

Florida Housing Finance Corporation

Credit Underwriting Report

Monroe County Scattered Sites

**COMMUNITY DEVELOPMENT BLOCK GRANT – DISASTER RECOVERY FINANCING FOR
WORKFORCE HOUSING FOR HURRICANE RECOVERY IN MONROE COUNTY**

CDBG-DR RFA 2019-101 (2020-004D)

Section A	Report Summary
Section B	Loan Conditions
Section C	Supporting Information and Schedules

Prepared by

Seltzer Management Group, Inc.

Final Report

October 20, 2022

MONROE COUNTY SCATTERED SITES

TABLE OF CONTENTS

	<u>Page</u>
Section A	
Report Summary	
➤ Recommendation	A1-A7
➤ Overview	A8-A9
➤ Uses of Funds	A10-A15
➤ Operating Pro Forma	A16-A18
Section B	
Loan Conditions	B1-B6
Section C	
Supporting Information and Schedules	
➤ Additional Development and Third Party Information	C1-C4
➤ Borrower Information	C5-C6
➤ Guarantor Information	C7
➤ General Contractor Information	C8
➤ Property Manager Information	C9
Exhibits	
15 Year Pro Forma	1
Features and Amenities and Resident Programs	2 1-5
Completeness and Issues Checklist	3 1-2

Section A
Report Summary

CDBG-DR CREDIT UNDERWRITING REPORT

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Recommendation

Seltzer Management Group, Inc. (“SMG” or “Seltzer”) recommends Florida Housing Finance Corporation (“FHFC” or “Florida Housing”) fund a Community Development Block Grant – Disaster Relief (“CDBG-DR”) Loan in the amount of \$7,099,048 to be utilized for the construction and permanent financing of Monroe County Scattered Sites (“Development”).

DEVELOPMENT & SET-ASIDES

Development Name: Monroe County Scattered Sites

RFA/Program Numbers: RFA 2019-101 / 2020-004D

Address: 31535 Avenue C, Big Pine Key
2 N. Conch Avenue, Conch Key
31 S. Conch Avenue, Conch Key

City: Big Pine Key and Conch Key Zip Code: 33050 County: Monroe County Size: Small

Development Category: New Construction Development Type: Single Family

Construction Type: PreFab Modular Housing

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

The Demographic Commitment is Workforce Housing.

Unit Composition:
of ELI Units: 2 ELI Units Are Restricted to 25% AMI, or less. Total # of units with PBRA? 0
of Link Units: 1 Are the Link Units Demographically Restricted? Yes # of NHTF Units: 0

Bed Rooms	Bath Rooms	Units	Square Feet	AMI%	Low HOME Rents	High HOME Rents	Gross HC Rent	Utility Allow.	Net Restricted Rents	PBRA Contr Rents	Applicant Rents	Appraiser Rents	CU Rents	Annual Rental Income
1	1.0	2	570	25%			\$476	\$182	\$294		\$298	\$298	\$298	\$7,152
1	1.0	16	570	80%			\$1,525	\$182	\$1,343		\$1,355	\$1,355	\$1,355	\$260,160
2	1.0	2	960	80%			\$1,831	\$208	\$1,623		\$1,637	\$1,637	\$1,637	\$39,288
		20	12,180											\$306,600

This property was a Priority I application to RFA 2019-101 (“RFA”), therefore the Applicant must commit to making the land affordable into Perpetuity and agreed that the Development will include the income and set-aside units in Perpetuity, which has been defined as at least 99 years. The Applicant will also be responsible for compliance monitoring fees for 50 years; for years 51-99, compliance monitoring will be self-certified by the Applicant to FHFC.

The Applicant must set-aside ten percent (10%) of the total units (2 units) as ELI set-aside units. The units set aside as Link Units for Persons with Special Needs and ELI set-aside units must be maintained through perpetuity.

Persons with Special Needs Set-Aside Commitment: The proposed Development must set aside fifty percent (50%) of the ELI Set-Aside units (1 unit) 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

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Special Needs for the county where the proposed Development will be located (Monroe County). The executed MOU was approved by FHFC on September 30, 2022.

CDBG-DR Subsidy Limits – Monroe County

18	1 Bedroom	\$248,828	\$4,478,904
2	2 Bedroom	\$302,572	\$605,144
Total			\$5,084,048

Buildings: Residential - 20 Non-Residential - 0
 Parking: Parking Spaces - 20 Driveways Accessible Spaces - 1 Driveway

Set Asides:	Program	% of Units	# of Units	% AMI	Term (Years)
	CDBG-DR Assisted Units / Workforce ELI	10.0%	2	25%	99
	CDBG-DR Assisted Units / Workforce	90.0%	18	80%	99

Absorption Rate 50 units per month for 1.0 months.

Occupancy Rate at Stabilization: Physical Occupancy 96.00% Economic Occupancy 95.00%

DDA: Yes QCT: No Multi-Phase Boost: No QAP Boost: No
 Site Acreage: 0.942 Density: 21.2292 Flood Zone Designation: AE
 Zoning: IS; Improved Subdivision Flood Insurance Required?: Yes

DEVELOPMENT TEAM		
Applicant/Borrower:	Monroe County Housing Authority	% Ownership
Executive Director	Randy Sterling	0.0000%
Construction Completion Guarantor(s):		
CC Guarantor 1:	Monroe County Housing Authority	
Operating Deficit Guarantor(s):		
OD Guarantor 1:	Monroe County Housing Authority	
Developer:	Monroe County Housing Authority	
General Contractor 1:	Pedro Falcon Contractors, Inc.	
Management Company:	Monroe County Housing Authority	
Architect:	K2M Design, Inc.	
Market Study Provider:	Meridian Appraisal Group, Inc.	
Appraiser:	Meridian Appraisal Group, Inc.	

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PERMANENT FINANCING INFORMATION						
	1st Source	2nd Source	3rd Source	4th Source	5th Source	Other
Lender/Grantor	FHFC - CDBG-DR	Monroe County				
Amount	\$7,099,048	\$1,860,934				
Underwritten Interest Rate	0.00%	0.00%				
Loan Term	20.0	0.0				
Amortization	N/A	N/A				
Market Rate/Market Financing LTV	95.8%	120.9%				
Restricted Market Financing LTV	417.6%	527.1%				
Loan to Cost - Cumulative	79.2%	100.0%				
Debt Service Coverage	3.461	3.461				
Operating Deficit & Debt Service Reserves	\$0.00					
# of Months covered by the Reserves	0.0					

Deferred Developer Fee	\$900
As-Is Land Value	\$2,200,000
Market Rent/Market Financing Stabilized Value	\$7,410,000
Rent Restricted Market Financing Stabilized Value	\$1,700,000
Projected Net Operating Income (NOI) - Year 1	\$49,293
Projected Net Operating Income (NOI) - 15 Year	\$23,071
Year 15 Pro Forma Income Escalation Rate	2.00%
Year 15 Pro Forma Expense Escalation Rate	3.00%

CONSTRUCTION/PERMANENT SOURCES:				
Source	Lender	Construction	Permanent	Perm Loan/Unit
FHFC - CDBG-DR	FHFC	\$7,099,048	\$7,099,048	\$354,952.40
Non-FHFC Grant	Monroe County	\$1,860,934	\$1,860,934	\$93,046.70
Deferred Developer Fee	Developer	\$900	\$900	\$45.00
TOTAL		\$8,960,882	\$8,960,882	\$448,044.10

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?	N/A	
Is the Development feasible with all amenities/features listed in the Application?	X	
Do the site plans/architectural drawings account for all amenities/features listed in the Application?	X	
Does the Applicant have site control at or above the level indicated in the Application?	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. Subsequent to the submission of the Application, the Applicant has:
 - a. The Applicant added a grant from the Monroe County Board of County Commissioners in the amount of \$1,860,934.
 - b. Seltzer added Deferred Developer Fee as a source to balance sources and uses.
 - c. The Applicant originally requested \$2,000,000 in acquisition funding, out of the \$5,000,000 maximum request, however, per review of the settlement statements associated with the purchase of the land, the total land acquisition cost was \$2,015,000. Subsequent to the RFA wavier request to reduce the number of units, and thereby reducing the amount of CDBG-DR funding available, Florida Housing has agreed to increase the land acquisition funding by \$15,000, to \$2,015,000.
2. Total Development Costs have decreased by \$71,800 from \$9,032,682 to \$8,960,882, primarily due to decreases in general development costs and Developer Fee offset by increases in financing costs and the inclusion of an interest reserve.

CDBG-DR CREDIT UNDERWRITING REPORT

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3. See the below additional changes to the application:

- The Applicant provided documentation reflecting a change in the Executive Director of Monroe County Housing Authority (“MCHA”) from J. Manuel Castillo, Sr. to Randy Sterling.
- Since the time of the application, the Applicant requested a change to the unit mix on October 17, 2019 as follows:

<u>Application</u>	<u>Proposed</u>
18 - 1 bedroom / 1 bath	18 – 2 bedroom / 1 bath
2 – 2 bedroom / 1 bath	2 – 2 bedroom / 1 bath
5 – 3 bedroom / 3 bath	20 total units
25 total units	

This request was approved at the December 13, 2019 FHFC Board meeting. In connection with the RFA waiver request to decrease the number of units from 25 to 20, as approved, the CDBG-DR funding available to the applicant was also reduced. Please see the Waiver Requests/Special Conditions section of this report.

These changes have no substantial material impact to the CDBG-DR recommendations for this Development.

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

Florida Housing’s Past Due Report dated September 22, 2022, reflects the following past due item(s):
None

The data reflected in the latest Asset Management Noncompliance Report (June 9, 2020) is being updated by FHFC staff and the credit underwriter will rely on the updated report for purposes of this analysis/recommendation.

This recommendation is subject to satisfactory resolution of any outstanding past due and/or noncompliance items prior to loan closing.

Strengths:

1. Per the Market Study, Meridian Appraisal Group, Inc. (“Meridian”) states that due to the strength of the market and the actual rents of the comparable properties, no rent loss due to COVID-19 was projected. Meridian indicates the performance of existing properties indicates significant demand.
2. The Applicant is experienced in constructing and managing affordable multifamily housing and has the financial resources to develop and operate the proposed Development.

Other Considerations: None

Waiver Requests/Special Conditions:

1. In connection with the RFA waiver request to decrease in the number of units from 25 to 20, as approved at the December 13, 2019, FHFC Board meeting, the CDBG-DR funding available to the Applicant was also reduced. The Applicant originally applied for \$7,032,682 in Development Funding and \$2,000,000 in Acquisition Funding. The Development Funding is based on a Maximum Per Unit

CDBG-DR CREDIT UNDERWRITING REPORT

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CDBG-DR Subsidy Limit per number of bedrooms in each unit. With the reduction in the total units, there is also a reduction in the Development Funding. Based on the new unit mix, the maximum Development Funding available is \$5,084,048. At the December 13, 2019, FHFC Board meeting, the RFA waiver was approved for Development Funding to be reduced to \$5,084,048 for Monroe County Scattered Sites. It was also noted that since Acquisition Funding was not requested on the Key Largo site where the 5 units would have been constructed, the Acquisition Funding would remain at \$2,000,000.

2. Under RFA 2019-101, Exhibit F 4 (p)(6), not more than 20 percent of the construction costs can be subcontracted to any one entity, with the exception of a subcontractor contracted to deliver the building shell of a building of at least five stories which may not have more than 31 percent of the construction cost in a subcontract, unless otherwise approved by the FHFC Board for a specific Development. The Schedule of Values (“SOV”) indicates the subcontractor costs for the fabrication and delivery of the modular homes totals \$2,355,446 (47.94% of total construction costs).

Per an email dated March 30, 2022, due to the type of housing being constructed (Pre-Fabricated Modular Housing), Florida Housing Program staff will consider the above RFA requirement to be waived upon approval of this Report at the October 28, 2022 FHFC Board meeting.

Additional Information:

1. Per an email dated May 11, 2022, Florida Housing indicated that they would not be requiring a Geotechnical Report for each unit site. However, the Applicant has indicated that in order to mitigate any structural risk, MCHA has opted to institute the safety measure of obtaining soil samples through Concrete Analysis & Testing Laboratories, Inc. to obtain one bore sample per site and perform structural engineering monitoring for the placement of the concrete and piles. By doing so, MCHA will satisfy GLE Associates, Inc.’s (“GLE”) recommendation that the structural engineer monitors the installation of the auger piles to confirm proper installation.

Seltzer has received the proposal from Concrete Analysis & Testing Laboratories, Inc. dated June 23, 2022, to perform the soil borings.

2. Seltzer has received an appraisal from Meridian dated June 15, 2022, that confirms the Development is able to achieve maximum allowable 2021 CDBG-DR Rents. An updated appraisal will be engaged to confirm whether the 2022 CDBG-DR Rents are achievable in the market. Receipt and satisfactory review of the updated appraisal and confirmation that the 2022 CDBG-DR Rents are achievable is a condition to close.
3. 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 assumption made by third-party reports that are unable to predict the impacts of the virus.

CDBG-DR CREDIT UNDERWRITING REPORT

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Issues and Concerns:

1. A Plan and Cost Analysis ("PCA") has not been received by Seltzer. In correspondence received from the PCA provider, GLE Associates, Inc., and the Applicant, there are few items that are needed for review to complete the PCA that are not yet available. These items include the modular manufactured housing plans and specs, soils tests, and the final schedule of values. It has been noted that the modular manufactured housing plans and specs will not be available until payment of an initial deposit, for which the Applicant is working with FHFC staff to determine a route in which the deposit can be paid prior to closing. The soils tests are underway as Seltzer was provided a proposal from Concrete Analysis & Testing Laboratories, Inc., however the reports are not available at this time. The schedule of values is in process and will be supplied as soon as available. Seltzer has received a preliminary letter from GLE Associates, Inc. dated October 5, 2022, outlining the documents reviewed and the documents still outstanding. Based on the information reviewed, specifically the construction contract and initial schedule of values, GLE is of the opinion that the cost per square foot of \$428.46 and cost per unit of \$277,850 is reasonable for a Development of this type.

Mitigating Factors:

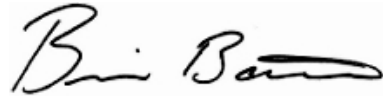
1. Receipt and satisfactory review of the Final PCA reflecting no outstanding items or issues is a condition to close.

Recommendation:

SMG recommends a CDBG-DR Loan in the amount of \$7,099,048. 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 CDBG-DR Loan Conditions (Section B). The reader is cautioned to refer to these sections for complete information.

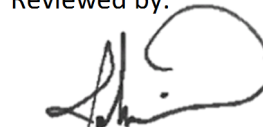
This recommendation is only valid for six months from the date of the report.

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 - CDBG-DR	\$9,032,682	\$7,084,048	\$7,099,048	0.00%	\$0
Grant	Monroe County	\$0	\$1,860,934	\$1,860,934	0.00%	\$0
Deferred Developer Fee		\$0	\$0	\$900		
Total		\$9,032,682	\$8,944,982	\$8,960,882		\$0

First Mortgage CDBG-DR:

See the Permanent Financing section below for details.

Other Construction Sources of Funds:

Additional construction sources of funds for this Development consist of a Grant from the Monroe County Board of County Commissioners in the amount of \$1,860,934 and deferred Developer Fees in the amount of \$900. See the Permanent Financing section below for details.

Construction/Stabilization Period:

Per the unexecuted AIA Document A102-2017 Standard Form of Agreement Between the Owner and Contractor reflects Pedro Falcon achieving substantial completion of the Development no later than 365 days from the date of commencement (approximately 12 months). Therefore, SMG assumes a construction period of 12 months. Meridian's June 14, 2022, market study reflects an absorption rate of 50 units per month. A stabilized occupancy rate of 96% is expected to occur within one month of construction completion. SMG has utilized a 13-month construction/stabilization period for purposes of this credit underwriting report.

CDBG-DR CREDIT UNDERWRITING REPORT

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Permanent Financing Sources

Source	Lender	Applicant	Revised Applicant	Underwriter	Interest Rate	Amort. Yrs.	Term Yrs.	Annual Debt
First Mortgage	FHFC - CDBG-DR	\$9,032,682	\$7,084,048	\$7,099,048	0.00%	N/A	20	\$0
Grant	Monroe County	\$0	\$1,860,934	\$1,860,934	0.00%	N/A		\$0
Def. Developer Fee		\$0	\$0	\$900				
Total		\$9,032,682	\$8,944,982	\$8,960,882				\$0

First Mortgage CDBG-DR:

Applicant has applied to FHFC under the RFA for CDBG-DR funds in the amount of \$7,099,048 for construction and permanent financing of the Development. The Loan shall be non-amortizing and shall have an interest rate of 0.00% per annum for a term of 20 years. The Loan will not require payment for as long as the Development remains in Compliance. The loan will be forgiven after 20 years.

Annual payments of all applicable fees will be required. Fees include an annual Permanent Loan Servicing Fee based on 25 basis points (“bps”) of the outstanding loan amount with a maximum of \$909 per month, subject to a minimum of \$229 per month; an 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 subject to an annual increase based on the South Region Consumer Price Index not to exceed 3% of the prior year’s fee. Compliance Monitoring fees will be for the term of 50 years; for years 51-99, compliance monitoring will be self-certified by the Applicant to FHFC.

Monroe County Board of County Commissioners:

Per Resolution 148-2022 dated May 18, 2022, the BOCC has committed to provide a grant in the amount of \$1,860,934 for the construction and permanent financing of the Development.

Other Permanent Sources of Funds:

In order to balance the sources and uses of funds after all loan proceeds have been received, the Developer will have to defer \$900 of Developer Fees.

CDBG-DR CREDIT UNDERWRITING REPORT

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Uses of Funds

CONSTRUCTION COSTS:	Applicant Costs	Revised Applicant Costs	Underwriters Total Costs - CUR	Cost Per Unit	HOME Ineligible Costs - CUR
Accessory Buildings				\$0	
Demolition				\$0	
Installation of Pre Fab Units				\$0	
New Rental Units	\$4,200,000	\$4,251,922	\$4,251,922	\$212,596	
Off-Site Work				\$0	
Recreational Amenities				\$0	
Rehab of Existing Common Areas				\$0	
Rehab of Existing Rental Units				\$0	
Site Work	\$250,000	\$510,118	\$510,118	\$25,506	\$510,118
Swimming Pool				\$0	
Furniture, Fixture, & Equipment				\$0	
Hard Cost Contingency - in Constr. Cont.				\$0	
Constr. Contr. Costs subject to GC Fee	\$4,450,000	\$4,762,040	\$4,762,040	\$238,102	\$510,118
General Conditions	\$600,000	\$644,000	\$117,528	\$5,876	
Overhead			\$526,472	\$26,324	
Profit				\$0	
Builder's Risk Insurance		\$80,000	\$80,000	\$4,000	
General Liability Insurance				\$0	
Payment and Performance Bonds		\$55,022	\$55,022	\$2,751	
Contract Costs not subject to GC Fee		\$15,938	\$15,938	\$797	
Total Construction Contract/Costs	\$5,050,000	\$5,557,000	\$5,557,000	\$277,850	\$510,118
Hard Cost Contingency	\$245,000	\$270,000	\$270,000	\$13,500	\$270,000
PnP Bond paid outside Constr. Contr.				\$0	
Fees for LOC used as Constr. Surety				\$0	
Demolition paid outside Constr. Contr.				\$0	
FF&E paid outside Constr. Contr.				\$0	
Other:				\$0	
Total Construction Costs:	\$5,295,000	\$5,827,000	\$5,827,000	\$291,350	\$780,118

Notes to the Construction Costs:

1. Please note that the HOME Ineligible Costs – CUR columns throughout the CUR reflect the CDBG-DR ineligible costs.
2. The Borrower provided an executed, AIA Document A102-2017 Standard Form of Agreement between Owner and Contractor, Pedro Falcon Contractors, Inc. (“Pedro Falcon”), where the basis for payment is the Cost of the Work Plus a Fee with a Guaranteed Maximum Price (“GMP”) in the amount of \$5,557,000.00. The GMP states that retainage of ten percent (10%) shall be withheld on all draws submitted through fifty percent (50%) construction completion, and shall be reduced to five percent (5%) for the remainder of the work.

The Construction Contract specifies that the Contractor shall achieve Substantial Completion of the entire work not later than 365 days (approximately 12 months) from the date of commencement. The date of commencement shall be on the day that is three (3) days after a Notice to Proceed has been issued by the Owner for the work; however, the Owner shall not issue a Notice to Proceed until after the latest of the following: (i) date that the Contract is executed, (ii) date that the building permits necessary for the commencement of construction have been issued by the appropriate governmental

entities and (iii) the date that satisfactory evidence of financing is provided to the Contractor by the Owner.

Final payment will be made when the contract has been fully performed, the General Contractor has submitted final accounting for the Cost of the Work and a final Certificate for Payment has been issued by the Architect. The Owner's final payment to the Contractor shall be made no later than 30 days after the issuance of the Architect's final Certificate for Payment.

Pedro Falcon also provided an executed General Contractor Certification of Requirements, whereby the General Contractor acknowledges and commits to adhere to all requirements related to a General Contractor per the RFA.

The GMP Contract did not include any allowance items.

3. General Contractor fees as stated are within the 14% maximum per the RFA.
4. The Hard Cost Contingency is within the 5% maximum as established by the RFA.
5. SMG engaged a Plan and Cost Analysis ("PCA") from GLE Associates, Inc. ("GLE"). Complete results are set forth in Section C of this report.

CDBG-DR CREDIT UNDERWRITING REPORT

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GENERAL DEVELOPMENT COSTS:	Applicant Costs	Revised Applicant Costs	Underwriters Total Costs - CUR	Cost Per Unit	HOME Ineligible Costs - CUR
Accounting Fees	\$20,000	\$20,000	\$20,000	\$1,000	\$20,000
Appraisal	\$7,500	\$7,500	\$6,900	\$345	
Architect's and Planning Fees				\$0	
Architect's Fee - Green Initiative				\$0	
Architect's Fee - Landscape				\$0	
Architect's Fee - Site/Building Design	\$75,000	\$107,679	\$107,679	\$5,384	
Architect's Fee - Supervision	\$25,000	\$56,910	\$56,910	\$2,846	
Building Permits				\$0	
Builder's Risk Insurance	\$25,000			\$0	
Capital Needs Assessment/Rehab				\$0	
Engineering Fees	\$50,000			\$0	
Environmental Report	\$25,000	\$23,000	\$23,000	\$1,150	
Federal Labor Standards Monitoring				\$0	
FHFC Administrative Fees				\$0	
FHFC Application Fee	\$1,500	\$1,500	\$1,500	\$75	\$1,500
FHFC Credit Underwriting Fee	\$14,082	\$16,582	\$16,582	\$829	\$16,582
FHFC Compliance Fee				\$0	
FHFC Other Processing Fee(s)				\$0	
Impact Fee				\$0	
Lender Inspection Fees / Const Admin	\$21,000	\$16,200	\$16,200	\$810	\$16,200
Green Building Cert. (LEED, FGBC, NGBS)	\$30,000	\$32,450	\$32,450	\$1,623	
Home Energy Rating System (HERS)				\$0	
Insurance	\$25,000	\$25,000	\$25,000	\$1,250	
Legal Fees - Organizational Costs	\$75,000	\$50,000	\$50,000	\$2,500	
Local Subsidy Underwriting Fee				\$0	
Market Study	\$6,500	\$6,500	\$5,900	\$295	\$5,900
Marketing and Advertising		\$25,000	\$25,000	\$1,250	\$25,000
Plan and Cost Review Analysis		\$2,400	\$4,500	\$225	
Property Taxes				\$0	
Soil Test	\$5,000	\$12,730	\$12,730	\$637	
Survey	\$50,000	\$20,000	\$20,000	\$1,000	\$5,000
Tenant Relocation Costs	\$300,000	\$150,000	\$150,000	\$7,500	
Title Insurance and Recording Fees	\$25,000	\$50,000	\$50,000	\$2,500	\$12,500
Traffic Study				\$0	
Utility Connection Fees	\$112,500	\$40,000	\$40,000	\$2,000	
Soft Cost Contingency	\$44,600	\$30,000	\$30,000	\$1,500	\$30,000
Other:				\$0	
Total General Development Costs:	\$937,682	\$693,451	\$694,351	\$34,718	\$132,682

Notes to the General Development Costs:

1. Appraisal reflects the actual costs of the reports engaged by SMG.
2. Architect's Fees for architecture and engineering design services reflect the fees as presented in the executed Design Services Proposal dated September 8, 2021, provided by K2M Design, Inc.
3. The FHFC Application Fee is reflective of the application fee for CDBG-DR. The total FHFC Credit Underwriting Fee is \$16,582 (includes credit re-underwriting fees totaling \$2,500).
4. The Applicant did not include any impact fee costs in the budget as both sites were developed for RVs/mobile homes and were in active use before the sites were acquired.

CDBG-DR CREDIT UNDERWRITING REPORT

SMG

5. Green Building Certification reflects the fees as presented in the executed proposal, provided by Building Performance Consultants, Inc., for 20 units at Monroe County Scattered Sites. Per the Agreement, Building Performance Consultants, Inc. will provide FGBC Certifications and HERS Rating.
6. Market Study reflects the actual cost of the report engaged by SMG.
7. Plan and Cost Review Analysis reflects the actual cost of the report engaged by SMG.
8. Utility Connection Fees are based on the estimate provided by the Applicant from information received from the Florida Keys Aqueduct Authority. It was noted that some of the parcels previously had connections, therefore some parcels will not incur utility connection fees. Per the worksheets, it would appear that three total units have existing meters while seventeen will need new meters.
9. Soft cost contingency is within the 5% as allowed per the RFA.
10. Other General Development Costs are based on the Borrower's estimates, which appear reasonable.

FINANCIAL COSTS:		Applicant Costs	Revised Applicant Costs	Underwriters Total Costs - CUR	Cost Per Unit	HOME Ineligible Costs - CUR
Other:	CDBG-DR FHFC Closing Costs		\$12,500	\$12,500	\$625	
Other:					\$0	
Total Financial Costs:		\$0	\$12,500	\$12,500	\$625	\$0
Dev. Costs before Acq., Dev. Fee & Reserves		\$6,232,682	\$6,532,951	\$6,533,851	\$326,693	\$912,800

Notes to the Financial Costs:

1. The CDBG-DR FHFC Closing costs include the estimated fees for FHFC's Legal Counsel.

NON-LAND ACQUISITION COSTS		Applicant Costs	Revised Applicant Costs	Underwriters Total Costs - CUR	Cost Per Unit	HOME Ineligible Costs - CUR
Brokerage Fees - Building				\$0	\$0	
Building Acquisition Cost					\$0	
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: None

DEVELOPER FEE ON NON-ACQUISITION COSTS		Applicant Costs	Revised Applicant Costs	Underwriters Total Costs - CUR	Cost Per Unit	HOME Ineligible Costs - CUR
Developer Fee - Unapportioned		\$800,000	\$302,031	\$302,031	\$15,102	
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:		\$800,000	\$302,031	\$302,031	\$15,102	\$0

CDBG-DR CREDIT UNDERWRITING REPORT

SMG

Notes to the Other Development Costs:

1. Developer Fee does not exceed 16% of the Development’s construction costs, exclusive of land acquisition costs and reserves, as required per the RFA.

LAND ACQUISITION COSTS	Applicant Costs	Revised Applicant Costs	Underwriters Total Costs - CUR	Cost Per Unit	HOME Ineligible Costs - CUR
Brokerage Fees - Land			\$0	\$0	
Land Acquisition Cost				\$0	
Land	\$2,000,000	\$2,000,000	\$2,015,000	\$100,750	
Land Lease Payment				\$0	
Land Carrying Costs				\$0	
Other:				\$0	
Total Acquisition Costs:	\$2,000,000	\$2,000,000	\$2,015,000	\$100,750	\$0

Notes to the Land Acquisition Costs:

1. 31535 Avenue C, Big Pine Key: Applicant submitted a Warranty Deed dated March 31, 2020, reflecting Howard’s Haven, LLC, as Grantor and Monroe County, a political subdivision of the State of Florida, as Grantee. A Settlement Statement was provided dated March 31, 2020, reflecting a purchase price of \$850,000.

2 N Conch Ave, Conch Key: Applicant submitted a Warranty Deed dated December 26, 2019, reflecting JDLC, Inc. as Grantor and Monroe County, a political subdivision of the State of Florida, as Grantee. A Settlement Statement was provided dated December 26, 2019, reflecting a purchase price of \$1,000,000.

31 S Conch Ave, Conch Key: Applicant submitted a Warranty Deed dated June 14, 2018, reflecting Arthur Monahan and Andrea L. Van Buren, as Trustee of the Andrea L. Van Buren Revocable Living Trust dated November 28, 2017, and Linda Monahan as Grantor and Monroe County, a political subdivision of the State of Florida, as Grantee. A Settlement Statement was provided dated June 14, 2018, reflecting a purchase price of \$165,000.

The Settlement Statements reflect an aggregate total purchase price of \$2,015,000.

2. SMG received a copy of an August 15, 2022, appraisal report by Meridian that concluded an “As-is” Fee Simple Land Value of \$2,200,000 for the Monroe County Scattered Sites, which supports the purchase price.
3. Applicant provided an Occupancy Agreement and Ground Lease between the Monroe County Board of County Commissioners (Landlord) and the Applicant (Tenant) dated July 17, 2019. The term of the lease shall be the period beginning on the Commencement Date and ending ninety-nine (99) years thereafter. The Commencement Date is defined as the date when the Applicant receives a certificate of occupancy for the workforce housing unit. The annual base rent shall be ten dollars (\$10.00) per lease year. Applicant shall pay the annual base rent upon commencement of the lease and on the first day of the second month of each lease year throughout the term.

A First Amended Lease was provided dated October 16, 2019, removing the five anticipated units to be built the Key Largo site that were removed from the Monroe County Scattered Sites Development.

CDBG-DR CREDIT UNDERWRITING REPORT

SMG

RESERVE ACCOUNTS	Applicant Costs	Revised Applicant Costs	Underwriters Total Costs - CUR	Cost Per Unit	HOME Ineligible Costs - CUR
Other: Insurance Reserve		\$110,000	\$110,000	\$5,500	\$110,000
Other:				\$0	
Total Reserve Accounts:	\$0	\$110,000	\$110,000	\$5,500	\$110,000

Notes to the Reserve Accounts Costs:

1. Other: Insurance Reserve – Per the Borrower’s estimate, a reserve of \$110,000 will be established to pay the property’s insurance when the units are certified for occupancy. The units cannot be leased until the insurance is in place. The reserve will be funded by the County as the property will not have operating cash at the time insurance payments will be required.

TOTAL DEVELOPMENT COSTS	Applicant Costs	Revised Applicant Costs	Underwriters Total Costs - CUR	Cost Per Unit	HOME Ineligible Costs - CUR
TOTAL DEVELOPMENT COSTS:	\$9,032,682	\$8,944,982	\$8,960,882	\$448,044	\$1,022,800

Notes to the Total Development Costs:

1. Per RFA 2019-101, 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 Single-Family Homes (Garden), which had a maximum allowable per unit cost of \$366,319.80. 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 \$621,115.98. Monroe County Scattered Sites’ final TDC per unit is \$341,794.10.

CDBG-DR CREDIT UNDERWRITING REPORT

SMG

Operating Pro forma

OPERATING PRO FORMA		ANNUAL	PER UNIT
INCOME	Gross Potential Rental Income	\$306,600	\$15,330
	Rent Subsidy (ODR)	\$0	\$0
	Other Income:		
	Ancillary Income-Parking	\$0	\$0
	Miscellaneous	\$1,000	\$50
	Washer/Dryer Rentals	\$0	\$0
	Gross Potential Income	\$307,600	\$15,380
	Less:		
	Economic Loss - Percentage: 0.0%	\$0	\$0
	Physical Vacancy Loss - Percentage: 4.0%	(\$12,304)	(\$615)
Collection Loss - Percentage: 1.0%	(\$3,076)	(\$154)	
Total Effective Gross Revenue		\$292,220	\$14,611
EXPENSES	Fixed:		
	Ground Lease	\$0	\$0
	Real Estate Taxes	\$12,136	\$607
	Insurance	\$110,000	\$5,500
	Variable:		
	Management Fee - Percentage: 5.0%	\$14,611	\$731
	General and Administrative	\$16,000	\$800
	Payroll Expenses	\$59,280	\$2,964
	Utilities	\$2,400	\$120
	Marketing and Advertising	\$500	\$25
	Maintenance and Repairs	\$10,000	\$500
	Grounds Maintenance and Landscaping	\$10,000	\$500
	Resident Programs	\$0	\$0
	Contract Services	\$2,000	\$100
	Security	\$0	\$0
Reserve for Replacements	\$6,000	\$300	
Total Expenses		\$242,927	\$12,146
Net Operating Income		\$49,293	\$2,465
Debt Service Payments			
DEBT SERVICE	First Mortgage - FHFC - CDBG-DR	\$0	\$0
	Second Mortgage - Monroe County	\$0	\$0
	All Other Mortgages -	\$0	\$0
	First Mortgage Fees - FHFC - CDBG-DR	\$14,244	\$712
	Second Mortgage Fees - Monroe County	\$0	\$0
	All Other Mortgages Fees -	\$0	\$0
Total Debt Service Payments		\$14,244	\$712
Cash Flow After Debt Service		\$35,049	\$1,752

CDBG-DR CREDIT UNDERWRITING REPORT

SMG

Debt Service Coverage Ratios		
	DSC - First Mortgage plus Fees	3.461
	DSC - Second Mortgage plus Fees	3.461
	DSC - All Mortgages and Fees	3.461
Financial Ratios		
	Operating Expense Ratio	83.1%
	Break-Even Ratio	83.9%

Notes to the Operating Pro forma and Ratios:

1. The Development will be utilizing CDBG-DR, which will impose rent restrictions. The Applicant committed to set-aside 10% of the units (2 units) for households earning 25% or less of the Area Median Income (“AMI”) and 90% of the units (18 units) set-aside for households earning 80% or less of the AMI. The subject is projected to achieve 2021 maximum allowable CDBG-DR rent limited published by FHFC on all units based upon the appraiser’s estimate of achievable rents per comparable properties surveyed. Utility Allowances are based on a Monroe County Housing Authority/North of the 7 Mile Bridge Allowances (Effective 1/1/2022) for Tenant-Furnished Utilities Chart prepared by the U.S. Department of Housing and Urban Development reflecting the resident paying electricity, water, and sewer and the owner paying trash disposal and pest control.

A rent roll for the Subject, is illustrated in the following table:

Monroe County

Bed Rooms	Bath Rooms	Units	Square Feet	AMI%	Low HOME Rents	High HOME Rents	Gross HC Rent	Utility Allow.	Net Restricted Rents	PBRA Contr Rents	Applicant Rents	Appraiser Rents	CU Rents	Annual Rental Income
1	1.0	2	570	25%			\$476	\$182	\$294		\$298	\$298	\$298	\$7,152
1	1.0	16	570	80%			\$1,525	\$182	\$1,343		\$1,355	\$1,355	\$1,355	\$260,160
2	1.0	2	960	80%			\$1,831	\$208	\$1,623		\$1,637	\$1,637	\$1,637	\$39,288
		20	12,180											\$306,600

2. Miscellaneous income reflects the Applicant’s estimate for income received from application fees, late fees, forfeited security deposits, pet fees, cancellation fees, and damages recovered.
3. The Appraiser estimates a physical vacancy of 4% for a stabilized physical occupancy of 96% and a collection loss of 1% for a stabilized economic occupancy of 95%.
4. Management Fees of 5% of the gross income collected are based upon the executed property Management Agreement provided by the Applicant.
5. General and Administrative costs are taken from the Appraiser’s analysis of comparable properties in the appraisal.
6. Estimates for Payroll expenses, Utilities, and Marketing and Advertising are based on the Applicant’s estimates due to their experience, and planned staffing structure and associated compensation.
7. Maintenance/Repairs and Grounds were based on the Applicant’s estimate due to their experience with this development type.
8. Other operating expense estimates are based on market comparables and are supported by the appraisal.

CDBG-DR CREDIT UNDERWRITING REPORT

SMG

9. Replacement Reserves in the amount of \$300 per unit per year meet RFA and Rule requirements. Seltzer has utilized that amount in the operating pro forma, maintaining the reserve amount flat for 10 years, then escalating 3% per year thereafter, which meets the minimum required by RFA.
10. A 15-year income and expense projection reflects decreasing Debt Service Coverage (“DSC”) through year fifteen (15). At year 15, the projected DSC is 1.446. This projection is attached to this report as Exhibit 1.

Section B

Loan Conditions

CDBG-DR CREDIT UNDERWRITING REPORT

SMG

Special Conditions

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

1. Receipt and satisfactory review of the Final PCA reflecting no outstanding items or issues.
2. FHFC Board approval of this Report that includes Waiver of the RFA requirement prohibiting the General Contractor from subcontracting work that exceeds 20% of the total contract amount to any one Subcontractor (or affiliate of the subcontractor).
3. Receipt and satisfactory review of the Soils Test Report for the Conch Key site and the Big Pine Key site.
4. Receipt and satisfactory review of the updated Appraisal and confirmation of whether the 2022 CDBG-DR Rents are achievable.
5. Satisfactory completion of a Davis-Bacon Federal Labor Standards and Section 3 preconstruction conference.
6. Receipt and satisfactory review of the Affirmative Fair Marketing Plan.

General Conditions

This recommendation is contingent upon the review and approval of the following items by SMG and Florida Housing at least two weeks prior to real estate 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. Building permits and any other necessary approvals and permits (e.g., final site plan approval, water management district, Department of Environmental Protection, Army Corps of Engineers, Department of Transportation, etc.). Acceptable alternatives to this requirement are receipt and satisfactory review of a letter from the local permitting and approval authority that the above referenced permits and approvals will be issued upon receipt of applicable fees (with no other conditions), or evidence of 100% lien-free completion, if applicable. If a letter is provided, copies of all permits will be required as a condition of the first post-closing draw.
4. 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.
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

CDBG-DR CREDIT UNDERWRITING REPORT

SMG

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

6. A final construction draw schedule showing itemized sources and uses of funds for each monthly draw. CDBG-DR loan Proceeds shall be disbursed during the construction phase in an amount per draw but does not exceed the ratio of the CDBG-DR loan to the Total Development Costs unless otherwise approved by the Credit Underwriter. The closing draw shall include appropriate backup and ACH wiring instructions.
7. Construction Period Developer Fee shall be the lesser of i) 50% of the Total Developer Fee or ii) the Total Developer Fee less the Deferred Developer Fee listed in the Sources and Uses for the construction period, as calculated by the Servicer. At closing, a maximum of 35% of the Construction Period Developer Fee may be funded. Remaining Construction Period Developer Fee will be disbursed during construction/rehabilitation on a pro rata basis, based on the percentage of completion of the Development, as approved and reviewed by FHFC and Servicer.

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

8. Evidence of insurance coverage pursuant to the Request for Application governing this proposed transaction and, if applicable, the FHFC Insurance Guide.
9. Evidence of 100% Payment and Performance (“P&P”) Bonds, whose terms do not adversely affect Florida Housing’s interest, issued in the name of the General Contractor, from a company rated at least “A-” by AMBest & Co., or a Florida Housing approved alternate security for the General Contractor’s performance such as a letter of credit issued by a financial institution with a senior long term (or equivalent) credit rating of at least “Baa3” by Moody’s, or at least “BBB-” by Standard & Poor’s or Fitch, or a financial rating of at least 175 by IDC Financial. In either case, Florida Housing must be listed as co-obligee. Florida Housing and/or Legal Counsel must approve the source, amount(s) and all terms of the P&P bonds or LOC. If the LOC option is utilized, the LOC must contain “evergreen” language and be in a form satisfactory to the Servicer, Florida Housing, 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. Satisfactory resolution of any outstanding past due and/or noncompliance items.
12. Payment of any outstanding arrearages to the Corporation, its Legal Counsel, Servicer or any agent or assignee of the Corporation for past due items applicable to the Development team (Applicant or Developer or Principal, Affiliate or Financial Beneficiary, of an Applicant or a Developer).
13. 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

CDBG-DR CREDIT UNDERWRITING REPORT

SMG

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.

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

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

1. Documentation of the legal formation and current authority to transact business in Florida for the 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 CDBG-DR 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 CDBG-DR 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 Operating Agreement or other applicable agreement. Florida Housing shall be satisfied in its sole discretion that all legal and program requirements for the Loans have been satisfied.
6. Evidence of insurance coverage pursuant to the CDBG-DR Loan governing this proposed transaction and, as applicable, the FHFC Insurance Guide.

CDBG-DR CREDIT UNDERWRITING REPORT

SMG

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 and 420.5089, Florida Statutes, Rule Chapter 67-53 F.A.C., Rule Chapter 67-60 F.A.C., RFA 2019-101, 49 CFR 24 (URA), 24CFR 42(104 (d), 24 CFR Part 135, 24 CFR 570 (CDBG) and Section 414 of the Stafford Act, HUD environmental requirements 24 CFR Part 58, and any other State and federal requirements.
2. If applicable, receipt and satisfactory review of Financial Statements from all Guarantors dated within 90 days of Real Estate Closing.
3. Guarantors are to provide the standard FHFC Construction Completion Guaranty, to be released upon lien free completion as approved by the Servicer.
4. Guarantors for the CDBG-DR are to provide the standard FHFC Operating Deficit Guaranty. If requested in writing by the Applicant, the Servicer will consider a recommendation to release the Operating Deficit Guaranty if all conditions are met, including achievement of a 1.15 DSC on the permanent First Mortgage CDBG-DR loan, as determined by FHFC or the Servicer, and 90% Occupancy and 90% of Gross Potential Rental Income net of utility allowances, if applicable, for a period equal to twelve (12) consecutive months, all certified by an independent Certified Public Accountant ("CPA")

CDBG-DR CREDIT UNDERWRITING REPORT

SMG

and verified by the Servicer. The calculation of the debt service coverage ratio shall be made by FHFC or the Servicer. Notwithstanding the above, the Operating Deficit Guaranty shall not terminate earlier than three (3) years following the final certificate of occupancy.

5. Guarantors are to provide the standard FHFC Environmental Indemnity Guaranty.
6. Guarantors are to provide the standard FHFC Guaranty of Recourse Obligations.
7. A mortgagee title insurance lender's policy naming Florida Housing as the insured mortgage holder in the amount(s) of the all FHFC 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.
8. 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.
9. 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 the Rule, in the amount of \$6,000 (one-half the required Replacement Reserve 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.

10. GLE, or other construction inspector acceptable for Florida Housing, is to act as Florida Housing's inspector during the construction period.
11. Under the construction contract, a minimum of 10% retainage holdback on all construction draws will be withheld until construction is 50% complete and thereafter shall be reduced to 5% for the remainder of the work. Retainage will not be released until successful lien free completion of construction and issuance of all certificates of occupancy, which satisfies the RFA minimum requirement.
12. Satisfactory completion of a pre-loan closing compliance audit conducted by Florida Housing or its Servicer, if applicable.

CDBG-DR CREDIT UNDERWRITING REPORT

SMG

13. Closing of all funding sources prior to or simultaneous with closing of the CDBG-DR loan.
14. Satisfactory evidence of compliance with the Davis Bacon Act and other applicable Federal Labor Standards during the construction of this Development. Evidence of compliance must be through satisfactory completion of a compliance audit by HUD and its authorized subcontractor.
15. CDBG-DR funds are subject to the National Environmental Policy Act (“NEPA”) of 1969 and related federal environmental authorities and regulations at 24 CFR Part 58 “Environmental Review Procedures”. No CDBG-DR funds may be committed to a Development before completion of the environmental review process and HUD approval of the environmental review and Request for Release of Funds.
16. Acceptance by the Borrower and execution of all documents evidencing and securing the CDBG-DR 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), and the Land Use Restriction Agreement(s).
17. Any other reasonable requirements of the Servicer, Florida Housing or its Legal Counsel.

Exhibit 1
Monroe County Scattered Sites
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	\$306,600	\$312,732	\$318,987	\$325,366	\$331,874	\$338,511	\$345,281	\$352,187	\$359,231	\$366,415	\$373,744	\$381,219	\$388,843	\$396,620	\$404,552
	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	\$1,000	\$1,020	\$1,040	\$1,061	\$1,082	\$1,104	\$1,126	\$1,149	\$1,172	\$1,195	\$1,219	\$1,243	\$1,268	\$1,294	\$1,319
	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	\$307,600	\$313,752	\$320,027	\$326,428	\$332,956	\$339,615	\$346,408	\$353,336	\$360,402	\$367,610	\$374,963	\$382,462	\$390,111	\$397,913	\$405,872
	Less:															
	Economic Loss - Percentage:															
	Physical Vacancy Loss - Percentage: 4.0%	(\$12,304)	(\$12,550)	(\$12,801)	(\$13,057)	(\$13,318)	(\$13,585)	(\$13,856)	(\$14,133)	(\$14,416)	(\$14,704)	(\$14,999)	(\$15,298)	(\$15,604)	(\$15,917)	(\$16,235)
	Collection Loss - Percentage: 1.0%	(\$3,076)	(\$3,138)	(\$3,200)	(\$3,264)	(\$3,330)	(\$3,396)	(\$3,464)	(\$3,533)	(\$3,604)	(\$3,676)	(\$3,750)	(\$3,825)	(\$3,901)	(\$3,979)	(\$4,059)
Total Effective Gross Revenue	\$292,220	\$298,064	\$304,026	\$310,106	\$316,308	\$322,634	\$329,087	\$335,669	\$342,382	\$349,230	\$356,215	\$363,339	\$370,606	\$378,018	\$385,578	
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	\$12,136	\$12,500	\$12,875	\$13,261	\$13,659	\$14,069	\$14,491	\$14,926	\$15,374	\$15,835	\$16,310	\$16,799	\$17,303	\$17,822	\$18,357
	Insurance	\$110,000	\$113,300	\$116,699	\$120,200	\$123,806	\$127,520	\$131,346	\$135,286	\$139,345	\$143,525	\$147,831	\$152,266	\$156,834	\$161,539	\$166,385
	Other	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
	Variable:															
	Management Fee - Percentage: 5.0%	\$14,611	\$14,903	\$15,201	\$15,505	\$15,815	\$16,132	\$16,454	\$16,783	\$17,119	\$17,461	\$17,811	\$18,167	\$18,530	\$18,901	\$19,279
	General and Administrative	\$16,000	\$16,480	\$16,974	\$17,484	\$18,008	\$18,548	\$19,105	\$19,678	\$20,268	\$20,876	\$21,503	\$22,148	\$22,812	\$23,497	\$24,201
	Payroll Expenses	\$59,280	\$61,058	\$62,890	\$64,777	\$66,720	\$68,722	\$70,783	\$72,907	\$75,094	\$77,347	\$79,667	\$82,057	\$84,519	\$87,055	\$89,666
	Utilities	\$2,400	\$2,472	\$2,546	\$2,623	\$2,701	\$2,782	\$2,866	\$2,952	\$3,040	\$3,131	\$3,225	\$3,322	\$3,422	\$3,524	\$3,630
	Marketing and Advertising	\$500	\$515	\$530	\$546	\$563	\$580	\$597	\$615	\$633	\$652	\$672	\$692	\$713	\$734	\$756
	Maintenance and Repairs	\$10,000	\$10,300	\$10,609	\$10,927	\$11,255	\$11,593	\$11,941	\$12,299	\$12,668	\$13,048	\$13,439	\$13,842	\$14,258	\$14,685	\$15,126
	Grounds Maintenance and Landscaping	\$10,000	\$10,300	\$10,609	\$10,927	\$11,255	\$11,593	\$11,941	\$12,299	\$12,668	\$13,048	\$13,439	\$13,842	\$14,258	\$14,685	\$15,126
	Resident Programs	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
	Contract Services	\$2,000	\$2,060	\$2,122	\$2,185	\$2,251	\$2,319	\$2,388	\$2,460	\$2,534	\$2,610	\$2,688	\$2,768	\$2,852	\$2,937	\$3,025
	Security	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
	Other-Pest Control	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
	Reserve for Replacements	\$6,000	\$6,000	\$6,000	\$6,000	\$6,000	\$6,000	\$6,000	\$6,000	\$6,000	\$6,000	\$6,180	\$6,365	\$6,556	\$6,753	\$6,956
Total Expenses	\$242,927	\$249,889	\$257,056	\$264,436	\$272,034	\$279,857	\$287,911	\$296,204	\$304,742	\$313,533	\$322,765	\$332,270	\$342,056	\$352,132	\$362,507	
Net Operating Income	\$49,293	\$48,176	\$46,969	\$45,670	\$44,274	\$42,778	\$41,176	\$39,465	\$37,640	\$35,697	\$33,450	\$31,069	\$28,550	\$25,885	\$23,071	
Debt Service Payments																
DEBT SERVICE	First Mortgage - FHFC - CDBG-DR	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
	Second Mortgage - Monroe County	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
	All Other Mortgages -	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
	First Mortgage Fees - FHFC - CDBG-DR	\$14,244	\$14,344	\$14,447	\$14,553	\$14,663	\$14,775	\$14,891	\$15,011	\$15,134	\$15,261	\$15,391	\$15,526	\$15,664	\$15,807	\$15,954
	Second Mortgage Fees - Monroe County	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
All Other Mortgage Fees -	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0		
Total Debt Service Payments	\$14,244	\$14,344	\$14,447	\$14,553	\$14,663	\$14,775	\$14,891	\$15,011	\$15,134	\$15,261	\$15,391	\$15,526	\$15,664	\$15,807	\$15,954	
Cash Flow After Debt Service	\$35,049	\$33,832	\$32,522	\$31,117	\$29,612	\$28,002	\$26,285	\$24,454	\$22,506	\$20,436	\$18,058	\$15,543	\$12,885	\$10,078	\$7,117	
Debt Service Coverage Ratios																
DSC - First Mortgage plus Fees	3.461	3.359	3.251	3.138	3.020	2.895	2.765	2.629	2.487	2.339	2.173	2.001	1.823	1.638	1.446	
DSC - Second Mortgage plus Fees	3.461	3.359	3.251	3.138	3.020	2.895	2.765	2.629	2.487	2.339	2.173	2.001	1.823	1.638	1.446	
DSC - All Mortgages and Fees	3.461	3.359	3.251	3.138	3.020	2.895	2.765	2.629	2.487	2.339	2.173	2.001	1.823	1.638	1.446	
Financial Ratios																
Operating Expense Ratio	83.1%	83.8%	84.6%	85.3%	86.0%	86.7%	87.5%	88.2%	89.0%	89.8%	90.6%	91.4%	92.3%	93.2%	94.0%	
Break-Even Ratio	83.9%	84.5%	85.1%	85.7%	86.4%	87.0%	87.7%	88.3%	89.0%	89.7%	90.4%	91.2%	91.9%	92.7%	93.5%	

MONROE COUNTY SCATTERED SITES
RFA 2019-101 / 2020-004D
DESCRIPTION OF FEATURES AND AMENITIES

A. The Development will consist of:

20 Single Family Homes located in 20 residential buildings

Unit Mix:

Eighteen (18) one bedroom / 1 bath single family homes; and

Two (2) two bedroom / 1 bath single family homes

20 Total Single Family Homes

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 requirements in accordance with the final plans and specifications approved by the appropriate city or county building or planning department or equivalent agency, and approved as reflected in the Pre-Construction Analysis prepared for Florida Housing or its Servicer, unless a change has been approved in writing by Florida Housing or its Servicer. The Development will conform to requirements of local, state & federal laws, rules, regulations, ordinances, orders and codes, Federal Fair Housing Act and Americans with Disabilities Act ("ADA"), as applicable.

B. Applicant commits to 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. Single Family Homes must have washer and dryer hook ups in each of the Development's units. All other Development Types must have washer and dryer hook ups in each of the Development's units or an on-site laundry facility for resident use. If the proposed Development will have an on-site laundry facility, the following requirements must be met:
 - There must be a minimum of one Energy Star certified washer and one Energy Star certified dryer per every 15 units. To determine the required number of washers and

MONROE COUNTY SCATTERED SITES
RFA 2019-101 / 2020-004D
DESCRIPTION OF FEATURES AND AMENITIES

dryers for the on-site laundry facility; divide the total number of the Development's units by 15, and then round the equation's total up to the nearest whole number; and

- If the proposed Development consists of Scattered Sites, the laundry facility shall be located on each of the Scattered Sites, or no more than 1/16 mile from the Scattered Site with the most units, or a combination of both.

7. At least two full bathrooms in all 3 bedroom or larger units;
8. Bathtub with shower in at least one bathroom in at least 90 percent of the units; and
9. A full-size range and oven in all units.

C. Applicant commits to provide the following Accessibility, Universal Design and Visitability Features:

1. Federal Requirements and State Building Code Requirements for all Developments. All proposed Developments must meet all federal requirements and state building code requirements, including the following, incorporating the most recent amendments, regulations and rules:
 - Florida Accessibility Code for Building Construction as adopted pursuant to Section 553.503, Florida Statutes;
 - The Architectural Barriers Act of 1968;
 - The Fair Housing Act as implemented by 24 CFR 100;
 - Section 504 of the Rehabilitation Act of 1973*; and
 - Titles II and III of the Americans with Disabilities Act of 1990 as implemented by 28 CFR 35.

* All Developments must comply with Section 504 of the Rehabilitation Act of 1973, as implemented by 24 CFR Part 8 ("Section 504 and its related regulations"). All Developments must meet accessibility standards of Section 504. Section 504 accessibility standards require a minimum of 5 percent of the total dwelling units, but not fewer than one unit, to be accessible for individuals with mobility impairments. An additional 2 percent of the total units, but not fewer than one unit, must be accessible for persons with hearing or vision impairments.

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

Federal and state law and building code regulations requires that programs, activities, and facilities be readily accessible to and usable by persons with disabilities. Florida Housing requires that the design, construction, or alteration of its financed Developments be in compliance with federal and state accessibility requirements. When more than one law and accessibility standard applies, the

MONROE COUNTY SCATTERED SITES
RFA 2019-101 / 2020-004D
DESCRIPTION OF FEATURES AND AMENITIES

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.

2. Required Accessibility Features, regardless of the age of Development.

a. Required Accessibility Features in all Units

- Primary entrance doors on an accessible route shall have a threshold with no more than a ½-inch rise;
- All door handles on primary entrance door and interior doors must have lever handles;
- Lever handles on all bathroom faucets and kitchen sink faucets;
- Mid-point on light switches and thermostats shall not be more than 48 inches above finished floor level; and
- Cabinet drawer handles and cabinet door handles in bathroom and kitchen shall be lever or D-pull type that operate easily using a single closed fist.

b. All Developments must provide reinforced walls for future installation of horizontal grab bars in place around each toilet/shower, or a Corporation-approved alternative approach for grab bar installation. The installation of the grab bars must meet or exceed the 2010 ADA Standards for Accessible Design, Section 604.5.1 (Side Wall) and 604.5.2 (Rear Wall).

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

D. Applicant commits to provide the following required Green Building Features in all Developments for all Units:

1. 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);
2. Low-flow water fixtures in bathrooms—WaterSense labeled products or the following

MONROE COUNTY SCATTERED SITES
RFA 2019-101 / 2020-004D
DESCRIPTION OF FEATURES AND AMENITIES

specifications:

- Toilets: 1.28 gallons/flush or less,
 - Urinals: 0.5 gallons/flush,
 - Lavatory Faucets: 1.5 gallons/minute or less at 60 psi flow rate,
 - Showerheads: 2.0 gallons/minute or less at 80 psi flow rate;
3. Energy Star certified refrigerator;
 4. Energy Star certified dishwasher;
 5. Energy Star certified ventilation fan in all bathrooms;
 6. Water heater minimum efficiency specifications:
 - Residential Electric:
 - Up to 55 gallons = .95 EF or .92 UEF; or
 - More than 55 gallons = Energy Star certified; or
 - Tankless = Energy Star certified;
 - Residential Gas (storage or tankless/instantaneous): Energy Star certified,
 - Commercial Gas Water Heater: Energy Star certified;
 7. Energy Star certified ceiling fans with lighting fixtures in bedrooms;
 8. Air Conditioning (choose in-unit or commercial):
 - Air-Source Heat Pumps – Energy Star certified:
 - ≥ 8.5 HSPF/ ≥15 SEER/ ≥12.5 EER for split systems
 - ≥ 8.2 HSPF/ ≥15 SEER/ ≥12 EER for single package equipment including gas/electric package units
 - Central Air Conditioners – Energy Star certified:
 - ≥15 SEER/ ≥12.5 EER* for split systems
 - ≥15 SEER/ ≥12 EER* for single package equipment including gas/electric package units.

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

In addition to the required Green Building features outlined in above, proposed Developments must achieve one of the following Green Building Certification programs: Leadership in Energy and Environmental Design (LEED); Florida Green Building Coalition (FGBC); Enterprise Green Communities; or ICC 700 National Green Building Standard (NGBS). The Applicant committed to provide FGBC.

E. Applicant committed in their Application to provide the following resident programs outlined below:

1. Adult Literacy – The Applicant or its Management Company must make available, at no cost to

MONROE COUNTY SCATTERED SITES
RFA 2019-101 / 2020-004D
DESCRIPTION OF FEATURES AND AMENITIES

the resident, literacy tutor(s) who will provide weekly literacy lessons to residents in private space. 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 Resident Program is offered on site, and 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: Monroe County Scattered Sites

DATE: October 20, 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. “Satisfactory” 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.	Unsatisfactory	1
2. Final site plan and/or status of site plan approval.	Satisfactory	
3. Permit Status.	Satisfactory	
4. Pre-construction analysis (“PCA”).	Unsatisfactory	2
5. Survey.	Satisfactory	
6. Complete, thorough soil test reports.	Unsatisfactory	3
7. Full or self-contained appraisal as defined by the Uniform Standards of Professional Appraisal Practice.	Satisfactory	
8. Market Study separate from the Appraisal.	Satisfactory	
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.	Satisfactory	
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.	Satisfactory	

CDBG-DR CREDIT UNDERWRITING REPORT

SMG

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

NOTES AND APPLICANT'S RESPONSES:

1. The plans and specs for the modular manufactured housing have not been released by the manufacturer, Affinity, at this time. The Applicant has noted that Affinity is requiring a 50% deposit on their contract prior to releasing the plans and specs.

The Applicant is working with Seltzer and Florida Housing to determine any option that allows the plans and specs to be released for review by the PCA provider. Receipt and satisfactory review of the modular plans and specs is a condition to close. Receipt and satisfactory review of the modular plans and specs, and review by the PCA provider of the features and amenities committed to in the application, is a condition of commencement of construction.

2. A Plan and Cost Analysis has not yet been received from GLE Associates, Inc. Seltzer did receive a Preliminary PCA Letter from GLE Associates, Inc. indicating the documents reviewed, the documents still needed for their review, and an opinion of the reasonableness of the construction costs noted in the GMP.

Receipt and satisfactory review of the Final PCA reflecting no outstanding items or issues is a condition to close.

3. Soils Test Proposal dated June 23, 2022, was provided from Concrete Analysis & Testing Laboratories, Inc. Per correspondence from Florida Housing, the Soils Test will not be a requirement of the CUR, however, will be required to close.

Receipt and satisfactory review of the Soils Test is a condition to close.