

**Florida Housing Finance Corporation**

*Credit Underwriting Report*

**Fulham Terrace**

RFA 2020-205 (2021-252SN / 2020-544C)

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

**Invitation to Participation (“ITP”) 2022 Construction Housing Inflation  
Response Program (“CHIRP”)**

State Apartment Incentive Loan (“SAIL”), Extremely Low-Income Loan (“ELI”), National  
Housing Trust Fund Loan Program (“NHTF”), and 4% Non-Competitive Housing Credits (“HC”)

**Section A: Report Summary**

**Section B: SAIL, ELI, and NHTF Special and General Conditions and HC Allocation  
Recommendation and Contingencies**

**Section C: Supporting Information and Schedules**

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**Prepared by**

**AmeriNat®**

**Final Report**

**October 20, 2022**

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**Fulham Terrace**

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

**Recommendation**

AmeriNat® (“AmeriNat”) recommends Florida Housing Finance Corporation (“FHFC” or “Florida Housing”) issue a State Apartment Incentive Loan (“SAIL”) in the amount of \$4,000,000, a Construction Housing Inflation Response Program (“CHIRP”) loan in the amount of \$3,510,696, an Extremely Low Income (“ELI”) loan in the amount of \$600,000, a National Housing Trust Fund (“NHTF”) loan in the amount of \$1,089,412, and an annual allocation of non-competitive 4% Housing Credits (“HC”) in the amount of \$1,756,234 to Fulham Terrace, Ltd. (“Applicant”) for the construction and permanent phase financing of Fulham Terrace (the proposed “Development”).

DEVELOPMENT & SET-ASIDES																						
Development Name:		<u>Fulham Terrace</u>																				
RFA/Program Numbers:		<u>2020-205</u>			/			<u>2021-252SN</u>			<u>2020-544C</u>											
Address:		<u>Mathog Road, approximately 615 feet southeast of the intersection of Mathog Road and Gibsonton Drive</u>																				
City:		<u>Riverview</u>			Zip Code:			<u>33578</u>			County:			<u>Hillsborough</u>			County Size:			<u>Large</u>		
Development Category:		<u>New Construction</u>						Development Type:						<u>Garden Apts (1-3 Stories)</u>								
Construction Type:		<u>Masonry</u>																				
Demographic Commitment:		Primary: <u>Elderly: 55+ or 62+</u> for <u>80%</u> of the Units																				
Unit Composition:		# of ELI Units: <u>18</u> ELI Units Are Restricted to <u>30%</u> AMI, or less. Total # of units with PBRA? <u>0</u>																				
		# of Link Units: <u>9</u> Are the Link Units Demographically Restricted? <u>Yes</u> # of NHTF Units: <u>5</u>																				

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	679	22%			\$338	\$82	\$256		\$256	\$256	\$256	\$6,144
1	1.0	9	679	30%			\$462	\$82	\$380		\$380	\$380	\$380	\$41,040
1	1.0	34	679	60%			\$924	\$82	\$842		\$842	\$842	\$842	\$343,536
1	1.0	13	679	80%			\$1,232	\$82	\$1,150		\$1,150	\$1,150	\$1,150	\$179,400
2	2.0	2	942	22%			\$406	\$109	\$297		\$297	\$297	\$297	\$7,128
2	2.0	8	942	30%			\$554	\$109	\$445		\$445	\$445	\$445	\$42,720
2	2.0	31	942	60%			\$1,108	\$109	\$999		\$999	\$999	\$999	\$371,628
2	2.0	13	942	80%			\$1,478	\$109	\$1,369		\$1,369	\$1,369	\$1,369	\$213,564
3	2.0	1	1,192	22%			\$469	\$136	\$333		\$333	\$333	\$333	\$3,996
3	2.0	1	1,192	30%			\$640	\$136	\$504		\$504	\$504	\$504	\$6,048
3	2.0	1	1,192	60%			\$1,281	\$136	\$1,145		\$1,145	\$1,145	\$1,145	\$13,740
3	2.0	1	1,192	80%			\$1,708	\$136	\$1,572		\$1,572	\$1,572	\$1,572	\$18,864
		116	95,018											\$1,247,808

Please note that the unit sizes shown represent the average square footage for each bedroom size. The actual total square footage for the units is 95,018 s/f as noted in the Plan and Cost Review.

As required by the Federal Fair Housing Act, at least 80% of the total units will be rented to residents that qualify as Elderly. The Applicant has committed to set-aside all units for Elderly 55+.

The Applicant selected the Average Income Test; therefore, as required by the RFA, the Applicant must set aside a minimum of 15% of the total units (18 units) as ELI Set-Aside units at 30% AMI.

Persons with Special Needs Set-Aside Commitment: The proposed Development must set aside 50% of the ELI units (9 units) as Link units for Persons with Special Needs. In order to meet the commitment to

set aside ELI units as Link units for Persons with Special Needs, the Applicant must develop and execute a Link Memorandum of Understanding (“MOU”) with at least one designated Special Needs Household Referral Agency (“Referral Agency”) serving the county and intended population where the Development will be located (Hillsborough County) and rent units to households referred by the Referral Agency with which the MOU is executed. The MOU was executed and approved by Florida Housing on March 23, 2022. However, the MOU will need to be revised to include the NHTF Link units which is a condition precedent to closing.

**NHTF Units Set-Aside Commitment:** The proposed Development must set-aside five (5) units as NHTF Link units targeted for Persons with Special Needs. These units are required to be set aside for residents earning at or below 22% of AMI and are in addition to the fifty percent (50%) requirement for ELI set-aside units. Therefore, the Development will have a total of fourteen (14) units targeted for Persons with Special Needs (ELI-9 units, NHTF-5 units). After 30 years, all of the NHTF Link units may convert to serve residents at or below 60% of AMI; however, the Persons with Special Needs set-aside commitment must be maintained throughout the entire 50-year Compliance Period. In addition, the Tenant Selection Plan, as required by RFA 2020-205, was approved by FHFC on March 22, 2022..

**Veteran Preference in Elderly Developments Commitment:** The proposed Development committed to offer a preference to Veterans on occupancy applications and waitlists throughout the 50-year Compliance Period with a goal of at least five percent (5%) of the units (7 units) in the Development being occupied by one or more Veterans. Veteran Households meet the LINK Units or other AMI Set-Aside requirements will also count towards the goal of at least five percent (5%) of the units (7 units) in the Development being occupied by one or more Veterans.

Buildings: Residential - 1 Non-Residential - 0  
 Parking: Parking Spaces - 125 Accessible Spaces - 6

**Set Asides:**

Program	% of Units	# of Units	% AMI	Term (Years)
SAIL / ELI / HC	15.517%	18	30%	50
SAIL / HC	61.207%	71	60%	50
SAIL / HC	23.276%	27	80%	50
NHTF	4.310%	5	22%	50
MMRB	15.517%	18	30%	50
MMRB	61.207%	71	60%	50
MMRB	23.276%	27	80%	50

Absorption Rate: 39 units per month for 3.0 months.

Occupancy Rate at Stabilization: Physical Occupancy 96.00% Economic Occupancy 95.00%  
 Occupancy Comments Comparables in appraisal average 100% occupancy

DDA: Yes QCT: No Multi-Phase Boost: No QAP Boost: No  
 Site Acreage: 6.11 Density: 18.9800 Flood Zone Designation: X  
 Zoning: PD, Planned Development Flood Insurance Required?: No

**SAIL, ELI, NHTF, AND HC CREDIT UNDERWRITING REPORT**

**AMERINAT**

DEVELOPMENT TEAM		
Applicant/Borrower:	Fulham Terrace, Ltd.	% Ownership
General Partner	Berkeley Fulham GP, LLC	0.0050%
Limited Partner	National Equity Fund, Inc.	99.9900%
Limited Partner	Fulham Class B, LLC	0.0050%
Construction Completion Guarantor(s):		
CC Guarantor 1:	Fulham Terrace, Ltd.	
CC Guarantor 2:	Berkeley Fulham GP, LLC	
CC Guarantor 3:	Fulham Class B, LLC	
CC Guarantor 4:	Jonathan L. Wolf	
CC Guarantor 5:	James E. Dyal	
Operating Deficit Guarantor(s):		
OD Guarantor 1:	Fulham Terrace, Ltd.	
OD Guarantor 2:	Berkeley Fulham GP, LLC	
OD Guarantor 3:	Fulham Class B, LLC	
OD Guarantor 4:	Jonathan L. Wolf	
OD Guarantor 5:	James E. Dyal	
Developer:	Fulham Terrace Developer, LLC	
General Contractor 1:	RBK3, LLC dba Roger B. Kennedy Construction	
Management Company:	Wendover Management, LLC	
Syndicator:	National Equity Fund, Inc.	
Architect:	Slocum Platts Architects	
Market Study Provider:	Walter Duke + Partners, Inc.	
Appraiser:	Walter Duke + Partners, Inc.	

PERMANENT FINANCING INFORMATION						
	1st Source	2nd Source	3rd Source	4th Source	5th Source	Other
Lien Position	1	2	3	4	5	6
Lender/Grantor	CFB	FHFC - SAIL	FHFC - SAIL CHIRP	FHFC - ELI	FHFC - NHTF	Hills Cty
Amount	\$4,000,000	\$4,000,000	\$3,510,696	\$600,000	\$1,089,412	\$6,200,000
Underwritten Interest Rate	5.50%	1.00%	1.00%	0.00%	0.00%	0.00%
All In Interest Rate	5.50%	1.00%	1.00%	0.00%	0.00%	0.00%
Loan Term	15	15	15	15	30	30
Amortization	30	n/a	n/a	n/a	n/a	n/a
Market Rate/Market Financing LTV	14%	28%	41%	43%	47%	69%
Restricted Market Financing LTV	41%	82%	118%	124%	135%	199%
Loan to Cost - Cumulative	10%	21%	30%	32%	34%	51%
Loan to Cost - SAIL Only		10%	20%			
Debt Service Coverage	1.52	1.17	1.16	1.14	1.00	1.00
Operating Deficit & Debt Service Reserves	\$240,000					
# of Months covered by the Reserves	2.4					

**SAIL, ELI, NHTF, AND HC CREDIT UNDERWRITING REPORT**

**AMERINAT**

Deferred Developer Fee	\$2,601,702
As-Is Land Value	\$2,000,000
Market Rent/Market Financing Stabilized Value	\$28,090,000
Rent Restricted Market Financing Stabilized Value	\$9,760,000
Projected Net Operating Income (NOI) - Year 1	\$438,444
Projected Net Operating Income (NOI) - 15 Year	\$453,869
Year 15 Pro Forma Income Escalation Rate	2.00%
Year 15 Pro Forma Expense Escalation Rate	3.00%
Bond Structure	Negotiated Private Sale
Housing Credit (HC) Syndication Price	\$0.9300
HC Annual Allocation - Initial Award	\$1,159,581
HC Annual Allocation - Qualified in CUR	\$1,756,234
HC Annual Allocation - Equity Letter of Interest	\$1,424,294

CONSTRUCTION/PERMANENT SOURCES:				
Source	Lender	Construction	Permanent	Perm Loan/Unit
Local HFA Bonds	BoA / CFB	\$18,500,000	\$4,000,000	\$34,483
FHFC - SAIL	FHFC	\$4,000,000	\$4,000,000	\$34,483
FHFC - SAIL	FHFC - CHIRP	\$3,510,696	\$3,510,696	\$30,265
FHFC - SAIL ELI	FHFC	\$600,000	\$600,000	\$5,172
FHFC - NHTF	FHFC	\$1,089,412	\$1,089,412	\$9,391
Local Government Subsidy	Hills Cty	\$5,313,223	\$6,200,000	\$53,448
HC Equity	NEF	\$2,718,120	\$16,331,343	\$140,787
Deferred Developer Fee	Developer	\$2,601,702	\$2,601,702	\$22,428
<b>TOTAL</b>		<b>\$38,333,153</b>	<b>\$38,333,153</b>	<b>\$330,458</b>

Credit Underwriter:	AmeriNat Loan Services		
Date of Final CUR:	10/20/2022		
TDC PU Limitation at Application:	\$269,300	TDC PU Limitation at Credit Underwriting:	\$403,725
Minimum 1st Mortgage per Rule:	\$0	Amount Dev. Fee Reduced for TDC Limit:	\$0

**Changes from the Application:**

<b>COMPARISON CRITERIA</b>	<b>YES</b>	<b>NO</b>
Does the level of experience of the current team equal or exceed that of the team described in the Application?	x	
Are all funding sources the same as shown in the Application?		1
Are all local government recommendations/contributions still in place at the level described in the Application?	x	
Is the Development feasible with all amenities/features listed in the Application?	x	
Do the site plans/architectural drawings account for all amenities/features listed in the Application?	x	
Does the Applicant have site control at or above the level indicated in the Application?	x	
Does the Applicant have adequate zoning as indicated in the Application?	x	
Has the Development been evaluated for feasibility using the total length of set-aside committed to in the Application?	x	
Have the Development costs remained equal to or less than those listed in the Application?		2
Is the Development feasible using the set-asides committed to in the Application?	x	
If the Development has committed to serve a special target group (e.g. elderly, large family, etc.), do the development and operating plans contain specific provisions for implementation?	x	
HOME ONLY: If points were given for match funds, is the match percentage the same as or greater than that indicated in the Application?	N/A	
HC ONLY: Is the rate of syndication the same as or greater than that shown in the Application?	3	
Is the Development in all other material respects the same as presented in the Application?	x	

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

1. Since the time of application, Bank of America, N.A. ("BoFA") has replaced JPMorgan Chase Bank, N.A. ("Chase") as the Construction Lender and Climate First Bank ("CFB") has replace Chase as the Permanent Lender. The Construction loan has increased form \$16,000,000 to \$18,500,000 and the Permanent loan has decreased from \$8,000,000 to \$4,000,000.

Since the time of application, the Development was awarded NHTF funds totaling \$1,089,412.

Since the time of application, the Applicant applied for additional FHFC Loan funding through FHFC's ITP - 2022 SAIL CHIRP. The additional funds will be SAIL Program funds and will be added to the initial Second Mortgage SAIL commitment in the amount of \$4,000,00 and will therefore, have the same rate and terms. Based on the sizing criteria and parameters set forth in the ITP - 2022 SAIL CHIRP, the Development will receive additional SAIL funds in the amount of \$3,510,696, for a total Second Mortgage SAIL of \$7,510,696.



Since the time of application, the Local Government Subsidy from Hillsborough County Affordable Housing Services has increased from \$115,000 to \$6,200,000.

2. Total Development Costs have increased by \$11,627,152 or 43.54% from \$26,706,001 to \$38,333,153 since the Application due to increases in the construction costs, general development costs, Developer Fee and the inclusion of an ODR.
3. The rate of syndication to be provided by the National Equity Fund, Inc. ("NEF") decreased from \$0.94 as illustrated in the application to \$0.93 as illustrated in a Letter of Intent ("LOI") provided by the Applicant, dated June 20, 2022.

Does the Development Team have any FHFC Financed Developments on the Past Due/Non-Compliance Report?

According to the FHFC Asset Management Noncompliance Report, dated June 9, 2020, no noncompliance items exist for the Development Team.

According to the FHFC Past Due Report, dated September 22, 2022, no past due items exist for the Development Team.

This recommendation is subject to satisfactory resolution of any outstanding past due items and/or noncompliance items applicable to the Development Team prior to closing and the issuance of the annual HC allocation recommended herein.

Strengths:

1. The Development Team has demonstrated the ability to successfully develop and operate affordable multifamily rental communities using a variety of different subsidies.
2. AmeriNat requested and reviewed a satisfactory market study prepared by Walter Duke + Partners, Inc. ("Walter Duke") dated September 7, 2022. The market study concludes that, based on market research and demographic analysis, sufficient demand exists for the Development as evidenced by the Primary Market Area ("PMA") occupancy rate of 100%.

Other Considerations:

1. In accordance with RFA 2020-205, FHFC limits the Total Development Cost ("TDC") per unit to a figure based on the average cost to deliver new construction units. The Applicant indicates the proposed Development is to be new construction, garden style, Enhanced Structural Systems ("ESS") apartments which allows for a per unit cost of \$269,300.00 at the time of application. The TDC was increased to \$403,725.38 per unit at the April 1, 2022, FHFC Telephonic Board meeting. With 116 units, the maximum TDC, less the Operating Deficit Reserve and Land, for the Development is therefore \$46,832,144. TDC, exclusive of land acquisition cost and Operating Deficit Reserve, is \$311,147.87 per unit, which is within the per unit limitation. As such, no adjustment to the Total Developer Fee is necessary as the TDC is within the limit as allowed for in the RFA.
2. To the underwriter's knowledge, no construction cost exceeding 20%, or 25% of the construction cost to a subcontractor to deliver the shell of the building that is less than five (5) stories, is subcontracted to any one entity.
3. To the underwriter's knowledge, no construction cost shall be subcontracted to any entity that has common ownership or is an Affiliate of the General Contractor or Developer.

Issues and Concerns:

None

Waiver Requests:

1. According to the RFA, the Corporation will review the limited partnership agreement or limited liability company operating agreement language on reserves for compliance with the RFA requirement. If the limited partnership agreement or limited liability company operating agreement does not specifically state that the parties will comply with the Corporation's RFA requirements, the Corporation will require an amendment of the agreement and will not issue IRS form(s) 8609 until the amendment is executed and provided to the Corporation. The RFA includes language restricting the disposition of any funds remaining in any operating deficit reserve(s) after the term of the reserve's original purpose has terminated or is near termination. The RFA also requires the Corporation to review the limited partnership agreement or limited liability company operating agreement language on reserves for compliance with the RFA requirement. While Florida Housing will continue to require the Applicant to adhere to all requirements in the RFA including the restrictions on the disposition of any funds in an operating deficit reserve account, Florida Housing will not monitor the limited partnership agreement or limited liability company operating agreement language for compliance with these requirements, as this would require analysis of a legal contract. This deviation in process was included as an Information item in the April 29, 2022, FHFC Board Meeting.

Special Conditions:

1. Receipt of liquidity statements for RBK3, LLC ("RBK3") are a condition precedent to closing.
2. Receipt of a loan agreement that illustrates the terms and conditions of the HC AHS funds is a condition precedent to closing.
3. Receipt and approval of an updated MOU is a condition precedent to closing.
4. Completion of the HUD Section 3 pre-construction conference is a condition precedent to closing.
5. The Development shall meet the Section 3 requirements of the Housing and Urban Development Act of 1968 as amended (12 U.S.C. 1701u and 24 CFR Part 135) is a condition precedent to closing.
6. Receipt of an executed Management Agreement is a condition precedent to closing.

Additional Information:

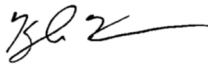
1. Based upon an estimated Net Operating Income ("NOI") of \$438,444 for the proposed Development's initial year of stabilized operations; the first mortgage loan can be supported by operations at a 1.52x to 1.00 Debt Service Coverage ("DSC"). The combined amount of the First Mortgage and SAIL Loan can be supported by operations at a 1.17x to 1.00 DSC. All mortgage loans and fees can be supported by operations at a 1.00x to 1.00 DSC.
2. 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 AmeriNat in this report, in part, rely upon assumptions made by third-party reports that are unable to predict the impacts of the virus.

Recommendation:

AmeriNat recommends Florida Housing issue a SAIL loan in the amount of \$4,000,000, a SAIL CHIRP loan in the amount of \$3,510,696, an ELI loan in the amount of \$600,000, a NHTF loan in the amount of \$1,089,412, and an annual allocation of non-competitive 4% HC in the amount of \$1,756,234 to the Applicant for the construction and permanent phase financing of the proposed Development.

These recommendations are based upon the assumptions detailed in the Report Summary (Section A) and Supporting Information and Schedules (Section C). In addition, these recommendations are subject to the Housing Credit Allocation Contingencies (Section B). This recommendation is only valid for six months from the date of the report. The reader is cautioned to refer to these sections for complete information.

Prepared by:



Kyle Kuenn  
Sr. Credit Underwriter

Reviewed by:



Tom Loulodes  
Credit Underwriting Manager

**Overview**

**Construction Financing Sources:**

Source	Lender	Applicant's Total	Applicant's Revised Total	Underwriter's Total	Interest Rate	Debt Service During Construction
Local HFA Bonds	BoA	\$16,000,000	\$18,500,000	\$18,500,000	6.50%	\$1,110,161
FHFC - SAIL	FHFC	\$4,000,000	\$4,000,000	\$4,000,000	1.00%	\$0
FHFC - SAIL	FHFC - CHIRP	\$0	\$3,224,906	\$3,510,696	1.00%	\$0
FHFC - SAIL ELI	FHFC	\$600,000	\$600,000	\$600,000	0.00%	\$0
FHFC - NHTF	FHFC	\$0	\$1,089,412	\$1,089,412	0.00%	\$0
Local Government Subsidy	Hills Cty	\$115,000	\$6,200,000	\$5,313,223	1.00%	\$0
HC Equity	NEF	\$2,724,743	\$2,725,788	\$2,718,120		
Deferred Developer Fee	Developer	\$3,266,258	\$1,964,578	\$2,601,702		
<b>Total :</b>		<b>\$26,706,001</b>	<b>\$38,304,684</b>	<b>\$38,333,153</b>		<b>\$1,110,161</b>

Proposed First Mortgage Loan:

The Applicant provided a term sheet (“Term Sheet”) dated September 1, 2022, from Bank of America, N.A. (“BofA”) that illustrates the terms in which BofA will make a construction loan in the amount up to \$18,500,000. Per the Term Sheet, the construction loan shall have an initial term of 30 months with one, six-month conditional loan term extension available. The loan is interest-only during the construction period with payments due monthly. The loan shall bear interest at a variable per annum equal to the BSBY Daily Floating Rate (“BSBY”) plus a lender’s spread of 2.50%. While the BSBY has a floor of 0.75%, the BSBY rate was 2.4965% as of September 26, 2022, and was used herein. In addition, AmeriNat added an additional 1.50% underwriting cushion for an all-in interest rate of 6.50%.

Proposed SAIL / CHIRP Loan:

The Applicant applied to Florida Housing for a SAIL loan in the amount of \$4,000,000 under RFA 2020-205 for the construction/permanent financing of the Development. Based on the application to FHFC and requirements of the SAIL CHIRP, the Applicant has been tentatively awarded \$3,510,696 in additional funding. The Development will receive SAIL funds in the total amount of \$7,510,696. The SAIL CHIRP loan terms will be made under the same terms of the original SAIL loan. The SAIL loan and the SAIL CHIRP loan will be closed as one loan and will have one set of closing documents but have been separated for presentation purposes. The SAIL loan total term will be 18 years (including a 36-month construction/stabilization period) and will be coterminous with the first mortgage as permitted by Rule 67-48. The SAIL loan shall be non-amortizing with a 1.00% interest rate over the life of the loan with annual payments based upon available cash flow as determined by Florida Housing. Any unpaid interest will be deferred until cash flow is available. However, at maturity of the SAIL loan, all principal and accrued interest will be due. Annual payments of all applicable fees will be required. SAIL loan proceeds shall be disbursed during the construction phase in an amount per construction draw which does not exceed the ratio of the SAIL loan to Total Development Costs, unless approved by the credit underwriter.

The Applicant applied for 2022 CHIRP funding from FHFC in the form of an additional SAIL loan. The maximum SAIL CHIRP amount will be the lesser of (a) the maximum determined via a gap analysis (Total Development Costs less permanent funding sources, subject to minimum funding sources); (b) per funding maximum dollar limits outlined in this ITP, or (c) 30 percent of the updated General Contractor contract,

inclusive of verified construction cost increases, plus other increased development costs related to these increased construction costs and the additional funding amount. The other increased development costs identified in (c) are limited to (i) developer fee, (ii) Corporation fees and (iii) construction financing as reviewed and approved by the credit underwriter. As the Applicant has an active SAIL Award, the maximum amount of the SAIL CHIRP funding allowable is \$4,300,000. Additionally, for Active Awards without Competitive Housing Credits, if the actual first mortgage amount is being updated, then a minimum first mortgage amount will be sized based on a debt service coverage ratio limitation acceptable to the Regulated Mortgage Lender, but not to exceed 1.30x for CHIRP sizing purposes. The amount of the SAIL CHIRP loan has been sized to \$3,510,696.

Proposed ELI Loan:

The Applicant applied to Florida Housing for an ELI loan of \$600,000 for the construction financing of the Development. The ELI loan shall be non-amortizing with a 0% interest rate over the life of the loan with principal forgivable at maturity provided the units are targeted to ELI Households for the first 15 years of the 50-year Compliance Period. The Persons with Special Needs set-aside requirement must be maintained throughout the entire 50-year Compliance Period. The ELI loan total term will be up to 18 years (including a 36-month construction/stabilization period) and will be coterminous with the first mortgage as permitted by the RFA. ELI loan proceeds shall be disbursed during the construction phase in an amount per construction draw which does not exceed the ratio of the ELI loan to Total Development Costs, unless approved by the credit underwriter.

Proposed NHTF Loan:

The Applicant received a preliminary commitment for additional funding in the form of a National Housing Trust Fund ("NHTF") loan in an amount up to \$1,089,412. The NHTF loan will subsidize additional deep targeted units for Persons with Special Needs ("NHTF Link units") at 22% AMI. In exchange for the NHTF funds, the Development will be required to set aside five (5) units as NHTF Link units. The NHTF Link units will be in addition to the requirement to set aside 50% of the total units as ELI set-aside units and the required number of Link Units for Persons with Special Needs. The NHTF loan shall be a non-amortizing loan with an interest rate of 0.00% per annum for a total term of 30 years (including a 36-month construction/stabilization period). The principal of the loan will be forgiven at maturity provided the units for which the NHTF loan amount is awarded are targeted as NHTF Link units for the first 30 years of the 50-year Compliance Period. NHTF loan proceeds shall be disbursed during the construction phase in an amount per construction draw which does not exceed the ratio of the NHTF loan to Total Development Costs, unless approved by the credit underwriter.

Proposed Local Government Subsidy:

On May 26, 2020, the Hillsborough County Affordable Housing Services ("HC AHS") awarded \$5,000,000 of Multi-Family funding to the Applicant. The award will consist of a combination of HOME Investment Partnerships Program, the Community Development Block Grant Program, the State Housing Initiatives Partnership Program, and the Local Housing Fund ("HOPE Act"). The HC ACS award was increased to \$6,200,000. The anticipated terms of the award are that the loan shall be non-amortizing with interest-only payments at an interest rate of 1.00% interest rate to be paid annually in arrears out of available project cash flow after payment of Project Expenses (predetermined by the County) and senior debt service, hereinafter referred to as "Net Cash Flow," for a period of thirty years. Receipt of a loan agreement that illustrates the terms and conditions of the HC AHS funds is a condition precedent to closing. The full HC AHS award is anticipated to be available to the Applicant during construction; however, for presentation purposes, AmeriNat illustrates only \$5,313,223.

Additional Construction Sources of Funds:

The Applicant provided a Letter of Interest (“LOI”), dated June 20, 2022 from National Equity Fund, Inc. (“NEF”) that outlines the terms and conditions of the purchase of the HC. NEF, or an affiliate, will provide a net equity investment of \$13,244,610 in exchange for a 99.99% Investment Member ownership interest and a proportionate share of the annual HC allocation estimated by NEF to be \$1,424,294. The HC allocation will be syndicated at a rate of \$0.9300 per \$1.00 of delivered tax credits. An initial HC equity infusion \$2,204,377 will be available at construction loan closing, which satisfies the 15% FHFC requirement. According to the LOI, there will be no other HC equity installments available during construction.

However, AmeriNat estimates an annual HC allocation of \$1,756,234. Based on this allocation amount, AmeriNat estimates an initial equity infusion of \$2,718,120 will be available during construction.

Deferred Developer Fee:

The Applicant will be required to defer \$2,601,702 or 47% of the total developer fee during the construction phase. SAIL CHIRP funding requires a minimum of 30% of Developer Fee be deferred.

**Permanent Financing Sources:**

Source	Lender	Applicant's Total	Applicant's Revised Total	Underwriter's Total	Interest Rate	Amortization Years	Term Years	Annual Debt Service
Local HFA Bonds	CFB	\$8,000,000	\$4,000,000	\$4,000,000	5.50%	30	15	\$272,539
FHFC - SAIL	FHFC	\$4,000,000	\$4,000,000	\$4,000,000	1.00%	n/a	15	\$40,000
FHFC - SAIL	FHFC - CHIRP	\$0	\$3,224,906	\$3,510,696	1.00%	n/a	15	\$35,107
FHFC - SAIL ELI	FHFC	\$600,000	\$600,000	\$600,000	0.00%	n/a	15	\$0
FHFC - NHTF	FHFC	\$0	\$1,089,412	\$1,089,412	0.00%	n/a	30	\$0
Local Government Subsidy	Hills Cty	\$115,000	\$6,200,000	\$6,200,000	1.00%	n/a	30	\$55,427
HC Equity	NEF	\$10,898,971	\$16,420,409	\$16,331,343				
Deferred Developer Fee	Developer	\$3,092,030	\$2,769,957	\$2,601,702				
<b>Total :</b>		<b>\$26,706,001</b>	<b>\$38,304,684</b>	<b>\$38,333,153</b>				<b>\$403,073</b>

**Proposed First Mortgage Loan:**

The Applicant provided a Letter of Interest (“LOI”) from CFB, dated September 23, 2022, for a permanent loan in an amount up to \$4,000,000 that will repay a portion of the construction loan. The CFB loan is not to exceed 75% of the stabilized, rent restricted appraised value of the Development. The CFB permanent loan terms include repayment based on a 15-year term after permanent loan closing and 30-year amortization. The interest rate will be locked at, or prior to, construction loan closing. The interest rate is fixed at an all-in interest rate of 5.50%.

In order to fund the CFB permanent loan, and repay a portion of the construction loan, the Development must achieve the following: 1) 1.15x Debt Service Coverage Ratio (DSCR) for a minimum period of three consecutive months, as calculated by CFB, and 2) The Development must be 90% leased for a minimum of 90 days with 75% of the leased units occupied with lease terms of at least one year.

**Proposed SAIL / CHIRP Loan:**

The Applicant applied to Florida Housing for a SAIL loan in the amount of \$4,000,000 under RFA 2020-205 for the construction/permanent financing of the Development. Based on the application to FHFC and requirements of the SAIL CHIRP, the Applicant has been tentatively awarded \$3,510,696 in additional funding. The Development will receive SAIL funds in the total amount of \$7,510,696. The SAIL CHIRP loan terms will be made under the same terms of the original SAIL loan. The SAIL loan and the SAIL CHIRP loan will be closed as one loan and will have one set of closing documents but have been separated for presentation purposes. The SAIL loan total term will be 18 years (including a 36-month construction/stabilization period) and will be coterminous with the first mortgage as permitted by Rule 67-48. The SAIL loan shall be non-amortizing with a 1.00% interest rate over the life of the loan with annual payments based upon available cash flow as determined by Florida Housing. Any unpaid interest will be deferred until cash flow is available. However, at maturity of the SAIL loan, all principal and accrued interest will be due. Annual payments of all applicable fees will be required.

Annual payments of all applicable fees will be required. Fees include an annual Permanent Loan Servicing Fee of 25 bps of the outstanding loan amount up to a maximum of \$909 per month, subject to a minimum of \$229 per month and an annual Compliance Monitoring Multiple Program Fee of \$993.

The Applicant applied for 2022 CHIRP funding from FHFC in the form of an additional SAIL loan. The maximum SAIL CHIRP amount will be the lesser of (a) the maximum determined via a gap analysis (Total Development Costs less permanent funding sources, subject to minimum funding sources); (b) per funding maximum dollar limits outlined in this ITP, or (c) 30 percent of the updated General Contractor contract, inclusive of verified construction cost increases, plus other increased development costs related to these increased construction costs and the additional funding amount. The other increased development costs

identified in (c) are limited to (i) developer fee, (ii) Corporation fees and (iii) construction financing as reviewed and approved by the credit underwriter. As the Applicant has an active SAIL Award, the maximum amount of the SAIL CHIRP funding allowable is \$4,300,000. Additionally, for Active Awards without Competitive Housing Credits, if the actual first mortgage amount is being updated, then a minimum first mortgage amount will be sized based on a debt service coverage ratio limitation acceptable to the Regulated Mortgage Lender, but not to exceed 1.30x for CHIRP sizing purposes. The amount of the SAIL CHIRP loan has been sized to \$3,510,696.

Proposed ELI Loan:

The Applicant applied to Florida Housing for an ELI loan of \$600,000 for the construction financing of the Development. The ELI loan shall be non-amortizing with a 0% interest rate over the life of the loan with principal forgivable at maturity provided the units are targeted to ELI Households for the first 15 years of the 50-year Compliance Period. The Persons with Special Needs set-aside requirement must be maintained throughout the entire 50-year Compliance Period. The ELI loan total term will be up to 18 years (including a 36-month construction/stabilization period) and will be coterminous with the first mortgage as permitted by the RFA. Fees include an annual Permanent Loan Servicing Fee of 25 bps of the outstanding loan amount up to a maximum of \$909 per month, subject to a minimum of \$229 per month and an annual Compliance Monitoring Multiple Program Fee of \$993.

Proposed NHTF Loan:

The Applicant received a preliminary commitment for additional funding in the form of a National Housing Trust Fund ("NHTF") loan in an amount up to \$1,089,412. The NHTF loan will subsidize additional deep targeted units for Persons with Special Needs at 22% AMI. In exchange for the NHTF funds, the Development will be required to set aside five (5) units as NHTF Link units. The NHTF Link units will be in addition to the requirement to set aside 50% of the total units as ELI set-aside units and the required number of Link Units for Persons with Special Needs. The NHTF loan shall be a non-amortizing loan with an interest rate of 0.00% per annum for a total term of 30 years (including a 36-month construction/stabilization period). The principal of the loan will be forgiven at maturity provided the units for which the NHTF loan amount is awarded are targeted as NHTF Link units for the first 30 years of the 50-year Compliance Period. Fees include an annual Permanent Loan Servicing Fee of 25 bps of the outstanding loan amount up to a maximum of \$909 per month, subject to a minimum of \$229 per month and an annual Compliance Monitoring Multiple Program Fee of \$993.

Proposed Local Government Subsidy:

On May 26, 2020, the Hillsborough County Affordable Housing Services ("HC AHS") awarded \$5,000,000 of Multi-Family funding to the Applicant. The award will consist of a combination of HOME Investment Partnerships Program, the Community Development Block Grant Program, the State Housing Initiatives Partnership Program, and the Local Housing Fund ("HOPE Act"). The HC ACS award was increased to \$6,200,000. The anticipated terms of the award are that the loan shall be non-amortizing with interest-only payments at an interest rate of 1.00% interest rate to be paid annually in arrears out of available project cash flow after payment of Project Expenses (predetermined by the County) and senior debt service, hereinafter referred to as "Net Cash Flow," for a period of thirty years. Receipt of a loan agreement that illustrates the terms and conditions of the HC AHS funds is a condition precedent to closing.



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Additional Permanent Sources of Funds:

Per the NEF LOI dated June 20, 2022, NEF, or an affiliate, will make a net equity investment of \$13,244,610 in exchange for a 99.99% Investment Member ownership interest and a proportionate share of the annual HC allocation estimated by NEF to be \$1,424,294. The HC allocation will be syndicated at a rate of \$0.9300 per \$1.00 of delivered tax credits. Per the LOI, the HC equity contribution is to be paid as follows:

Capital Contributions	Amount	Percent of Total	Due upon
1st Installment	\$2,204,377	16.64%	Admission of NEF to LP and commencement of construction
2nd Installment	\$2,204,377	16.64%	Later of i) substantial completion of construction; ii) Temp C.O., iii) Architect certificate of construction completion; iv) Final title insurance v) Draft cost certification, and vi) 1/1/24
3rd Installment	\$8,709,013	65.76%	Later of i) 100% qualified occupancy, ii) Perm Loan conversion, iii) Achievement of stabilized occupancy, iv) "As-built" survey, v) Final lien waivers from GC, vi) Final cost cert, vii) Recorded Extended Use Agreement, or viii) 10/1/24
4th Installment	\$63,422	0.48%	Receipt of IRS Forms 8609
5th Installment	\$63,421	0.48%	Receipt of first year's tax return and K-1
<b>Total:</b>	<b>\$13,244,610</b>	<b>100%</b>	

Annual Credits Per Syndication Agreement	\$1,424,294
Total Credits Per Syndication Agreement	\$14,242,940
Calculated HC Rate:	\$0.9300
Limited Partner Ownership Percentage	99.99%
Proceeds During Construction	\$2,204,377

However, AmeriNat estimates an annual HC allocation of \$1,756,234. Based on this allocation amount, the HC equity contribution will be paid as follows:

Capital Contributions	Amount	Percent of Total	Due upon
1st Installment	\$2,718,120	16.64%	Admission of NEF to LP and commencement of construction
2nd Installment	\$2,718,120	16.64%	Later of i) substantial completion of construction; ii) Temp C.O., iii) Architect certificate of construction completion; iv) Final title insurance v) Draft cost certification, and vi) 1/1/24
3rd Installment	\$10,738,699	65.76%	Later of i) 100% qualified occupancy, ii) Perm Loan conversion, iii) Achievement of stabilized occupancy, iv) "As-built" survey, v) Final lien waivers from GC, vi) Final cost cert, vii) Recorded Extended Use Agreement, or viii) 10/1/24
4th Installment	\$78,203	0.48%	Receipt of IRS Forms 8609
5th Installment	\$78,202	0.48%	Receipt of first year's tax return and K-1
<b>Total:</b>	<b>\$16,331,343</b>	<b>100%</b>	

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Annual Credits Per Syndication Agreement	\$1,756,234
Total Credits Per Syndication Agreement	\$17,562,340
Calculated HC Rate:	\$0.9300
Limited Partner Ownership Percentage	99.99%
Proceeds During Construction	\$2,718,120

Deferred Developer Fee:

The Developer will be required to permanently defer \$2,601,702 or 47% in Developer Fee after stabilization. As illustrated in the CHIRP ITP, the Developer will be required to defer a minimum of 30% of the Developer Fee. As noted in the Permanent Sources, the Applicant meets this requirement.

**Uses of Funds**

<b>CONSTRUCTION COSTS:</b>	<b>Applicant Costs</b>	<b>Revised Applicant Costs</b>	<b>Underwriters Total Costs - CUR</b>	<b>Cost Per Unit</b>	<b>HC Ineligible Costs - CUR</b>
New Rental Units	\$13,235,508	\$18,966,000	\$18,809,529	\$162,151	\$0
Site Work	\$1,100,000	\$2,500,000	\$2,669,283	\$23,011	\$576,221
Constr. Contr. Costs subject to GC Fee	\$14,335,508	\$21,466,000	\$21,478,812	\$185,162	\$576,221
General Conditions	\$0	\$1,287,960	\$1,288,531	\$11,108	\$0
Overhead	\$0	\$429,320	\$429,510	\$3,703	\$0
Profit	\$1,992,971	\$1,287,960	\$1,288,531	\$11,108	\$0
Payment and Performance Bonds	\$0	\$150,000	\$135,856	\$1,171	\$0
<b>Total Construction Contract/Costs</b>	<b>\$16,328,479</b>	<b>\$24,621,240</b>	<b>\$24,621,240</b>	<b>\$212,252</b>	<b>\$576,221</b>
Hard Cost Contingency	\$811,424	\$1,224,269	\$1,231,062	\$10,613	\$0
FF&E paid outside Constr. Contr.	\$300,000	\$450,000	\$450,000	\$3,879	\$0
<b>Total Construction Costs:</b>	<b>\$17,439,903</b>	<b>\$26,295,509</b>	<b>\$26,302,302</b>	<b>\$226,744</b>	<b>\$576,221</b>

*Notes to Actual Construction Costs:*

1. The Applicant provided an executed Standard Form of Agreement Between Owner and Contractor where the basis of payment is the Cost of the Work Plus a Fee with a Guaranteed Maximum Price in the amount of \$24,621,240 (the "Construction Contract"). The Construction Contract is dated as of August 19, 2022 and is between the Applicant and RBK3, LLC ("RBK3" or "General Contractor"). The Construction Contract states the General Contractor will achieve substantial completion no later than 546 days following commencement. The Owner will withhold 10% retainage from payment for all completed work until the Development reaches 50% completion, at which time retainage will be reduced to 0% thereafter.
2. The General Contractor's Fee (consisting of general conditions, overhead, and profit) does not exceed 14.00% of allowable hard costs as allowed by the RFA and Rules 67-21 and 67-48. The General Contractor's fee stated herein is for credit underwriting purposes only, and the final General Contractor's fee will be determined pursuant to the final cost certification process as per Rules 67-21 and 67-48.
3. A Plan and Cost Review ("PCR") was engaged by AmeriNat and performed by On Solid Ground ("OSG"). OSG summarized its findings, conclusions and recommendations in a PCR dated September 21, 2022. The review concludes that overall costs to construct are sufficient for satisfactory completion of the proposed development. The costs, less sitework, for similar type developments identified in the PCR range from \$167,204 / unit to \$197,859 / unit, and average \$178,582 / unit. The Development has a projected unit cost of \$187,127 per unit. On a per square foot basis, the costs, less sitework, range from \$169.41 / s.f. to \$191.84 / s.f., and average \$176.14 / s.f. The Development's cost is projected to be \$166.93 / s.f. According to OSG, the proposed Development does qualify as "Enhanced Structural Systems Construction" or "ESS Construction".

The Construction Contract includes the following Allowances:

Rough carpentry materials	\$1,602,000
Wood roof and floor trusses	\$998,330
Monument signage and structure	\$25,000
Structural steel columns	\$18,500
Drywall materials	\$470,000
Building/Unit signage	\$25,000
Downspout tie-in piping	\$25,000
Irrigation water source	\$24,000

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Clubhouse appliances	\$5,000
Clubhouse access control/security/CCTV	\$100,000
Primary electric conduit	\$80,000
DAS system conduit	\$25,000
<u>Wireless nurse call system</u>	<u>\$67,000</u>
<b>Total</b>	<b>\$3,464,830</b>

The volatility in rising construction costs since the Covid-19 pandemic is resulting in more construction agreements including a higher number of Allowances than normal. It is OSG’s opinion that the specified Allowances are reasonable for this project.

4. A hard cost contingency of 5% is included in the development budget. It is supported by the plan and cost review and within the limits illustrated in Rule Chapters 67-21 and 67-48 and the RFA.

<b>GENERAL DEVELOPMENT COSTS:</b>	<b>Applicant Costs</b>	<b>Revised Applicant Costs</b>	<b>Underwriters Total Costs - CUR</b>	<b>Cost Per Unit</b>	<b>HC Ineligible Costs - CUR</b>
Accounting Fees	\$25,000	\$25,000	\$25,000	\$216	\$25,000
Appraisal	\$10,000	\$20,000	\$6,000	\$52	\$0
Architect’s Fee - Landscape	\$0	\$50,000	\$50,000	\$431	\$0
Architect’s Fee - Site/Building Design	\$275,000	\$225,000	\$182,000	\$1,569	\$0
Architect’s Fee - Supervision	\$25,000	\$25,000	\$25,000	\$216	\$0
Building Permits	\$100,000	\$139,200	\$139,200	\$1,200	\$0
Builder’s Risk Insurance	\$45,000	\$139,200	\$139,200	\$1,200	\$0
Engineering Fees	\$175,000	\$225,000	\$168,080	\$1,449	\$0
Environmental Report	\$15,000	\$15,000	\$15,000	\$129	\$0
FHFC Administrative Fees	\$104,590	\$158,923	\$158,061	\$1,363	\$158,061
FHFC Application Fee	\$3,000	\$3,000	\$3,000	\$26	\$3,000
FHFC Credit Underwriting Fee	\$23,891	\$23,891	\$29,475	\$254	\$29,475
FHFC Compliance Fee	\$220,904	\$220,904	\$227,521	\$1,961	\$227,521
Impact Fee	\$173,511	\$173,511	\$173,511	\$1,496	\$0
Lender Inspection Fees / Const Admin	\$20,000	\$20,000	\$51,528	\$444	\$0
Green Building Cert. (LEED, FGBC, NAHB)	\$40,000	\$40,000	\$47,000	\$405	\$0
Insurance	\$100,000	\$50,000	\$50,000	\$431	\$0
Legal Fees - Organizational Costs	\$300,000	\$375,000	\$375,000	\$3,233	\$225,000
Market Study	\$10,000	\$20,000	\$5,500	\$47	\$5,500
Marketing and Advertising	\$100,000	\$125,000	\$125,000	\$1,078	\$125,000
Plan and Cost Review Analysis	\$0	\$0	\$2,900	\$25	\$0
Property Taxes	\$15,000	\$50,000	\$50,000	\$431	\$0
Soil Test	\$0	\$20,000	\$20,000	\$172	\$0
Survey	\$10,000	\$20,000	\$20,000	\$172	\$0
Title Insurance and Recording Fees	\$100,000	\$100,000	\$100,000	\$862	\$50,000
Utility Connection Fees	\$106,750	\$106,750	\$106,750	\$920	\$0
Soft Cost Contingency	\$100,000	\$165,456	\$114,736	\$989	\$0
<b>Total General Development Costs:</b>	<b>\$2,097,646</b>	<b>\$2,535,835</b>	<b>\$2,409,462</b>	<b>\$20,771</b>	<b>\$848,557</b>

*Notes to the General Development Costs:*

1. AmeriNat reflects actual costs for the appraisal, market study, and plan and cost review analysis.
2. AmeriNat reflects the costs associated with the Architect’s fees as stated in an executed Standard Form of Agreement between the Applicant and Slocum Platts Architects dated August 13, 2021, which was reviewed by AmeriNat.
3. AmeriNat reflects the costs associated with the Engineer’s fees as stated in an executed proposal between the Applicant and Fuxan Engineering, Inc. dated April 22, 2020, which was reviewed by

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AmeriNat. An additional engineering proposal dated May 7, 2021, was submitted between Avcon, Inc., which was also reviewed by AmeriNat.

4. FHFC Administrative Fee is based upon a fee of 9% of the annual HC recommended herein.
5. The FHFC HC Compliance Fee was derived from the 2022 HC Compliance Monitoring Fee spreadsheet.
6. FHFC Credit Underwriting Fee includes the SAIL and ELI credit underwriting fee (\$14,479), Multiple Program Fee for NHTF (\$4,850), Multiple Program Fee for 4% HC (\$4,850), Multiple Program Fee for CHIRP (\$4,996), and credit reporting fees (\$300).
7. Green Building Certification cost based upon a proposal dated December 3, 2021 from Trifecta.
8. A soft cost contingency of 5% has been underwritten, which is consistent with the RFA and Rules 67-21 and 67-48 and may be utilized by the Applicant in the event soft costs exceed estimates.
9. The remaining general development costs appear reasonable.

FINANCIAL COSTS:	Applicant Costs	Revised Applicant Costs	Underwriters Total Costs - CUR	Cost Per Unit	HC Ineligible Costs - CUR
Construction Loan Origination Fee	\$46,750	\$0	\$92,500	\$797	\$0
Construction Loan Closing Costs	\$100,000	\$75,000	\$75,000	\$647	\$0
Construction Loan Interest	\$676,788	\$941,496	\$1,110,161	\$9,570	\$296,653
Permanent Loan Origination Fee	\$80,000	\$40,000	\$40,000	\$345	\$40,000
Permanent Loan Closing Costs	\$50,000	\$50,000	\$50,000	\$431	\$50,000
Local HFA Bond Cost of Issuance	\$396,202	\$430,202	\$221,492	\$1,909	\$221,492
SAIL Commitment Fee	\$0	\$140,249	\$75,107	\$647	\$75,107
SAIL-ELI Commitment Fee	\$0	\$0	\$6,000	\$52	\$6,000
Misc Loan Origination Fee	\$0	\$0	\$62,000	\$534	\$62,000
Other: <a href="#">Syndication Legal</a>	\$50,000	\$55,000	\$55,000	\$474	\$55,000
Other: <a href="#">FHFC Extension Fee</a>	\$0	\$0	\$56,894	\$490	\$56,894
Other: <a href="#">FHFC Closing Cost</a>	\$0	\$0	\$31,500	\$272	\$31,500
<b>Total Financial Costs:</b>	<b>\$1,399,740</b>	<b>\$1,731,947</b>	<b>\$1,875,654</b>	<b>\$16,169</b>	<b>\$894,646</b>
<b>Dev. Costs before Acq., Dev. Fee &amp; Reserves</b>	<b>\$20,937,289</b>	<b>\$30,563,291</b>	<b>\$30,587,418</b>	<b>\$263,685</b>	<b>\$2,319,424</b>

*Notes to the Financial Costs*

1. Financial costs were derived from the representations illustrated in the LOIs and loan documents for the construction and permanent financing.
2. The Construction Loan Interest was calculated based on terms illustrated in the LOI from BofA, the duration of construction referenced in the Construction Contract and the resultant calculation completed by AmeriNat through the use of a construction draw schedule provided by the Applicant.
3. The SAIL Commitment Fee is 1.00% of the SAIL / SAIL CHIRP loan amount.
4. The SAIL ELI Commitment Fee is 1.00% of the loan amount.
5. FHFC Extension Fee for the SAIL, ELI & NHTF firm loan commitment issuance deadline is \$56,894.
6. FHFC Closing Cost for counsel fees consists of SAIL \$12,500, ELI \$6,500 and NHTF \$12,500 for a total of \$31,500.
7. Legal fees are based on Applicant estimates.

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<b>DEVELOPER FEE ON NON-ACQUISITION COSTS</b>	<b>Applicant Costs</b>	<b>Revised Applicant Costs</b>	<b>Underwriters Total Costs - CUR</b>	<b>Cost Per Unit</b>	<b>HC Ineligible Costs - CUR</b>
Developer Fee - Unapportioned	\$3,768,712	\$5,501,393	\$5,505,735	\$47,463	\$0
<b>Total Other Development Costs:</b>	<b>\$3,768,712</b>	<b>\$5,501,393</b>	<b>\$5,505,735</b>	<b>\$47,463</b>	<b>\$0</b>

*Notes to the Other Development Costs:*

- Total Developer Fee is estimated to be \$5,505,735 and does not exceed 18% of Development Costs exclusive of Land Costs and Reserves as permitted by the RFA and Rules 67-21 and 67-48. As illustrated in the ITP – 2022 CHIRP, the Developer will be required to defer a minimum of 30% of the Developer Fee. As noted in the Permanent Sources, the Applicant meets this requirement.

<b>LAND ACQUISITION COSTS</b>	<b>Applicant Costs</b>	<b>Revised Applicant Costs</b>	<b>Underwriters Total Costs - CUR</b>	<b>Cost Per Unit</b>	<b>HC Ineligible Costs - CUR</b>
Land	\$2,000,000	\$2,000,000	\$2,000,000	\$17,241	\$2,000,000
<b>Total Acquisition Costs:</b>	<b>\$2,000,000</b>	<b>\$2,000,000</b>	<b>\$2,000,000</b>	<b>\$17,241</b>	<b>\$2,000,000</b>

*Notes to Land Acquisition Costs:*

1. The Applicant provided a Purchase and Land Sale Agreement (the “Agreement”) executed as of March 27, 2020, between Riverview West, LLC (the “Seller”) and the Applicant. The Agreement illustrates the terms in which the Seller will convey the property to the Applicant for a purchase price of \$2,000,000.
2. An Appraisal performed by Walter Duke dated September 7, 2022, identified an “As Is” value for the vacant land of \$2,000,000, which supports the purchase price.

<b>RESERVE ACCOUNTS</b>	<b>Applicant Costs</b>	<b>Revised Applicant Costs</b>	<b>Underwriters Total Costs - CUR</b>	<b>Cost Per Unit</b>	<b>HC Ineligible Costs - CUR</b>
Operating Deficit Reserve (Syndicator)	\$0	\$240,000	\$240,000	\$2,069	\$240,000
<b>Total Reserve Accounts:</b>	<b>\$0</b>	<b>\$240,000</b>	<b>\$240,000</b>	<b>\$2,069</b>	<b>\$240,000</b>

*Notes to the Reserve Accounts:*

1. Per the NEF LOI, an operating reserve in the amount of \$240,000 or approximately three months of operating expenses, debt service, and replacement reserves is required. The operating reserve shall be funded with HC equity from the Third Capital Contribution. 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 Rules 67-21 and 67-48. Any and all terms and conditions of the ODR must be acceptable to Florida Housing, its Servicer and its legal counsel.
2. An operating deficit reserve is not to be included as part of Development Costs and cannot be used in determining the maximum Developer Fee. Applicants may not enter any amounts pertaining to any type of reserve other than the contingency reserve mentioned above on the Development Cost Pro Forma as part of the Application process. A reserve, including an operating deficit reserve, if necessary as determined by an equity provider, first mortgage lender, and/or the Credit Underwriter engaged

by the Corporation in its reasonable discretion, will be required and sized in credit underwriting. The inclusion of any reserve is not permitted in the Application (other than the permitted contingency reserve) which may include, but is not limited to, operating deficit reserve, debt service shortfalls, lease-up, rent-re-stabilization, working capital, lender or syndicator required reserve(s), and any pre-funded capital (replacement) reserves. If any reserve other than the permitted contingency reserve can be identified and is included in the Development Cost Pro Forma, the Corporation will remove it during Application scoring. In exchange for receiving funding from the Corporation, the Corporation reserves the authority to restrict the disposition of any funds remaining in any operating deficit reserve(s) after the term of the reserve’s original purpose has terminated or is near termination. Authorized disposition uses are limited to payments towards any outstanding loan balances of the Development funded from the Corporation, any outstanding Corporation fees, any unpaid costs incurred in the completion of the Development (i.e., deferred Developer Fee), the Development’s capital replacement reserve account (provided, however, that any operating deficit reserve funds deposited to the replacement reserve account will not replace, negate, or otherwise be considered an advance payment or pre-funding of the Applicant’s obligation to periodically fund the replacement reserve account), the reimbursement of any loan(s) provided by a partner, member or guarantor as set forth in the Applicant’s organizational agreement (i.e., operating or limited partnership agreement whereby its final disposition remains under this same restriction. The actual direction of the disposition is at the Applicant’s discretion so long as it is an option permitted by the Corporation. In no event, shall the payment of amounts to the Applicant or the Developer from any operating deficit reserve established for the Development cause the Developer Fee or General Contractor fee to exceed the applicable percentage limitations provided for in this RFA.

TOTAL DEVELOPMENT COSTS	Applicant Costs	Revised Applicant Costs	Underwriters Total Costs - CUR	Cost Per Unit	HC Ineligible Costs - CUR
<b>TOTAL DEVELOPMENT COSTS:</b>	\$26,706,001	\$38,304,684	\$38,333,153	\$330,458	\$4,559,424

*Notes to Total Development Costs:*

1. Total Development Costs have increased by \$11,627,152 or 43.54% from \$26,706,001 to \$38,333,153 since the Application due to increases in the construction costs, general development costs, Developer Fee and the inclusion of an ODR.

OPERATING PRO FORMA

FINANCIAL COSTS:		Year 1	Year 1 Per Unit
<b>OPERATING PRO FORMA</b>			
INCOME:	Gross Potential Rental Income	\$1,236,768	\$10,662
	Other Income		\$0
	Ancillary Income	\$34,800	\$300
	Gross Potential Income	\$1,271,568	\$10,962
	Less:		
	Physical Vac. Loss      Percentage: 4.00%	\$50,863	\$438
	Collection Loss          Percentage: 1.00%	\$12,716	\$110
	<b>Total Effective Gross Income</b>	<b>\$1,207,990</b>	<b>\$10,414</b>
EXPENSES:	Fixed:		
	Real Estate Taxes	\$123,346	\$1,063
	Insurance	\$75,400	\$650
	Variable:		
	Management Fee          Percentage: 5.00%	\$60,399	\$521
	General and Administrative	\$40,600	\$350
	Payroll Expenses	\$174,000	\$1,500
	Utilities	\$104,400	\$900
	Marketing and Advertising	\$5,800	\$50
	Maintenance and Repairs/Pest Control	\$150,800	\$1,300
	Grounds Maintenance and Landscaping	\$0	\$0
Reserve for Replacements	\$34,800	\$300	
<b>Total Expenses</b>	<b>\$769,545</b>	<b>\$6,634</b>	
<b>Net Operating Income</b>	<b>\$438,444</b>	<b>\$3,780</b>	
<b>Debt Service Payments</b>			
First Mortgage - HCHFA / NLP	\$272,539	\$2,349	
Second Mortgage - SAIL / SAIL CHIRP	\$75,107	\$647	
Third Mortgage - ELI	\$0	\$0	
Fourth Mortgage -NHTF	\$0	\$0	
Fifth Mortgage - Local Gov't Subsidy	\$55,427	\$478	
First Mortgage Fees - HCHFA / NLP	\$15,988	\$138	
Second Mortgage Fees - SAIL / SAIL CHIRP	\$11,901	\$103	
Third Mortgage Fees - ELI	\$3,741	\$32	
Fourth Mortgage Fees - NHTF	\$3,741	\$32	
Fifth Mortgage Fees -Local Gov't Subsidy	\$0	\$0	
<b>Total Debt Service Payments</b>	<b>\$438,444</b>	<b>\$3,780</b>	
Cash Flow after Debt Service	\$0	\$0	
<b>Debt Service Coverage Ratios</b>			
DSC - First Mortgage plus Fees	1.52x		
DSC - Second Mortgage plus Fees	1.17x		
DSC - Third Mortgage plus Fees	1.16x		
DSC - Fourth Mortgage plus Fee	1.14x		
DSC - Fifth Mortgage plus Fees	1.00x		
DSC - All Mortgages and Fees	1.00x		
<b>Financial Ratios</b>			
Operating Expense Ratio	63.70%		
Break-even Economic Occupancy Ratio (all debt)	95.25%		



Notes to the Operating Pro Forma and Ratios:

- The Development will be utilizing Housing Credits, SAIL, ELI, and NHTF that will impose rent restrictions. Gross Potential Rental Revenue (“GPR”) is based upon the 2022 restricted rents published by Florida Housing under the HC program less utility allowances. The utility allowances are based on a Utility Allowance Schedule for the Tampa Housing Authority approved by the U.S. Department of Housing and Urban Development effective January 1, 2022 as illustrated in an appraisal performed by Walter Duke dated September 7, 2022. The Applicant selected the Average Income Test with the following set asides: 15.517% of the units (18 units) at 30% or less of AMI (SAIL/ELI/HC), 61.207% of the units (71 units) at or below 60% AMI (SAIL/HC), and 23.274% of the units (27 units) at or below 80% AMI (SAIL/HC). The set aside for NHTF is 4.310% of the units (5 units) at 22% or less of the AMI.
- A rent roll for the Development property is illustrated in the following table:

MSA: Tampa Bay MSA (Hillsborough 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	679	22%			\$338	\$82	\$256		\$256	\$256	\$256	\$6,144
1	1.0	9	679	30%			\$462	\$82	\$380		\$380	\$380	\$380	\$41,040
1	1.0	34	679	60%			\$924	\$82	\$842		\$842	\$842	\$842	\$343,536
1	1.0	13	679	80%			\$1,232	\$82	\$1,150		\$1,150	\$1,150	\$1,150	\$179,400
2	2.0	2	942	22%			\$406	\$109	\$297		\$297	\$297	\$297	\$7,128
2	2.0	8	942	30%			\$554	\$109	\$445		\$445	\$445	\$445	\$42,720
2	2.0	31	942	60%			\$1,108	\$109	\$999		\$999	\$999	\$999	\$371,628
2	2.0	13	942	80%			\$1,478	\$109	\$1,369		\$1,369	\$1,369	\$1,369	\$213,564
3	2.0	1	1,192	22%			\$469	\$136	\$333		\$333	\$333	\$333	\$3,996
3	2.0	1	1,192	30%			\$640	\$136	\$504		\$504	\$504	\$504	\$6,048
3	2.0	1	1,192	60%			\$1,281	\$136	\$1,145		\$1,145	\$1,145	\$1,145	\$13,740
3	2.0	1	1,192	80%			\$1,708	\$136	\$1,572		\$1,572	\$1,572	\$1,572	\$18,864
		116	95,018											\$1,247,808

- A 5.00% total economic vacancy rate was applied for underwriting purposes. This is slightly higher than appraiser’s estimate (3%) for its HC scenario but deemed necessary by the underwriter due to the inclusion of some 80% AMI units. For comparison, the appraisal estimated a total 6.0% total economic vacancy rate for its market rate scenario.
- Ancillary income includes application fees, late fees, forfeited security deposits, bad debt recoveries, pet fees, cancellation fees, damages recovered, and other miscellaneous fees.
- AmeriNat utilized a real estate tax expense based upon the appraiser’s estimated property tax assessment for the Development of \$7,300,000 or \$62,931 per unit. The current millage rate was applied, and the real estate tax burden was concluded to be \$1,082 per unit for underwriting purposes. The estimate also took into account the income restrictions of the Development.
- AmeriNat utilized an estimate of \$650 per unit for insurance, which is consistent with the appraisal. The comparable developments presented by the appraiser ranged from \$515 to \$800 per unit. The Development will be located in a flood zone designated “X”. Zone “X” is an area outside the 100-year flood plain. As such, flood insurance will not be required.
- The Applicant submitted an unexecuted Property Management Agreement wherein Wendover Management, LLC. (“Manager”) will manage the Development. The Agreement states the initial term shall be for one year and will be automatically renewed for successive terms of one year unless terminated by either party in writing in accordance with the Agreement. The Agreement provides for compensation to the Manager in the amount greater of 5.0% of the total gross rental collections received during the preceding month or \$2,500. The appraisal concluded a management fee of 5%

based upon a survey of comparable properties with a range of fees of 3% to 5%. AmeriNat utilized a management fee of 5% based on the management agreement and supported by the appraisal.

8. Replacement Reserves of \$34,800 or a minimum of \$300 per unit per annum, per the RFA and Rules 67-21 and 67-48.
  9. Based upon an estimated Net Operating Income (“NOI”) of \$438,444 for the proposed Development’s initial year of stabilized operations; the First Mortgage loan can be supported by operations at a 1.52 to 1.00 Debt Service Coverage (“DSC”). The combined amount of the First Mortgage and SAIL Loan can be supported by operations at a 1.17x to 1.00 DSC. All mortgage loans and fees can be supported by operations at a 1.00x to 1.00 DSC.
  10. The Break-even Economic Occupancy Ratio includes all debt; however, the SAIL Loan and the HC AHS interest payments are based on available cash flow. This ratio would improve to 84.98% if the SAIL Loan and HC AHS interest payments are not included in the calculation.
  11. A 15-year Operating Pro forma attached hereto as Exhibit 1 reflects rental income increasing at an annual rate of 2% and expenses increasing at an annual rate of 3%.
- .

**Section B**

**SAIL, ELI, and NHTF Special and General Conditions and HC Allocation  
Recommendation and Contingencies**

### **Special Conditions**

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

1. Receipt of liquidity statements for RBK3.
2. Receipt of a loan agreement that illustrates the terms and conditions of the HC AHS funds.
3. Receipt and approval of an updated MOU.
4. Completion of the HUD Section 3 pre-construction conference.
5. The Development shall meet the Section 3 requirements of the Housing and Urban Development Act of 1968 as amended (12 U.S.C. 1701u and 24 CFR Part 135).
6. Receipt of an executed Management Agreement.

### **General Conditions**

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

1. Borrower is to comply with any and all recommendations noted in the Plan and Cost Review prepared by On Solid Ground, LLC.
2. Building permits and any other necessary approvals and permits (e.g., final site plan approval, water management district, Department of Environmental Protection, Army Corps of Engineers, Department of Transportation, etc.). An acceptable alternative to this requirement is receipt and satisfactory review of a letter from the local permitting and approval authority stating that the above referenced permits and approvals will be issued upon receipt of applicable fees (with no other conditions), or evidence of 100% lien-free completion, if applicable. If a letter is provided, copies of all permits will be required as a condition of the first post-closing draw.
3. 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.
4. A final construction draw schedule showing itemized sources and uses of funds for each monthly draw. SAIL, ELI, and NHTF Program loan proceeds shall be disbursed during the construction phase in an amount per draw that does not exceed the ratio of the SAIL, ELI, and NHTF loans to the Total Development Cost, unless approved by the Credit Underwriter. The closing draw shall include appropriate backup and ACH wiring instructions.
5. 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 Developer 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.

6. 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.
7. Evidence of insurance coverage pursuant to the Request for Application governing this proposed transaction and, as applicable, the FHFC Insurance Guide.
8. The General Contractor shall secure a payment and performance bond equal to 100 percent of the total construction cost listing FHFC as a co-obligee, whose terms do not adversely affect the Corporation's interest, issued in the name of the General Contractor, from a company rated at least "A-" by AMBest & Co., or a Corporation-approved alternate security for the General Contractor's performance such as a letter of credit issued by a financial institution with a senior long term (or equivalent) credit rating of at least "Baa3" by Moody's, or at least "BBB-" by Standard & Poor's or Fitch, or a financial rating of at least 175 by IDC Financial Publishing. The LOC must include "evergreen" language and be in a form satisfactory to Florida Housing, its Servicer and its Legal Counsel
9. Architect, Construction Consultant, and Borrower certifications on forms provided by Florida Housing will be required for both design and as-built with respect to Section 504 of the Rehabilitation Act, Americans with Disabilities Act, and the Federal Fair Housing Act requirements, as applicable.
10. 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).
11. Final "as permitted" (signed and sealed) site plans, building plans and specifications. The geotechnical report must be bound within the final plans and specifications.
12. Satisfactory resolution of any outstanding past due and/or noncompliance items.
13. An Operating Deficit Reserve in the collective amount of approximately six months of operating expenses will be permitted within the Applicant's budget, unless the credit underwriter deems a larger reserve is necessary. The calculation of Developer Fee will be exclusive of the budgeted ODR and any ODR "proposed or required by a limited partner or other lender" in excess of the amount of the ODR deemed satisfactory by the credit underwriter will be a subset of Developer Fee. At the end of the compliance period, any remaining balance of the ODR less amounts that may be permitted to be drawn (which includes Deferred Developer Fee and reimbursements for authorized member/partner and guarantor loan(s) pursuant to the operating/partnership agreement), will be used to pay FHFC loan debt; if there is no FHFC loan debt on the proposed Development at the end of the compliance period, any remaining balance shall be used to pay any outstanding FHFC fees. If any balance is remaining in the ODR after the payments above, the amount should be placed in a

Replacement Reserve account for the Development. In no event shall the payments of amounts to the Applicant or the Developer from the Reserve Account cause the Developer Fee or General Contractor Fee to exceed the applicable percentage limitations provided for in the Rule. Any and all terms and conditions of the ODR must be acceptable to Florida Housing, its Servicer and its Legal Counsel.

14. 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.
15. A copy of the Amended and Restated Limited Partnership Agreement ("LPA") reflecting purchase of the HC under terms consistent with the assumptions contained within this Credit Underwriting Report. The LPA shall be in a form and of financial substance satisfactory to Servicer, Florida Housing, and its Legal Counsel.

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

1. Documentation of the legal formation and current authority to transact business in Florida for the Borrower, the general partner/principal(s)/manager(s) of the Applicant, the guarantors, and any limited partners of the Applicant.
2. Signed and sealed survey, dated within 90 days of closing, unless otherwise approved by Florida Housing, and its legal counsel, based upon the particular circumstances of the transaction. The Survey shall be certified to Florida Housing and its legal counsel, as well as the title insurance company, and shall indicate the legal description, exact boundaries of the Development, easements, utilities, roads, and means of access to public streets, total acreage and flood hazard area and any other requirements of Florida Housing.
3. An acceptable updated Environmental Audit Report, together with a reliance letter to Florida Housing, prepared within 90 days of the SAIL, ELI, and NHTF loan closing, unless otherwise approved by Florida Housing, and Legal Counsel, based upon the particular circumstances of the transaction. Borrower is to comply with any and all recommendations noted in the updated Environmental Audit Report(s) and all other environmental reports related to the property, as deemed appropriate by Florida Housing in its sole discretion.
4. Title insurance pro-forma or commitment for title insurance with copies of all Schedule B exceptions, in the amount of the SAIL, ELI, and NHTF loans naming Florida Housing as the insured. All endorsements required by Florida Housing shall be provided.
5. Florida Housing and its legal counsel shall review and approve all other lenders closing documents and the limited partnership or other applicable agreement. Florida Housing shall be satisfied in its sole discretion that all legal and program requirements for the Loans have been satisfied.
6. Receipt of a legal opinion from the Borrower's Legal Counsel acceptable to Florida Housing addressing the following matters:
  - a. The legal existence and good standing of the Borrower and of any partnership or limited liability company that is the general partner of the Borrower (the "GP") and of any corporation or

- partnership that is the managing general partner of the GP, and of any corporate guarantor and any manager;
- b. Authorization, execution, and delivery by the Borrower and the guarantors, of all Loan documents;
  - c. The loan documents being in full force and effect and enforceable in accordance with their terms, subject to bankruptcy and equitable principles only;
  - d. The Borrower's and the guarantor's execution, delivery and performance of the loan documents shall not result in a violation of, or conflict with, any judgments, orders, contracts, mortgages, security agreements or leases to which the Borrower is a party or to which the Development is subject to the Borrower's Partnership Agreement and;
  - e. Such other matters as Florida Housing or its legal counsel may require.
7. Evidence of compliance with local concurrency laws, if applicable.
  8. Such other assignments, affidavits, certificates, financial statements, closing statements and other documents as may be reasonably requested by Florida Housing or its legal counsel in form and substance acceptable to Florida Housing or its legal counsel, in connection with the Loan(s).
  9. UCC Searches for the Borrower, its partnerships, as requested by Legal Counsel.
  10. Evidence of insurance coverage pursuant to the Request for Application governing this proposed transaction and, as applicable, the FHFC Insurance Guide.
  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 420.507 and 420.5087, Florida Statutes, Rule Chapter 67-53, F.A.C., Rule Chapter 67-21, F.A.C., Rule Chapter 67-48, F.A.C., Rule Chapter 67-60, F.A.C., RFA 2020-205, Section 42 I.R.C. and any other applicable State and Federal requirements.
2. Acceptance by the Borrower and execution of all documents evidencing and securing the SAIL and ELI loan(s) in form and substance satisfactory to Florida Housing, including, but not limited to, the Promissory Note, the Loan Agreement(s), the Mortgage and Security Agreement, and the Land Use Restriction Agreement(s) and the Final Cost Certificate.
3. If applicable, receipt and satisfactory review of financial statements from all Guarantors dated within 90 days of real estate closing.
4. Guarantors to provide the standard Florida Housing Construction Completion Guaranty; to be released upon lien-free completion as approved by the Servicer.
5. SAIL Loan - Guarantors 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 Debt Service Coverage on the combined permanent First Mortgage and SAIL loan as determined by Florida Housing or the Servicer, and 90% occupancy and 90% of Gross Potential rental income, net of utility allowances, if applicable, for a period equal to twelve (12) consecutive months, all certified by an independent Certified Public Accountant ("CPA") and verified by the Servicer. The calculation of the debt service coverage ratio shall be made by Florida Housing or the Servicer. Notwithstanding the above, the Operating Deficit Guaranty shall not terminate earlier than three years following the final certificate of occupancy.

6. Guarantors are to provide the standard Florida Housing Environmental Indemnity Guaranty.
7. Guarantors are to provide the standard Florida Housing Guaranty of Recourse Obligations.
8. Closing of all funding sources prior to or simultaneous with closing of the SAIL, ELI, and NHTF loans.
9. A mortgagee title insurance lender's policy naming Florida Housing as the insured mortgage holder in the amount of the loan(s) is to be issued at closing. Any exceptions to the title insurance policy must be acceptable to Florida Housing or its Legal Counsel. All endorsements that are required by Florida Housing are to be issued and the form of the title policy must be approved prior to closing.
10. Property tax and hazard insurance escrow are to be established and maintained by the First Mortgagee, or the Servicer. In the event the reserve account is held by the Servicer, the release of funds shall be at Florida Housing's sole discretion.
11. Replacement Reserves in the amount of \$300 per unit per year will be required to be deposited on a monthly basis into a designated escrow account, to be maintained by the First Mortgagee or Florida Housing's loan servicing agent. However, Applicant has the option to prepay Replacement Reserves, as allowed per RFA, in the amount of \$34,800 (one-half the required Replacement Reserves for Years 1 and 2), in order to meet the applicable DSC loan requirements. Applicant can waive this election, if at closing of the loan(s) the required DSC is met without the need to exercise the option. It is currently estimated that Replacement Reserves will be funded from Operations in the amount of \$300 per unit per year for Years 1 and 2, followed by \$300 per unit per year thereafter. New construction developments shall not be allowed to draw during the first five (5) years or until the establishment of a minimum balance equal to the accumulation of five (5) years of replacement reserves per unit. The initial Replacement Reserve will have limitations on the ability to be drawn. The amount established as a Replacement Reserve shall be adjusted based on a Capital Needs Assessment ("CNA") to be received by the Corporation or its servicers, prepared by an independent third party and acceptable to the Corporation and its servicers at the time the CNA is required, beginning no later than the 10th year after the first residential building receives a certificate of occupancy, a temporary certificate of occupancy, or is placed in service, whichever is earlier ("Initial Replacement Reserve Date"). A subsequent CNA is required no later than the 15th year after the Initial Replacement Reserve Date and subsequent assessments are required every five (5) years thereafter.
12. 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.
13. On Solid Ground, LLC will act as Florida Housing's inspector during the construction period.
14. Under the terms of the construction contract, a minimum of 10% retainage holdback on all construction draws until the Development is 50% complete, and 0% retainage thereafter is required. Retainage will not be released until successful lien free completion of construction and issuance of all certificates of occupancy, which satisfies the RFA and Rules 67-21 and 67-48 minimum requirements.



15. Satisfactory completion of a pre-loan closing compliance audit conducted by Florida Housing or Servicer, if applicable.
16. Any other reasonable requirements of the Servicer, Florida Housing, or its Legal Counsel.

## **Housing Credit Allocation Recommendation**

AmeriNat recommends an annual allocation of 4% HC in the amount of \$1,756,234 for the construction and permanent financing of Fulham Terrace. Please refer to Exhibit 3 - HC Allocation Calculation for further detail.

## **Contingencies**

1. Closing of all funding sources prior to or simultaneous with the SAIL, ELI, & NHTF loans.
2. On Solid Ground, LLC is to act as a construction phase inspector for Florida Housing.
3. Purchase of the HC by the Syndicator or its assigns under terms consistent with the assumptions of this report.
4. Receipt of executed FHFC Fair Housing, Section 504 and ADA as-built certification forms 122, 127, and 129.
5. Satisfactory resolution of any outstanding past due items and/or noncompliance items.
6. Any other reasonable requirements of Florida Housing or its Servicer.

Exhibit 1  
Fulham Terrace  
15 Year Operating Pro Forma

FINANCIAL COSTS:	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11	Year 12	Year 13	Year 14	Year 15
<b>OPERATING PRO FORMA</b>															
<b>INCOME:</b>															
Gross Potential Rental Income	\$1,236,768	\$1,261,503	\$1,286,733	\$1,312,468	\$1,338,717	\$1,365,492	\$1,392,802	\$1,420,658	\$1,449,071	\$1,478,052	\$1,507,613	\$1,537,766	\$1,568,521	\$1,599,891	\$1,631,889
Other Income															
Ancillary Income	\$34,800	\$35,496	\$36,206	\$36,930	\$37,669	\$38,422	\$39,190	\$39,974	\$40,774	\$41,589	\$42,421	\$43,269	\$44,135	\$45,018	\$45,918
Gross Potential Income	\$1,271,568	\$1,296,999	\$1,322,939	\$1,349,398	\$1,376,386	\$1,403,914	\$1,431,992	\$1,460,632	\$1,489,845	\$1,519,641	\$1,550,034	\$1,581,035	\$1,612,656	\$1,644,909	\$1,677,807
Less:															
Physical Vac. Loss      Percentage: 4.00%	\$50,863	\$51,880	\$52,918	\$53,976	\$55,055	\$56,157	\$57,280	\$58,425	\$59,594	\$60,786	\$62,001	\$63,241	\$64,506	\$65,796	\$67,112
Collection Loss      Percentage: 1.00%	\$12,716	\$12,970	\$13,229	\$13,494	\$13,764	\$14,039	\$14,320	\$14,606	\$14,898	\$15,196	\$15,500	\$15,810	\$16,127	\$16,449	\$16,778
<b>Total Effective Gross Income</b>	<b>\$1,207,990</b>	<b>\$1,232,149</b>	<b>\$1,256,792</b>	<b>\$1,281,928</b>	<b>\$1,307,567</b>	<b>\$1,333,718</b>	<b>\$1,360,392</b>	<b>\$1,387,600</b>	<b>\$1,415,352</b>	<b>\$1,443,659</b>	<b>\$1,472,533</b>	<b>\$1,501,983</b>	<b>\$1,532,023</b>	<b>\$1,562,663</b>	<b>\$1,593,917</b>
<b>EXPENSES:</b>															
Fixed:															
Real Estate Taxes	\$123,346	\$127,046	\$130,858	\$134,784	\$138,827	\$142,992	\$147,282	\$151,700	\$156,251	\$160,939	\$165,767	\$170,740	\$175,862	\$181,138	\$186,572
Insurance	\$75,400	\$77,662	\$79,992	\$82,392	\$84,863	\$87,409	\$90,032	\$92,732	\$95,514	\$98,380	\$101,331	\$104,371	\$107,502	\$110,727	\$114,049
Variable:															
Management Fee      Percentage: 5.00%	\$60,399	\$61,607	\$62,840	\$64,096	\$65,378	\$66,686	\$68,020	\$69,380	\$70,768	\$72,183	\$73,627	\$75,099	\$76,601	\$78,133	\$79,696
General and Administrative	\$40,600	\$41,818	\$43,073	\$44,365	\$45,696	\$47,067	\$48,479	\$49,933	\$51,431	\$52,974	\$54,563	\$56,200	\$57,886	\$59,622	\$61,411
Payroll Expenses	\$174,000	\$179,220	\$184,597	\$190,134	\$195,839	\$201,714	\$207,765	\$213,998	\$220,418	\$227,031	\$233,841	\$240,857	\$248,082	\$255,525	\$263,191
Utilities	\$104,400	\$107,532	\$110,758	\$114,081	\$117,503	\$121,028	\$124,659	\$128,399	\$132,251	\$136,218	\$140,305	\$144,514	\$148,849	\$153,315	\$157,914
Marketing and Advertising	\$5,800	\$5,974	\$6,153	\$6,338	\$6,528	\$6,724	\$6,926	\$7,133	\$7,347	\$7,568	\$7,795	\$8,029	\$8,269	\$8,517	\$8,773
Maintenance and Repairs/Pest Control	\$150,800	\$155,324	\$159,984	\$164,783	\$169,727	\$174,819	\$180,063	\$185,465	\$191,029	\$196,760	\$202,663	\$208,742	\$215,005	\$221,455	\$228,099
Reserve for Replacements	\$34,800	\$34,800	\$34,800	\$34,800	\$34,800	\$34,800	\$34,800	\$34,800	\$34,800	\$34,800	\$35,844	\$36,919	\$38,027	\$39,168	\$40,343
<b>Total Expenses</b>	<b>\$769,545</b>	<b>\$790,984</b>	<b>\$813,053</b>	<b>\$835,772</b>	<b>\$859,161</b>	<b>\$883,238</b>	<b>\$908,024</b>	<b>\$933,541</b>	<b>\$959,809</b>	<b>\$986,852</b>	<b>\$1,015,735</b>	<b>\$1,045,471</b>	<b>\$1,076,084</b>	<b>\$1,107,601</b>	<b>\$1,140,047</b>
<b>Net Operating Income</b>	<b>\$438,444</b>	<b>\$441,166</b>	<b>\$443,739</b>	<b>\$446,156</b>	<b>\$448,406</b>	<b>\$450,480</b>	<b>\$452,368</b>	<b>\$454,060</b>	<b>\$455,543</b>	<b>\$456,808</b>	<b>\$456,797</b>	<b>\$456,512</b>	<b>\$455,939</b>	<b>\$455,063</b>	<b>\$453,869</b>
<b>Debt Service Payments</b>															
First Mortgage - HCHFA / NLP	\$272,539	\$272,539	\$272,539	\$272,539	\$272,539	\$272,539	\$272,539	\$272,539	\$272,539	\$272,539	\$272,539	\$272,539	\$272,539	\$272,539	\$272,539
Second Mortgage - SAIL / SAIL CHIRP	\$75,107	\$75,107	\$75,107	\$75,107	\$75,107	\$75,107	\$75,107	\$75,107	\$75,107	\$75,107	\$75,107	\$75,107	\$75,107	\$75,107	\$75,107
Third Mortgage - ELI	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Fourth Mortgage - NHTF	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Fifth Mortgage - Local Gov't Subsidy	\$55,427	\$55,427	\$55,427	\$55,427	\$55,427	\$55,427	\$55,427	\$55,427	\$55,427	\$55,427	\$55,427	\$55,427	\$55,427	\$55,427	\$55,427
First Mortgage Fees - HCHFA / NLP	\$15,988	\$15,956	\$15,923	\$15,889	\$15,854	\$15,817	\$15,780	\$15,741	\$15,701	\$15,660	\$15,617	\$15,573	\$15,528	\$15,482	\$15,433
Second Mortgage Fees - SAIL / 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 - 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 - NHTF	\$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
Fifth Mortgage Fees - Local Gov't Subsidy	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>Total Debt Service Payments</b>	<b>\$438,444</b>	<b>\$438,412</b>	<b>\$438,379</b>	<b>\$438,345</b>	<b>\$438,310</b>	<b>\$438,273</b>	<b>\$438,236</b>	<b>\$438,197</b>	<b>\$438,157</b>	<b>\$438,116</b>	<b>\$438,073</b>	<b>\$438,029</b>	<b>\$437,984</b>	<b>\$437,938</b>	<b>\$437,889</b>
<b>Cash Flow after Debt Service</b>	<b>\$0</b>	<b>\$2,754</b>	<b>\$5,360</b>	<b>\$7,811</b>	<b>\$10,096</b>	<b>\$12,208</b>	<b>\$14,133</b>	<b>\$15,863</b>	<b>\$17,387</b>	<b>\$18,692</b>	<b>\$18,725</b>	<b>\$18,483</b>	<b>\$17,955</b>	<b>\$17,125</b>	<b>\$15,981</b>
<b>Debt Service Coverage Ratios</b>															
DSC - First Mortgage plus Fees	1.52x	1.53x	1.54x	1.55x	1.55x	1.56x	1.57x	1.58x	1.58x	1.59x	1.59x	1.58x	1.58x	1.58x	1.58x
DSC - Second Mortgage plus Fees	1.17x	1.17x	1.18x	1.19x	1.19x	1.20x	1.21x	1.21x	1.21x	1.22x	1.22x	1.22x	1.22x	1.21x	1.21x
DSC - Third Mortgage plus Fees	1.16x	1.16x	1.17x	1.18x	1.18x	1.19x	1.19x	1.20x	1.20x	1.21x	1.21x	1.20x	1.20x	1.20x	1.20x
DSC - Fourth Mortgage plus Fee	1.14x	1.15x	1.16x	1.17x	1.17x	1.18x	1.18x	1.19x	1.19x	1.19x	1.19x	1.19x	1.19x	1.19x	1.19x
DSC - All Mortgages and Fees	1.00x	1.01x	1.01x	1.02x	1.02x	1.03x	1.03x	1.04x	1.04x	1.04x	1.04x	1.04x	1.04x	1.04x	1.04x
<b>Financial Ratios</b>															
Operating Expense Ratio	63.70%	64.20%	64.69%	65.20%	65.71%	66.22%	66.75%	67.28%	67.81%	68.36%	68.98%	69.61%	70.24%	70.88%	71.52%
Break-even Economic Occupancy Ratio (all debt)	95.25%	95.04%	94.84%	94.67%	94.52%	94.38%	94.26%	94.16%	94.08%	94.02%	94.04%	94.08%	94.14%	94.21%	94.30%

**Fulham Terrace**  
**RFA 2020-205 (2021-252SN) / 2020-544C**

**Description of Features and Amenities**

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

116 Garden Apartments located in 1 residential building

Unit Mix:

Fifty-eight (58) one bedroom/one bath units;

Fifty-four (54) two bedrooms/two bath units;

Four (4) three bedrooms/two bath units;

116 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;
  - 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; and
8. Bathtub with shower in at least one bathroom in at least 90% of the new construction non-Elderly units;
9. Elderly Developments must have a minimum of one elevator per residential building provided for all Elderly Set-Aside Units that are located on a floor higher than the first floor.
10. All Elderly Demographic Developments that are new construction must incorporate 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 Elderly (ALF or Non-ALF) Demographic Developments must provide the following Accessibility Features:
- 20 percent of the new construction units must have roll-in showers.
  - Horizontal grab bars in place around each tub and/or shower, or a Corporation-approved alternative approach for grab bar installation. The installation of the grab bars must meet or exceed 2010 ADA Standards for Accessible Design, Section 609. In addition, the following standards for grab bars are required:
    - If a bathtub/shower combination with a permanent seat is provided, grab bars shall be installed to meet or exceed 2010 ADA Standards for Accessible Design, Section 607.4.1.
    - If a bathtub/shower combination without a permanent seat is provided, grab bars shall be installed to meet or exceed 2010 ADA Standards for Accessible Design, Section 607.4.2.
    - If a roll-in shower is provided, grab bars shall be installed to meet or exceed 2010 ADA Standards for Accessible Design, Section 608.3.2;
  - Reinforced walls for future installation of horizontal grab bars in place around each toilet, or a Corporation-approved alternative approach for grab bar installation. The installation of the grab bars must meet or exceed the 2010 ADA Standards for Accessible Design;
  - All bathrooms in all new construction units must have vanity cabinets with at least one roll-out shelf or drawer in bottom of cabinet;
  - Adjustable shelving in master bedroom closets (must be adjustable by resident); and
  - In one of the kitchen's base cabinets, there shall be a large bottom drawer that opens beyond full extension, also referred to as an "over-travel feature." Drawers with the over-travel feature allow drawers to extend completely past the cabinet front so all the contents can be accessed. The drawer shall be deep and wide enough to store pots and pans and the drawer slides shall have a weight load rating of a minimum of 100 pounds. The drawers shall be mounted on a pair of metal side rails that are ball-bearing.

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

All new construction units and, as applicable, all common areas must have the features listed below:

- 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  $\geq 2.5$  over a 77° rise or 0.87 UEF and GPM of  $\geq 2.9$  over a 67° rise;
  - Residential Gas (storage or tankless/instantaneous): Energy Star certified
  - Commercial Gas Water Heater: Energy Star certified;
- g. Energy Star certified ceiling fans with lighting fixtures in bedrooms;
- h. Air Conditioning (in-unit or commercial):
  - i. Air-Source Heat Pumps – Energy Star certified:
    - a.  $\geq 8.5$  HSPF/  $\geq 15$  SEER/  $\geq 12.5$  EER for split systems
    - b.  $\geq 8.2$  HSPF/  $\geq 15$  SEER/  $\geq 12$  EER for single package equipment including gas/electric package units
  - ii. Central Air Conditioners – Energy Star certified:
    - a.  $\geq 15$  SEER/  $\geq 12.5$  EER\* for split systems
    - b.  $\geq 15$  SEER/  $\geq 12$  EER\* for single package equipment including gas/electric package units.

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

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

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

X  Florida Green Building Coalition (FGBC); or

\_\_\_\_\_ ICC 700 National Green Building Standard (NGBS); or

\_\_\_\_\_ Enterprise Building Communities.

**H.** Applicants who select the Elderly (ALF or Non-ALF) Demographic must provide the required following Resident Program:

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

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

This assistance may include staff:

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

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

At a minimum, residents shall be informed by the property management, at move-in and via a written notice(s)/instructions provided to each resident and displayed in the Development's common or public areas, that staff are available to receive resident calls at all times. These notices



shall also provide contact information and direction to first contact the community-based emergency services if they have health or safety risk concerns.

- I. Applicants who select the Elderly (ALF or Non-ALF) Demographic must provide at least (3) of the 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. Daily Activities

The Applicant or its Management Company must provide on-site supervised, structured activities, at no cost to the resident, at least five days per week which must be offered between the hours of 8:00 a.m. and 7:00 p.m. If the Development consists of Scattered Sites, this resident program must be provided on the Scattered Site with the most units.

2. Assistance with Light Housekeeping, Grocery Shopping and/or Laundry

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

3. Resident Assurance Check-In Program

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

**HOUSE CREDIT ALLOCATION CALCULATION**

**Qualified Basis Calculation**

Total Development Cost	\$38,333,153
Less Land Costs	\$2,000,000
Less Other Ineligible Costs	\$2,559,424
Total Eligible Basis	\$33,773,729
Applicable Fraction	100%
DDA/QCT Basis Credit, if applicable	130%
Qualified Basis	\$43,905,848
Housing Credit Percentage (Federal allocation)	4.00%
Annual Housing Credit Allocation	\$1,756,234

*Notes to the Qualified Basis Calculation:*

1. "Other Ineligible Costs" include a portion of accounting fees, Florida Housing compliance, administrative, application, and underwriting fees, and organization costs, portion of title insurance/recording fees, marketing/advertising fees, permanent loan origination fees, a portion of construction loan interest, a portion of legal fees and syndication legal fees.
2. The Development is 100% set-aside; therefore, the Applicable Fraction is 100%.
3. The Development is not located in a Difficult Development Area ("DDA") or Qualified Census Tract ("QCT"), but it is a HUD-designated Small Area DDA ("SADDA"). Additionally, it is a first phase of a multiphase Development; therefore, the 130% multiplier is utilized for the Annual Housing Credit Allocation.
4. FY 2021 Omnibus Appropriations and COVID-19 Legislation provides for a minimum rate of 4% for acquisition LIHTC's and tax-exempt private activity bond-financed developments; therefore, the minimum rate of 4% has been applied herein.

**GAP Calculation**

Total Development Cost (including land and ineligible costs)	\$38,333,153
Less Mortgages	\$19,400,108
Equity Gap	\$18,933,045
HC Percentage to Investment Partnership	99.99%
HC Syndication Pricing	\$0.93
HC Required to meet Equity Gap	\$20,360,148
Annual HC Required	\$2,036,015

*Notes to the GAP Calculation:*

1. Mortgages include mortgages provided by CFB, FHFC, and Hillsborough County.
2. The HC Syndication Pricing of \$0.9300 per dollar and HC Percentage to Investment Partnership are based upon the LOI from National Equity Fund, Inc.

**Summary**

HC Per Qualified Basis	\$1,756,234
HC Per GAP Calculation	\$2,036,015
<b>Annual HC Recommended</b>	<b>\$1,756,234</b>
HC Proceeds Recommended	\$16,331,343

*Notes to Summary:*

1. The Annual HC Recommended is equal to the lesser of the Qualified Basis or the GAP Calculation. Therefore, the Qualified Basis was utilized.

Tax Credit 50% Test

Total DEPRECIABLE Cost	\$33,773,729
Plus: Land Cost	\$2,000,000
Equals Aggregate Basis	\$35,773,729
Tax Exempt Bond Amount	\$18,500,000
Tax Exempt Proceeds Used for Building and Land	\$18,500,000
Tax Exempt Proceeds as a Percentage of Aggregate Basis	51.71%

1. Based upon this analysis, the 50% Test is satisfactory.

**COMPLETENESS AND ISSUES CHECKLIST**

**DEVELOPMENT NAME:** Fulham Terrace  
**DATE:** October 20, 2022

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

FINAL REVIEW 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 the Phase II if applicable (If Phase I and/or II disclosed environmental problems requiring remediation, a plan, including time frame and cost, for the remediation is required). If the report is not dated within one year of the application date, an update from the assessor must be provided indicating the current environmental status.	Satis.	
10. Audited financial statements for the most recent fiscal year ended or acceptable alternative as stated in Rule for credit enhancers, applicant, general partner, principals, guarantors, and general contractor.	Satis.	
11. Resumes and experience of applicant, general contractor, and management agent.	Satis.	
12. Credit authorizations; verifications of deposits and mortgage loans.	Unsatis.	1
13. Management Agreement and Management Plan.	Unsatis.	6
14. Firm commitment from the credit enhancer or private placement purchaser, if any.	N/A	
15. Firm commitment letter from the syndicator, if any.	Satis.	
16. Firm commitment letter(s) for any other financing sources.	Satis.	
17. Updated sources and uses of funds.	Satis.	
18. Draft construction draw schedule showing sources of funds during each month of the construction and lease-up period.	Satis.	
19. Fifteen-year income, expense, and occupancy projection.	Satis.	

**COMPLETENESS AND ISSUES CHECKLIST**

FINAL REVIEW REQUIRED ITEMS:	STATUS	NOTE
	Satis. / Unsatis.	
20. Executed general construction contract with “not to exceed” costs.	Satis.	
21. HC ONLY: 15% of the total equity to be provided prior to or simultaneously with the closing of the construction financing.	Satis	
22. Any additional items required by the credit underwriter.	Satis	2-5

**NOTES AND DEVELOPER RESPONSES:**

1. Receipt of liquidity statements for RBK3 are a condition precedent to closing.
2. Receipt of a loan agreement that illustrates the terms and conditions of the HC AHS funds is a condition precedent to closing.
3. Receipt and approval of an updated MOU is a condition precedent to closing.
4. Completion of the HUD Section 3 pre-construction conference is a condition precedent to closing.
5. The Development shall meet the Section 3 requirements of the Housing and Urban Development Act of 1968 as amended (12 U.S.C. 1701u and 24 CFR Part 135) is a condition precedent to closing.
6. Receipt of an executed Management Agreement is a condition precedent to closing.

**CHIRP CALCULATION**

CHIRP RECOMMENDATION - ADDITIONAL LOANS			
<i>Development Name: Fulham Terrace</i>		Select the RFA of the Active Award	2020-205
<b>Permanent Period 1st Mortgages for Sizing Purposes</b>		<b>Assumptions</b>	
Actual DSCR in approved CUR 1st Mtg LOI (no fees)		Number of units	116
Actual DSCR in current 1st Mtg LOI (Yr 1 NOI; no fees)	1.61x	Total Development Costs	\$ 38,333,153.00
Maximum CHIRP DSCR	1.30x	Annual Servicing Fees (\$) on stated	\$ -
<b>DSCR used for sizing (lowest DSCs from above)</b>	<b>1.30x</b>	Traditional 1st Mtg Amort. Years	30.00
Actual Traditional 1st Mtg Amount to be stated in CUR	\$ 4,000,000.00	Traditional 1st Mtg Interest Rate	5.50%
Calculated 1st Mtg at Restricted DSCR (1.30x)	\$ 4,949,981.18	Is the Perm 1st Mtg an MMRB or Local HFA bond?	Local HFA
1st Mtg Restricted to 1.30x DSCR	\$ 4,949,981.18	Total Effective Gross Income in CUR	\$ 1,207,990.00
RESULT: 1st Mtg amount for sizing purposes	\$ 4,949,981.18	Total Operating Expenses in CUR	\$ 769,545.00
<b>Total Sources</b>		Net Operating Income in CUR Yr 1	\$ 438,445.00
1st Mtg amt. for sizing from above	\$ 4,949,981.18	Net Operating Income in CUR Yr 15	\$ 453,869.00
2nd Mortgage - SAIL	\$ 4,000,000.00	Total HC Equity	\$ 16,331,343.00
3rd Mortgage - ELI	\$ 600,000.00	Developer Fee % Basis for Deferral	18%
4th Mortgage - NHTF	\$ 1,089,412.00	Total 18% Developer Fee	\$ 5,505,735.00
5th Mortgage - Local Subsidy	\$ 6,200,000.00	Loan using lowest 1.30x DSCR (1st Yr NOI)	\$ 4,949,981.18
6th Mortgage -	\$ -	Loan using Max CHIRP 1.30x DSCR (1st Yr NOI)	\$ 4,949,981.18
Total HC Equity	\$ 16,331,343.00	Annual Servicing Fees (\$) on 1.30x	\$ 19,127.95
30% Deferred Developr Fee for Sizing	\$ 1,651,720.50	Annual Servicing Fees (\$) on 1.30x	\$ 19,127.95
Total Sources	\$ 34,822,456.68	Actual DSC in current LOI, incl. fees (1st Yr NOI)	1.61x
Total Uses	\$ 38,333,153.00		
<b>Test 1 - GAP ANALYSIS</b>			
RESULT: Total Gap	\$ 3,510,696.00		
<b>Test 2 - INCREASED COST ANALYSIS</b>			
Current GC Contract Amount	\$ 24,621,240.00		
30% of GC Contract (est. Increased costs)*	\$ 7,386,372.00		
Increased Corporation Fees	\$ 53,816.00		
Increased Construction Financing Costs	\$ 417,407.00		
Increased Dev. Fee (18.00% x sum of new costs)	\$ 1,414,367.10	Dev Fee Deduct for Incorporating Actual Fee	0.00%
RESULT: Total Increased Costs	\$ 9,271,962.00	(This amount will be deducted from 18.00%, yielding a net 18.00%)	
<i>*(This amount already yields a CHIRP amount that meets or exceeds the maximum limit so All at 25% LTC except the following:</i>			
<b>Rule Test - SAIL LTC ANALYSIS</b>		SAIL & 9%HCs (35% LTC)-	Over 25% LTC allowed:
Active Award Total SAIL Funding	\$ 4,000,000.00	Family/Elderly: More than 10% ELI	At least 80% Homeless,
Max Total SAIL Funding assuming a 35% LTC	\$ 13,416,603.00	SAIL w/o 9%HCs (35% LTC)-	
Max New SAIL Funding using a 35% LTC	\$ 9,416,603.00	Family/Elderly: At least 5% ELI	
		(The above can be altered if RFA permitted a different limit)	
<b>Rule Test - Minimum 1.00x DSC overall Ratio</b>			
Net Operating Income	\$ 438,445.00		
Actual % DDF when using Actual 1st Mortgage	47.25%		
Debt Service for an Overall 1.00x DSC Ratio	\$ 438,445.00		
Actual Traditional 1st mortgage Debt Service	\$ 272,538.72		
Debt Service Available for New SAIL	\$ 165,906.28		
Total (non-ELI) SAIL at 1.00% Interest Only DS	\$ 16,590,627.94	SAIL Interest Rate: 1.00%	
Total (non-ELI) SAIL less Active Award (non-ELI) SAIL	\$ 12,590,627.94	For those developments that qualify for a rate of less than 1%, please enter the app	
<b>ADDITIONAL FHFC LOAN AMOUNT</b>			
Lessor of: Tests 1 & 2, \$4,300,000, 35% LTC, Minimum 1.00x DSC			
\$3,510,696.00			
<b>FINAL: TOTAL NEW SAIL LOAN AMOUNT</b>			
\$7,510,696.00			