

Florida Housing Finance Corporation

Credit Underwriting Report

St. Peter Claver Place Phase I

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

MMRN, SAIL, ELI and 4% HC

RFA 2020-205 / 2021-222BS / 2020-540C

Invitation to Participate for the Construction Housing Inflation Response Program

2022 CHIRP

Section A Report Summary

Section B Loan Conditions and HC Allocation Recommendation and Contingencies

Section C Supporting Information and Schedules

Prepared by

Seltzer Management Group, Inc.

Final Report

June 9, 2022

ST. PETER CLAVER PLACE PHASE I

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Section A
Report Summary

JUNE 9, 2022

Recommendation

Seltzer Management Group, Inc. (“SMG” or “Seltzer” or “Servicer”) recommends the issuance of a Florida Housing Finance Corporation (“FHFC” or “Florida Housing” or “Corporation”) Multifamily Mortgage Revenue Note (“MMRN”) in the amount of \$24,000,000 in conjunction with a State Apartment Incentive Loan (“SAIL”) Second Mortgage in the amount of \$7,862,649, inclusive of a SAIL of \$4,075,000 and an estimated \$3,787,649 from the Construction Housing Inflation Response Program (“CHIRP”), and an Extremely Low Income (“ELI”) Third Mortgage in the amount of \$600,000. SMG also recommends an annual Housing Credit (“HC”) allocation of \$1,980,737 to St. Peter Claver Place Phase I (“Development”) for construction and permanent financing.

DEVELOPMENT & SET-ASIDES

Development Name: St. Peter Claver Place Phase I

RFA/Program Numbers: RFA 2020-205 / 2021-222BS 2020-540C

Address: 1480 Sister Bowman Lane

City: Fort Myers Zip Code: 33916 County: Lee County Size: Medium

Development Category: New Construction Development Type: Garden Apts (1-3 Stories)

Construction Type: Masonry

Demographic Commitment:

Primary: Family for 100% of the Units

Secondary: _____ for _____ of the Units

Unit Composition:

of ELI Units: 14 ELI Units Are Restricted to 33% AMI, or less. Total # of units with PBRA? 0

of Link Units: 7 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
2	2.0	7	997	33%			\$597	\$114	\$483		\$483	\$420	\$483	\$40,572
2	2.0	61	997	60%			\$1,086	\$114	\$972		\$972	\$858	\$972	\$711,504
3	2.0	7	1,160	33%			\$690	\$135	\$555		\$555	\$482	\$555	\$46,620
3	2.0	61	1,160	60%			\$1,254	\$135	\$1,119		\$1,119	\$987	\$1,119	\$819,108
		136	146,676											\$1,617,804

Persons with Special Needs Set-Aside Commitment: The proposed Development must set aside fifty percent (50%) of the ELI Set-Aside units (7 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 (Lee County). The executed MOU was approved by FHFC on April 21, 2022.

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After 15 years, all of the ELI set-aside units (14 units) may convert to serve residents at or below 60% AMI. The Persons with Special Needs set aside requirement must be maintained throughout the 50 year Compliance Period.

Buildings: Residential - 6 Non-Residential - 1
 Parking: Parking Spaces - 390 Accessible Spaces - 18

Program	% of Units	# of Units	% AMI	Term (Years)
MMRN / HC	100.0%	136	60%	50
SAIL / ELI	10.0%	14	33%	50
SAIL	90.0%	122	60%	50

Absorption Rate 20 units per month for 7.0 months.

Occupancy Rate at Stabilization: Physical Occupancy 97.00% Economic Occupancy 96.00%
 Occupancy Comments _____

DDA: No QCT: Yes Multi-Phase Boost: No QAP Boost: No
 Site Acreage: 11.38 Density: 11.9508 Flood Zone Designation: X
 Zoning: PUD, Planned Unit Development Flood Insurance Required?: No

DEVELOPMENT TEAM		
Applicant/Borrower:	St. Peter Claver Place, Ltd.	% Ownership
General Partner	St. Peter Claver Housing, Inc.	0.0051%
General Partner	NDA Claver Place, LLC	0.0049%
Limited Partner	Raymond James Tax Credit Funds, Inc. ("RJTCF") or an affiliate	99.9900%
Construction Completion Guarantor(s):		
CC Guarantor 1:	St. Peter Claver Place, Ltd.	
CC Guarantor 2:	St. Peter Claver Housing, Inc.	
CC Guarantor 3:	NDA Claver Place, LLC	
CC Guarantor 4:	National Development of America, Inc.	
CC Guarantor 5:	Eric C. Miller	
CC Guarantor 6:	Diocese of Venice in Florida, Inc.	
Operating Deficit Guarantor(s):		
OD Guarantor 1:	St. Peter Claver Place, Ltd.	
OD Guarantor 2:	St. Peter Claver Housing, Inc.	
OD Guarantor 3:	NDA Claver Place, LLC	
OD Guarantor 4:	National Development of America, Inc.	
OD Guarantor 5:	Eric C. Miller	
OD Guarantor 6:	Diocese of Venice in Florida, Inc.	

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Note Purchaser	Construction: Fifth Third Bank Permanent: BellWeather Enterprise Real Estate Capital, LLC
Developer:	National Development of America, Inc. (Co-Developer)
Principal 1	Eric C. Miller
Principal 2	St. Peter Claver Developer, Inc. (Co-Developer)
Co-Developer:	LCHA Developer, LLC (Co-Developer)
Principal 1	Lee County Housing Authority
General Contractor 1:	Brooks & Freund, LLC
Management Company:	NDC Asset Management, LLC
Syndicator:	RJTCF
Note Issuer:	Florida Housing Finance Corporation
Architect:	PDS Architecture Inc.
Market Study Provider:	Integra Realty Resources - Tampa Bay
Appraiser:	Integra Realty Resources - Tampa Bay

PERMANENT FINANCING INFORMATION						
	1st Source	2nd Source	3rd Source	4th Source	5th Source	Other
Lender/Grantor	FHFC MMRN / BellWether / Freddie Mac	FHFC SAIL	FHFC SAIL / CHIRP	FHFC SAIL ELI	City of Fort Myers	City of Fort Myers
Amount	\$11,750,000	\$4,075,000	\$3,787,649	\$600,000	\$700,000	\$50,000
Underwritten Interest Rate	5.24%	1.00%	1.00%	0.00%	0.00%	0.00%
Loan Term	17.0	17.5	17.5	17.5	50.0	N/A
Amortization	40.0	N/A	N/A	N/A	N/A	N/A
Market Rate/Market Financing LTV	38.8%	52.2%	64.7%	66.7%	69.0%	69.2%
Restricted Market Financing LTV	81.0%	109.1%	135.3%	139.4%	144.2%	144.6%
Loan to Cost - Cumulative	28.4%	38.3%	47.4%	48.9%	50.6%	50.7%
Loan to Cost - SAIL Only			19.0%			
Debt Service Coverage	1.234	1.100	1.100	1.095	1.095	1.095
Operating Deficit & Debt Service Reserves	\$336,430.00					
# of Months covered by the Reserves	6.2					

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Deferred Developer Fee	\$2,191,561
As-Is Land Value	\$1,630,000
Market Rent/Market Financing Stabilized Value	\$30,300,000
Rent Restricted Market Financing Stabilized Value	\$14,500,000
Projected Net Operating Income (NOI) - Year 1	\$915,148
Projected Net Operating Income (NOI) - 15 Year	\$1,097,523
Year 15 Pro Forma Income Escalation Rate	2.00%
Year 15 Pro Forma Expense Escalation Rate	3.00%
Note Structure	Tax-Exempt Loan
Housing Credit (HC) Syndication Price	\$0.900
HC Annual Allocation - Qualified in CUR	\$1,980,737
HC Annual Allocation - Equity Letter of Interest	\$2,023,915

CONSTRUCTION/PERMANENT SOURCES:				
Source	Lender	Construction	Permanent	Perm Loan/Unit
FHFC - MMRB	Fifth Third	\$24,000,000	\$0	\$0.00
FHFC - MMRB	BellWether / Freddie Mac	\$0	\$11,750,000	\$86,397.06
FHFC - SAIL	FHFC	\$4,075,000	\$4,075,000	\$29,963.24
FHFC - SAIL	FHFC CHIRP	\$3,787,649	\$3,787,649	\$27,850.36
FHFC - SAIL ELI	FHFC	\$600,000	\$600,000	\$4,411.76
Local Government Subsidy	City of Fort Myers	\$700,000	\$700,000	\$5,147.06
Local Government Subsidy	City of Fort Myers	\$50,000	\$50,000	\$367.65
HC Equity	RJTCF	\$6,374,695	\$18,213,414	\$133,922.16
Deferred Developer Fee	Co-Developers	\$1,780,280	\$2,191,561	\$16,114.42
TOTAL		\$41,367,624	\$41,367,624	\$304,173.71

Financing Structure:

Applicant submitted to FHFC a MMRN with Non-Competitive HC and SAIL Application under RFA 2020-205. This transaction will not involve the issuance of Tax-Exempt Notes from Florida Housing. Fifth Third Commercial Funding, Inc. ("Fifth Third") will loan up to \$24,000,000 to FHFC through a Tax-Exempt Loan ("TEL") in connection with the construction financing of the Development. At conversion to permanent financing, BellWether Enterprise Real Estate Capital, LLC ("BellWether") will provide a Freddie Mac TEL in the amount up to \$11,958,000, currently estimated at \$11,750,000, and the FifthThird 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

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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?	X	
Is the Development in all other material respects the same as presented in the Application?		3

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

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

- The Application did not include a Letter of Intent (“LOI”) for first mortgage construction nor permanent financing. A LOI from Fifth Third was provided during underwriting for first mortgage construction financing in the amount up to \$24,000,000. A LOI from BellWether was provided during underwriting for first mortgage permanent financing in the amount up to \$11,958,000.
- The Application included a LOI for Housing Credit equity from R4 Capital, LLC in the amount of \$0.88 per tax credit and total equity of \$8,908,529. Subsequently the Applicant provided a LOI from Raymond James Tax Credit Funds, Inc. (“RJTCF”) reflecting an aggregate amount of \$0.90 per tax credit and total equity of \$18,213,414.
- On May 2, 2022, the City Council of the City of Fort Myers approved a financial commitment of \$700,000 to the Applicant for gap financing of the Development. This award is confirmed in Resolution No. 2022-22.

- The Applicant applied for additional FHFC Loan funding through FHFC’s Invitation to Participate (“ITP”) for CHIRP. The additional funds will be SAIL Program funds and will be added to the initial Second Mortgage SAIL commitment in the amount of \$4,075,000, and will therefore, have the same rate and terms. Based on the sizing criteria and parameters set forth in the CHIRP ITP, the Development will receive additional SAIL funds in the amount of \$3,787,649, for a total Second Mortgage SAIL of \$7,862,649.
2. Total Development Costs (“TDC”) as stated in the application were \$26,812,617. TDC have increased to \$41,367,624, an increase of \$14,555,007. This increase is primarily due to increases in construction costs, general development costs, developer fees and the addition of reserves.
 3. See the below additional changes to the application:
 - The Application included an Applicant request for Corporation-issued TEL in the amount of \$14,500,000. On May 9, 2022, FHFC staff approved a request to increase the amount of TEL from \$14,500,000 to \$25,000,000.
 - The Applicant’s request to change the legal description and site acreage from 10.44 acres to 11.38 acres was approved by FHFC staff on February 24, 2022.
 - The Development address has changed from the Application per an Address Assignment document reflecting the Clubhouse address as 1480 Sister Bowman Lane.
 - The Applicant’s request to change the green building certification from Florida Green Building Coalition (“FGBC”) to National Green Building Standard (“NGBS”) was approved by FHFC staff on June 2, 2022.

These changes have no substantial material impact to the MMRN, 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 March 25, 2022, reflects the following past due item(s): None

Florida Housing’s Asset Management Noncompliance Report dated June 9, 2020 reflects the following noncompliance items: None

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

Strengths:

1. Per the Market Study, Integra states the capture rates are low and indicate there is sufficient demand for the Development’s units and average occupancy for the comparables within the Development’s Primary Market Area (“PMA”) is 98.7%.
2. Although the Borrower and General Partner are newly formed, the Developer, General Contractor, and the management company all have sufficient experience and financial resources to develop, construct and operate the proposed Development.

Other Considerations: None

Waiver Requests/Special Conditions:

1. The Applicant estimated a hard cost contingency of 8.00%. This contingency percentage is supported by the Plan and Cost Analysis (“PCA”) completed by GLE Associates, Inc. (“GLE”), however, the percentage is in excess of the Rule and RFA requirements. Per the RFA and Rules, the maximum hard cost contingency is 5%. At the April 1, 2022, FHFC Telephonic Board meeting, the Board delegated staff to approve contingency reserve increases upon recommendations by the credit underwriter. Seltzer recommends that FHFC approve the contingency of 8.00%. Staff approved the increase in the hard cost contingency on May 31, 2022.
2. According to the RFA, the Corporation will review the limited partnership agreement or limited liability company operating agreement language on reserves for compliance with the RFA requirement. If the limited partnership agreement or limited liability company operating agreement does not specifically state that the parties will comply with the Corporation’s RFA requirements, the Corporation will require an amendment of the agreement and will not issue IRS form(s) 8609 until the amendment is executed and provided to the Corporation. The RFA includes language restricting the disposition of any funds remaining in any operating deficit reserve(s) after the term of the reserve’s original purpose has terminated or is near termination. The RFA also requires the Corporation to review the limited partnership agreement or limited liability company operating agreement language on reserves for compliance with the RFA requirement. While Florida Housing will continue to require the Applicant to adhere to all requirements in the RFA including the restrictions on the disposition of any funds in an operating deficit reserve account, Florida Housing will not monitor the limited partnership agreement or limited liability company operating agreement language for compliance with these requirements, as this would require analysis of a legal contract. This deviation was included as an Information Item in the April 29, 2022 FHFC Board Meeting.

Additional Information:

1. To ensure that the Second Mortgage SAIL meets or exceeds a minimum DSC of 1.10 to 1.00, based on the projections/estimates and loan amounts in this report, the interest rate of the permanent period First Mortgage Loan may not exceed 5.28%. Following the rate lock of the permanent period First Mortgage Loan, the Servicer will review and confirm if the Development is still able to support the proposed First Mortgage Loan amount of \$11,750,000 (resized by Seltzer), or if a further reduction to the loan amount is necessary. The Servicer’s DSC confirmation is a condition to close.
2. Seltzer has received an appraisal from Integra dated May 17, 2022, that confirms the Development is able to achieve maximum allowable 2021 HC Rents. An updated appraisal has been engaged by the first mortgage lender, with Seltzer as an additional intended user, to confirm whether the 2022 HC Rents are achievable in the market. Seltzer has included the 2022 HC Rents in this CUR and receipt and satisfactory review of the updated appraisal and confirmation that the 2022 HC Rents are achievable is a condition to close.
3. The Borrower has applied to the ITP for CHIRP and Seltzer has received the application. Based on the sizing criteria and parameters set forth in the CHIRP ITP, the Development will receive \$3,787,649 in additional funding. It is required that the Borrower defer at least 30% of the Developer Fee which is currently estimated at 36.05%. It is anticipated that this funding will have terms and conditions

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identical to the SAIL funding applied for through RFA 2020-205. Receipt and satisfactory review of the amount of CHIRP funding is a condition to close.

4. The United States is currently under a national emergency due to the spread of the virus known as COVID-19. The extent of the virus' impact to the overall economy is unknown. More specifically, it is unknown as to the magnitude and timeframe the residential rental market (e.g. absorption rates, vacancy rates, collection losses, appraised value, etc.) and the construction industry (e.g. construction schedules, construction costs, subcontractors, insurance, etc.) will be impacted. Recommendations made by Seltzer in this report, in part, rely upon assumptions made by third-party reports that are unable to predict the impacts of the virus.

Issues and Concerns: None

Mitigating Factors: None

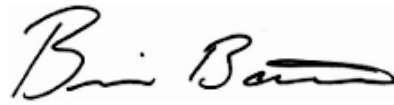
Recommendation:

SMG recommends FHFC fund MMRN in the amount of \$24,000,000, a SAIL Second Mortgage in the amount of \$7,862,649, inclusive of a SAIL of \$4,075,000 and an estimated \$3,787,649 from CHIRP, and an ELI Third Mortgage in the amount of \$600,000. SMG also recommends an Annual HC allocation of \$1,980,737 be awarded to St. Peter Claver Place Phase I 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 and SAIL Loan Conditions and HC Allocation Recommendation and Contingencies (Section B). The reader is cautioned to refer to these sections for complete information.

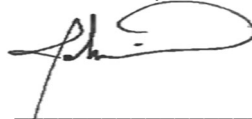
This recommendation is only valid for six months from the date of the report.

Prepared by:



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 / Fifth Third	\$14,500,000	\$24,000,000	\$24,000,000	5.13%	\$2,080,281
Second Mortgage	FHFC SAIL	\$4,075,000	\$4,075,000	\$4,075,000	1.00%	\$40,750
Second Mortgage	FHFC SAIL / CHIRP	\$0	\$2,973,686	\$3,787,649	0.00%	\$0
Third Mortgage	FHFC SAIL ELI	\$600,000	\$600,000	\$600,000	0.00%	\$0
Fourth Mortgage	City of Fort Myers	\$0	\$700,000	\$700,000	0.00%	\$0
Grant	City of Fort Myers	\$50,000	\$50,000	\$50,000	0.00%	\$0
HC Equity	RJTFC	\$4,008,838	\$6,324,100	\$6,374,695		
Deferred Developer Fee	Co-Developers	\$4,228,779	\$1,865,589	\$1,780,280		
Total		\$27,462,617	\$40,588,375	\$41,367,624		\$2,121,031

Tax Exempt Construction Loan:

Applicant initially applied for \$14,500,000 in Tax-Exempt Note to be issued by Florida Housing for the construction and permanent financing of St. Peter Claver Place Phase I. On May 9, 2022, Florida Housing approved the Applicant’s request to increase the MMRN to \$25,000,000.

Applicant provided a Term Sheet from Fifth Third dated April 13, 2022, for construction financing up to \$24,000,000. The initial term shall be 30 months from the closing date, with one, 6-month extension option available. The interest rate will be based upon the one-month Term Security Overnight Financing Rate (“SOFR”) plus a spread of 2.45%, subject to a SOFR floor of 0.50%. As of June 7, 2022, the one-month SOFR was 1.18396%, which exceeds the floor of 0.50%. For any future increases in the SOFR, Seltzer has included an underwriting cushion of 150 basis points, resulting in an all in interest rate of 5.13%. The construction debt service calculation above reflects the MMRN funded at an average of 57% during the construction phase. An origination fee of 0.75% of the total TEL amount will be payable at closing.

The annual FHFC Issuer Fee of 24 basis points (0.24%) of the TEL and the annual Fiscal Agent Fee of \$4,500 are included in the Uses section of this report.

Other Construction Sources of Funds:

Additional sources of funds for this Development during construction consist of SAIL in the amount of \$7,862,649, inclusive of a SAIL of \$4,075,000 and an estimated \$3,787,649 from CHIRP, an ELI loan in the amount of \$600,000, City of Fort Myers funding in the amount of \$700,000, a City of Fort Myers grant in the amount of \$50,000, Housing Credit equity of \$6,374,695, and deferred Developer Fees in the amount of \$1,780,280. See the Permanent Financing section below for details.

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Permanent Financing Sources

Source	Lender	Applicant	Revised Applicant	Underwriter	Interest Rate	Amort. Yrs.	Term Yrs.	Annual Debt
First Mortgage	FHFC MMRN / BellWether / Freddie Mac	\$10,755,000	\$11,750,000	\$11,750,000	5.24%	40	17	\$702,461
Second Mortgage	FHFC SAIL	\$4,075,000	\$4,075,000	\$4,075,000	1.00%	N/A	17.5	\$40,750
Second Mortgage	FHFC SAIL / CHIRP	\$0	\$2,973,686	\$3,787,649	1.00%	N/A	17.5	\$37,876
Third Mortgage	FHFC SAIL ELI	\$600,000	\$600,000	\$600,000	0.00%	N/A	17.5	\$0
Fourth Mortgage	City of Fort Myers	\$0	\$700,000	\$700,000	0.00%	N/A	50	\$0
Grant	City of Fort Myers	\$50,000	\$50,000	\$50,000	0.00%	N/A	N/A	\$0
HC Equity	RJTCF	\$8,908,529	\$18,068,856	\$18,213,414				
Def. Developer Fee	Co-Developers	\$3,074,088	\$2,370,833	\$2,191,561				
Total		\$27,462,617	\$40,588,375	\$41,367,624				\$781,087

Tax Exempt Permanent Loan:

Applicant provided a commitment letter from BellWether dated April 13, 2022, for permanent financing for St. Peter Claver Place Phase I. Upon satisfaction of the conditions for conversion, as determined by BellWether, BellWether will purchase the TEL from Fifth Third at which time the loan will be reduced to a maximum amount of \$11,958,000, currently estimated at \$11,750,000 by the Applicant.

Loan interest is based on a fixed rate locked at construction loan closing equal to the 10-year Treasury Index plus a spread of 226 bps (2.26%). As of June 7, 2022, the 10-year Treasury Index was 2.98%. Based on current rates SMG estimates the “all-in” interest rate at 5.24%. The term of the loan shall be 17 years with monthly principal and interest payments due to fully amortize the loan over a 40-year schedule.

The permanent loan will mature seventeen (17) years following the termination of the Construction Phase and conversion to the Permanent Phase. 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 the BellWether 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 Funding Loan Agreement, and it would then assign the mortgage loan (Project Loan) and any other related documentation and collateral to a BellWether 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, a BellWether designee would then be in position to work with the Borrower to arrive at a resolution without involvement of either FHFC or the Fiscal Agent (as the MMRN would have been cancelled and would no longer be outstanding).

Annual payments of all applicable fees will be required and are included in the debt service coverage ratio. Fees include Permanent Loan Servicing Fee to be paid annually based on 2.3 basis points (0.023%) of the outstanding MMRN amount or a minimum of \$229 per month; Annual Compliance Monitoring Fee based on a monthly base fee of \$178 and an additional fee per set-aside unit of \$10.91, subject to a minimum of \$278 per month; and an annual Fiscal Agent Fee of \$4,500 and an annual Issuer Fee based on 24 basis points (0.24%) on the outstanding MMRN balance.

SAIL

Borrower applied to FHFC under RFA 2020-205 for SAIL funds in the amount of \$4,075,000. The Borrower has subsequently applied to CHIRP for additional funding. Based on the application to FHFC and the requirements of the CHIRP ITP, the Borrower has been tentatively awarded \$3,787,649 in additional funding. The Development will receive SAIL funds in the amount of \$7,862,649. The CHIRP SAIL terms will be made under the same terms of the original SAIL. The SAIL and the CHIRP SAIL will be closed as one loan and will have one set of loan documents.

SAIL will have a total term of 20.5 years, of which 36 months is for the construction / stabilization period. As required by Freddie Mac and permitted by Rule 67-48, the SAIL term will be co-terminus with the first mortgage plus six months. The Applicant shall not be obligated to pay more than 75% of development surplus cash on an annual basis as required by Freddie Mac's Regulatory Agreement. The SAIL will be non-amortizing and will bear 1.00% simple interest per annum. Any unpaid interest will be deferred until cash flow is available. At the maturity of the SAIL, however, all principal and unpaid interest is due. Annual payments of all applicable fees will be required. The Annual Permanent Loan Servicing Fee is based on 25 bps of the outstanding loan amount with a maximum of \$909 per month, subject to a minimum of \$229 per month. The Compliance Monitoring Fee is based on an annual multiple program fee of \$993.

ELI Loan

Non-Self Sourced Applicants who submitted an Application for RFA 2020-205 are also eligible for ELI funding for the required ELI set-aside units not to exceed the lesser of (a) \$600,000; or (b) the maximum amount based on the ELI set-aside per unit limits for 10% of the total units. The ELI loan is in the form of a forgivable loan in the amount of \$600,000.

The ELI AMI for Lee County is 33%. The Borrower committed to set aside 10% of the units (14 units) at or below 33% of AMI for ELI. The ELI loan is non-amortizing at 0.00% simple interest per annum. The principal is forgivable at maturity provided the units for which the ELI loan amount is awarded are targeted to ELI Households for the first 15 years of the 50 year Compliance Period. However, after 15 years, all of the ELI set aside units may convert to serve residents at or below 60% AMI. The Persons with Special Needs set-aside requirement must be maintained throughout the 50 year Compliance Period. The ELI loan will have a total term of 20.5 years, of which 36 months is for the construction/stabilization period. As required by Freddie Mac, the ELI loan term will be co-terminus with the first mortgage plus six months. The Applicant shall not be obligated to pay more than 75% of development surplus cash on an annual basis as required by Freddie Mac's Regulatory Agreement. Annual payments of all applicable fees will be required. The Annual Permanent Loan Servicing Fee is based on 25 bps of the outstanding loan amount with a maximum of \$909 per month, subject to a minimum of \$229 per month and the Compliance Monitoring Fee is based on an Annual Multiple Program Fee of \$993.

City of Fort Myers

On May 2, 2022, the City Council of the City of Fort Myers approved a financial commitment of \$700,000 to the Applicant for gap financing of the Development. This award is confirmed in Resolution No. 2022-22.

The Applicant provided a Loan Analysis spreadsheet prepared by Housing and Community Development Consulting Firm, LLC, reflecting the terms of the funding source. Based on the spreadsheet, the \$700,000

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will be split between ARPA SLRF funds in the amount of \$654,968 and other funds in the amount of \$45,032. The funds will bear a 0% interest rate over a 50 year term.

City of Fort Myers

In the application, the Applicant included a Local Government Verification of Contribution – Grant Form reflecting \$50,000 being committed from the City of Fort Myers. In discussions with the City of Fort Myers, it was noted that there are no particular terms for these grant funds. There are no repayment terms and there will not be a mortgage or note associated with this funding. The funds will be available at construction loan closing with the stipulation that the Applicant must maintain the property as an Affordable Housing Development as required by the SAIL program and Tax Credits.

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 financing. A HC calculation is contained in Exhibit 4 of this credit underwriting report.

Based upon a May 15, 2022, LOI, RJTCF 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	\$2,732,012	15.00%	At closing
2nd Installment	\$910,671	5.00%	At 50% construction completion
3rd Installment	\$2,732,012	15.00%	At 98% construction completion
4th Installment	\$5,652,910	31.04%	At 100% construction completion
5th Installment	\$6,185,809	33.96%	Project stabilization and receipt of 8609s
Total	\$18,213,414	100.00%	

Annual Tax Credits per Syndication Agreement:	\$2,023,915
Total HC Available to Syndicator (10 years):	\$20,237,126
Syndication Percentage (investor member interest):	99.99%
Calculated HC Exchange Rate (per dollar):	\$0.90
Proceeds Available During Construction:	\$6,374,695

At least 15% of the total equity will be provided prior to or simultaneous with the closing of the construction financing.

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 RJTCF LOI have been received, the Developer will have to defer \$2,191,561 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	\$312,500			\$0	
Demolition				\$0	\$0
Installation of Pre Fab Units				\$0	
New Rental Units	\$15,849,467	\$22,131,488	\$18,634,501.88	\$137,018	
Off-Site Work				\$0	\$0
Recreational Amenities				\$0	
Rehab of Existing Common Areas				\$0	
Rehab of Existing Rental Units				\$0	
Site Work			\$3,496,986.06	\$25,713	\$174,849
Swimming Pool				\$0	
Furniture, Fixture, & Equipment				\$0	
Hard Cost Contingency - in Constr. Cont.				\$0	
Constr. Contr. Costs subject to GC Fee	\$16,161,967	\$22,131,488	\$22,131,487.94	\$162,732	\$174,849
General Conditions	\$2,050,000	\$2,877,093	\$1,106,574.40	\$8,137	
Overhead			\$442,629.76	\$3,255	
Profit			\$1,327,889.27	\$9,764	
Builder's Risk Insurance		\$153,600	\$153,600.00	\$1,129	
General Liability Insurance		\$179,200	\$179,200.00	\$1,318	
Payment and Performance Bonds		\$256,000	\$256,000.00	\$1,882	
Contract Costs not subject to GC Fee				\$0	
Total Construction Contract/Costs	\$18,211,967	\$25,597,381	\$25,597,381.37	\$188,216	\$174,849
Hard Cost Contingency	\$830,000	\$2,047,790	\$2,047,790	\$15,057	
PnP Bond paid outside Constr. Contr.	\$170,000			\$0	
Fees for LOC used as Constr. Surety				\$0	
Demolition paid outside Constr. Contr.				\$0	
FF&E paid outside Constr. Contr.	\$50,000	\$50,000	\$50,000	\$368	
Other:				\$0	
Other:				\$0	
Total Construction Costs:	\$19,261,967	\$27,695,171	\$27,695,171	\$203,641	\$174,849

Notes to the Construction Costs:

- The Applicant has provided an executed AIA Document A102-2017 Standard Form of Agreement between Owner and Contractor where the basis of payment is the Cost of the Work plus a Fee with a Guaranteed Maximum Price dated April 5, 2022, in the amount of \$25,597,381.37. The contract provides for a date of commencement that shall be the date that is ten (10) calendar days from receipt of the Notice to Proceed, Notice of Commencement and Issuance of Permits, whichever is later. The Agreement calls for achievement of substantial completion to occur not later than 550 days from the date of commencement (approximately 18 months). Ten (10%) percent retainage will be withheld on all work performed up to 50% completion. At the time Contractor achieves 50% completion, the retainage shall be reduced to five (5%) percent.

Allowances in the GMP Agreement

- Irrigation Wells & Pumps - \$20,000
- Site Furnishings - \$5,000
- Bike Racks - \$2,500

- Play Structures - \$35,000
- Architectural Woodwork - \$25,000
- Signs - \$13,600
- Monument Signs - \$20,000
- Clubhouse Appliances - \$5,000
- Radon Mitigation - \$20,400
- Dry Utilities - \$10,000
- DAS Systems - \$7,500
- CCTV / Surveillance - \$5,000
- Access Control - \$5,000
- Relocate Utilities - \$5,000
- Total Allowances - \$179,000

GLE is of the opinion that the allowances are within an acceptable range for the scope of work indicated.

Final payment will be made when the General Contractor has fully performed the contract, the General Contractor has submitted a final accounting for the Cost of the Work and a final application for payment, 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 10 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 Chapters 67-21 and 67-48 ("Rules"), Florida Administrative Code.
3. General Contractor fees as stated are within the 14% maximum per the RFA and Rules. Builder's Risk insurance, General liability insurance, and payment and performance bond costs reflected in the schedule of values are excluded from construction hard costs in the General Contractor fee calculation.
4. The hard cost contingency of 8.00% is based on the Applicant's estimate and is supported by the recommendations of the Plan and Cost Analysis ("PCA") from GLE Associates, Inc. ("GLE"). Seltzer recommends FHFC approved the contingency of 8.00%.
5. SMG engaged and received a PCA from GLE. Complete results are set forth in Section C of this credit underwriting report.

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GENERAL DEVELOPMENT COSTS:	Applicant Costs	Revised Applicant Costs	Underwriters Total Costs - CUR	Cost Per Unit	HC Ineligible Costs - CUR
Accounting Fees	\$35,000	\$35,000	\$35,000	\$257	\$17,500
Appraisal	\$10,000	\$15,000	\$15,000	\$110	
Architect's and Planning Fees				\$0	
Architect's Fee - Green Initiative				\$0	
Architect's Fee - Landscape				\$0	
Architect's Fee - Site/Building Design	\$205,500	\$274,000	\$274,000	\$2,015	
Architect's Fee - Supervision	\$68,500	\$68,500	\$68,500	\$504	
Building Permits	\$175,000	\$176,287	\$176,287	\$1,296	
Builder's Risk Insurance	\$95,000			\$0	
Capital Needs Assessment/Rehab				\$0	
Engineering Fees	\$250,000	\$250,000	\$250,000	\$1,838	
Environmental Report	\$15,000	\$25,000	\$25,000	\$184	
Federal Labor Standards Monitoring				\$0	
FHFC Administrative Fees	\$91,500	\$172,660	\$178,267	\$1,311	\$178,267
FHFC Application Fee	\$3,000	\$3,000	\$3,000	\$22	\$3,000
FHFC Credit Underwriting Fee	\$25,000	\$25,243	\$30,239	\$222	\$30,239
FHFC Compliance Fee	\$210,000			\$0	\$0
FHFC Other Processing Fee(s)				\$0	
Impact Fee		\$874,599	\$874,599	\$6,431	
Lender Inspection Fees / Const Admin	\$35,000	\$50,000	\$50,000	\$368	
Green Building Cert. (LEED, FGBC, NGBS)	\$20,000	\$37,880	\$37,880	\$279	
Home Energy Rating System (HERS)				\$0	
Insurance	\$109,600	\$191,800	\$191,800	\$1,410	
Legal Fees - Organizational Costs	\$220,000	\$245,000	\$245,000	\$1,801	\$122,500
Local Subsidy Underwriting Fee				\$0	
Market Study	\$10,000	\$10,000	\$10,000	\$74	\$10,000
Marketing and Advertising	\$25,000	\$25,000	\$25,000	\$184	\$25,000
Plan and Cost Review Analysis				\$0	
Property Taxes	\$10,000	\$10,000	\$10,000	\$74	
Soil Test	\$15,000	\$15,000	\$15,000	\$110	
Survey	\$30,000	\$30,000	\$30,000	\$221	\$7,500
Tenant Relocation Costs				\$0	
Title Insurance and Recording Fees	\$215,000	\$215,000	\$215,000	\$1,581	\$53,750
Traffic Study				\$0	
Utility Connection Fees	\$15,000	\$574,868	\$574,868	\$4,227	
Soft Cost Contingency	\$100,000	\$224,055	\$175,044	\$1,287	
Other: <u>Private Inspections</u>		\$116,450	\$116,450	\$856	
Total General Development Costs:	\$1,988,100	\$3,664,342	\$3,625,934	\$26,661	\$447,756

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, PDS Architecture, Inc. dated May 26, 2021.
2. Engineering Fees are based on the Proposal for Professional Services by and between the Owner and Barraco and Associates, Inc. dated March 15, 2016, and revised September 21, 2016. Seltzer was also provided Addendums 1-5 for additional services rendered.
3. The FHFC Administrative Fee is based on 9% of the recommended annual allocation of HC. The FHFC Application Fee is reflective of the application fees stated in RFA 2020-205 and the CHIRP ITP. The total FHFC Credit Underwriting Fees are \$30,239 consisting of \$25,243 for UW and \$4,996 for CHIRP.

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4. Impact Fees are based on the Applicant's estimate. Applicant has provided a Lee County Impact Fees Rate Schedule for Multifamily 2-story and 3-story Buildings.
 5. Green Building Certification Fees are based on the Proposal by and between the Owner and E3 Design Group, Inc. dated January 20, 2022.
 6. Utility Connection Fees are based on the Applicant's estimate. Applicant provided a Lee County Calculation of Connection / Capacity Fees.
 7. Soft cost contingency has been limited to 5% as required per RFA and Rules.
 8. Other General Development Costs are based on the Applicant's estimates, which appear reasonable.

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FINANCIAL COSTS:	Applicant Costs	Revised Applicant Costs	Underwriters Total Costs - CUR	Cost Per Unit	HC Ineligible Costs - CUR
Construction Loan Application Fee				\$0	
Construction Loan Underwriting Fee				\$0	
Construction Loan Origination Fee	\$145,000	\$180,000	\$180,000	\$1,324	
Construction Loan Commitment Fee				\$0	
Construction Loan Closing Costs		\$10,000	\$10,000	\$74	
Construction Loan Interest	\$550,000	\$1,350,000	\$2,080,281	\$15,296	\$1,026,792
Construction Loan Servicing Fees				\$0	
Permanent Loan Application Fee		\$11,750	\$11,750	\$86	\$11,750
Permanent Loan Underwriting Fee				\$0	\$0
Permanent Loan Subsidy Layering Rev.				\$0	\$0
Permanent Loan Commitment Fee				\$0	\$0
Permanent Loan Origination Fee	\$107,550	\$117,500	\$117,500	\$864	\$117,500
Permanent Loan Closing Costs		\$59,063	\$59,063	\$434	\$59,063
Permanent Loan Interest				\$0	\$0
Permanent Loan Servicing Fee				\$0	\$0
FHFC Note Short-Term Redemption Fee				\$0	\$0
FHFC Note Fiscal Agent Fee			\$13,500	\$99	\$13,500
FHFC Note Credit Enhancement Fee				\$0	\$0
FHFC Note Cost of Issuance	\$300,000	\$285,459	\$285,459	\$2,099	\$285,459
FHFC Note Interest				\$0	\$0
FHFC Note Servicing Fee				\$0	\$0
SAIL Commitment Fee		\$40,750	\$78,626	\$578	\$78,626
SAIL Closing Costs				\$0	\$0
SAIL Interest				\$0	\$0
SAIL Servicing Fee				\$0	\$0
SAIL-ELI Commitment Fee		\$6,000	\$6,000	\$44	\$6,000
SAIL-ELI Closing Costs				\$0	\$0
SAIL-ELI Servicing Fee				\$0	\$0
Legal Fees - Financing Costs		\$140,000	\$140,000	\$1,029	\$70,000
Negative Arbitrage				\$0	
Forward Rate Lock Fee				\$0	
Placement Agent/Underwriter Fee			\$35,000	\$257	\$35,000
Initial TEFRA Fee			\$1,000	\$7	\$1,000
FHA MIP (Prepayment)				\$0	
FHA Exam Fee				\$0	
NIBP Commitment Fee				\$0	
Other: Syndicator Legal	\$40,000	\$40,000	\$40,000	\$294	\$40,000
Other: FHFC Issuer Fee		\$172,800	\$172,800	\$1,271	\$172,800
Other:				\$0	
Total Financial Costs:	\$1,142,550	\$2,413,322	\$3,230,979	\$23,757	\$1,917,490
Dev. Costs before Acq., Dev. Fee & Reserves	\$22,392,617	\$33,772,835	\$34,552,084	\$254,059	\$2,540,096

Notes to the Financial Costs:

1. Construction Loan Origination Fee is based on 0.75% of the loan amount per the Fifth Third Term Sheet.
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 5.13% a construction / stabilization period of 28 months, and 57% of the MMRN outstanding (on average) during the construction schedule.

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3. Permanent Loan Application Fee represents the Freddie Mac Application Fee of 10 bps of the loan amount per the BellWether commitment letter.
4. Permanent Loan Origination Fee is based on 1.0% of the loan amount per the BellWether commitment letter.
5. FHFC Note Fiscal Agent Fee of \$13,500 represents three (3) years 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 Issuer, Real Estate Counsel for MMRN SAIL, and ELI, Note Counsel and Disclosure Counsel Fees, Fiscal Agent Fee, Servicer Closing Fee and other fees.
7. SAIL Commitment Fee consists of a 1% SAIL commitment fee based on the SAIL/CHIRP amount.
8. SAIL-ELI Commitment Fee consists of a 1% ELI commitment fee based on the ELI Loan amount.
9. Syndicator Legal represents the cost for legal fees and other closing costs associated with the tax credit equity provided by RJTCF.
10. FHFC Issuer Fee represents three (3) years of the annual Issuer Fee of 24 basis points (0.24%) during the construction period on the total note amount.

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	
Developer Fee on Non-Land Acq. Costs			\$0	\$0	
Other:				\$0	
Total Non-Land Acquisition Costs:	\$0	\$0	\$0	\$0	\$0

Notes to the Non-Land Acquisition Costs:

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

DEVELOPER FEE ON NON-ACQUISITION COSTS	Applicant Costs	Revised Applicant Costs	Underwriters Total Costs - CUR	Cost Per Unit	HC Ineligible Costs - CUR
Developer Fee - Unapportioned	\$4,020,000	\$6,079,110	\$6,079,110	\$44,699	
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	
Total Other Development Costs:	\$4,020,000	\$6,079,110	\$6,079,110	\$44,699	\$0

Notes to the Other Development Costs:

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

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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	\$400,000	\$400,000	\$400,000	\$2,941	\$400,000
Land Lease Payment				\$0	\$0
Land Carrying Costs				\$0	\$0
Other:				\$0	\$0
Total Acquisition Costs:	\$400,000	\$400,000	\$400,000	\$2,941	\$400,000

Notes to the Land Acquisition Costs:

- The Applicant provided a Contract for Sale of Real Estate ("Contract") dated October 15, 2020, between Frank J. Dewane, as Bishop of the Diocese of Venice ("Seller") and St. Peter Claver Place, Ltd. ("Purchaser"). The purchase price is reflected to be \$400,000. The closing date shall be no later than 24 months following the date of notification, defined as notice of aware of said funds for the proposed Development. The date of invitation to underwriting was June 24, 2021; therefore, the closing date shall be no later than June 24, 2023.

A First Amendment to Contract was provided dated March 3, 2022, amending the legal description and providing an updated boundary survey for the increase in the site from 10.44 acres to 11.38 acres.

The appraised value of the vacant land is \$1,630,000, 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)		\$336,430	\$336,430	\$2,474	\$336,430
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
Other:				\$0	\$0
Total Reserve Accounts:	\$0	\$336,430	\$336,430	\$2,474	\$336,430

Notes to Reserve Accounts:

- Reserves – Operating Deficit is the Operating Deficit Reserve ("ODR") required by the Syndicator (RJTCF). At the end of the Compliance Period, any remaining balance of the ODR less amounts that may be permitted to be drawn (which includes Deferred Developer Fee and reimbursements for authorized member/partner and guarantor loan(s) pursuant to the operating/partnership agreement), will be used to pay FHFC loan debt; if there is no FHFC loan debt on the proposed Development at the end of the Compliance Period, any remaining balance shall be used to pay outstanding FHFC fees. If any balance is remaining in the ODR after the payments above, the amount should be placed in a Replacement Reserve account for the Development. In no event shall the payments of amounts to the Applicant or the Developer from the Reserve Account cause the

Developer Fee or General Contractor Fee to exceed the applicable percentage limitations provided for in the Rule. Any and all terms and conditions of the ODR must be acceptable to Florida Housing, its Servicer and its Legal Counsel.

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

TOTAL DEVELOPMENT COSTS	Applicant Costs	Revised Applicant Costs	Underwriters Total Costs - CUR	Cost Per Unit	HC Ineligible Costs - CUR
TOTAL DEVELOPMENT COSTS:	\$26,812,617	\$40,588,375	\$41,367,624	\$304,174	\$3,276,526

Notes to the Total Development Costs:

1. Per RFA 2020-205, Total Development Cost (“TDC”) is limited on a per unit basis based on the construction type of the units as indicated by the Applicant. The Applicant has indicated a construction type of Garden – ESSC Construction, which had a maximum allowable per unit cost of \$274,300.00. Based on changes to TDC limits as approved at previous FHFC Board meetings, most recently the April 1, 2022, Telephonic FHFC Board meeting, the maximum allowable per unit cost is \$403,725.38. St. Peter Claver Place Phase I’s final TDC per unit is \$298,758.78.

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Operating Pro forma

OPERATING PRO FORMA		ANNUAL	PER UNIT	
INCOME	Gross Potential Rental Income	\$1,617,804	\$11,896	
	Other Income:			
	Ancillary Income-Parking	\$0	\$0	
	Miscellaneous	\$10,200	\$75	
	Washer/Dryer Rentals	\$0	\$0	
	Cable/Satellite Income	\$0	\$0	
	Gross Potential Income	\$1,628,004	\$11,971	
	Less:			
	Economic Loss - Percentage: 0.0%	\$0	\$0	
	Physical Vacancy Loss - Percentage: 3.0%	(\$48,840)	(\$359)	
Collection Loss - Percentage: 1.0%	(\$16,280)	(\$120)		
Total Effective Gross Revenue		\$1,562,884	\$11,492	
EXPENSES	Fixed:			
	Real Estate Taxes	\$26,000	\$191	
	Insurance	\$108,800	\$800	
	Variable:			
	Management Fee - Percentage: 5.0%	\$78,144	\$575	
	General and Administrative	\$61,200	\$450	
	Payroll Expenses	\$161,432	\$1,187	
	Utilities	\$59,296	\$436	
	Marketing and Advertising	\$14,824	\$109	
	Maintenance and Repairs	\$47,192	\$347	
	Grounds Maintenance and Landscaping	\$33,048	\$243	
	Resident Programs	\$2,040	\$15	
	Contract Services	\$7,208	\$53	
	Security	\$0	\$0	
	Other-Pest Control	\$7,752	\$57	
	Reserve for Replacements	\$40,800	\$300	
	Total Expenses		\$647,736	\$4,763
	Net Operating Income		\$915,148	\$6,729
Debt Service Payments				
DEBT SERVICE	First Mortgage - FHFC MMRN / BellWether / Freddie	\$702,461	\$5,165	
	Second Mortgage - FHFC SAIL / CHIRP	\$78,626	\$578	
	Third Mortgage - FHFC SAIL ELI	\$0	\$0	
	Fourth Mortgage - City of Fort Myers	\$0	\$0	
	Fifth Mortgage - City of Fort Myers	\$0	\$0	
	All Other Mortgages -	\$0	\$0	
	First Mortgage Fees - FHFC MMRN / BellWether /	\$39,068	\$287	
	Second Mortgage Fees - FHFC SAIL / CHIRP	\$11,901	\$88	
	Third Mortgage Fees - FHFC SAIL ELI	\$3,741	\$28	
	Fourth Mortgage Fees - City of Fort Myers	\$0	\$0	
	Fifth Mortgage Fees - City of Fort Myers	\$0	\$0	
	All Other Mortgages Fees -	\$0	\$0	
Total Debt Service Payments		\$835,797	\$6,146	
Cash Flow After Debt Service		\$79,351	\$583	

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Debt Service Coverage Ratios		
	DSC - First Mortgage plus Fees	1.234
	DSC - Second Mortgage plus Fees	1.100
	DSC - Third Mortgage plus Fees	1.095
	DSC - Fourth Mortgage plus Fees	1.095
	DSC - Fifth Mortgage plus Fees	1.095
	DSC - All Mortgages and Fees	1.095
Financial Ratios		
	Operating Expense Ratio	41.4%
	Break-Even Ratio	91.3%

Notes to the Operating Pro forma and Ratios:

- The MMRN program does not impose any rent restrictions; however, the Development will be utilizing Housing Credits, SAIL and ELI which will impose rent restrictions. St. Peter Claver Place Phase I is projected to achieve 2021 Maximum Allowable HC Rents published by Florida Housing on all units based upon the appraiser’s estimate of achievable rents per comparable properties surveyed. Seltzer has included the 2022 HC Rents in the Pro Forma. An updated Appraisal is in process and receipt and satisfactory review of the Appraisal and confirmation that the 2022 HC Rents are achievable is a condition to close. The Applicant engaged Matern Professional Engineering, Inc. of Maitland, FL to prepare a UA Energy Consumption Model Estimate. This model was approved by Florida Housing September 20, 2021. The model reflects the residents paying for electricity, water and sewer and the Applicant paying for common area electric and trash pick-up. No manager/employee units are anticipated at this time.

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

MSA/County: Cape Coral – Fort Myers MSA / Lee County

Bed Rooms	Bath Rooms	Units	Square Feet	AMI%	Low HOME Rents	High HOME Rents	Gross HC Rent	Utility Allow.	Net Restricted Rents	PBRA Contr Rents	Applicant Rents	Appraiser Rents	CU Rents	Annual Rental Income
2	2.0	7	997	33%			\$597	\$114	\$483		\$483	\$420	\$483	\$40,572
2	2.0	61	997	60%			\$1,086	\$114	\$972		\$972	\$858	\$972	\$711,504
3	2.0	7	1,160	33%			\$690	\$135	\$555		\$555	\$482	\$555	\$46,620
3	2.0	61	1,160	60%			\$1,254	\$135	\$1,119		\$1,119	\$987	\$1,119	\$819,108
		136	146,676											\$1,617,804

- Miscellaneous income consists of anticipated application, late and pet fees as well as ancillary fees estimated by the Applicant.
- The appraiser estimates a stabilized physical vacancy rate of 3% for a physical occupancy of 97% and a stabilized collection loss of 1% for an economic occupancy of 96%.
- Real estate tax expense is based on the Appraiser’s estimate. The Appraiser notes that the Development has been approved by the Community Redevelopment Agency (CRA) of the City of Fort Myers to receive Tax Increment Financing (TIF) in the form of real estate tax relief over a period of 25 years. The agreement outlines that the developer will pay taxes based on the assessed value, of which 95% will be provided to the CRA and the CRA will then return 95% of the taxes received back to the Development. It is noted that the benefit will continue until the Development receives \$4,500,000 in

benefits. The TIF is transferable to any owner of the Development so long as they conform to the affordable housing guidelines of Florida Housing. Based on the Appraiser's estimate, the Development would receive a TIF reimbursement of approximately \$138,150 in year 1 of operations.

5. Management Fees are based upon the Management Agreement provided by the Applicant that reflects a management fee in the amount of 5.0% of the gross collections per month.
6. Resident Programs includes the cost of initial set-up and ongoing supplies to serve the residents. The manager, NDC Asset Management, LLC ("NDC"), in conjunction with the Diocese of Venice in Florida, Catholic Charities and its volunteers will administer the programs.
7. Contract Services includes the cost of janitorial services.
8. The Applicant states that resident programs will be coordinated by NDC as part of their professional management services. The Applicant notes that the cost related to resident programs is included in the payroll line item for staffing, general and administrative line item for supplies, and the coordination provided by NDC is included in the management fee line item.
9. Other operating expense estimates are based on comparable properties and are supported by the appraisal.
10. Replacement Reserves in the amount of \$300 per unit per year meet RFA and Rule requirements. RJTCF requires the replacement reserve to be increased annually by 3.00%.
11. A 15-year income and expense projection reflects increasing DSC. This projection is attached to this report as Exhibit 1.

SMG

Section B

Loan Conditions

HC Allocation Recommendation and Contingencies

JUNE 9, 2022

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 a fully executed Management Agreement reflecting terms not substantially different from the undated and unexecuted Management Agreement utilized herein for underwriting.
2. Receipt and satisfactory review of an update to the Phase I confirming there are no Recognized Environmental Conditions (“RECs”) or other environmental concerns in connection with the Development.
3. Receipt and satisfactory review of the permanent period First Mortgage Loan rate lock documentation and confirmation that the Second Mortgage SAIL meets or exceeds the minimum DSC of 1.10 to 1.00.
4. Receipt and satisfactory review of the updated Appraisal and confirmation of whether the 2022 HC rents are achievable.
5. Confirmation of the terms and conditions of the anticipated \$700,000 from the City of Fort Myers.

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. SAIL and ELI shall be disbursed in an amount per Draw that does not exceed the ratio of the SAIL 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 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 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 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 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, 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 MMRN, SAIL, and ELI 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 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 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, 67-48, 67-53, and 67-60, F.A.C., RFA 2020-205, 2022 CHIRP ITP, 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, 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 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 MMRN as determined by FHFC or its Servicer, 90% Occupancy and 90% of Gross Potential Rental Income net of utility allowances, if applicable, for a period equal to twelve (12) consecutive months, all certified by an independent Certified Public Accountant ("CPA") and verified by the Servicer. The calculation of the debt service coverage ratio shall be made by Florida Housing or the Servicer. Notwithstanding the above, the Operating Deficit Guaranty shall not terminate earlier than three (3) years following the final certificate of occupancy.
7. 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 MMRN and SAIL as determined by FHFC or its Servicer, 90% Occupancy and 90% of Gross Potential Rental Income net of utility allowances, if applicable, for a period equal to twelve (12) consecutive months, all certified by an independent Certified Public Accountant ("CPA") and verified by the Servicer. The calculation of the debt service coverage ratio shall be made by Florida Housing or the Servicer. Notwithstanding the above, the Operating Deficit Guaranty shall not terminate earlier than three (3) years following the final certificate of occupancy.
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 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 \$41,412 (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.

13. GLE Associates, Inc. (“GLE”) or other construction inspector acceptable for Florida Housing is to act as Florida Housing’s inspector during the construction period.
14. Under the St. Peter Claver Place Phase I construction contract, a minimum of 10% retainage holdback on all construction draws will be withheld until construction is 50% complete and thereafter 5% 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 Rules 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, SAIL and ELI Loan.
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 \$1,980,737. 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 and/or noncompliance items.
3. Any reasonable requirements of Florida Housing, SMG or its Legal Counsel.

Exhibit 1
ST. PETER CLAVER PLACE PHASE I
15 Year Income and Expense Projection

FINANCIAL COSTS:		Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11	Year 12	Year 13	Year 14	Year 15
OPERATING PRO FORMA																
INCOME	Gross Potential Rental Income	\$1,617,804	\$1,650,160	\$1,683,163	\$1,716,827	\$1,751,163	\$1,786,186	\$1,821,910	\$1,858,348	\$1,895,515	\$1,933,426	\$1,972,094	\$2,011,536	\$2,051,767	\$2,092,802	\$2,134,658
	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	\$10,200	\$10,404	\$10,612	\$10,824	\$11,041	\$11,262	\$11,487	\$11,717	\$11,951	\$12,190	\$12,434	\$12,682	\$12,936	\$13,195	\$13,459
	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	\$1,628,004	\$1,660,564	\$1,693,775	\$1,727,651	\$1,762,204	\$1,797,448	\$1,833,397	\$1,870,065	\$1,907,466	\$1,945,615	\$1,984,528	\$2,024,218	\$2,064,703	\$2,105,997	\$2,148,117
	Less:															
	Economic Loss - Percentage:															
Physical Vacancy Loss - Percentage: 3.0%	(\$48,840)	(\$49,817)	(\$50,813)	(\$51,830)	(\$52,866)	(\$53,923)	(\$55,002)	(\$56,102)	(\$57,224)	(\$58,368)	(\$59,536)	(\$60,727)	(\$61,941)	(\$63,180)	(\$64,444)	
Collection Loss - Percentage: 1.0%	(\$16,280)	(\$16,606)	(\$16,938)	(\$17,277)	(\$17,622)	(\$17,974)	(\$18,334)	(\$18,701)	(\$19,075)	(\$19,456)	(\$19,845)	(\$20,242)	(\$20,647)	(\$21,060)	(\$21,481)	
Total Effective Gross Revenue	\$1,562,884	\$1,594,142	\$1,626,024	\$1,658,545	\$1,691,716	\$1,725,550	\$1,760,061	\$1,795,262	\$1,831,168	\$1,867,791	\$1,905,147	\$1,943,250	\$1,982,115	\$2,021,757	\$2,062,192	
EXPENSES	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	\$26,000	\$26,780	\$27,583	\$28,411	\$29,263	\$30,141	\$31,045	\$31,977	\$32,936	\$33,924	\$34,942	\$35,990	\$37,070	\$38,182	\$39,327
	Insurance	\$108,800	\$112,064	\$115,426	\$118,889	\$122,455	\$126,129	\$129,913	\$133,810	\$137,825	\$141,959	\$146,218	\$150,605	\$155,123	\$159,776	\$164,570
	Other	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
	Variable:															
	Management Fee - Percentage: 5.0%	\$78,144	\$79,707	\$81,301	\$82,927	\$84,586	\$86,278	\$88,003	\$89,763	\$91,558	\$93,390	\$95,257	\$97,162	\$99,106	\$101,088	\$103,110
	General and Administrative	\$61,200	\$63,036	\$64,927	\$66,875	\$68,881	\$70,948	\$73,076	\$75,268	\$77,526	\$79,852	\$82,248	\$84,715	\$87,257	\$89,874	\$92,570
	Payroll Expenses	\$161,432	\$166,275	\$171,263	\$176,401	\$181,693	\$187,144	\$192,758	\$198,541	\$204,497	\$210,632	\$216,951	\$223,460	\$230,163	\$237,068	\$244,180
	Utilities	\$59,296	\$61,075	\$62,907	\$64,794	\$66,738	\$68,740	\$70,803	\$72,927	\$75,114	\$77,368	\$79,689	\$82,080	\$84,542	\$87,078	\$89,691
	Marketing and Advertising	\$14,824	\$15,269	\$15,727	\$16,199	\$16,685	\$17,185	\$17,701	\$18,232	\$18,779	\$19,342	\$19,922	\$20,520	\$21,135	\$21,770	\$22,423
	Maintenance and Repairs	\$47,192	\$48,608	\$50,066	\$51,568	\$53,115	\$54,708	\$56,350	\$58,040	\$59,781	\$61,575	\$63,422	\$65,325	\$67,285	\$69,303	\$71,382
	Grounds Maintenance and Landscaping	\$33,048	\$34,039	\$35,061	\$36,112	\$37,196	\$38,312	\$39,461	\$40,645	\$41,864	\$43,120	\$44,414	\$45,746	\$47,119	\$48,532	\$49,988
	Resident Programs	\$2,040	\$2,101	\$2,164	\$2,229	\$2,296	\$2,365	\$2,436	\$2,509	\$2,584	\$2,662	\$2,742	\$2,824	\$2,909	\$2,996	\$3,086
	Contract Services	\$7,208	\$7,424	\$7,647	\$7,876	\$8,113	\$8,356	\$8,605	\$8,860	\$9,121	\$9,388	\$9,661	\$9,939	\$10,222	\$10,510	\$10,803
	Security	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Other-Pest Control	\$7,752	\$7,985	\$8,224	\$8,471	\$8,725	\$8,987	\$9,256	\$9,534	\$9,820	\$10,115	\$10,418	\$10,731	\$11,052	\$11,384	\$11,726	
Reserve for Replacements	\$40,800	\$42,024	\$43,285	\$44,583	\$45,921	\$47,298	\$48,717	\$50,179	\$51,684	\$53,235	\$54,832	\$56,477	\$58,171	\$59,916	\$61,714	
Total Expenses	\$647,736	\$666,387	\$685,581	\$705,336	\$725,667	\$746,591	\$768,126	\$790,289	\$813,100	\$836,578	\$860,741	\$885,611	\$911,208	\$937,553	\$964,669	
Net Operating Income	\$915,148	\$927,755	\$940,443	\$953,209	\$966,049	\$978,959	\$991,935	\$1,004,973	\$1,018,067	\$1,031,213	\$1,044,405	\$1,057,639	\$1,070,907	\$1,084,204	\$1,097,523	
DEBT SERVICE	Debt Service Payments															
	First Mortgage - FHFC MMRN / BellWether / Freddie Mac	\$702,461	\$702,461	\$702,461	\$702,461	\$702,461	\$702,461	\$702,461	\$702,461	\$702,461	\$702,461	\$702,461	\$702,461	\$702,461	\$702,461	\$702,461
	Second Mortgage - FHFC SAIL / CHIRP	\$78,626	\$78,626	\$78,626	\$78,626	\$78,626	\$78,626	\$78,626	\$78,626	\$78,626	\$78,626	\$78,626	\$78,626	\$78,626	\$78,626	\$78,626
	Third Mortgage - FHFC SAIL ELI	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	Fourth Mortgage - City of Fort Myers	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	Fifth Mortgage - City of Fort Myers	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	All Other Mortgages -	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	First Mortgage Fees - FHFC MMRN / BellWether / Freddie	\$39,068	\$38,963	\$38,850	\$38,729	\$38,598	\$38,457	\$38,306	\$38,144	\$37,970	\$37,783	\$37,583	\$37,369	\$37,141	\$36,896	\$36,635
	Second Mortgage Fees - FHFC SAIL / CHIRP	\$11,901	\$11,901	\$11,901	\$11,901	\$11,901	\$11,901	\$11,901	\$11,901	\$11,901	\$11,901	\$11,901	\$11,901	\$11,901	\$11,901	\$11,901
	Third Mortgage Fees - FHFC SAIL ELI	\$3,741	\$3,741	\$3,741	\$3,741	\$3,741	\$3,741	\$3,741	\$3,741	\$3,741	\$3,741	\$3,741	\$3,741	\$3,741	\$3,741	\$3,741
	Fourth Mortgage Fees - City of Fort Myers	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	Fifth Mortgage Fees - City of Fort Myers	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	All Other Mortgages Fees -	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Debt Service Payments	\$835,797	\$835,692	\$835,579	\$835,458	\$835,327	\$835,186	\$835,035	\$834,873	\$834,699	\$834,512	\$834,312	\$834,098	\$833,870	\$833,625	\$833,364	
Cash Flow After Debt Service	\$79,351	\$92,063	\$104,864	\$117,751	\$130,722	\$143,773	\$156,900	\$170,100	\$183,368	\$196,701	\$210,093	\$223,540	\$237,037	\$250,579	\$264,160	
Debt Service Coverage Ratios																
DSC - First Mortgage plus Fees	1.234	1.251	1.269	1.286	1.304	1.321	1.339	1.357	1.375	1.393	1.411	1.430	1.448	1.466	1.485	
DSC - Second Mortgage plus Fees	1.100	1.115	1.131	1.146	1.162	1.177	1.193	1.209	1.225	1.241	1.257	1.274	1.290	1.306	1.323	
DSC - Third Mortgage plus Fees	1.095	1.110	1.125	1.141	1.156	1.172	1.188	1.204	1.220	1.236	1.252	1.268	1.284	1.301	1.317	
DSC - Fourth Mortgage plus Fees	1.095	1.110	1.125	1.141	1.156	1.172	1.188	1.204	1.220	1.236	1.252	1.268	1.284	1.301	1.317	
DSC - Fifth Mortgage plus Fees	1.095	1.110	1.125	1.141	1.156	1.172	1.188	1.204	1.220	1.236	1.252	1.268	1.284	1.301	1.317	
DSC - All Mortgages and Fees	1.095	1.110	1.125	1.141	1.156	1.172	1.188	1.204	1.220	1.236	1.252	1.268	1.284	1.301	1.317	
Financial Ratios																
Operating Expense Ratio	41.4%	41.8%	42.2%	42.5%	42.9%	43.3%	43.6%	44.0%	44.4%	44.8%	45.2%	45.6%	46.0%	46.4%	46.8%	
Break-Even Ratio	91.3%	90.7%	90.0%	89.4%	88.8%	88.2%	87.6%	87.1%	86.6%	86.1%	85.6%	85.2%	84.7%	84.3%	83.9%	

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A. The Development will consist of:

136 Garden Apartments located in 6 residential buildings

Unit Mix:

Sixty-eight (68) two bedrooms/two bath units;

Sixty-eight (68) three bedrooms/two bath units;

136 Total Units

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

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

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

C. All Developments 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;

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- 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.** 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

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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:

- a. Low or No-VOC paint for all interior walls (Low-VOC means 50 grams per liter or less for flat; 150 grams per liter or less for non-flat paint);
- b. Low-flow water fixtures in bathrooms – WaterSense labeled products or the following specifications:
 - i. Toilets: 1.28 gallons/flush or less
 - ii. Urinals: 0.5 gallons/flush,
 - iii. Lavatory Faucets: 1.5 gallons/minute or less at 60 psi flow rate,
 - iv. Showerheads: 2.0 gallons/minute or less at 80 psi flow rate;
- c. Energy Star certified refrigerator;
- d. Energy Star certified dishwasher;
- e. Energy Star certified ventilation fan in all bathrooms;
- f. Water heater minimum efficiency specifications:
 - Residential Electric:
 - i. Up to 55 gallons = .95 EF or .92 UEF; or
 - ii. More than 55 gallons = Energy Star certified; or
 - iii. Tankless = 0.97 EF and Max GPM of ≥ 2.5 over a 77° rise or 0.87 UEF and GPM of ≥ 2.9 over a 67° rise;
 - Residential Gas (storage or tankless/instantaneous): Energy Star certified
 - Commercial Gas Water Heater: Energy Star certified;
- g. Energy Star certified ceiling fans with lighting fixtures in bedrooms;
- h. Air Conditioning (in-unit or commercial):
 - i. Air-Source Heat Pumps – Energy Star certified:
 - a. ≥ 8.5 HSPF/ ≥ 15 SEER/ ≥ 12.5 EER for split systems
 - b. ≥ 8.2 HSPF/ ≥ 15 SEER/ ≥ 12 EER for single package equipment including gas/electric package units
 - ii. Central Air Conditioners – Energy Star certified:
 - a. ≥ 15 SEER/ ≥ 12.5 EER* for split systems

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b. ≥ 15 SEER/ ≥ 12 EER* for single package equipment including gas/electric package units.

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

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

_____ Leadership in Energy and Environmental Design (LEED); or

_____ Florida Green Building Coalition (FGBC); or

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

_____ Enterprise Building Communities.

H. The Applicant must provide the following Resident Programs:

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

1. After School Program for Children

This program requires the Applicant or its Management Company to provide supervised, structured, age-appropriate activities for children during after school hours, Monday through Friday. Activities must be on-site.

2. Financial Management Program

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

- Financial budgeting and bill-paying including training in the use of technologies and web-based applications;
- Tax preparation including do's and don'ts, common tips, and how and where to file, including electronically;
- Fraud prevention including how to prevent credit card and banking fraud, identity theft, computer hacking and avoiding common consumer scams;

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- Retirement planning & savings options including preparing a will and estate planning; and
- Homebuyer education including how to prepare to buy a home, and how to access to first-time homebuyer programs in the county in which the development is located.

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

3. Adult Literacy

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

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

COMPLETENESS AND ISSUES CHECKLIST

DEVELOPMENT NAME: St. Peter Claver Place Phase I

DATE: JUNE 9, 2022

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

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

MMRN, SAIL, ELI AND HC CREDIT UNDERWRITING REPORT

SMG

12. Credit authorizations; verifications of deposits and mortgage loans.	Satis.	
13. Management Agreement and Management Plan.	Satis.	1
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.	2

NOTES AND APPLICANT’S RESPONSES: None

1. An undated and unexecuted Management Agreement was provided between NDC and the Applicant.
Response: Applicant will provide a fully executed Management Agreement not substantially different from the undated and unexecuted agreement utilized herein for underwriting.
2. The Tenant Selection Plan (“TSP”) has not yet been approved by Florida Housing.
Response: The TSP is required to be approved prior to closing.

HC Allocation Calculation

Section I: Qualified Basis Calculation	
Development Cost	\$41,367,624
Less Land Cost	(\$400,000)
Less Federal Funds	\$0
Less Other Ineligible Cost	(\$2,876,526)
Less Disproportionate Standard	\$0
Total Eligible Basis	\$38,091,099
Applicable Fraction	100.00%
DDA/QCT Basis Credit	130.00%
Qualified Basis	\$49,518,428
Housing Credit Percentage	4.00%
Annual Housing Credit Allocation	\$1,980,737

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 was located in a Qualified Census Tract, Tract 5.03. 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, SAIL, ELI AND HC CREDIT UNDERWRITING REPORT

SMG

Section II: Gap Calculation	
Total Development Cost (Including Land and Ineligible Costs)	\$41,367,624
Less Mortgages	(\$20,912,649)
Less Grants	(\$50,000)
Equity Gap	\$20,404,975
Percentage to Investment Partnership	99.99%
HC Syndication Pricing	\$0.9000
HC Required to Meet Gap	\$22,674,462
Annual HC Required	\$2,267,446

Notes to the Gap Calculation:

1. Mortgages include the BellWether first mortgage, FHFC SAIL second mortgage, FHFC ELI third mortgage, City of Fort Myers fourth mortgage and City of Fort Myers grant.
2. HC Syndication Pricing and Percentage to Investment Partnership are based upon the May 15, 2022, LOI from RJTCF.

Section III: Tax-Exempt Note 50% Test	
Total Depreciable Cost	\$38,091,099
Plus Land Cost	\$400,000
Aggregate Basis	\$38,491,099
Tax-Exempt Note Amount	\$24,000,000
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	\$24,000,000
Proceeds Divided by Aggregate Basis	62.35%

Notes to 50% Test:

1. SMG estimates the Tax-Exempt MMRN amount to 62.35% of Depreciable Development Costs plus Land Acquisition Costs. If, at the time of Final Cost Certification, the TEL 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	\$1,980,737
HC per Gap Calculation	\$2,267,446
Annual HC Recommended	\$1,980,737

Notes to the Summary:

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