposed development? (Y/N)	Y	
Were recommendations outlined consistent with Structural/Engineering Drawings? (Y/N)	Y	1.

1. The report provides excavation and foundation recommendations, however, does not include pavement recommendations. The report further discusses neighboring structures that are near the proposed site and gives recommendations for additional monitoring. Moran Construction

Consultants, LLC recommends confirmation that the Geotechnical Engineer has been retained for ongoing material testing during construction.

Plan & Cost Review Summary:

**Allowances:**

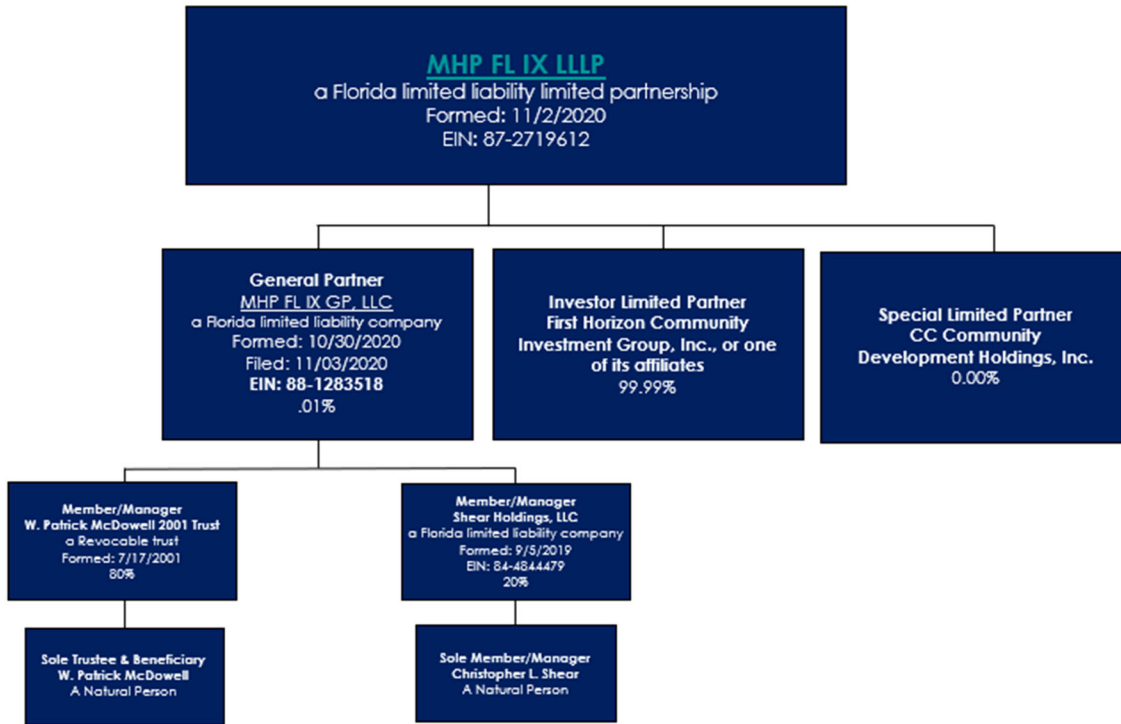
Garage Vertical Pipe Guards	\$5,000
Signage Package	\$80,000
Owner FFE Install Assistance	\$5,000
Onsite Security	\$100,000
Milling SW 117th Avenue and SW 214th Street	\$35,000
Garage Ground Floor Drainage not on plumbing	\$32,500
Window Washing Equipment embeds	\$35,000
Expansion Joint Cover Allowance	\$2,000
Total	\$294,500

Site Inspection Summary:

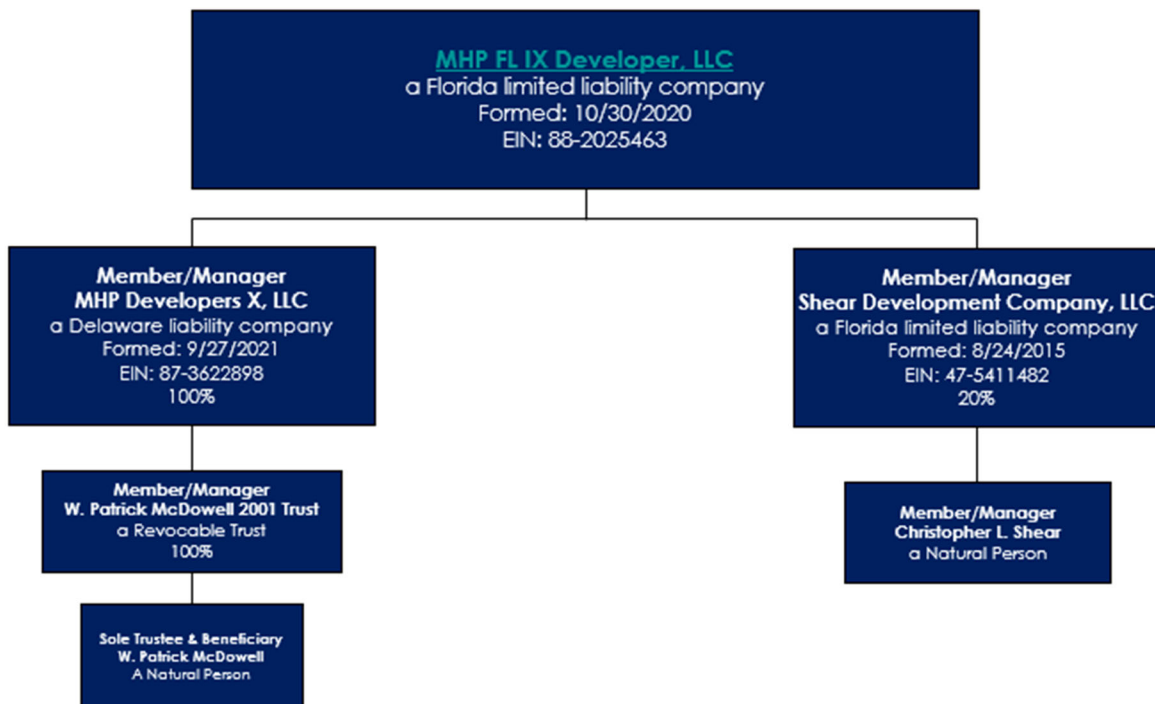
Site Visit Summary Questions	Responses	Note
Name of Inspector	Matt Smiley	
Date of Inspection	3/2/2024	
Were the observation(s) of the insepector in line with the Market Study? (Y/N)	Y	

**Applicant & Related Party Information:**

Borrower Org Chart:



Developer Org Chart:





SAIL, ELI, NHTF & HC CREDIT UNDERWRITING REPORT

AMERINAT

	MHP FL IX LLLP	MHP FL IX GP, LLC	W. Patrick McDowell 2001 Trust	W. Patrick McDowell	MHP FL IX Developer, LLC	MHP Developers X, LLC	First Horizon Community Investment Group, Inc.	MHP - ANF Group Construction, LLC	Asset Living Southeast, LLC	Note
Relationship Type	Guarantor	Guarantor	Guarantor	Guarantor	Guarantor	Guarantor	Syndicator	General Contractor	Property Manager	
Contact Person Name & Title	Christopher Shear Chief Operating Officer						Cate Reymond Vice President	Alberto Fernandez President	David Gates	
Contact Information	cshear@mcdhousing.com 786-577-9837						Cate.Reymond@firsthorizon.com (504) 310-3032	afernandez@anfgroup.com (954) 693-9900	dgates@liveweller.com 407) 790-0200	
Are Construction Completion, Operating Deficit, Environmental Indemnity and Recourse Obligations required to be signed?	Y	Y	Y	Y	Y	Y	N/A	N/A	N/A	
Does entity have the necessary experience?	Y	Y	Y	Y	Y	Y	Y	Y	Y	
Has a credit evaluation been completed and is it satisfactory?	Y	Y	N/A	Y	Y	Y	N/A	Y	N/A	
Have bank statements and/or trade references been received and reviewed and are they adequate?	N/A	N/A	Y	Y	N/A	N/A	N/A	Y	N/A	Y
Have all financial statements been reviewed and are they adequate?	Y	N/A	Y	Y	N/A	N/A	Y	Y	N/A	
Have a Statements of Financial & Credit Affairs been reviewed for contingent liabilities?	Y	Y	Y	Y	Y	Y	N/A	N/A	N/A	
P&P Bond, or LOC, required and received from company adequately rated as required by Rule?	Closing Item								N/A	
Have the Management Agreement and Plans been received, dated, and executed?	N								N	2.
Has the Property Manager been approved by FHFC's Asset Mgmt Dept (and if Rehab have they been approved prior to or at closing)?	N								N	3.
Does the entity have the relevant experience and possess the financial wherewithal to successfully construct and operate the Development as proposed?	Y	Y	Y	Y	Y	Y	Y	Y	Y	

Note: FHFC reserves the right to request additional information.

1. A draft Management Agreement was received. Receipt of an executed Management Agreement is a condition precedent to the loan closing.
2. The selection of Asset Living Southeast, LLC to manage the Development must be approved by FHFC's Asset Management Department prior to lease-up activity pursuant to Rule Chapter 67-53 F.A.C. As the Development is proposed to be constructed, said approval is not required at closing.

**Southpointe Vista II**  
**RFA 2023-205 (2024-036SN) / 2023-526C**  
**DESCRIPTION OF FEATURES AND AMENITIES**

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

208 Units located in 1 High-Rise residential building

Unit Mix:

One Hundred Ninety-six (196) one bedroom/one bath units;

Twelve (12) two bedroom/two bath units:

208 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.

All features and amenities committed to and proposed by the Applicant that are not unit specific 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.

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

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

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

To the extent that a Development is not otherwise subject to Section 504 and its related regulations, the Development shall nevertheless comply with Section 504 and its related

regulations as requirements of the Corporation funding program to the same extent as if the Development were subject to Section 504 and its related regulations in all respects. To that end, all Corporation funding shall be deemed “Federal financial assistance” within the meaning of that term as used in Section 504 and its related regulations for all Developments.

**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. Bathtub with shower in at least one bathroom in at least 90% of the new construction non-Elderly units;
8. 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.** Required Green Building Features required in all Developments:

All new construction units and, as applicable, all common areas must have the features listed below and all rehabilitation units are expected to have all of the following required Green Building features unless found to be not appropriate or feasible within the scope of the rehabilitation work utilizing a capital needs assessment as further explained in Exhibit F of the RFA:

- a. Low or No-VOC paint for all interior walls (Low-VOC means 50 grams per liter or less for flat; 150 grams per liter or less for non-flat paint);

- b. Low-flow water fixtures in bathrooms – WaterSense labeled products or the following specifications:
  - i. Toilets: 1.28 gallons/flush or less,
  - ii. Urinals: 0.5 gallons/flush,
  - iii. Lavatory Faucets: 1.5 gallons/minute or less at 60 psi flow rate,
  - iv. Showerheads: 2.0 gallons/minute or less at 80 psi flow rate;
- c. Energy Star certified refrigerator;
- d. Energy Star certified dishwasher;
- e. Energy Star certified ventilation fan in all bathrooms;
- f. Water heater minimum efficiency specifications:
  - Residential Electric:
    - i. Up to 55 gallons = 0.95 EF or 0.92 UEF; or
    - ii. More than 55 gallons = Energy Star certified; or
    - iii. Tankless = 0.97 EF and Max GPM of  $\geq 2.5$  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;

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/  $\geq 12.0$  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 a Development Category of New Construction or Redevelopment, with or without acquisition, 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. This Family Development will provide the following resident programs:

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

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

(3) Financial Management Program

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

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

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

**HOUSE CREDIT ALLOCATION CALCULATION**

**Qualified Basis Calculation**

<b>Section I: Qualified Basis Calculation</b>	
Development Cost	\$70,490,351
Less: Land Cost	(\$7,400,000)
Less: Other Ineligible Cost	(\$5,805,226)
Total Eligible Basis	\$57,285,125
Applicable Fraction	100.00%
DDA/QCT Basis Credit	130.00%
Qualified Basis	\$74,470,663
Housing Credit Percentage	4.00%
Annual Housing Credit Allocation	\$2,978,827

Notes to the Eligible Basis Calculation:

1. "Other Ineligible Costs" include, but are not limited to, a portion of new rental units, a portion of site work, accounting fees, market study, Florida Housing compliance, administrative, application, and underwriting fees, marketing/advertising fees, various fees associated with the SAIL, ELI and NHTF funding, a portion of construction loan interest, permanent loan related costs, Local HFA Bond Cost of Issuance costs, Legal Fees – Financing Costs, Placement Agent costs and an Operating Deficit Reserve.
2. The Development is 100% set-aside; therefore, the applicable fraction is 100%.
3. Per the Application, the Development is located in a QCT (Census Tract \$102.13); therefore, a 130% basis credit was applied.
4. Per the FY 2021 Omnibus Consolidated Appropriations Act passed by Congress as of December 21, 2020, a permanent 4% minimum HC rate was established. For the purposes of this report, a HC percentage of 4.00% has therefore been applied.



**GAP Calculation**

<b>Section II: Gap Calculation</b>	
Total Development Cost (Including Land and Ineligible Costs)	\$70,490,351
Less: Mortgages	(\$41,045,000)
Equity Gap	\$29,445,351
Percentage to Investment Partnership	99.99%
HC Syndication Pricing	\$0.960
HC Required to Meet Gap	\$30,675,308
Annual HC Required	\$3,067,531

Notes to the Gap Calculation:

1. Mortgages include a first mortgage from Newpoint, second and third mortgages to be provided by FHFC, and a fifth mortgage to be provided by Brickell Bay South, LLC (Affiliate of the Development Team).
2. The HC Syndication Pricing and Percentage to the Investment Partnership are based upon the LOI dated August 15, 2024 from First Horizon.

**Summary**

<b>Section III: Summary</b>	
HC per Qualified Basis	\$2,978,827
HC per Gap Calculation	\$3,067,531
Annual HC Recommended	\$2,978,827

Notes to the Summary:

1. The Annual HC recommended is based upon the lesser of the Qualified Basis or Gap Calculation; therefore, the Qualified Basis Calculation amount applies.

Tax Credit 50% Test

<b>Section III: Tax-Exempt Bond 50% Test</b>	
Total Depreciable Cost	\$57,220,304
Plus: Land Cost	\$7,400,000
Aggregate Basis	\$64,620,304
Tax-Exempt Bond Amount	\$44,000,000
Tax-Exempt Proceeds Used for Building and Land	\$44,000,000
Proceeds Divided by Aggregate Basis	68.09%

Notes to the Tax Credit 50% Test:

1. Based upon this analysis, the 50% Test is satisfactory.



**Blue Sky Communities**  
180 Fountain Parkway N,  
Suite 100  
St. Petersburg, FL 33716

September 30, 2024

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

RE: New York Avenue Apartments, 2023-226BR/2022-549C  
RRLP Firm Loan Commitment Extension Request

Dear Tim,

Pursuant to RFA 2023-304 the firm loan commitment must be issued within twelve (12) months of acceptance to enter credit underwriting. In accordance with our credit underwriting invitation, dated August 29, 2023, we respectfully request to utilize the six-month extension of the firm loan commitment. Our delay has been primarily caused by an increase in the hard cost budget of the building from the time of application. The extension is requested to secure the additional local funding needed from Volusia county. They have made available an RFP for additional CDBG funding which we be applying for to close the funding gap and proceed to a closing in February 2024.

If you have any questions, please contact Jennifer Smithson at (813) 384-4829.

Sincerely,

BLUE IAN, LLC

By: Blue Ian M, LLC, its manager

By:   
\_\_\_\_\_  
Shawn Wilson, Manager

**DURHAM PLACE, LTD.**

1105 Kensington Park Drive, Suite 200  
Altamonte Springs, FL 32714  
(t) 407-333-3233

October 2, 2024

VIA: E-MAIL [[Lisa.Nickerson@floridahousing.org](mailto:Lisa.Nickerson@floridahousing.org)]

**Florida Housing Finance Corporation**

Attn: Lisa Nickerson  
227 North Bronough Street, Suite 5000  
Tallahassee, Florida 32301

Re: **Durham Place's Washer and Dryers (FHFC #2020-480CSN/2021-341CSN)**

Dear Lisa:

We are in receipt of your email dated 10/2/2024 requesting additional information on the laundry rooms and common laundry facilities at Durham Place. Please consider the additional information below as a supplement to Durham Place, Ltd.'s original request letter to FHFC dated 05/21/24:

1. Building 1 (BIN # FL20-48001; located at 5205 South Orange Blossom Trail) has an on-site laundry facility with 4 washing machines and 4 dryers serving 53 total units. These 53 units are primarily one-bedroom units for formerly homeless single individuals, and a laundry facility was designed in this building to accommodate their unique circumstances and needs. This ratio does not violate the 15 units per 1 washer and 1 dryer as outlined in the LURA.
2. Building 2 (BIN # FL20-48002; located at 5227 South Orange Blossom Trail) has 49 total units. This building primarily serves formerly homeless families, and due to most of them having children, Durham Place, Ltd. installed washer and dryer hookups AND washers and dryers in every unit at no charge to the residents.
3. The approach outlined above was taken to apply best practices to each formerly homeless population served at Durham Place. It was well within our rights to provide common laundry facilities in both buildings to meet all requirements. However, we went above and beyond to provide the 49 formerly homeless families in Building 2 with in-unit washers and dryers at no cost to them. This is a benefit to the community and its residents, not a detriment. The hardship that would be incurred by removing these in-unit washers and dryers would be felt by all 49 families occupying those units, not by Durham Place, Ltd.

We greatly appreciate your consideration of our request. Should you need any more information, please do not hesitate to contact me.

Sincerely,

A handwritten signature in black ink, appearing to read 'J. Wolf', written in a cursive style.

Jonathan L. Wolf  
Manager of Durham Place GP, LLC  
General partner of Durham Place, Ltd



September 27, 2024

Mr. Robert Dearduff  
Florida Housing Finance Corporation  
227 N. Bronough Street Ste. 5000  
Tallahassee, FL 32301-1329

RE: Development Plan Approval for Habitat Village PLP 2024-009P-09

Dear Mr. Dearduff:

This letter provides notice that the Habitat Village project has my approval to go forward for consideration of FHFC Board approval of the loan amount of \$231,900 for predevelopment expenses. Habitat for Humanity of Bay County Florida, Inc. will develop 15 single family homes, in Bay County, FL for low- and moderate-income families. PLP funds will be used for predevelopment expenses.

I have provided a Development Plan which provides information on the project, the project timeline, and a budget which details how PLP funds will be spent.

After reviewing all documents pertaining to this project, and discussing the project specifics with the applicant, I believe that \$231,900 is sufficient to complete the proposed acquisition and predevelopment activities for this project.

Should you need any further information please feel free to contact me at [kropp@flhousng.org](mailto:kropp@flhousng.org) or call 352-422-3513.

A handwritten signature in blue ink that reads "Steve Kropp".

Steve Kropp  
Director Affordable Housing Development  
Florida Housing Coalition

**BOARD OF DIRECTORS**

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**George Romagnoli, At Large**  
Neighborhood Lending Partners

**Stephen Bender**  
University of Florida

**Marilyn Drayton**  
Wells Fargo

**Armando Fana**  
City of West Palm Beach

**Bradford Goar**  
Florida Power and Light

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Florida Realtors

**Kathy Hazelwood**  
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**Cheryl Howell**  
Hillsborough County

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Boley Centers, Inc.

**Anne Ray**  
Shimberg Center for Housing Studies

**Mike Rogers**  
Southern Advocacy Group

**Manny Sarria**  
Miami-Dade County Homeless Trust

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**Thais Sullivan**  
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**CHIEF EXECUTIVE OFFICER**

**Ashon Nesbitt**



**Predevelopment Loan Program**

**Development Plan**

<b>Development Name</b>	<b>Habitat Village</b>
<b>Development File Number</b>	<b>2024-009P-09</b>

October 2024

<b>A. General Information</b>	
Applicant Entity Name	Habitat for Humanity of Bay County Florida, Inc.
Development Name	Habitat Village
Development Address	3 parcels (1139 & 1149 S. Comet Ave. & No Address)
Tax Assessor Parcel Id Number	07298-010-000, 0798-015-000, 07297-030-000
Development Co-Developers	N/A
Primary Contact	Angela Klopf, Executive Director angelak@bayhabitat.org
Development Type	Rental <input type="checkbox"/> Homeownership <input checked="" type="checkbox"/>
Number of Buildings	15 Single Family Homes
Number of Units	15
Target Population	Family
Construction Type	New <input checked="" type="checkbox"/> Rehab <input type="checkbox"/> Both <input type="checkbox"/>
Applicant Comments: This subdivision, the Habitat Village will provide 15 families with safe, secure, and affordable housing.	
TAP Comments: the borrower has assembled the land and an appropriation for infrastructure has been obtained for the project.	

<b>B. Development Finance Information</b>	
PLP Loan Recommended Amount	\$231,900
Total Predevelopment Costs	\$236,900
PLP Loan Amount for Acquisition	N/A
Estimated Total Development Costs	\$3,123,903.86
Will the Development be pursuing Tax Credits or Bonds? Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>	
If "Yes" selected above, please state name of entity that will own the property?	
Applicant Comments: A \$600,000 State Appropriations Grant combined with donations and smaller grants will cover additional costs of the infrastructure. Once the infrastructure is completed, building the 15 single family homes is a part of our everyday work and will be business as usual. We recently launched a campaign inviting people to be part of this opportunity. Asking them to invest in a one-of-a-kind project that will transform families' lives. The community is just as excited about this project as we are.	
TAP Comments: The borrower will build the homes using the typical habitat method of donated time and money.	



<b>C. Development Team</b>		
	Vendor	Status
Developer	Habitat for Humanity of Bay County, FL	Under Contract
Co-Developer	N/A	
Contractor	American Sand & Asphalt	Infrastructure – contract being negotiated.
Architect	FL Architects	Under Contract-time donated
Engineer	Panhandle Engineering	Under Contract
Consultant	N/A	N/A
Property Management	N/A	N/A
Other		
<p>Applicant Comments: Panhandle Engineering was secured through a RFQ process just over a year ago to be our Engineer. They have been extremely helpful in providing leadership, knowledge, and direction. Installing infrastructure is new to us. They led the bid process to secure the contractor, American Sand &amp; Asphalt. That contract was just recently signed and finalized. This “Contractor” listed will only be to install the infrastructure. We will be the developer and build the 15 single family homes, as that’s part of our normal work related to our mission to bring people together to build homes, communities, and hope. The installation of the infrastructure is expected to be done by the end of June 2025. However, we will start the first two homes in the far-right corner of this subdivision in January of 2025.</p>		
<p>TAP Comments: American Sand and Asphalt will be responsible for the infrastructure and Habitat will construct the homes.</p>		

<b>D. Market/Feasibility</b>		
Type of Study	Performed By	Status
Market Study	As required by Lender	To be engaged
<p>Provide narrative of anticipated marketing and lease up of property: We won’t need to market this subdivision, as we are regularly taking on new Habitat Partner Families on a regular basis. These families will contribute 500 hours of sweat equity on their home and other homes we are building. Plus, they will attend quarterly educational classes related to becoming a homeowner with topics like budgeting, wills &amp; planning, disaster preparedness, and other topics. In the end, Habitat Homeowners will purchase the home for the cost to build it with 0% interest. The City of Callaway will be taking over the utilities and road and this subdivision will not be a homeowner’s association. We are still working with our Attorney on how to manage the dry retention pond and intend on asking the City of Callaway to take that on as well. We have a good relationship with them and that would be the easiest option.</p>		

Applicant Comments: There is no HOA. The subdivision of 15 single family homes will be sold to Habitat Partner Families.
TAP Comments: The borrower has the needed experience having built several single-family homes in the area.

<b>E. Development Site and Site Control</b>	
A description of the development site is required in order to complete this development plan. Please provide (or attach) a legal description if available; if not, please identify the site by location or some other means such as street address:	
Site Control Questions	Applicant Response
Applicant currently owns the site (recorded deed)	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
The Applicant has or will have prior to loan closing, a contract to purchase the site	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
The Applicant has or will have prior to loan closing, a long-term lease on the site	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Are there existing liens on the property?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
If no liens exist, how was that verified?	Title search was done on land
List all existing mortgages and liens on the property: N/A – We own. Two lots were donated to us and the third we purchased just over a year ago.	
Are there currently any mortgages or liens, or will there be any mortgages or liens at PLP closing, that will prevent the PLP Loan from being in a first mortgage or a second mortgage position?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
If the PLP will be a second mortgage, please provide details on the first mortgage, including the Lender, amount of mortgage and proposed closing date.	
If the development site will be titled in the name of a special purpose entity (SPE) formed by the Applicant, please provide the name of the SPE. If not yet formed, please advise when the entity will be formed and list as “SPE to be formed” <b>(Note: If a SPE will hold title to the development site, the SPE must be owned by the Applicant and it (the SPE) will be required to execute the</b>	

<b><i>note and mortgage, as borrower, and the Applicant will be required to act as guarantor of the PLP Loan).</i></b>	
<p>Applicant Comments: The three parcels of land being used for this subdivision include two parcels that were donated to us. The third parcel we were able to purchase for \$100,000 in July 2023. That parcel was an eye sore and hazard to the neighborhood. It was just the shell of a home left from Hurricane Michael and included a pool out back. Many complaints and concerns were made to the City of Callaway, so the neighborhood was happy when we bought it. We immediately tore down the remaining structure and filled in the pool prior to any work being done. The kids play freely outside in this small neighborhood, and everyone was concerned that a child could wander onto the property to explore and get hurt.</p>	
<p>TAP Comments: The borrower assembled three parcels for the 15-unit subdivision. Two of the parcels were donated.</p>	

<b>F. Development Readiness</b>	
<b>Item</b>	<b>Status</b>
Current Zoning on Property	R-6M
Current Use of Property	All vacant land
Future Land Use Plan	Low Density Residential
Site Plan Approval	Yes
Property Survey	Yes
Soil Testing	Yes
Permits	In process
Availability of Utilities to property	Yes, Florida Power and Light
Availability of Water to property	Yes, City of Callaway
Availability of Sewer to property	Yes, City of Callaway
Availability of Road access to property	Yes, S Comet
Environmental Assessments Performed	In process
Appraisal	Yes – (will be done on each individual home)
Financial Statements available for review	Yes
Plans, Specs for Development	Yes
<p>Applicant Comments: This isn't our first time building in the City of Callaway, so we have a great relationship with them. They always attend our "Home Dedications" where we pass the keys to new homeowners upon closing. They know the importance and quality of our work, so between them and a great Engineer, Panhandle Engineering, we've been moving right along working towards the result – providing a safe, secure, stable, and affordable home for 15 families.</p>	
<p>TAP Comments: Habitat has engaged Panhandle Engineering to provide the comprehensive engineering services including survey, geotechnical, design, permitting, bidding and services during construction to complete the infrastructure for the entire project.</p>	

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<b>G. Financing Sources</b>		
<b>Name of Source</b>	<b>Amount</b>	<b>Status</b>
Appropriations Grant	\$600,000	Committed
FL Housing PLP	\$231,900	Applied For
Habitat for Humanity	\$150,000	Awarded
St. Joe Foundation Grant (possibly applying)	\$100,000	Will Apply for in next 12 months
Donations of time and money	\$2,100,000	Donated over time
Applicant Comments: Donations of time and money will cover the cost of constructing the homes once the infrastructure is complete.		
Is the Applicant applying for any other FHFC financing? If so, has it been approved?	No	
Is the Applicant entity under the other FHFC financing the same applicant entity as the PLP applicant entity? If not, provide the name of the Applicant entity.	No	
Will any of the other financing be closing in conjunction with the PLP loan?	No	
Will any of the financing closing in conjunction with the PLP loan be permanent or construction financing?	No	
TAP Comments: The appropriations grant is expected to cover most of the infrastructure costs. The rest by donations. The homes will be funded with volunteer hours and donations.		

<b>H. Narrative</b>
Provide Additional narrative not covered in comments above: We are seeking a loan for approximately \$200,000 to combine with the \$600,000 appropriations grant we got. Then we anticipate fundraising about \$200,000 more. As previously mentioned, this will be used for the infrastructure only. The building of the 15 single family homes is a part of our everyday work and something we regularly do. We've been building 6-8 homes each year. I anticipate it taking 2-3 years to get all 15 homes completed. That timeframe depends on the home sponsorships and support we receive from the fundraising we have just started to help with our very first

“Habitat Village”. There is a possibility it happens faster, since the community is as excited as us about creating an entire neighborhood from the ground up.

<b>I. Predevelopment Loan Request Budget</b>	
<b>Item</b>	<b>Amount</b>
Architect/Engineer	\$186,800
Legal Fees	\$2,000
Other (Impact Fees & Rezoning Fees)	\$23,100
Contingency	\$20,000
<b>PLP Loan Total</b>	<b>\$231,900</b>

<b>J. Total Development Costs</b>	
Acquisition costs not covered by PLP	\$100,000
Acquisition closing costs not covered by PLP	\$2,000
Other Predevelopment costs not covered by PLP	5,000
Hard Construction (of Infrastructure)	\$841,903.86
Construction Contingency	0
Developer Fees	0
Other construction costs (15 homes)	\$2,175,000.00
<b>Total Development Cost</b>	<b>\$3,123,903.86</b>

<b>K. Timeline</b>		
<b>Timeline Item</b>	<b>Date</b>	<b>Status</b>
PLP Loan Approval	Oct.-Nov. 2024	Anticipated
Site Acquisition	July 2023	Complete
Survey	July 2023	Complete
Zoning Approval	November 2023	Complete
PLP Loan Closing	November 2024	Anticipated
Applying for Construction Financing	N/A	Anticipated
Construction Start	October 2024	Anticipated
Construction Completion	June 2025	Anticipated
Sale	Ongoing starting June 2025-June 2028	Anticipated



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**Ashon Nesbitt**

September 30, 2024

Mr. Robert Dearduff  
Florida Housing Finance Corporation  
227 N. Bronough Street Ste. 5000  
Tallahassee, FL 32301-1329

RE: Armstrong Building PLP 2021-004P-09 1<sup>st</sup> Extension Request

Dear Mr. Dearduff:

This letter provides notice that EcoTech Visions Foundation Inc. has requested a one-year extension of their PLP Loan Armstrong Building 2021-004P-09. The Armstrong Building PLP Loan of \$500,000 matures on January 5, 2025, with a principal amount owed of \$419,410.32. The project will consist of 48 units for families in Opa Locka, FL.

The project was delayed to implement a mechanical parking system which had to be designed and approved. The system was implemented because the City of Opa Locka would not waive their height or parking requirements for the project. So, to maximize the number of units and meet the parking requirements, the borrower choose to incorporate the mechanical parking system. The project is still in the process of obtaining building permits and has applied for financing from the Miami-Dade County Surtax Program. When the construction financing is closed, the borrower will begin construction.

As Armstrong and their consultants are experienced in developing housing and skilled at securing financing, we anticipate continued progress over the next year with the goal of beginning construction prior to the next maturity.

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  
Director of Affordable Housing Development  
Florida Housing Coalition



FOUNDATION 501c3

*Creating Jobs, Sustaining Communities, Protecting the Planet!*

September 20, 2024

Dr. Pandwe Gibson  
Executive Director  
EcoTech Visions Foundation, Inc.  
601 Brickell Key Dr., Suite 700  
Miami, FL 33131

Robert Dearduff, Assistant Director of Special Programs  
Florida Housing Finance Corporation  
227 North Bronough Street, Suite 5000  
Tallahassee, FL 32301

**RE: Loan Extension Request for Ecotech Visions Foundation Inc. Armstrong Building PLP 2021-004P-09**

Dear Mr. Dearduff,

I, Dr. Pandwe Gibson, Executive Director of Ecotech Visions Foundation, Inc., hereby request a one (1) year extension on our PLP Loan of \$500,000 to continue the development of the affordable/workforce housing project, Armstrong Building.

This request was brought upon due to amount of time it took to accomplish the following:

- The City of Opa-Locka had to review and approve ordinances that allowed for the usage/implementation of mechanical parking systems in the City.
- Additional time was needed for the architectural firm to incorporate the mechanical parking system in the building plans.

To date, we have conducted the majority of the necessary preliminary tests and submitted the final building plans to the Miami-Dade Building Department, awaiting the approval of one more discipline.

Our next steps are to submit the Miami-Dade approved plans to the City of Opa-Locka, as we secure an amended and restated deed from the Board of County Commissioners, along with construction financing from the Miami-Dade County Surtax Program. We anticipate the previously mentioned events occurring within the next six to nine months.

Thank you for the consideration of this request.

Respectfully,

A handwritten signature in black ink, appearing to read "Pandwe Gibson", is written over a horizontal line.

Dr. Pandwe Gibson, Executive Director  
Ecotech Visions Foundation, Inc.



September 30, 2024

Mr. Robert Dearduff  
Florida Housing Finance Corporation  
227 N. Bronough Street Ste. 5000  
Tallahassee, FL 32301-1329

RE: Gardens at Casa Familia PLP Loan Budget

This letter provides notice that Gardens at Casa Familia PLP2023-010P-09 has requested a revision to the PLP Budget for the PLP Loan. The Gardens at Casa Familia is a 50-unit development that will provide housing in Miami, FL (Miami Dade County). To date, the Borrower has expended \$454,747.50 of the \$500,000 loan which matures on June 25, 2027. To use the approved PLP Loan for the most suitable use, the Borrower is requesting the revisions outlined below:

Item	Approved Amount	Revised Amount
Appraisal	8,000	8,400
Architect/Engineer	226,000	278,410
Consultant Fees	45,000	0
Credit Underwriting	25,000	28,410
Environmental Testing	6,000	1,450
Soil Testing	3,500	6,100
Legal Fees	55,000	17,948
Market Study	8,500	5,500
Survey	7,500	1,850
Other – Tax Credit Fees	115,500	151,932
<b>PLP Loan Total</b>	<b>\$500,000</b>	<b>\$500,000</b>

As TAP for this project, I am recommending approval of this request to revise the PLP Budget to reallocate expenses to allow for other line items and the change in the existing line items. 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  
Director of Affordable Housing Development  
Florida Housing Coalition

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**Ashon Nesbitt**





September 30, 2024

Mr. Robert Dearduff  
Florida Housing Finance Corporation  
227 N. Bronough Street Ste. 5000  
Tallahassee, FL 32301-1329

RE: Phoenix Crossings PLP Loan Budget

This letter provides notice that Phoenix Crossings PLP 2019-005P-09 has requested a revision to the PLP Budget for the PLP Loan. Phoenix Crossings is a 28-unit development that will provide Permanent Supportive Housing in Bunnell, FL (Flagler County). To date, the Borrower has expended \$296,307.86 of the \$464,500 loan which matures on June 5, 2025. During the Predevelopment phase, the borrower has encountered increases due to the amount of site testing that has been required and civil redesign based upon testing. They are currently in credit underwriting with RFA 2022-206 and anticipate closing in January 2025, at which point the PLP loan will be paid in full. To use the approved PLP Loan for the most suitable use, the Borrower is requesting an increase of the PLP loan to \$500,000. Please see the revisions outlined below:

Item	Approved Amount	Revised Amount
Accounting	2,000.00	2,000.00
Appraisal	8,000.00	9,027.50
Architect/Engineer	185,000.00	225,500.00
Finance commitment fees	25,000.00	62,500.00
Consultant	30,000.00	30,000.00
Credit Underwriting Fees	25,000.00	10,000.00
Environmental Testing	15,000.00	14,472.50
Insurance	3,000.00	3,000.00
Legal Fees	10,000.00	-
Market Study	6,000.00	5,500.00
Survey	5,000.00	5,000.00
Title Insurance	2,500.00	2,500.00
Application fees	3,000.00	3,000.00
Contingency	10,000.00	10,000.00
Other -wetland mitigation	135,000.00	117,500.00
<b>PLP Loan Total</b>	<b>464,500.00</b>	<b>500,000.00</b>

Appraisal: increase of \$1,027.50  
 Architect/Engineer: increase of \$40,500  
 Finance Commitment Fees: increase of \$37,500  
 Credit Underwriting: decrease of \$15,000  
 Environmental Testing: decrease of \$527.50  
 Legal Fees: decrease of \$10,000  
 Market Study: decrease of \$500  
 Other-wetland mitigation: decrease of \$17,500

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Bank of America

**Thais Sullivan**  
Valley National Bank

**CHIEF EXECUTIVE OFFICER**

**Ashon Nesbitt**

As TAP for this project, I am recommending approval of this request to revise the PLP Budget to reallocate expenses to allow for other line items and the change in the existing line items. 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 black ink on a light blue background. The signature is cursive and reads "Steve Kropp".

Steve Kropp  
Director of Affordable Housing Development  
Florida Housing Coalition



Abundant Life Ministries-Hope House, Inc.  
P.O. Box 354925  
Palm Coast, FL 32135  
Office: 386-313-6381\* [www.almhhi.org](http://www.almhhi.org)\* [administrator@almhhi.org](mailto:administrator@almhhi.org)

September 2, 2024

Florida Housing Finance Corporation  
Attn: Robert Dearduff  
227 N Bronough St # 5000  
Tallahassee, FL 32301

RE: Phoenix Crossings PLP # 2019-005P-09

Dear Mr. Dearduff,

Abundant Life Ministries-Hope House, Inc., is the Borrower for Phoenix Crossings PLP 2019-005P-09. The PLP loan is being used to build 28 units of Permanent Supportive Housing in Bunnell, FL for youth aging out of foster care, adults with disabling conditions and extremely low income. This is a formal request to increase the PLP loan amount from \$464,500.00 to \$500,000.00. During the Predevelopment phase, we have encountered increases due to the amount of site testing that has been required and civil redesign based upon testing.

Thank you in advance for granting this additional funding request. Without the PLP loan Phoenix Crossings would not be possible.

Sincerely,

*Sandra Shank*  
Sandra Shank CEO/Founder



October 4, 2024

Mr. Robert Dearduff  
Assistant Director of Special Programs  
Florida Housing Finance Corporation  
City Centre Building  
227 North Bronough Street, Suite 5000  
Tallahassee, Florida 32301-1329

Re: Sandcastle Preserve  
2024-004P-09 (PLP)

Dear Mr. Dearduff:

Sandcastle Preserve (“Development”) is a proposed 23-unit apartment complex to be contained within twelve apartment buildings. The Development consists of twenty-three (23) four-bedroom/two-bathroom units located near the intersection of Park St E and Jefferson Street in Perry, Taylor County, Florida 32348.

Sandcastles Foundation, Inc. (“Applicant”) applied for a \$748,500 Florida Housing Finance Corporation (“FHFC” or “Florida Housing”) Pre-Development Loan Program (“PLP”) Loan. The assigned Technical Assistance Provider (“TAP”) recommended a PLP Loan in the amount of \$748,500 of which \$500,000 is requested for site acquisition. The remaining \$248,500 in requested PLP funds will be used for eligible pre-development costs. At its June 28, 2024 FHFC Board meeting, the recommended loan amount was approved, subject to review of the requested acquisition portion by the assigned Credit Underwriter. First Housing Development Corporation of Florida (“First Housing”, “FHDC”, “Credit Underwriter”, or “Servicer”) is recommending approval of \$500,000 as the acquisition portion of this request.

The PLP Loan will bear an interest rate of 1% per annum. The PLP Loan is non-amortizing, with principal and interest deferred until loan maturity. With respect to the rental developments, the PLP Loan shall mature on the earlier of (a) the date of closing on the first source of permanent or construction loan for the Development; or (b) the date of closing on the tax credit partnership and receipt of the initial disbursement; or (c) three (3) years from the date of execution of the loan documents by Florida Housing or other such extended loan maturity date approved by the FHFC Board.

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**EHDC**

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For the PLP the Applicant has committed to set aside a minimum of 20% of the apartment units (5 units) to families with households whose income does not exceed 50% of the Area Median Income (“AMI”), as determined by United States Department of Housing and Urban Development (“HUD”) and adjusted by household size, for the metropolitan statistical area or county in which the Development is located.

The Applicant has been invited to credit underwriting on April 30, 2024 under RFA 2024-206 (2024-296SH) and has been awarded a preliminary commitment for SAIL loan in the amount up to \$1,750,000 and a HOME loan in the amount up to \$6,665,019 subject to credit underwriting. The Applicant committed to the following set asides for SAIL and HOME. All units (23 units) will be HOME Assisted units. Therefore 20% of the units (5 units) will be set aside at Low HOME Rents and 80% of the units (remaining units) will be set aside at High HOME Rents for 50 years. The SAIL set asides are 20% of the units (5 units) set aside at or below 50% AMI and 80% of the units (remaining units) set aside at or below 60% AMI for 50 years. The Applicant committed to a Demographic Commitment of Family.

Per Rule Chapter 67-38, if the Development does not obtain construction or permanent financing from Florida Housing and no Florida Housing funds remain in the Development, the compliance period shall be 15 years from the date the PLP loan is paid off. If the Development obtains construction or permanent financing from other Florida Housing programs, then the most restrictive compliance period(s) shall be in effect for a period equal to the compliance period(s) committed to by the Applicant under the other Florida Housing programs providing the additional funding with compliance monitoring being performed through those program(s). Florida Housing may extend the term of the PLP loan for an additional period if circumstances exist and if such extension would not jeopardize Florida Housing’s security interest.

The Applicant proposes to utilize the PLP funds to finance the acquisition of the site and for certain other pre-development activities. For the Applicant to utilize PLP funds for the purchase of land, a Preliminary Assessment must be performed. The Preliminary Assessment is primarily limited to a review of the Application and Project Development Plan, an analytical review of the Development’s sources and uses of funds, a determination that PLP funds drawn for acquisition costs are adequately collateralized, and the performance of limited due diligence relating to the Applicant. The Project Development Plan has been separately reviewed and approved by the TAP, Florida Housing Coalition. The results of First Housing’s findings are presented below.

**Borrower Information**

The Applicant is a Florida Not For Profit Corporation formed on March 9, 2019. The Applicant is not a single purpose entity and is currently constructing a 21-unit affordable housing development in Bradford County with FHFC HOME funds which is expected to be completed in December

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2024 and a 22-unit affordable housing development in Baker County with FHFC HOME funds which is expected to be completed in September 2025.

The Co-Developers are Sandcastles Foundation, Inc. and FBC Holdings, LLC.

First Housing has received satisfactory trade references and one satisfactory bank statement for the Applicant. First Housing reviewed an unaudited balance sheet for the Applicant, dated June 30, 2024, which indicates checking/savings in the amount of \$308,975 and negative equity. First Housing received a satisfactory statement of financial affairs form for the Applicant, dated August 23, 2024.

First Housing reviewed a credit report for the Applicant, dated August 28, 2024.

**Development Cost**

The Applicant's total costs to construct are estimated at \$8,664,822 or \$376,731 per unit. Costs to construct include land, closing costs, Developer fee, hard & soft contingencies. A summary of the total costs to construct is included in Exhibit B.

Construction costs totals approximately \$5,249,450 exclusive of contingency and GC fees. Developer fee totals \$1,126,182, which is 16% of the total development costs less land acquisition and Developer fee.

First Housing reviewed a Real Property Purchase and Sale Agreement, effectively dated February 8, 2024, between The Kinjac Corporation a/k/a Kinjac Corp. ("Seller") and Sandcastles Foundation ("Buyer"). According to the terms of the Agreement, the purchase price shall be \$500,000 with a closing date of July 1, 2024. First Housing reviewed an Addendum to the Agreement which increases the purchase price to \$520,000 and extends the closing date to October 15, 2024. Receipt of another extension to the closing date is a condition to this report.

Since the PLP Loan can only be used for a maximum of \$500,000 of acquisition costs, the Applicant will also be using \$20,000 of equity to purchase the property.

**Appraisal**

First Housing has received and reviewed an appraisal report, dated August 29, 2024, from Colliers International Valuation & Advisory Services ("Colliers"). The appraisal concludes to an as is market value of the fee simple interest, as of August 27, 2024, of \$540,000. The purchase price of the land is \$520,000, which is supported by the appraisal.

The Development is a proposed 23-unit multifamily development. The Development is located in Perry, Florida within Taylor County. Overall, the Development site is considered an average land

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**EHDC**

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site in terms of its location, exposure, and access to employment, education and shopping centers, recognizing its location along a connector street. The site is zoned Commercial, Intensive (CI). Overall, legal factors support a broad range of office, retail, industrial, mixed-use, hospital, public, and auto related uses for the site. The highest and best use as vacant is development of a commercial property or a residential property pending near term approval. The Developer indicated that the multifamily use is permitted under the Live Local Act.

**Environmental Reports**

A Phase I Environmental Site Assessment Report (“ESA”) was completed on May 21, 2024 by UES. The ESA was performed in accordance with ASTM Standard E 1527-21. The ESA revealed no evidence of recognized environmental conditions and no further environmental assessment is recommended at this time.

**Proposed Financing Sources**

The Applicant has been invited to credit underwriting under RFA 2024-206 and has requested a SAIL loan in the amount of \$1,500,000 and a HOME loan in the annual amount of \$6,665,019. See Exhibit B for the total anticipated sources.

First Housing reviewed a satisfactory Proforma for the proposed transaction.

**PLP Budget**

On June 7, 2024, the TAP provided an approved PLP Budget totaling \$748,500 (see Exhibit A). Acquisition costs of \$500,000 will be funded from FHFC PLP funds. The non-acquisition portion of the PLP Loan totaling \$248,500 will be used for eligible pre-development activities.

Requested amounts for non-acquisition pre-development activities appear reasonable and are reimbursable under the PLP program.

**Conclusion and Recommendation**

First Housing’s review of the Development costs indicate that the assumptions utilized appear reasonable and consistent. First Housing recommends approval of the PLP Loan in the amount of \$748,500, subject to the following conditions:

1. Satisfactory resolution of any outstanding past due and/or noncompliance issues by the closing of the PLP Loan.

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**FHDC**

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2. 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).
3. Receipt of an extension of the Real Property Purchase and Sale Agreement closing date.
4. Additional Financial information for FBC Holdings, LLC.
5. Identification of an acceptable guarantor for the FHFC HOME and SAIL loans.
6. Any other reasonable requests by FHFC, its legal counsel, or the Servicer.

Prepared by:



Taylor Arruda  
Senior Credit Underwriter

Reviewed By:



Ed Busansky  
Senior Vice President



Exhibit A

PLP Loan Budget

<b>PLP Source</b>	
FHFC PLP Loan	\$748,500
<b>PLP Uses</b>	
Appraisal	\$16,000
Acquisition	\$500,000
Accounting	\$2,500
Surveys	\$7,500
Credit Underwriting	\$24,000
Environmental Assessments	\$30,000
Consultant	\$18,500
Legal	\$20,000
Market Study	\$7,000
Architect/Engineer	\$70,000
Closing Costs (acquisition)	\$15,000
Contingency	\$38,000
Total	\$748,500

**Exhibit B**

**Total Costs to Construct**

<b>Sources</b>	
FHFC SAIL	\$1,750,000
FHFC HOME	\$6,665,019
Deferred Developer Fee	\$249,803
Total	<b>\$8,664,822</b>

<b>Uses</b>	
Hard Construction Cost	\$5,984,373
Contingency	\$330,744
Developer Fees	\$1,126,182
Other Construction Costs	\$723,523
Land	\$500,000
Total	<b>\$8,664,822</b>



October 4, 2024

Mr. Todd Fowler  
Director of Special Assets  
Florida Housing Finance Corporation  
City Centre Building  
227 North Bronough Street, Suite 5000  
Tallahassee, Florida 32301-1329

Re: Lake City Cabins for Veterans (“Development”)  
RFP 2008-01-03

Renegotiation of the State Apartment Incentive Loan (“SAIL”) / Extension of the SAIL  
Loan and Extension of the SAIL Loan Land Use Restriction Agreement (“LURA”)

Dear Mr. Fowler:

First Housing has reviewed email correspondence, dated July 18, 2024, from a representative of Volunteers of America of Florida, Inc. (“Borrower”), requesting consent from Florida Housing Finance Corporation (“Florida Housing” or “FHFC”) to approve the renegotiation and extension of the SAIL Loan. The Borrower is requesting that the loan be extended for 15 years and an additional \$400,000 of principal be forgiven after 15 years. In exchange, the SAIL Loan will bear interest at 1%, the Borrower will make monthly payments of \$1,000 towards the interest, the SAIL Loan affordability period will be increased from 50 years to 65 years and the Extremely Low Income set aside period will be increased from 15 years to 30 years. First Housing has been asked to review the Development financials to ensure the payments can be made and the Development remains viable for another 15 years.

On behalf of FHFC, First Housing Development Corporation of Florida (“FHDC”, “First Housing”, or “Servicer”) has reviewed the request, performed certain due diligence, and formulated recommendations and conditions which are outlined at the end of this report. For the purposes of this analysis, First Housing has reviewed the following:

- Rule 67-48
- Credit Underwriting Report, dated May 18, 2009.

- Audited Financial Statements for the year ended December 31, 2023 and December 31, 2022.
- Property Rent Roll, dated August 14, 2024.
- FHFC Occupancy Reports.
- SAIL Promissory Note, dated October 29, 2009.
- SAIL Land Use Restriction Agreement (“LURA”), dated October 29, 2009.
- FHFC Past Due Report, dated August 12, 2024.
- FHFC Asset Management Noncompliance Report, dated October 18, 2023.
- Annual Management Review and Physical Inspection, dated January 25, 2024.

### **Background**

The Development is an existing 32-unit multi-family development, consisting of eight (8) residential buildings located at 1049 NW Winborn Way Lake City, FL 32055, Columbia County, Florida. The Development consists of thirty-two (32) zero-bedroom/one-bathroom units.

The Development was originally financed with a SAIL Loan in the amount of \$1,600,000. The loan bears interest at 0% so long as the Development maintains at least 80% of its units for occupancy by the Homeless. The principal balance of the loan is non-amortizing. At maturity on October 29, 2024, 25% of the principal amount of the note shall be forgiven provided that the Development maintains its ELI Set Asides and the remaining 75% of the principal amount of the note shall be due and payable.

Operation of the Development is restricted by terms and conditions detailed in various loan documents, including but not limited to Florida Housing’s SAIL LURA.

The SAIL LURA, dated October 29, 2009, requires the following set asides for fifty (50) years:

- For the first 15 years of the 50-year period, 30% of the units (10 units) shall be set aside at or below 40% Area Median Income (“AMI”) (“ELI Set Asides”)
- For the first 15 years of the 50-year period, 70% of the units (remaining units) shall be set aside at or below 60% AMI
- For the remaining 35 years of the 50-year period, 100% of the units shall be set aside at or below 60% AMI
- 80% of the units within the Development shall be rented to the Homeless

Per the August 14, 2024 rent roll, the Development was 93.75% occupied and one unit is being used as a manager unit. Based on FHFC's Occupancy Reports, the Development's occupancy averaged 90.63% for April through June of 2024. The Development did not report occupancy for January through March of 2024. Based on FHFC's Occupancy Reports, the Development's occupancy averaged 84.38% for January through December of 2023.

The Annual Management Review and Physical Site Inspection, conducted December 21, 2023, found the property to be in noncompliance. A close-out letter was issued on February 15, 2024.

### **Status of the Development Team Noncompliance/Past Due**

The development team was not reported on Florida Housing's August 12, 2024 Past Due Report.

The development team was reported on Florida Housing's October 18, 2023 Asset Management Noncompliance Report for the following:

- VOA Hillsborough 3 – East Miller - Failure to meet Uniform Physical Condition Standards for Units

### **Renegotiation and Extension Overview**

The SAIL Loan will mature on October 29, 2024. The Borrower has requested a renegotiation and extension of the SAIL Loan as they are not able to refinance and pay off the loan.

As part of the renegotiation, the SAIL Loan in the amount of \$1,200,000 (since \$400,000 will be forgiven in 2024) will be non-amortizing and will bear interest at 1% with monthly payments of \$1,000 required. The SAIL Loan will be extended for 15 years and \$400,000 will be forgiven at maturity if the Development remains in compliance. In addition, the Borrower will agree to extend the ELI Set Asides for 15 years.

Based on the proforma, First Housing shows that the Development can support mandatory monthly payments of \$1,000 on the SAIL Loan. These payments will not be based on available cash flow. The payment will be applied towards interest only and the payment date will be determined at closing.

### **Management Company**

The existing management company is Volunteers of America of Florida. There is no plan to change the management company. The selection of the management company is currently approved by the FHFC Asset Management Department. Continued approval is subject to on-going performance.

**Recommendation**

First Housing's review indicates that the Development can support mandatory monthly payments of \$1,000 towards the SAIL Loan interest. Based upon the review of the information submitted and within the scope of the analysis, First Housing recommends the renegotiation of the SAIL Loan, extension of the SAIL Loan, and extension of the affordability period and the ELI set aside period in the SAIL Loan LURA, subject to the following conditions:

**Conditions**

The recommendation is subject to the following conditions:

1. Review and approval of all loan documents consistent with the terms outlined above by FHFC and its legal counsel.
2. Borrower to execute loan documents FHFC deems necessary.
3. Extension of the SAIL LURA affordability period for 15 years.
4. Extension of the SAIL LURA ELI set aside period for 15 years.
5. The SAIL Loan will have mandatory monthly interest payments of \$1,000.
6. Satisfactory resolution of any outstanding FHFC past due and/or noncompliance items.
7. 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).
8. New Permanent Loan Servicing Fees for the term of the loan and new Compliance Monitoring Fees for the extended part of the affordability period. Upon closing all servicing and compliance fees to be paid annually by the Borrower.
9. Receipt of a non-refundable renegotiation fee equal to one half of one percent (0.5%) of the outstanding principal balance of the SAIL Loan on the date of closing.
10. All other due diligence required by FHFC, its legal counsel and Servicer.

Prepared by:



Taylor Arruda  
Senior Credit Underwriter

Reviewed By:



Ed Busansky  
Senior Vice President

**Operating Proforma**

FINANCIAL COSTS:		2022 AFS First Housing Analysis	Per Unit	2023 AFS First Housing Analysis	Per Unit	Underwriter Projected Proforma	Per Unit
<b>OPERATING PRO FORMA</b>							
INCOME:	Gross Potential Rental Income	\$544,519	\$17,016	\$555,203	\$17,350	\$566,307	\$17,697
	Other Income						
	Miscellaneous	\$7,208	\$225	\$19,241	\$601	\$19,626	\$613
	Gross Potential Income	\$551,727	\$17,241	\$574,444	\$17,951	\$585,933	\$18,310
	Less:						
	Economic Loss	\$0	\$0	\$0	\$0	\$17,578	\$549
Physical Vac. Loss	\$0	\$0	\$0	\$0	\$11,719	\$366	
<b>Total Effective Gross Income</b>		<b>\$551,727</b>	<b>\$17,241</b>	<b>\$574,444</b>	<b>\$17,951</b>	<b>\$556,636</b>	<b>\$17,395</b>
EXPENSES:	Fixed:						
	Real Estate Taxes	\$0	\$0	\$0	\$0	\$0	\$0
	Insurance	\$13,577	\$424	\$16,772	\$524	\$17,275	\$540
	Variable:						
	Management Fee Percentage: 5.00%	\$1,271	\$40	\$2,295	\$72	\$2,364	\$74
	General and Administrative	\$140,132	\$4,379	\$140,717	\$4,397	\$144,939	\$4,529
	Payroll Expenses	\$206,951	\$6,467	\$211,681	\$6,615	\$218,031	\$6,813
	Utilities	\$15,576	\$487	\$15,916	\$497	\$16,393	\$512
	Maintenance and Repairs/Decorating	\$27,060	\$846	\$37,022	\$1,157	\$38,133	\$1,192
	Other	\$64,865	\$2,027	\$84,275	\$2,634	\$86,803	\$2,713
	Reserve for Replacements	\$12,800	\$400	\$12,800	\$400	\$12,800	\$400
	<b>Total Expenses</b>		<b>\$482,232</b>	<b>\$15,070</b>	<b>\$521,478</b>	<b>\$16,296</b>	<b>\$536,738</b>
<b>Net Operating Income</b>		<b>\$69,495</b>	<b>\$2,172</b>	<b>\$52,966</b>	<b>\$1,655</b>	<b>\$19,898</b>	<b>\$622</b>
<b>Debt Service Payments</b>							
First Mortgage - FHFC - SAIL	\$0	\$0	\$0	\$0	\$12,000	\$375	
Other Fees	\$7,763	\$243	\$7,763	\$243	\$5,415	\$169	
<b>Total Debt Service Payments</b>		<b>\$7,763</b>	<b>\$243</b>	<b>\$7,763</b>	<b>\$243</b>	<b>\$17,415</b>	<b>\$544</b>
<b>Cash Flow after Debt Service</b>		<b>\$61,732</b>	<b>\$1,929</b>	<b>\$45,203</b>	<b>\$1,413</b>	<b>\$2,483</b>	<b>\$78</b>
<b>Debt Service Coverage Ratios</b>							
DSC - First Mortgage		N/A		N/A		1.66	
DSC - First Mortgage and Fees		8.95		6.82		1.14	
<b>Financial Ratios</b>							
Operating Expense Ratio		87%		91%		96%	
Break-even Economic Occupancy Ratio (all de		89%		92%		95%	



October 10, 2024

Mr. Todd Fowler  
Director of Special Assets  
Florida Housing Finance Corporation  
City Centre Building  
227 N. Bronough Street, Suite 5000  
Tallahassee, FL 32301

RE: Orchid Grove Apartments (“Development”)  
Extension of the TCAP Supplemental Loan  
Tax Credit Assistance Program (“TCAP”) / Tax Credit Exchange Program (“TCEP”) / HOME  
Investment Partnerships Program (“HOME”) / Housing Credits (“HC”) RFP 2009-04 / 2009-061 CTX

Dear Mr. Fowler:

On your behalf, Seltzer Management Group, Inc. (“SMG” or “Seltzer”) has reviewed a request, dated May 22, 2024, from a representative of Orchid Grove Apartments, Ltd. (“Borrower”) requesting Florida Housing Finance Corporation’s (“FHFC” or “Florida Housing”) consent to the extension of the maturity date for a Tax Credit Assistance Program (“TCAP”) Supplemental Loan in the amount of \$680,000, so that it is co-terminus with a TCAP Loan of \$2,750,567, resulting in a total TCAP funding of \$3,430,567. This request is being brought forth by the Developer to simplify the process of refinancing the transaction at a later date, if desired.

At your direction, SMG has been asked to determine if this extension will negatively impact the Development.

For purposes of this analysis, SMG reviewed the following:

1. Correspondence seeking Florida Housing’s consent to the request outlined above
2. TCAP Credit Underwriting Report (“CUR”) dated January 15, 2010
3. Borrower’s audited financial statement, prepared by Tidwell Group, LLC, Independent Auditors, for the year ending December 31, 2023
4. Annual Management Review and Physical Inspection
5. FHFC Occupancy Report from August 2023 – July 2024
6. FHFC Past Due Report, dated September 12, 2024
7. FHFC Noncompliance Report, dated October 18, 2023
8. Land Use Restriction Agreement (“LURA”), dated April 29, 2010 and Extended Low-Income Housing Agreement (“ELIHA”), dated April 29, 2010 and first amendment, dated January 3, 2011
9. TCAP / TCEP Supplemental Promissory Note, dated April 29, 2010
10. HOME Promissory Note, dated April 29, 2010

In addition, SMG has had various conversations with FHFC Staff and Borrower regarding the request described above.





Our findings are as follows:

Background

Orchid Grove is an existing 80-unit affordable multifamily development with a Farmworker/Commercial Fishing Worker demographic commitment located at 750 NW 8<sup>th</sup> Street, Florida City, Miami-Dade County, FL and consists of 8 one-bedroom/one bath, 36 two-bedroom/two bath, 24 three-bedroom/two bath, and 12 four-bedroom/three bath garden-style units.

The funding sources and loan terms are as follows:

1. TCAP Loan – the loan amount is \$2,750,567, bears an interest rate of 0% and is non-amortizing. All unpaid principal and interest (if any) are due on the maturity date of February 16, 2027.
2. TCAP Supplemental Loan – the loan amount is \$680,000, bears an interest rate of 0% and is non-amortizing. All unpaid principal and interest (if any) are due on the maturity date of April 29, 2025.
3. HOME Loan – the loan amount is \$115,900, bears an interest rate of 0.4950% and is non-amortizing. All unpaid principal and interest are due on the maturity of February 16, 2030.

All funding sources above are required to set aside at least 40% of the units to individuals whose income is 60% or less of the Area Median Income (“AMI”) for a compliance period of fifty (50) years.

Status of Development Noncompliance/Past Due:

The most recent annual Management Review and Physical Inspection was performed on February 16, 2024 with no noted discrepancies. A Close Out Letter was issued on March 25, 2024.

The FHFC Occupancy Report for the period August 2023 – July 2024 indicates an average occupancy rate of 98.02%.

The FHFC Past Due Report does not reflect any past due items.

The FHFC Noncompliance Report does not reflect any noncompliance items.

Experience and Financial Information of the Current Ownership Entities:

The Borrower’s experience is solely from the operation of the Development itself. The actual development and experience lie with Rural Neighborhoods, Incorporated (“Rural Neighborhoods”) to provide the necessary experience to effectively operate the Development. Rural Neighborhoods is a guarantor and co-developer of the Development.

Rural Neighborhoods is a 501(c)(3), tax-exempt charitable organization. Founded in 2004, Rural Neighborhoods is the successor corporation to Everglades Community Association, Incorporated, founded in 1982. Rural Neighborhoods is led by Steve Kirk, President, an experienced developer of affordable housing and is guided by up to 15-person board of directors with housing expertise. Rural Neighborhoods services include real estate development, asset and property management, community-building, resident services and disaster response. Today, Rural Neighborhoods owns more than 1,600 rental units and 50,000 square feet of commercial space, provides work for than 40 staff member and has served over 100,000 individuals since its inception.

Seltzer has been provided with an audited financial statement prepared by Tidwell Group, LLC as of December 31, 2023 and 2022. The statements reflected sufficient liquidity and net worth for a project of this scope.

Proposed Extension of the TCAP Supplemental Loan:

In consideration of an extension of the maturity date of the TCAP Supplemental Loan of April 29, 2025 to be co-terminus with the maturity date of a TCAP Loan on February 16, 2027, the Borrower proposes the release of the \$537,900 balance in the Development’s Operating Deficit Reserve that was established during the recession, to



FHFC for the purpose of paying off the HOME Loan of approximately \$111,439 and applying the remainder of the reserve to the TCAP Supplemental Loan. The Borrower's reasoning for requesting an extension for both loans to have co-terminus maturity dates is to make the refinancing of the Development a less complicated process.

Recommendation:

Seltzer's review indicates that the Borrower has the prerequisite financial strength and experience to successfully own and operate the Development. Seltzer recommends the approval of the extension of the TCAP Supplemental Loan maturity date to be co-terminus with the TCAP Loan maturity date of February 16, 2027, subject to the following:

- Review and approval of all loan documents consistent with the terms outlined above by Florida Housing's Legal Counsel.
- Receipt of a non-refundable LURA renegotiation fee equal to half of 1%, if applicable.
- Receipt of a non-refundable extension fee equal to one-tenth of one percent of the outstanding principal balance of the TCAP Supplemental loan on the date of closing.
- Payment of any outstanding arrearages to Florida Housing, its Legal Counsel, Services or any agent or assignee of FHFC for past due issues applicable to the development team (Applicant or Developer or Principal, Affiliate or Financial Beneficiary, as described in 67-480075(5) and 67-21.0025(5) F.A.C., of an Applicant or a Developer).
- Any extension of any affordability as a condition, if applicable.
- Release and disbursement of the Operating Deficit Reserve in the amount of \$537,900, to satisfy the existing HOME Loan, with all remaining funds used to pay-down the TCAP Supplemental Loan
- Prepayment of any required compliance monitoring and servicing fees, if applicable
- Satisfactory resolution of any outstanding past due and/or noncompliance items.
- All other due diligence required by FHFC and its Legal Counsel.

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

Sincerely,  
SELTZER MANAGEMENT GROUP, INC.

Amy C. Sanders  
Credit Underwriter



October 3, 2024

Mr. Todd Fowler  
Director of Special Assets  
Florida Housing Finance Corporation  
City Centre Building  
227 North Bronough Street, Suite 5000  
Tallahassee, Florida 32301-1329

Re: Warley Park  
State Apartment Incentive Loan (“SAIL”) Program, National Housing Trust Fund (“NHTF”) Program, and Competitive 9% Housing Credits (“HC”) RFA 2017-103 (2017-258CSN/2018-359CSN)

Transfer of General Partner (“GP”) Interest / Assumption of SAIL and NHTF Loan Documents and Extended Low Income Housing Agreement (“ELIHA”) / Release of Existing Guarantors and Replacement with New Guarantors

Dear Mr. Fowler:

First Housing Development Corporation of Florida (“FHDC”, “First Housing” or “Servicer”) has reviewed a letter, dated August 5, 2024, from Jonathan L. Wolf who is the Manager of Warley Park GP, LLC (“remaining GP”), the Managing General Partner of Warley Park, Ltd. (“Borrower”), an affiliate of Wendover Housing Partners LLC (“Wendover”). The letter requests that Florida Housing Finance Corporation (“Florida Housing” or “FHFC”) approve the transfer of ownership interests of Warley Park (“Development”) from Step Up In Warley Park, LLC (“retiring GP”), the Administrative General Partner of the Borrower, to Berkeley Warley GP, LLC (“replacement GP”). The 25% Co-Developer, Step Up Developer, LLC, will be terminated and the current service provider, Step Up on Second Street, Inc., will be replaced by The Sharing Center.

First Housing has been requested to determine if the replacement GP has the prerequisite financial strength and experience to successfully own and operate the Development.

On behalf of FHFC, First Housing has reviewed the request, performed certain due diligence, and formulated recommendations and conditions which are contained at the end of this report. For the purposes of this analysis, First Housing has reviewed the following:

- Rule 67-48
- Credit Underwriting Report (“CUR”), dated November 29, 2018 and Credit Underwriting Update Letter (“CUL”), dated February 7, 2019.
- Balance Sheet and Trailing 12-month Profit & Loss for Warley Park as of July 2024
- FHFC’s Occupancy Reports.
- HC ELIHA, executed by FHFC on October 20, 2020.
- SAIL Land Use Restriction Agreement (“LURA”), dated April 16, 2019 and First Amendment to SAIL LURA, dated September 4, 2020.
- NHTF LURA, dated April 16, 2019 and First Amendment to NHTF LURA, dated September 4, 2020.
- Proposed Organizational Chart.
- FHFC Past Due Report, dated September 12, 2024.
- FHFC Noncompliance Report, dated October 18, 2023.
- Annual Management Review, dated September 25, 2023.
- Closeout Letter to Annual Management Review, dated November 6, 2023.
- Construction Inspection Report, prepared by On Solid Ground, dated May 19, 2020.
- Community Based Service Coordination Plan Warley Park
- Draft of Amendment to Partnership Agreement, Assignment and Assumption of Partnership Interests, and Notice of Withdrawal from Partnership
- Draft of Assignment of Developer Fee and Amendment to Development Agreement



**Background:**

Warley Park is an existing 81-unit affordable multifamily development consisting of two (2), three-story garden-style residential buildings and a single-story, non-residential clubhouse building, located at 1500 West 25<sup>th</sup> Street, Sanford, Seminole County, Florida 32771. The Development consists of forty-three (43) one-bedroom/one-bathroom units, thirty-four (34) two-bedroom/two-bathroom units, and four (4) three-bedroom/two-bathroom units. The project was substantially completed and received Certificate of Occupancy for all buildings on March 24, 2020.

The Development was originally financed with a construction loan from Fifth Third Bank in the amount of \$10,650,000, a construction/permanent loan from Florida Community Loan Fund (“FCLF”) in the amount of \$850,000, and SAIL Loan in the amount of \$2,825,000, and an NHTF Loan in the amount of \$1,307,714.48. The Development also received an allocation of 9% Housing Credits.

Operation of the Development is restricted by terms and conditions detailed in various loan documents, including but not limited to the SAIL LURA, NHTF LURA, and the HC ELIHA.

The SAIL LURA requires the following set-asides for a period of fifty (50) years:

- 10% of the units (9 units) set aside at or below 40% of the AMI
- 90% of the units (72 units) set aside at or below 60% of the AMI

The NHTF LURA requires the following set-asides for a period of fifty (50) years:

- 9% of the units (8 units) set aside at or below 22% of the AMI

The HC ELIHA requires the following set-asides for a period of thirty (50) years:

- 10% of the units (9 units) set aside at or below 40% of the AMI
- 90% of the units (72 units) set aside at or below 60% of the AMI

Fifty percent (50%) of the total units (41 units) within the Development shall be rented to the demographic commitment of Homeless and fifty percent (50%) of the total units (40 units) within the Development shall be rented to the demographic commitment of Persons with a Disabling Condition As Permanent Supportive Housing and their families.

Twenty percent (20%) of the total units for persons with a disabling condition (8 units) within the Development shall be rented to the demographic commitment of Persons with a Disabling Condition that were, prior to renting the Development, either in institutions or community residential care, or Chronically Homeless and are assessed as vulnerable by the community's homeless lead agency standards and identified as high utilizers of public resources due to their homelessness. The subpopulation includes adult persons requiring independent living services in order to maintain housing or develop independent living skills and who have a Disabling Condition that neither currently impairs nor is likely to impair their physical mobility, such as persons with a mental illness.

First Housing received an updated Community Based Service Coordination Plan between the Borrower and The Sharing Center, a provider and contractor of supportive services and housing replacement for individuals experiencing homelessness. The Sharing Center was founded in 1986 by a coalition of seventeen churches in Seminole County, FL, aiming to meet immediate needs and empower individuals toward long-term economic self-sufficiency. Approval of the Community Based Service Coordination by FHFC and approval of the Management Services Agreement between the Borrower and The Christian Sharing Center, Inc. is a condition to close.

**Status of Development Noncompliance/Past Due:**

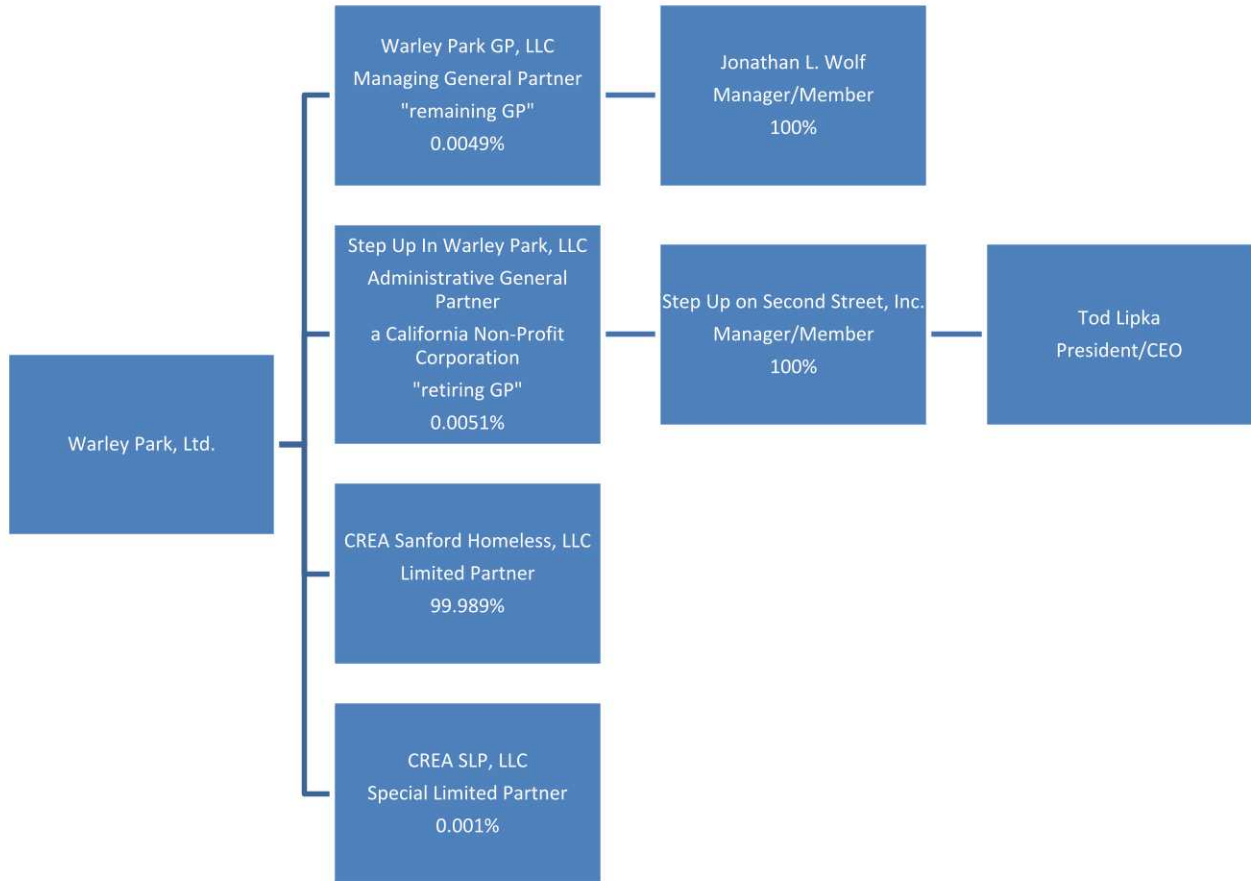
According to the Florida Housing's Past Due Report, dated September 12, 2024, and Florida Housing's Noncompliance Report, dated October 18, 2023, the Development Team has the following past due and noncompliant item(s):

- None

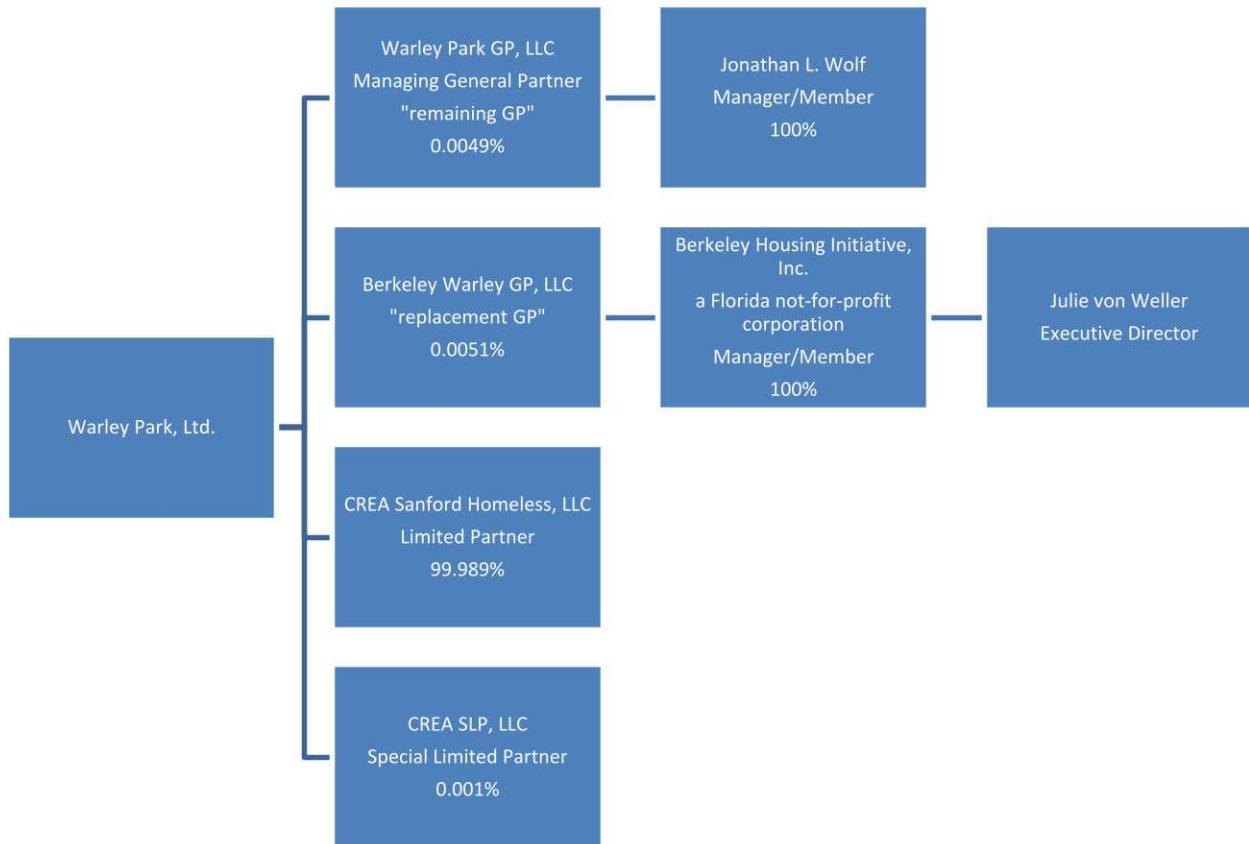
Based on Florida Housing's occupancy reports, the Development's occupancy has averaged 97.74% for 2022, 96.81% for 2023, and 98.52% for February through June of 2024. Occupancy was not reported for January 2024.

The Annual Management Review was conducted on September 25, 2023 and found the property to be in compliance. A closeout letter was issued on November 6, 2023.

**Current Ownership Structure:**



**Proposed Ownership Structure:**





Due to an ongoing lawsuit in California relating to motel conversions, the remaining GP requests that all entities related to Step Up on Second Street, Inc. be removed from this deal. Step Up on Second Street, Inc. was to provide services and management at the converted housing units.

According to the CUR, the co-developers of the development are Warley Park Developer, LLC (“Warley Developer”) and Step Up Developer, LLC (“Step Up Developer”). Warley Developer will be paid 75% of the calculated maximum actual Developer Fee and Step Up Developer shall be paid 25% of the calculated maximum actual Developer Fee. Step Up on Second Street, Inc., the sole member of the retiring GP, is also the sole member of Step Up Developer. Receipt of statements confirming payment of 25% of the developer fee to Step Up Developer is a condition to close.

First Housing reviewed a draft of an Assignment of Developer Fee and Amendment to Development Agreement. Step Up Developer, in exchange for a Development Fee payment of \$100.00, will (i) assign, transfer and convey all of its rights, title, claims and interest in and to the Development Fee and the Deferred Development Fee, and (ii) withdraw from the Development Agreement, dated December 15, 2021. Warley Developer will then become the sole developer. Based on a draft agreement related to a separate development, in which the principals of the remaining GP and retiring GP are involved, Step Up Developer will be paid \$300,000 to exit the deal.

First Housing recommends that the retiring GP and Step Up Developer will be released as guarantor. All other guarantors will remain, and the replacement GP will be added. The guarantors will be the following:

Guarantors (From)	Guarantors (To)
Warley Park, Ltd. Warley Park GP, LLC Step Up in Warley Park, LLC Warley Park Developer, LLC Step Up Developer, LLC Jonathan L. Wolf	Warley Park, Ltd. Warley Park GP, LLC Berkeley Warley GP, LLC Warley Park Developer, LLC Jonathan L. Wolf

**Experience and Financial Information of the Proposed Ownership Entities:**

First Housing is relying on the experience and financials of the principals of the remaining GP to provide the necessary experience to effectively operate the Development.

The Borrower and the remaining GP are single purpose entities that were created to construct, own and operate the Development, but had no development experience. Jonathan L. Wolf, the manager/member of the remaining GP, is the founder and CEO of Wendover. Mr. Wolf began his career in finance with The Chase Manhattan Bank and Citigroup in New York City. In 1995, he left the financial industry and founded Wendover. He oversees the strategic direction of both Wendover and Wendover Management, LLC (“Wendover Management”), which provides full-service property management.

Wendover is a Florida based, privately held real estate development, investment and management company that develops affordable and market-rate multi-family communities, senior housing, transit-oriented communities, and student housing. To date, Wendover has developed 45 properties totaling more than 6900 units, worth a total value of more than \$1 billion.

Julie von Weller, the executive director of Berkeley Housing Initiative, Inc., began her career in the non-profit sector, serving as a fundraiser and programs coordinator for the Central Florida YMCA for 4 years. She then went to work at FEMA as a communications liaison for the Florida branch. Julie was the driving force behind the funding and creation of Links 2 Learning, a YMCA sponsored program that equips after-school program participants with the skills they need to build a brighter future, centered around golf.

First Housing received a D&B report and bank statements for Berkeley Housing Initiative, Inc., dated May 31, 2024. First Housing received a statement indicating Berkeley Housing Initiative, Inc. does not have trade references and that financials are not available. First Housing received the 2021 and 2022 Form 990 for Berkeley Housing Initiative, Inc. as well as their 2023 extension.

First Housing received a letter stating that Berkeley Warley GP, LLC is a newly formed single purposed entity, created on August 15, 2024. Financials, trade references, and loan history are not available. A D&B report is not available for Berkeley Warley GP, LLC.

**Management Company:**

The existing management company is Wendover Management, and there is no plan to change management for the Development at this time. The continuation of Wendover Management as management company, must be approved by Florida Housing’s Asset Management Department.

Wendover Management was formed in 2008 and is currently managing 1,710 units in Florida and Georgia. Jonathan L. Wolf is the principal shareholder of Wendover Management with many years of experience in the operation of low-income housing tax credit communities.

**Recommendations:**

First Housing's review of the information and documentation provided indicates that the remaining GP and replacement GP have the prerequisite financial strength and experience to successfully own and operate the Development. First Housing recommends approval of the transfer of ownership interests from the retiring GP to the replacement GP, release and replacement of the guarantors, assumption of the SAIL and NHTF Loan Documents and ELIHA, and the modification of any other documents as required to effectuate the transaction subject to the following conditions:

1. The Borrower, remaining GP, and replacement GP and its entities and principals (if applicable), as well as withdrawing entities, to execute any and all assignment and assumption documents and any other loan documents FHFC and its Legal Counsel deem necessary to effectuate the transaction, including any guarantees.
2. 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) and 67-48.0075(5) F.A.C., of an Applicant or a Developer).
3. Satisfactory resolution of any outstanding noncompliance and/or past due items.
4. Verification that all Insurance Certificates are current and acceptable to Servicer and FHFC.
5. Confirmation of approval of the transfer of General Partner interests by all other lenders and the tax credit syndicator, if applicable.
6. Review and approval of all loan documents consistent with the terms outlined above by FHFC, its Legal Counsel and Servicer.
7. Retention of existing tax, insurance, replacement reserve and operating reserve escrow accounts or establishment of new accounts in like or greater amounts satisfactory to FHFC prior to closing, if applicable.
8. Receipt of a non-refundable transfer fee equal to one-tenth of one percent of the outstanding principal balance of the SAIL loan on the date of closing.
9. Receipt of a non-refundable transfer fee equal to one-tenth of one percent of the outstanding principal balance of the NHTF loan on the date of closing.

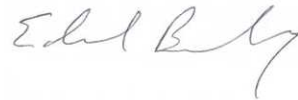
10. Approval of the Community Based Service Coordination Plan for The Sharing Center by FHFC
11. Approval of the Management Services Agreement between Borrower and The Christian Sharing Center, Inc. by FHFC.
12. Receipt of executed Amendment to Partnership Agreement, Assignment and Assumption of Partnership Interests, and Notice of Withdrawal from Partnership, with terms satisfactory to FHFC, its Legal Counsel and Servicer.
13. Receipt of executed Assignment of Developer Fee and Amendment to Development Agreement, with terms satisfactory to FHFC, its Legal Counsel and Servicer.
14. Confirmation of payment of 25% of the developer fee to the co-developer, Step Up Developer.
15. Payment of all costs and fees to Florida Housing, its Legal Counsel and Servicer, as applicable.
16. Prepayment of any required compliance monitoring and servicing fees, as applicable.
17. All other requirements by FHFC, its Legal Counsel and Servicer.

Prepared by:



Matthew Mosiello  
Credit Underwriter

Reviewed By:



Ed Busansky  
Senior Vice President



October 9, 2024

Mr. Todd Fowler  
Director of Special Assets  
Florida Housing Finance Corporation  
City Centre Building  
227 North Bronough Street, Suite 5000  
Tallahassee, Florida 32301-1329

Re: Sugar Country Apartments f/k/a Moore Haven Apartments (“Development”)  
HOME RFP 2014-109 (2014-406H)

Amendment of Articles and Bylaws of the Borrower Entity and Replacement of Board  
Members for Borrower Entity

Dear Mr. Fowler:

First Housing Development Corporation of Florida (“FHDC”, “First Housing”, or “Servicer”) has reviewed a letter, dated June 18, 2024, on behalf of Workforce Housing of Okeechobee, Inc. formerly known as Southwest Florida GWI Housing XVII, Inc. (“Borrower”). The letter notifies Florida Housing Finance Corporation (“Florida Housing” or “FHFC”) that the Borrower would like to adopt a resolution to amend the Articles and the Bylaws in order to admit new members and replace its existing Board of Directors. Borrower requests Florida Housing Finance Corporation’s approval of the amendment of the Articles and Bylaws of the Borrower which replaces the board members and board of directors.

First Housing has been requested to determine that the replacement board members have the prerequisite experience to successfully own and operate the Development.

On behalf of FHFC, First Housing has reviewed the request, performed certain due diligence, and formulated recommendations and conditions which are contained at the end of this report. For the purposes of this analysis, First Housing has reviewed the following:

- Credit Underwriting Report, dated July 19, 2016 and June 4, 2015.

- HOME LURA, dated August 18, 2016.
- HOME Promissory Note, dated August 18, 2016.
- FHFC's Occupancy Reports.
- FHFC Past Due Report, dated September 12, 2024.
- FHFC Asset Management Noncompliance Report, dated October 18, 2023.
- Annual Management Review, dated July 18, 2024.

### **Background**

Moore Haven Apartments is an existing 50-unit multifamily development located at 627 West Avenue Moore Haven, FL 33471 and consists of thirteen (13) single story triplexes and quadrplexes. The Development contains seventeen (17) one-bedroom/one-bath units and thirty-three (33) two-bedroom/one-bath units.

The Development is financed with a first mortgage from Neighborhood Lending Partners of Florida, Inc. ("NLP") in the amount of \$605,500. The loan bears interest at a rate of 4.75% and matures on February 18, 2034. As of December 31, 2023, the outstanding principal balance of the first mortgage is \$569,358. Please note the Development has a going concern in the audited financial statements, dated December 31, 2023. The audit notes that the major contributing factors to the property's net loss was unforeseen maintenance and capital expenses coupled with lower occupancy rates.

The existing second mortgage is payable to FHFC under the HOME Program in the amount of \$4,783,500. The HOME loan is non-amortizing and bears interest at a rate of 0% per annum. The entire unpaid principal will be due and payable at maturity on August 18, 2036.

The HOME LURA requires the following set-asides for a total term of fifty (50) years:

- 20% of the units (10 units) set aside at or below 50% AMI;
- 80% of the units (remaining units) set aside at or below 60% AMI.

Based on the August 1, 2024 rent roll, the Development was 72% occupied. Based on FHFC's Occupancy Reports, the property's occupancy averaged 82.40% for January through June of 2024 but it did not report occupancy for May 2024. Based on FHFC's Occupancy Reports, the property's occupancy averaged 83.83% for January through December of 2023.

An Annual Management Review was conducted on June 18, 2024 and found the property to be in non-compliance. A close out letter is a condition to closing.

**Status of the Development Team Noncompliance/Past Due**

The proposed development team was reported on Florida Housing's September 12, 2024 Past Due Report for the following:

- Sugar Country – Owes 2023 annual HOME permanent loan servicing fee of \$9,720 due 1/31/2023 plus a 5% late fee of \$486. Owes 2024 annual HOME permanent loan servicing fee of \$9,720 due 3/31/24 plus a 5% late fee of \$486. Owes 2024 annual HOME compliance monitoring fee of \$3,955.18 due 3/31/24 plus a 5% late fee of \$197.76.

The proposed development team was reported on Florida Housing's October 18, 2023 Asset Management Noncompliance Report for the following:

- None

**Replacement of Board Members and Amendment of the Articles and Bylaws of the Borrower**

Workforce Housing of Okeechobee, Inc. formerly known as Southwest Florida GWI Housing XVII, Inc. was formed as a Florida Not For Profit Corporation on June 27, 2014, for the purpose of constructing and operating the Development. The Amended and Restated Articles of Incorporation and the Amended and Restated Bylaws of Southwest Florida GWI Housing XVII, Inc. state that so long as the mortgage is held by FHFC, the Articles and Bylaws may not be amended without prior written consent of FHFC. Therefore, FHFC approval of the amendment of the Articles and Bylaws to replace the board members and board of directors is required.

First Housing has received additional correspondence which indicates that the proposed replacement of the current board members is primarily related to the fact that the individuals currently serving on the board are preparing for retirement and are interested in stepping away from their roles.

The current board members are Raymond Sturwold, Patricia Thompson, Michael Carr, Katherine Britton, Penelope Morrill, and Joseph Wubbena.

The proposed board members are Beth Silverman, Alan Yellowitz, Jamie O'Connor, and James Hendricks.

The proposed board members are affiliated with Petersburg Community Development Corporation ("PCDC"). PCDC was organized in 1989 as a mission-oriented, non-profit housing developer. PCDC is involved in the development of three active tax credit developments in Virginia. Jamie

O'Connor and Jim Hendricks have been on PCDC's board since 2019. Alan Yellowitz has been on PCDC's board since 2020 and Beth Silverman has served on PCDC's board since 2021.

First Housing received a statement of financial affairs as well as 2023 audited financial statements for PCDC. As of December 31, 2023, PCDC and Subsidiaries had cash in the low thirty thousand amount and net assets of a quarter of a million dollars.

The new board members intend to increase rents to the maximum allowable levels under the restrictions and to do robust advertising and marketing. The new board members believe that this will increase occupancy and income which will allow for higher net operating income.

### **Recommendation**

First Housing's review indicates that the replacement board members have experience to successfully own and operate the Development. First Housing recommends approval of the replacement of the board members and modifications of the articles and bylaws, subject to the following conditions:

1. Workforce Housing of Okeechobee, Inc. formerly known as Southwest Florida GWI Housing XVII, Inc. and its entities and principals (if applicable) shall agree that through the regulatory period, Florida Housing and their compliance monitoring agent shall have access to the Development to perform their annual management review and physical inspection during the remaining affordability period.
2. Payment of any outstanding arrearages to the Corporation, its legal counsel, Servicer or any agent or assignee of the Corporation for past due issues applicable to the development team (Applicant or Developer or Principal, Affiliate or Financial Beneficiary, as described in 67-48.0075 F.A.C., of an Applicant or a Developer).
3. Satisfactory resolution of any outstanding FHFC noncompliance and/or past due items.
4. A closeout letter for the Annual Management Review conducted on June 18, 2024.
5. Verification that all Insurance Certificates are current and acceptable to Servicer and FHFC.
6. Confirmation of approval of the replacement of the board members by all other lenders, if applicable.
7. Receipt and satisfactory review of the amended Articles and Bylaws.
8. All other due diligence required by FHFC, its legal counsel and Servicer.



Prepared by:



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Senior Credit Underwriter

Reviewed by:



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Senior Vice President