FLORIDA HOUSING FINANCE CORPORATION

Credit Underwriting Report

New River Landing
Rental Recovery Loan Program ("RRLP"), Extremely Low Income ("ELI"), and National Housing Trust Fund ("NHTF")

RFA 2019-111 (2020-075RN)

Rental Recovery Loan Program Financing to be Used for Rental Developments in Hurricane Michael Impacted Counties

RFA 2021-211 (2022-229V)

Development Viability Loan Funding

Section A: Report Summary

Section B: RRLP and ELI Special and General Conditions

Section C: Supporting Information and Schedules

Prepared by

AmeriNat®

Final Report

October 20, 2022

NEW RIVER LANDING

TABLE OF CONTENTS

Section A

Section B

Section C

Exhibits

Section A

Report Summary

Recommendation

AmeriNat® ("AmeriNat" or "Servicer") recommends a Development Viability Loan Funding ("Viability") in the amount of $1,200,000, a Rental Recovery Loan Program ("RRLP") in the amount of $4,988,724, an Extremely Low Income ("ELI") Loan in the amount of $131,100, and National Housing Trust Funds ("NHTF") in the amount of $1,820,000 to MHP New River Landing, LLC ("Applicant") for the construction and permanent phase financing of New River Landing (the proposed "Development").

DEVELOPMENT & SET-ASIDES

Development Name: New River Landing

RFA/Program Numbers: RFA 2019-111 / 2020-075RN RFA 2021-211 (2022-229V)

Address: 1001 Gray Avenue

City: Carrabelle Zip Code: 32322 County: Franklin County Size: Small

Development Category: New Construction Development Type: Single Family

Construction Type: Wood Frame

Demographic Commitment:

Primary: Family for 100% of the Units

Unit Composition:

\# of ELI Units: 3 ELI Units Are Restricted to 40% AMI, or less. Total # of units with PBRA? 0

\# of Link Units: 2 Are the Link Units Demographically Restricted? Yes # of NHTF Units: 7

Bed Rooms	Bath Rooms	Units	Square Feet	AMI%	Low HOME Rents	High HOME Rents	Gross HC Rent	Utility Allow.	Net Restricted Rents	PBRA Contr Rents	Applicant Rents	Appraiser Rents	CU Rents	Annual Rental Income
2	2.0	7	1,114	22%			$306	$150	$156		$203	$156	$156	$13,104
2	2.0	3	1,114	40%			$642	$150	$492		$492	$492	$492	$17,712
2	2.0	11	1,114	60%			$963	$150	$813		$813	$813	$813	$107,316
2	2.0	9	1,114	-							$1,150	$1,122	$1,122	$121,176
		30	33,420											$259,308

Persons with Special Needs Set-Aside Commitment: The proposed development must set aside fifty percent (50%) of the ELI Set-Aside units (2 units) as Link units for Persons with Special Needs. In order to meet the commitment to set aside ELI units as Link units for Persons with Special Needs, the Applicant must develop and execute a Memorandum of Understanding ("MOU") with at least one Florida Housing designated Special Needs Household Referral Agency that provides supportive services for Persons with Special Needs for the county where the proposed Development will be located (Franklin County). FHFC approval of the executed MOU is a condition precedent to closing.

After 15 years, all of the ELI set-aside units (3 units) may convert to serve residents at or below 60% AMI. The Persons with Special Needs set-aside requirements must be maintained throughout the entire 50-year Compliance Period.

NHTF Units Set-Aside Commitment: The proposed Development must set-aside seven (7) 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 nine (9) units targeted for Persons with Special Needs (ELI-2 units, NHTF-7 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. Receipt of FHFC approval of the Tenant Selection Plan is a condition precedent to closing.

Buildings: Residential - 30 Non-Residential - 0
Parking: Parking Spaces - 60 Accessible Spaces - 2

Set Asides:

Program	% of Units	# of Units	% AMI	Term (Years)
RRLP / ELI	10.0%	3	40%	50
RRLP	60.0%	18	60%	50
NHTF	23.0%	7	22%	50

Absorption Rate: 10 units per month for 3.0 months.

Occupancy Rate at Stabilization: Physical Occupancy 96.00% Economic Occupancy 95.00%
Occupancy Comments According to appraisal, weighted average of CMA is 98%.

DDA: Yes QCT: No Multi-Phase Boost: No QAP Boost: No
Site Acreage: 9.65 Density: 3.1088 Flood Zone Designation: AE
Zoning: Z-1 Public Facilities. Appears to be conforming use Flood Insurance Required?: Yes

DEVELOPMENT TEAM		
Applicant/Borrower:	MHP New River Landing, LLC	% Ownership
Member	MHP New River Landing Member, LLC	100.0000%
Construction Completion Guarantor(s):		
CC Guarantor 1:	MHP New River Landing, LLC	
CC Guarantor 2:	MHP New River Landing Member, LLC	
CC Guarantor 3:	W. Patrick McDowell 2001 Trust	
CC Guarantor 4:	Archipelago Housing, LLC	
CC Guarantor 5:	William P. McDowell	
CC Guarantor 6:	Kenneth P. Lee	
Operating Deficit Guarantor(s):		
OD Guarantor 1:	MHP New River Landing, LLC	
OD Guarantor 2:	MHP New River Landing Member, LLC	
OD Guarantor 3:	W. Patrick McDowell 2001 Trust	
OD Guarantor 4:	Archipelago Housing, LLC	
OD Guarantor 5:	William P. McDowell	
OD Guarantor 6:	Kenneth P. Lee	
Developer:	MHP New River Landing Developer, LLC	
General Contractor 1:	Marmer Construction, Inc.	
Management Company:	Weller Management, LLC	
Architect:	Donnelly Architecture, Inc.	
Market Study Provider:	Meridian Appraisal Group, Inc.	
Appraiser:	Meridian Appraisal Group, Inc.	

PERMANENT FINANCING INFORMATION						
	1st Source	2nd Source	3rd Source	4th Source	5th Source	Other
Lien Position	1	2	3	4		
Lender/Grantor	FHFC - Viability	FHFC - RRLP	FHFC - ELI	FHFC - NHTF		
Amount	$1,200,000	$4,988,724	$131,100	$1,820,000		
Underwritten Interest Rate	1.00%	0.90%	0.00%	0.00%		
All In Interest Rate	1.00%	0.90%	0.00%	0.00%		
Loan Term	15	15	15	30		
Amortization	n/a	n/a	n/a	n/a		
Market Rate/Market Financing LTV	28%	144%	147%	189%		
Restricted Market Financing LTV	58%	298%	304%	391%		
Loan to Cost - Cumulative	14%	71%	73%	93%		
Debt Service Coverage	7.47	1.51	1.44	1.34		
Operating Deficit & Debt Service Reserves	$78,287					
# of Months covered by the Reserves	4.0					

Deferred Developer Fee	$566,405
As-Is Land Value	$360,000
Market Rent/Market Financing Stabilized Value	$4,300,000
Rent Restricted Market Financing Stabilized Value	$2,080,000
Projected Net Operating Income (NOI) - Year 1	$112,009
Projected Net Operating Income (NOI) - 15 Year	$145,638
Year 15 Pro Forma Income Escalation Rate	2.00%
Year 15 Pro Forma Expense Escalation Rate	3.00%

CONSTRUCTION/PERMANENT SOURCES:				
Source	Lender	Construction	Permanent	Perm Loan/Unit
FHFC - Viability	FHFC	$1,200,000	$1,200,000	$40,000
FHFC - RRLP	FHFC	$4,988,724	$4,988,724	$166,291
FHFC - RRLP ELI	FHFC	$131,100	$131,100	$4,370
FHFC - NHTF	FHFC	$1,820,000	$1,820,000	$60,667
Deferred Developer Fee	Developer	$566,405	$566,405	$18,880
TOTAL		$8,706,229	$8,706,229	$290,208

Credit Underwriter: AmeriNat Loan Services
Date of Final CUR: 10/20/2022
TDC PU Limitation at Application: $212,200 TDC PU Limitation at Credit Underwriting: $328,714.85
Minimum 1st Mortgage per Rule: $0 Amount Dev. Fee Reduced for TDC Limit: $0

Changes from the Application:

COMPARISON CRITERIA	YES	NO
Does the level of experience of the current team equal or exceed that of the team described in the Application?	x	
Are all funding sources the same as shown in the Application?		1
Are all local government recommendations/contributions still in place at the level described in the Application?	x	
Is the Development feasible with all amenities/features listed in the Application?	x	
Do the site plans/architectural drawings account for all amenities/features listed in the Application?	x	
Does the Applicant have site control at or above the level indicated in the Application?	x	
Does the Applicant have adequate zoning as indicated in the Application?	x	
Has the Development been evaluated for feasibility using the total length of set-aside committed to in the Application?	x	
Have the Development costs remained equal to or less than those listed in the Application?		2
Is the Development feasible using the set-asides committed to in the Application?	x	
If the Development has committed to serve a special target group (e.g. elderly, large family, etc.), do the development and operating plans contain specific provisions for implementation?	x	
HOME ONLY: If points were given for match funds, is the match percentage the same as or greater than that indicated in the Application?	N/A	
HC ONLY: Is the rate of syndication the same as or greater than that shown in the Application?	N/A	
Is the Development in all other material respects the same as presented in the Application?		3-4

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

1. Since the time of application, the Development received a preliminary award for a Viability Loan in an amount up to $1,200,000 from Florida Housing. The Viability Loan will replace the original Construction and Permanent First Mortgage to be provided by Churchill Mortgage Investment LLC.

   On February 10, 2022, FHFC staff received a request from the Applicant for $520,000 additional funding from the NHTF. The NHTF funds are needed for the development that continues to experience hardship due to increased cost of construction materials, shortage of labor within the region due to COVID-19 pandemic, and current supply chain issues. The amount of NHTF funding needed includes two (2) 2-bedroom / two-bathrooms units at $260,000 each totaling $520,000.

   The Applicant submitted a letter dated June 30, 2022, that requests additional NHTF Funds in an amount equal to $1,300,000 from FHFC in exchange for five (5) additional NHTF units at $260,000 each, totaling $1,300,000. FHFC staff approved the request July 14, 2022. The total NHTF loan is in the amount of $1,820,000.

2. Total Development Costs have increased by $2,940,288, or 51.0%, from $5,766,819 to $8,707,107 since the Application due to increases in the construction costs, general development costs, financial costs, Developer Fee, and the inclusion of an ODR.
3. A change to the unit mix was proposed from twenty-one (21) two-bedroom/two-bathrooms units and nine (9) three-bedroom/two-bathrooms units to thirty (30) two-bedroom/two-bathrooms units. Receipt of the Applicant's request for the change and FHFC staff approval is a condition precedent to closing.
4. The Applicant submitted a letter on October 11, 2022, requesting to change the management company from Royal American Management, Inc. to Weller Management, LLC.

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

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.

<u>Strengths:</u>

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 Meridian Appraisal Group, Inc. ("Meridian") dated August 24, 2022. The market study concludes that, based on market research and demographic analysis, there is demand in the marketplace for the Development as conceived and the market for affordable rental developments within the Primary Market Area ("PMA") is strong based upon the weighted occupancy (98.1%) of comparable affordable housing developments in the PMA.

<u>Other Considerations:</u>

1. In accordance with RFA 2019-111, FHFC limits the Total Development Cost 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, wood framed, single-family homes which allows for a per unit cost of $212,200. FHFC approved an increase to the TDC limitation at the April 2022 FHFC Board meeting and, as such, the Development is limited to a TDC of no more than $328,714.85 per unit. With 30 units, the maximum TDC, less the Operating Deficit Reserve and Land, for the Development is therefore $9,861,445 (30 units @ $328,714.85 per unit). Total Development Costs, exclusive of land acquisition cost and operating deficit reserve, are $287,394.00 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% is subcontracted to any one entity.
3. To the underwriter's knowledge, no construction cost shall be subcontracted to any entity that has common ownership or is an Affiliate of the General Contractor or Developer.

Issues and Concerns:

None

Waiver Requests:

None

Special Conditions:

1. Completion of the HUD Section 3 pre-construction conference is a condition precedent to closing.
2. 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.
3. Receipt of an executed Property Management Agreement and Management Plan is a condition precedent to closing.
4. Receipt of FHFC approval of the Tenant Selection Plan is a condition precedent to closing.
5. Receipt of Florida Housing approval of the Energy Consumption Model prepared by Zappling as illustrated in the Appraisal is a condition precedent to the finalization of this recommendation.
6. Receipt of an updated financial statement for Archipelago Housing, LLC is a condition precedent to the finalization of this recommendation.
7. Receipt of an updated financial statement for Kenneth Lee is a condition precedent to the finalization of this recommendation.
8. Receipt of an updated financial statement and Schedule of Real Estate Owned for W. Patrick McDowell is a condition precedent to the finalization of this recommendation.

Additional Information:

1. 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 a Viability loan in the amount of $1,200,000, a RRLP in the amount of $4,988,724, an ELI Loan in the amount of $131,100, and NHTF in the amount of $1,820,000 to MHP New River Landing, LLC ("Applicant") for the construction and permanent phase financing of New River Landing (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 RRLP, ELI, and NHTF Special and General Conditions Recommendation (Section B). This recommendation is only valid for six months from the date of the report. The reader is cautioned to refer to these sections for complete information.

Prepared by:	Reviewed by:
Kyle Kuenn	Tom Louloudes
Sr. Credit Underwriter	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
FHFC - Viability	FHFC	$2,850,000	$1,200,000	$1,200,000	1.00%	$0
FHFC - RRLP	FHFC	$4,988,724	$4,998,724	$4,988,724	0.90%	$0
FHFC - RRLP ELI	FHFC	$131,000	$131,100	$131,100	0.00%	$0
FHFC - NHTF	FHFC	$0	$1,820,000	$1,820,000	0.00%	$0
Deferred Developer Fee	Developer	$785,000	$467,147	$566,405		
	Total :	$8,754,724	$8,616,971	$8,706,229		$0

Proposed Second Mortgage Loan – FHFC Viability

The Applicant requested a Viability loan in the amount of $1,200,000 under RFA 2021-211. The Viability loan shall be non-amortizing and shall have an interest rate of one percent (1%), with payment due at maturity. The total term of the Viability Loan shall be 17 years (including a 24 month construction completion/stabilization period and a 15-year permanent period). Closing of the Viability Loan will be simultaneous with the closing of other construction funding. Per the RFA, Viability loan proceeds shall not be disbursed until a final cost certification is approved by the Corporation. However, FHFC staff approved the Applicant's request on September 23, 2022, to allow for the Viability Loan to be drawn during construction. Viability loan proceeds shall be disbursed during the construction phase in an amount per construction draw which does not exceed the ratio of the Viability loan to Total Development Costs, unless approved by the credit underwriter.

Proposed Second Mortgage Loan:

The Applicant applied to Florida Housing for a RRLP loan in the amount of $4,988,724 under RFA 2019-111 for the construction of the Development. The RRLP loan total term will be 17 years (including a 24-month construction/stabilization period and a 15-year permanent period). The RRLP loan shall be non-amortizing and shall have interest rates as follows: (a) 0 percent simple interest per annum on the pro-rata portion of the base loan attributable to ELI units over the life of the loan; and (b) 1 percent simple interest per annum on the pro-rata portion of the base loan attributable non-ELI units. As such, the RRLP Loan will have a 0.90% 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 RRLP loan, all principal and accrued interest will be due. Annual payments of all applicable fees will be required. RRLP loan proceeds shall be disbursed during the construction phase in an amount per construction draw which does not exceed the ratio of the RRLP loan to Total Development Costs, unless approved by the credit underwriter.

Proposed Third Mortgage Loan:

The Applicant applied to Florida Housing for an ELI loan of $131,100 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. However, after 15 years, all of the ELI set aside units may convert to serve residents at or below 60% of AMI. 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 17 years (including a 24-month construction/stabilization period and a 15-year permanent period). 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 Fourth Mortgage Loan:

On February 10, 2022, FHFC staff received a request from the Applicant for $520,000 additional funding from the NHTF. The NHTF funds are needed for the development that continues to experience hardship due to increased cost of construction materials, shortage of labor within the region due to COVID-19 pandemic, and current supply chain issues. The amount of NHTF funding needed includes two (2) 2-bedroom units at $260,000 each totaling $520,000. These two (2) units which are currently committed to serving 60% AMI will be deemed NHTF units committed to serving tenants at 22% AMI.

On June 30, 2022, FHFC staff received a request from the Applicant for $1,300,000 additional funding from the NHTF. The NHTF funds are needed for the development that continues to experience current and expanding economic hardship due to the continuing escalation in interest rates, construction cost, and a severe shortage of labor within the rural region. The amount of NHTF funding needed includes five (5) 2-bedroom units at $260,000 each totaling $1,300,000. These five units which are currently committed to serving 60% AMI will be deemed NHTF units committed to serving tenants at 22% AMI.

The total NHTF award will be $1,820,000. 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 24-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; however, the Persons with Special Needs set-aside commitment must be maintained throughout the entire 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.

Deferred Developer Fee:

The Applicant is currently required to defer $566,405, or 48%, of the total developer fee during the construction phase.

Permanent Financing Sources:

Source	Lender	Applicant's Total	Applicant's Revised Total	Underwriter's Total	Interest Rate	Amortization Years	Term Years	Annual Debt Service
FHFC - Viability	FHFC	$600,000	$1,200,000	$1,200,000	1.00%	n/a	15	$12,000
FHFC - RRLP	FHFC	$4,988,724	$4,988,724	$4,988,724	0.90%	n/a	15	$44,899
FHFC - RRLP ELI	FHFC	$131,100	$131,100	$131,100	0.00%	n/a	15	$0
FHFC - NHTF	FHFC	$0	$1,820,000	$1,820,000	0.00%	n/a	30	$0
Deferred Developer Fee	Developer	$785,000	$519,707	$566,405				
	Total :	$6,504,824	$8,659,531	$8,706,229				$56,899

Proposed First Mortgage Loan – FHFC Viability

The Applicant applied under RFA 2021-211 for Development Viability Loan funds (“VL”) in the amount of $1,200,000. The total term of the Viability Loan is 17 years (including a 24-month construction/stabilization period and 15-year permanent period). The VL will be non-amortizing and will bear an interest rate of 1.00%, which will be due annually. Any unpaid interest will be deferred until cash flow is available. However, all principal and unpaid interest is due at maturity. 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.

Proposed Second Mortgage Loan:

The Applicant applied to Florida Housing for a RRLP loan in the amount of $4,988,724 under RFA 2019-111 for the construction of the Development. The RRLP loan total term will be 17 years (including a 24-month construction/stabilization period and 15-year permanent period). The RRLP loan shall be non-amortizing and shall have interest rates as follows: (a) 0 percent simple interest per annum on the pro-rata portion of the base loan attributable to ELI units over the life of the loan; and (b) 1 percent simple interest per annum on the pro-rata portion of the base loan attributable non-ELI units. As such, the RRLP Loan will have a 0.90% 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 RRLP loan, all principal and accrued interest will be due. Annual payments of all applicable fees will be required. Fees include an annual Permanent Loan Servicing Fee of 25 bps of the outstanding loan amount up to a maximum of $909 per month, subject to a minimum of $229 per month and an annual Compliance Monitoring Fee based on a monthly base fee of $178 and an additional fee per set-aside unit of $10.91, subject to a minimum of $278 per month, and subject to an annual increase based on the South Region Consumer Price Index not to exceed 3% of the prior year’s fee..

Proposed Third Mortgage Loan:

The Applicant applied to Florida Housing for an ELI loan of $131,100 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. However, after 15 years, all of the ELI set aside units may convert to serve residents at or below 60% of AMI. 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 17 years (including a 24-month construction/stabilization period and a 15-year permanent 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 Fourth Mortgage Loan:

On February 10, 2022, FHFC staff received a request from the Applicant for $520,000 additional funding from the NHTF. The NHTF funds are needed for the development that continues to experience hardship due to increased cost of construction materials, shortage of labor within the region due to COVID-19 pandemic, and current supply chain issues. The amount of NHTF funding needed includes two (2) 2-bedroom units at $260,000 each totaling $520,000. These two (2) units which are currently committed to serving 60% AMI will be deemed NHTF units committed to serving tenants at 22% AMI.

On June 30, 2022, FHFC staff received a request from the Applicant for $1,300,000 additional funding from the NHTF. The NHTF funds are needed for the development that continues to experience current and expanding economic hardship due to the continuing escalation in interest rates, construction cost, and a severe shortage of labor within the rural region. The amount of NHTF funding needed includes five (5) 2-bedroom units at $260,000 each totaling $1,300,000. These five units which are currently committed to serving 60% AMI will be deemed NHTF units committed to serving tenants at 22% AMI.

The total NHTF award will be $1,820,000. 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 24-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; however, the Persons with Special Needs set-aside commitment must be maintained throughout the entire 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.

Deferred Developer Fee:

The Developer is currently required to permanently defer $566,405, or 48%, in Developer Fee after stabilization. The Viability loan funding requires a minimum of 40% of Developer Fee be deferred. The Development satisfies this requirement.

Uses of Funds

CONSTRUCTION COSTS:	Applicant Costs	Revised Applicant Costs	Underwriters Total Costs - CUR	Cost Per Unit	HC Ineligible Costs - CUR
Demolition	$250,000	$0	$429,032	$14,301	
New Rental Units	$2,894,737	$5,367,970	$4,155,030	$138,501	
Recreational Amenities	$125,000	$0	$0	$0	
Site Work	$0	$0	$717,836	$23,928	
Constr. Contr. Costs subject to GC Fee	$3,269,737	$5,367,970	$5,301,898	$176,730	$0
General Conditions	$0	$322,078	$318,113	$10,604	
Overhead	$0	$107,359	$106,037	$3,535	
Profit	$455,000	$322,078	$318,113	$10,604	
General Liability Insurance	$0	$0	$23,858	$795	
Payment and Performance Bonds	$0	$0	$60,680	$2,023	
Total Construction Contract/Costs	$3,724,737	$6,119,485	$6,128,699	$204,290	$0
Hard Cost Contingency	$185,000	$305,974	$306,434	$10,214	
PnP Bond paid outside Constr. Contr.	$0	$0	$0	$0	
FF&E paid outside Constr. Contr.	$0	$45,000	$45,000	$1,500	
Total Construction Costs:	**$3,909,737**	**$6,470,459**	**$6,480,133**	**$216,004**	**$0**

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 $5,539,486 (the “Construction Contract”). The Construction Contract is dated as of March 4, 2022 and is between the Applicant and Marmer Construction, Inc. (“Marmer”) (the “General Contractor”). An Contract Addendum #1 dated August 4, 2022, was executed by Marmer and the Applicant that amends the Guaranteed Maximum Price to $6,128,699. The Construction Contract states the General Contractor will achieve substantial completion no later than 420 calendar days following commencement. The Owner will withhold 10% retainage from payment for all completed work until the Development reaches 50% completion, at which time no retainage will be withheld 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.

3. A Plan and Cost Review (“PCR”) was engaged by AmeriNat and performed by GLE Associates, Inc. (“GLE”). GLE summarized their review of the construction contract and schedule of values in a report dated September 19, 2022. The review concludes that overall costs to construct are sufficient for satisfactory completion of the proposed development. The costs for similar type developments identified in the PCR range from $201,651 per unit to $202,021 per unit excluding the costs of site work and special construction. The Development has a projected unit cost of $204,289 per unit. The construction progress schedule submitted for GLE’s review shows a 420-day duration; GLE stated this time is adequate for the construction of the Development. The PCR illustrates allowances totaling $106,500 within the Schedule of Values, which GLE states is within an acceptable range for the scope of work indicated. Allowance includes:

   - $ 5,000.00 Building Monument Sign Structure
   - $ 1,500.00 Building Signage
   - $ 5,000.00 Mailboxes
   - $ 75,000.00 Landscaping and Sod
   - $ 20,000.00 Door Hardware

   $ 106,500 Total

4. A 5% hard cost contingency is supported by the plan and cost review and within the RFA limits.

GENERAL DEVELOPMENT COSTS:	Applicant Costs	Revised Applicant Costs	Underwriters Total Costs - CUR	Cost Per Unit	HC Ineligible Costs - CUR
Accounting Fees	$35,000	$20,000	$20,000	$667	
Appraisal	$6,500	$15,500	$15,000	$500	
Architect's Fee - Site/Building Design	$50,000	$18,000	$18,150	$605	
Architect's Fee - Supervision	$10,000	$10,500	$10,500	$350	
Building Permits	$19,500	$67,500	$67,500	$2,250	
Builder's Risk Insurance	$35,000	$63,657	$63,657	$2,122	
Capital Needs Assessment/Rehab	$3,000	$0	$0	$0	
Engineering Fees	$50,000	$72,800	$42,500	$1,417	
Environmental Report	$3,000	$34,600	$34,600	$1,153	
FHFC Application Fee	$3,000	$4,000	$3,500	$117	
FHFC Credit Underwriting Fee	$14,082	$23,782	$24,303	$810	
Lender Inspection Fees / Const Admin	$30,800	$0	$38,440	$1,281	
Green Building Cert. (LEED, FGBC, NAHB)	$20,000	$18,900	$12,850	$428	
Insurance	$21,500	$18,000	$18,000	$600	
Legal Fees - Organizational Costs	$125,000	$125,000	$125,000	$4,167	
Market Study	$5,500	$6,500	$15,500	$517	
Marketing and Advertising	$50,000	$37,500	$37,500	$1,250	
Plan and Cost Review Analysis	$0	$3,250	$3,950	$132	
Property Taxes	$23,760	$34,907	$34,907	$1,164	
Soil Test	$12,000	$7,765	$7,765	$259	
Survey	$15,000	$10,900	$10,900	$363	
Title Insurance and Recording Fees	$71,270	$44,000	$44,000	$1,467	
Utility Connection Fees	$180,000	$97,740	$97,740	$3,258	
Soft Cost Contingency	$40,000	$26,623	$37,813	$1,260	
Other:	$0	$10,000	$10,000	$333	
Total General Development Costs:	**$823,912**	**$771,424**	**$794,075**	**$26,469**	**$0**

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 Donnelly Architecture, Inc. dated June 25, 2020, 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 L&W Engineering, Inc. dba Inovia Consulting Group dated July 15, 2020, which was reviewed by AmeriNat.
4. FHFC Credit Underwriting Fee includes RRLP/ELI credit underwriting fee ($14,307), Multiple Program Fee (Viability Loan - $4,850), Multiple Program Fee (NHTF Loan - $4,996), and credit reporting fees ($150).
5. AmeriNat received an executed Proposal, dated April 21, 2020 between the Applicant and GreenBuilt Solutions, LLC to perform Florida Green Building Coalition (“FGBC”) Certification on the Development.
6. The Applicant provided confirmation dated October 2, 2019, from the City Administrator of the City of Carrabelle that impact fee would not be required for the Development.
7. A soft cost contingency of 5% has been underwritten, which is consistent with the RFA and may be utilized by the Applicant in the event soft costs exceed estimates.
8. 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	$28,500	$10,700	$0	$0	
Construction Loan Interest	$86,402	$72,061	$0	$0	
Permanent Loan Commitment Fee	$25,000	$0	$0	$0	
Permanent Loan Closing Costs	$1,200	$0	$0	$0	
Misc Loan Origination Fee	$51,368	$51,298	$63,198	$2,107	
Misc Loan Closing Costs	$5,700	$21,516	$44,000	$1,467	
Legal Fees - Financing Costs	$0	$25,000	$0	$0	
Other: FHFC Firm loan Commitment Ext. Fee	$0	$0	$51,198	$1,707	
Total Financial Costs:	**$198,170**	**$180,575**	**$158,396**	**$5,280**	**$0**
Dev. Costs before Acq., Dev. Fee & Reserves	**$4,931,819**	**$7,422,458**	**$7,432,604**	**$247,753**	**$0**

Notes to the Financial Costs

1. The Viability, RRLP and ELI commitment fees represent 1% of each respective loan amount as illustrated in the respective RFAs and is illustrated in the Misc Loan Origination Fee line item.
2. The FHFC Firm Loan Commitment Issuance Deadline Extension Fee is 1.00% of the RRLP and ELI loan amounts.
3. FHFC Closing Costs for Viability, RRLP and NHTF are $12,500 for each loan and ELI is $6,500 totaling $44,000 for FHFC counsel legal fees in line item Misc Loan Closing Costs.

DEVELOPER FEE ON NON-ACQUISTION COSTS	Applicant Costs	Revised Applicant Costs	Underwriters Total Costs - CUR	Cost Per Unit	HC Ineligible Costs - CUR
Developer Fee - Unapportioned	$785,000	$1,187,513	$1,189,216	$39,641	
Total Other Development Costs:	**$785,000**	**$1,187,513**	**$1,189,216**	**$39,641**	**$0**

Notes to the Other Development Costs:

1. Developer Fee of $1,189,216 does not exceed 16% of Development Costs before Land and exclusive of reserves as permitted by the RFA. As illustrated in the Viability loan RFA, the Developer will be required to defer a minimum of 40% of the Developer Fee. As noted in the Permanent Sources, the Applicant meets this requirement.
2. During construction, the Developer shall only be allowed to draw a maximum of fifty percent (50%) of the total developer fee, but in no case more than the payable developer fee during construction (the "Developer's Overhead"). No more than thirty-five percent (35%) of Developer's Overhead will be funded at Loan closing. The remainder of the Developer's Overhead will be disbursed during construction on a pro rata basis, based upon the percentage of completion of the Development, as approved and reviewed by Florida Housing and the Servicer. The remaining unpaid developer fee shall be considered attributable to "Developer's Profit" and will not be funded until the Development has achieved one hundred percent (100%) lien free completion, and only after Retainage has been released.

LAND ACQUISITION COSTS	Applicant Costs	Revised Applicant Costs	Underwriters Total Costs - CUR	Cost Per Unit	HC Ineligible Costs - CUR
Land	$50,000	$7,000	$7,000	$233	
Total Acquisition Costs:	**$50,000**	**$7,000**	**$7,000**	**$233**	**$0**

Notes to Land Acquisition Costs:

1. The Applicant provided a Vacant Land Contract (the "Agreement") executed as of September 25, 2019, between the City of Carrabelle (the "Seller") and the McDowell Housing Partners, LLC. The Agreement was assigned to the Applicant through an Assignment of Purchase and Sale Agreement dated October 2, 2019. The Agreement illustrates the terms in which the Seller will convey the property to the Applicant. An Amendment to the Agreement dated January 14, 2021, revised the proposed purchase price to $7,000. Per the Fifth Amendment to the Agreement, the closing date deadline is February 28, 2023.
2. An Appraisal performed by Meridian dated August 29, 2022, identified an "As Is" value for the vacant land of $360,000, which supports the purchase price.

RESERVE ACCOUNTS	Applicant Costs	Revised Applicant Costs	Underwriters Total Costs - CUR	Cost Per Unit	HC Ineligible Costs - CUR
Operating Deficit Reserve (Lender)	$0	$42,560	$78,287	$2,610	
Total Reserve Accounts:	**$0**	**$42,560**	**$78,287**	**$2,610**	**$0**

Notes to the Reserve Accounts:

1. AmeriNat recommends an operating reserve in the amount of $78,287, which is equal to approximately four months of operating expenses, debt service, and replacement reserves. AmeriNat recommends that the operating reserve shall be funded at the time of stabilization.

   At the end of the Compliance Period, any remaining balance of the ODR less amounts that may be permitted to be drawn (which includes Deferred Developer Fee and reimbursements for authorized member/partner and guarantor loan(s) pursuant to the operating/partnership agreement), will be used to pay FHFC debt; if there is no FHFC loan debt on the proposed Development at the end of the Compliance Period, any remaining balance shall be used to pay any outstanding FHFC fees. If any balance is remaining in the ODR after the payments above, the amount should be placed in a Replacement Reserve account for the Development. In no event shall the payments of amounts to 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 FHFC, its Servicer and its Legal Counsel.

TOTAL DEVELOPMENT COSTS	Applicant Costs	Revised Applicant Costs	Underwriters Total Costs - CUR	Cost Per Unit	HC Ineligible Costs - CUR
TOTAL DEVELOPMENT COSTS:	**$5,766,819**	**$8,659,531**	**$8,707,107**	**$290,237**	**$0**

Notes to Total Development Costs:

1. Total Development Costs have increased by $2,940,288, or 51.0%, from $5,766,819 to $8,707,107 since the Application due to increases in the construction costs, general development costs, financial costs, Developer Fee, and the inclusion of an ODR.

OPERATING PRO FORMA

	FINANCIAL COSTS:			Year 1	Year 1 Per Unit
	OPERATING PRO FORMA				
INCOME:	Gross Potential Rental Income			**$259,308**	**$8,644**
	Other Income				**$0**
	Ancillary Income			$3,600	**$120**
	Washer/Dryer Rentals			$14,400	**$480**
	Gross Potential Income			**$277,308**	**$9,244**
	Less:				
	Physical Vac. Loss	Percentage:	4.00%	$11,092	**$370**
	Collection Loss	Percentage:	1.00%	$2,773	**$92**
	Total Effective Gross Income			**$263,443**	**$8,781**
EXPENSES:	Fixed:				
	Real Estate Taxes			$31,828	**$1,061**
	Insurance			$18,000	**$600**
	Variable:				
	Management Fee	Percentage:	6.00%	$15,806	**$527**
	General and Administrative			$12,000	**$400**
	Payroll Expenses			$36,000	**$1,200**
	Utilities			$4,500	**$150**
	Marketing and Advertising			$2,550	**$85**
	Maintenance and Repairs/Pest Control			$15,000	**$500**
	Grounds Maintenance and Landscaping			$5,250	**$175**
	Contract Services			$1,500	**$50**
	Reserve for Replacements			$9,000	**$300**
	Total Expenses			**$151,434**	**$5,048**
	Net Operating Income			**$112,009**	**$3,734**
	Debt Service Payments				
	First Mortgage - Viability			$12,000	**$400**
	Second Mortgage - RRLP			$44,899	**$1,497**
	Third Mortgage - RRLP ELI			$0	**$0**
	Fourth Mortgage - NHTF			$0	**$0**
	First Mortgage Fees - Viability			$3,000	**$100**
	Second Mortgage Fees -RRLP			$14,244	**$475**
	Third Mortgage Fees -RRLP ELI			$3,741	**$125**
	Fourth Mortgage Fees -NHTF			$5,543	**$185**
	Total Debt Service Payments			**$83,427**	**$2,781**
	Cash Flow after Debt Service			**$28,582**	**$953**
	Debt Service Coverage Ratios				
	DSC - First Mortgage plus Fees			**7.47x**	
	DSC - Second Mortgage plus Fees			**1.51x**	
	DSC - Third Mortgage plus Fees			**1.44x**	
	DSC - Fourth Mortgage plus Fee			**1.34x**	
	DSC - All Mortgages and Fees			**1.34x**	
	Financial Ratios				
	Operating Expense Ratio			**57.48%**	
	Break-even Economic Occupancy Ratio (all debt)			**84.99%**	

Notes to the Operating Pro Forma and Ratios:

1. The Development will be utilizing RRLP, ELI, and NHTF financing, which will impose rent restrictions. Gross Potential Rental Revenue ("GPR") is based upon the 2022 restricted rents published by Florida Housing. The utility allowances are based on an Energy Consumption Model performed by Zappling as illustrated in the appraisal. Receipt of Florida Housing approval of the Energy Consumption Model is a condition precedent to the finalization of this recommendation. Additional restrictions imposed by RRLP and ELI programs consist of 10% of the total units (3 units) at or below 40% of AMI and for the RRLP program 60% of the total units (18 units) at or below 60% of AMI. For the NHTF program, the Development will set aside 23% of the total units (7 units) at or below 22% of AMI. Overall, the maximum Housing Credit rents for 2022 for the Development are achievable as confirmed by the appraiser. A rent roll for the Development property is illustrated in the following table:

USDA Eligible Rural Addresses (Franklin County)

Bed Rooms	Bath Rooms	Units	Square Feet	AMI%	Low HOME Rents	High HOME Rents	Gross HC Rent	Utility Allow.	Net Restricted Rents	PBRA Contr Rents	Applicant Rents	Appraiser Rents	CU Rents	Annual Rental Income
2	2.0	7	1,114	22%			$306	$150	$156		$203	$156	$156	$13,104
2	2.0	3	1,114	40%			$642	$150	$492		$492	$492	$492	$17,712
2	2.0	11	1,114	60%			$963	$150	$813		$813	$813	$813	$107,316
2	2.0	9	1,114	-							$1,150	$1,122	$1,122	$121,176
		30	33,420											$259,308

2. Miscellaneous income includes items such as application fees, pet deposits, and other miscellaneous fees.
3. The Developer will offer full-size washer/dryer appliances to rent to tenants. Meridian projects a participation rate of 80% and a monthly premium of $50.00, or $14,400 annually.
4. A 5.00% total economic vacancy rate (4.00% physical and 1.00% collection loss) was applied for underwriting purposes based on the comparable developments as concluded in the appraisal.
5. AmeriNat utilized a real estate tax expense of $1,061 per unit based upon the current millage rate for the municipality and an estimated assessment of $58,250 per unit presented by the appraiser. The estimate also took into account the income restrictions of the Development.
6. AmeriNat utilized an estimate of $600 per unit for insurance, which is consistent with the appraisal. The comparable developments presented by the appraiser ranged from $476 to $1,561 per unit. The Development will be located in a flood zone designated "AE". Zone "AE" is an area within the 100-year flood plain and as such, flood insurance will be required.
7. The Applicant submitted an unexecuted Property Management Agreement (the "Agreement") wherein Weller will manage the Development. The Agreement states the initial term shall be for one year but will be automatically renewed on a yearly basis unless terminated by either party in writing in accordance with the Agreement. The management fee payable each month by Owner to Weller shall be an amount equal to 6.0% (three percent) or a minimum of $3,000, whichever is greater of gross receipts per month. Receipt of an executed Agreement is a condition precedent to closing. Comparable properties identified in the appraisal support a management fee of 5%. AmeriNat utilized the compensation from the Property Management Agreement for underwriting purposes.
8. Replacement Reserves of $9,000 or $300 per unit per annum, as noted in the RFA for new construction is being used.

9. Based upon an estimated Net Operating Income ("NOI") of $112,009 for the proposed Development's initial year of stabilized operations; the first mortgage loan can be supported by operations at a 7.47x to 1.00 Debt Service Coverage ("DSC"). The combined amount of the First Mortgage and RRLP Loan can be supported by operations at a 1.51x to 1.00 DSC. All mortgage loans and fees can be supported by operations at a 1.34x to 1.00 DSC.
10. 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

RRLP and ELI Special and General Conditions and Housing Credit Allocation Recommendation and Contingencies

Special Conditions

This recommendation is contingent upon receipt of the following item by Florida Housing at least two weeks prior to Real Estate loan closing. Failure to submit this item within this time frame may result in postponement of the loan closing date.

1. Completion of the HUD Section 3 pre-construction conference.
2. 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).
3. Receipt of an executed Property Management Agreement and Management Plan.
4. Receipt of FHFC approval of the Tenant Selection Plan.

General Conditions

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

1. Applicant to comply with any and all recommendations noted in the Plan and Cost Review prepared by GLE Associates, Inc.
2. Signed and sealed survey, dated within 90 days of closing, unless otherwise approved by Florida Housing, and its Legal Counsel, based upon the particular circumstances of the transaction. The Survey shall be certified to Florida Housing and its Legal Counsel, as well as the title insurance company, and shall indicate the legal description, exact boundaries of the Development, easements, utilities, roads, and means of access to public streets, total acreage and flood hazard area, and any other requirements of Florida Housing.
3. Final "as permitted" (signed and sealed) site plans, building plans and specifications. The geotechnical report, if any, must be bound within the final plans and specifications.
4. Building permits and any other necessary approvals and permits (e.g., final site plan approval, water management district, Department of Environmental Protection, Army Corps of Engineers, Department of Transportation, etc.). Acceptable alternatives to this requirement are receipt and satisfactory review of a letter from the local permitting and approval authority that the above referenced permits and approvals will be issued upon receipt of applicable fees (with no other conditions), or evidence of 100% lien-free completion, if applicable. If a letter is provided, copies of all permits will be required as a condition of the first post-closing draw.
5. Final sources and uses of funds itemized by source and line item, in a format and in amounts approved by the Servicer. A detailed calculation of the construction interest based on the final draw schedule (see below), documentation of the closing costs, and draft loan closing statement must also be provided. The sources and uses of funds schedule will be attached to the Loan Agreement as the approved Development budget.
6. A final construction draw schedule showing itemized sources and uses of funds for each monthly draw. Viability, RRLP, ELI and NHTF Loan Proceeds shall be disbursed in an amount per draw that does not exceed the ratio of the Viability, RRLP, ELI, and NHTF loans to the Total Development Costs, during the construction or rehabilitation phase, unless otherwise approved by the Credit Underwriter. The closing draw shall include appropriate backup and ACH wiring instructions.

7. During construction, the Developer shall only be allowed to draw a maximum of fifty percent (50%) of the total Developer Fee, until the IRS form 8609s for all buildings are issued by Florida Housing. In no event shall the Developer Fee exceed the applicable percentage limitation set forth in Rule Chapter 67-48.0072(16), F.A.C. If other additional funding sources (as defined below) are acquired prior to finalization of the cost certification, such other funding will be used to first reduce the deferred Developer Fee to no less than 50 percent of the total Developer Fee and then to reduce the Viability Loan Funding. After the IRS form(s) 8609 are issued, through the end of the Compliance Period, any additional funding sources acquired will be used to pay down the deferred Developer Fee and the Viability Loan Funding on a 50/50 basis. If the deferred Developer Fee is paid off prior to the Viability Loan Funding, then 100 percent of any remaining additional funding sources will be used to reduce or pay off the Viability Loan Funding. Thereafter, a portion of the Development Viability Loan would be reduced in the same manner as prescribed for SAIL in Rule Chapter 67-48.010(15), F.A.C.

   Additional funding sources does not include the Development's net cash flow from operations, after debt service, but it does include Housing Credit Equity greater than the amount provided (or calculated) in this RFA as it relates to competitive Housing Credits. Additional Housing Credit equity as it relates to non-competitive Housing Credits shall be used to first pay additional development costs incurred prior to following the waterfall of payments priorities outlined above, but in no instance will the Deferred Developer Fee be less than 50 percent of the total Developer Fee.

8. No more than 35% of "developer's overhead" will be funded at closing. The remainder of the "developer's overhead" will be disbursed during construction on a pro rata basis, based on the percentage of completion of the Development, as approved and reviewed by FHFC and the Servicer.

9. Evidence of insurance coverage pursuant to the Request for Application governing this proposed transaction and, if applicable, the FHFC Insurance Guide.

10. 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.

11. Architect, Construction Consultant, and Applicant certifications on forms provided by Florida Housing will be required for both design and as-built with respect to Section 504 of the Rehabilitation Act, the Americans with Disabilities Act ("ADA"), and Federal Fair Housing Act requirements, as applicable.

12. Satisfactory resolution of any outstanding past due and/or noncompliance issues.

13. Payment of any outstanding arrearages to the Corporation, its Legal Counsel, Servicer or any agent or assignee of the Corporation for past due issues applicable to the Development team (Applicant or Developer or Principal, Affiliate or Financial Beneficiary, as described in Rule Chapter 67-48.0075 (5) F.A.C., of an Applicant or a Developer).

14. At all times there will be undisbursed loan funds (collectively held by Florida Housing, the first lender and any other source) sufficient to complete the Development. If at any time there are not sufficient funds to complete the Development, the Applicant will be required to expend additional equity on Development costs or to deposit additional equity with Florida Housing which is sufficient (in Florida Housing's judgment) to complete the Development before additional loan funds are disbursed. This

condition specifically includes escrowing at closing all equity necessary to complete construction or another alternative acceptable to Florida Housing in its sole discretion.

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

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

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

   b. Authorization, execution, and delivery by the Applicant and the guarantors, of all Loan documents;

   c. The Loan documents being in full force and effect and enforceable in accordance with their terms, subject to bankruptcy and equitable principles only;

   d. The Applicant's and the guarantor's execution, delivery and performance of the loan documents shall not result in a violation of, or conflict with, any judgments, orders, contracts, mortgages, security agreements or leases to which the Applicant is a party or to which the Development is subject to the Applicant's Partnership/Operating Agreement and;

   e. Such other matters as Florida Housing or its Legal Counsel may require.

8. Evidence of compliance with local concurrency laws, as applicable.

9. UCC Searches for the Applicant, its partnerships, as requested by Legal Counsel.

10. Such other assignments, affidavits, certificates, financial statements, closing statements, and other documents as may be reasonably requested by Florida Housing or its Legal Counsel in form and substance acceptable to Florida Housing and its Legal Counsel, in connection with the loan(s).

11. Any other reasonable conditions established by Florida Housing and its Legal Counsel.

Additional Conditions

This recommendation is also contingent upon the following additional conditions:

1. Compliance with all provisions of Sections 420.507, 420.5087, and 420.509, Florida Statutes, Rule Chapters 67-48, 67-53, and 67-60, F.A.C., RFA 2019-111, RFA 2021-211, Section 42 I.R.C., and any other State and Federal requirements.

2. Development and execution by the Applicant of the required Memorandum of Understanding ("MOU") with at least one designated Special Needs Household Referral Agency that provides supportive services for Persons with Special Needs for the county where the proposed Development will be located (Franklin County). FHFC approval of the executed MOU.

3. Acceptance by the Applicant and execution of all documents evidencing and securing the Viability, RRLP, ELI and NHTF loans in form and substance satisfactory to Florida Housing and its Legal Counsel, including, but not limited to, the Promissory Note(s), the Loan Agreement(s), the Mortgage and Security Agreement(s), and the Land Use Restriction Agreement(s.

4. If applicable, receipt and satisfactory review of Financial Statements from all Guarantors dated within 90 days of Real Estate Closing.

5. Guarantors are to provide the standard FHFC Construction Completion Guaranty, to be released upon lien free completion as approved by the Servicer.

6. Guarantors for the RRLP are to provide the standard FHFC Operating Deficit Guaranty. If requested in writing by the Applicant, Servicer will consider a recommendation to release the Operating Deficit Guaranty if all conditions are met, including achievement of a 1.15 DSC on the RRLP loan, as determined by Florida Housing or the Servicer, 90% Occupancy and 90% of Gross Potential Rental Income net of utility allowances, if applicable, for a period equal to twelve (12) consecutive months, all certified by an independent Certified Public Accountant ("CPA") and verified by the Servicer. The calculation of the debt service coverage ratio shall be made by Florida Housing or the Servicer. Notwithstanding the above, the Operating Deficit Guaranty shall not terminate earlier than three (3) years following the final certificate of occupancy.

7. Guarantors are to provide the standard FHFC Environmental Indemnity Guaranty.
8. Guarantors are to provide the standard FHFC Guaranty of Recourse Obligations.
9. A mortgagee title insurance lender's policy naming Florida Housing as the insured mortgage holder in the amount of the Viability, RRLP, ELI, and NHTF loans is to be issued at closing. Any exceptions to the title insurance policy must be acceptable to Florida Housing or its Legal Counsel. All endorsements that are required by Florida Housing are to be issued and the form of the title policy must be approved prior to closing.
10. Property tax and hazard insurance escrows are to be established and maintained by the First Lender or the Servicer. In the event the reserve account is held by Florida Housing's loan servicing agent, the release of funds shall be at Florida Housing's sole discretion.
11. Replacement Reserves in the minimum amount of $300 per unit per year are required to be deposited on a monthly basis into a designated escrow account, to be maintained by the First Mortgagee/Credit Enhancer, the Trustee, or Florida Housing's loan servicing agent. However, Applicant has the option to prepay Replacement Reserves, as allowed per RFA, in the amount of $9,000 (one-half the required Replacement Reserves for Years 1 and 2), in order to meet the applicable DSC loan requirements. Applicant can waive this election, if at closing of the loan(s) the required DSC is met without the need to exercise the option. It is currently estimated that Replacement Reserves will be funded from Operations in the amount of $300 per unit per year for years 1 and 2, followed by $300 per unit per year thereafter. The initial Replacement Reserve will have limitations on the ability to be drawn. New construction or Redevelopment Developments (with or without acquisition) shall not be allowed to draw during the first five years or until the establishment of a minimum balance equal to the accumulation of five years of replacement reserves per unit.

    The amount established as a Replacement Reserve shall be adjusted based on a Capital Needs Assessment ("CNA") to be received by the Corporation or its servicers, prepared by an independent third party and acceptable to the Corporation and its servicers at the time the CNA is required, beginning no later than the 10th year after the first residential building in the Development receives a certificate of occupancy, a temporary certificate of occupancy, or is placed in service, whichever is earlier ("Initial Replacement Reserve Date"). A subsequent CNA is required no later than the 15th year after the Initial Replacement Reserve Date and subsequently every five (5) years thereafter.
12. GLE Associates, Inc. or other construction inspector acceptable for Florida Housing is to act as Florida Housing's inspector during the construction period.
13. Under the terms of the construction contract, a minimum of 10% retainage holdback on all construction draws will be withheld until construction is 50% complete and thereafter no additional retainage is withheld. Retainage will not be released until successful lien free completion of construction and issuance of all certificates of occupancy, which satisfies the RFA's minimum requirement.
14. Satisfactory completion of a pre-loan closing compliance audit conducted by Florida Housing or its Servicer, if applicable.
15. Closing of all funding sources prior to or simultaneous with the closing of the Viability, RRLP, ELI, and NHTF loans.
16. Any other reasonable requirements of the Servicer, Florida Housing or its Legal Counsel.

Exhibit 1
New River Landing
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
	OPERATING PRO FORMA															
INCOME:	Gross Potential Rental Income	**$259,308**	**$264,494**	**$269,784**	**$275,180**	**$280,683**	**$286,297**	**$292,023**	**$297,863**	**$303,821**	**$309,897**	**$316,095**	**$322,417**	**$328,865**	**$335,443**	**$342,151**
	Other Income															
	Ancillary Income	$3,600	$3,672	$3,745	$3,820	$3,897	$3,975	$4,054	$4,135	$4,218	$4,302	$4,388	$4,476	$4,566	$4,657	$4,750
	Washer/Dryer Rentals	$14,400	$14,688	$14,982	$15,281	$15,587	$15,899	$16,217	$16,541	$16,872	$17,209	$17,554	$17,905	$18,263	$18,628	$19,000
	Gross Potential Income	**$277,308**	**$282,854**	**$288,511**	**$294,281**	**$300,167**	**$306,170**	**$312,294**	**$318,540**	**$324,911**	**$331,409**	**$338,037**	**$344,798**	**$351,694**	**$358,727**	**$365,902**
	Less:															
	Physical Vac. Loss Percentage: 4.00%	$11,092	$11,314	$11,540	$11,771	$12,006	$12,246	$12,491	$12,741	$12,996	$13,256	$13,521	$13,792	$14,067	$14,349	$14,636
	Collection Loss Percentage: 1.00%	$2,773	$2,828	$2,885	$2,943	$3,002	$3,062	$3,123	$3,185	$3,249	$3,314	$3,380	$3,448	$3,517	$3,587	$3,659
	Total Effective Gross Income	**$263,443**	**$268,712**	**$274,086**	**$279,568**	**$285,159**	**$290,862**	**$296,680**	**$302,613**	**$308,665**	**$314,839**	**$321,136**	**$327,558**	**$334,109**	**$340,792**	**$347,607**
EXPENSES:	Fixed:															
	Real Estate Taxes	$31,828	$32,783	$33,766	$34,779	$35,823	$36,897	$38,004	$39,144	$40,319	$41,528	$42,774	$44,057	$45,379	$46,740	$48,143
	Insurance	$18,000	$18,540	$19,096	$19,669	$20,259	$20,867	$21,493	$22,138	$22,802	$23,486	$24,190	$24,916	$25,664	$26,434	$27,227
	Variable:															
	Management Fee Percentage: 6.00%	$15,807	$16,123													
	General and Administrative	$12,000	$12,360	$12,731	$13,113	$13,506	$13,911	$14,329	$14,758	$15,201	$15,657	$16,127	$16,611	$17,109	$17,622	$18,151
	Payroll Expenses	$36,000	$37,080	$38,192	$39,338	$40,518	$41,734	$42,986	$44,275	$45,604	$46,972	$48,381	$49,832	$51,327	$52,867	$54,453
	Utilities	$4,500	$4,635	$4,774	$4,917	$5,065	$5,217	$5,373	$5,534	$5,700	$5,871	$6,048	$6,229	$6,416	$6,608	$6,807
	Marketing and Advertising	$2,550	$2,627	$2,705	$2,786	$2,870	$2,956	$3,045	$3,136	$3,230	$3,327	$3,427	$3,530	$3,636	$3,745	$3,857
	Maintenance and Repairs/Pest Control	$15,000	$15,450	$15,914	$16,391	$16,883	$17,389	$17,911	$18,448	$19,002	$19,572	$20,159	$20,764	$21,386	$22,028	$22,689
	Grounds Maintenance and Landscaping	$5,250	$5,408	$5,570	$5,737	$5,909	$6,086	$6,269	$6,457	$6,651	$6,850	$7,056	$7,267	$7,485	$7,710	$7,941
	Contract Services	$1,500	$1,545	$1,591	$1,639	$1,688	$1,739	$1,791	$1,845	$1,900	$1,957	$2,016	$2,076	$2,139	$2,203	$2,269
	Reserve for Replacements	$9,000	$9,000	$9,000	$9,000	$9,000	$9,000	$9,000	$9,000	$9,000	$9,000	$9,270	$9,548	$9,835	$10,130	$10,433
	Total Expenses	**$151,435**	**$155,550**	**$143,340**	**$147,370**	**$151,521**	**$155,797**	**$160,200**	**$164,736**	**$169,409**	**$174,221**	**$179,447**	**$184,831**	**$190,376**	**$196,087**	**$201,970**
	Net Operating Income	**$112,008**	**$113,162**	**$130,746**	**$132,198**	**$133,638**	**$135,066**	**$136,479**	**$137,877**	**$139,257**	**$140,618**	**$141,688**	**$142,727**	**$143,734**	**$144,705**	**$145,638**
	Debt Service Payments															
	First Mortgage - Viability	$12,000	$12,000	$12,000	$12,000	$12,000	$12,000	$12,000	$12,000	$12,000	$12,000	$12,000	$12,000	$12,000	$12,000	$12,000
	Second Mortgage - RRLP	$44,899	$44,899	$44,899	$44,899	$44,899	$44,899	$44,899	$44,899	$44,899	$44,899	$44,899	$44,899	$44,899	$44,899	$44,899
	Third Mortgage - RRLP 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
	First Mortgage Fees - Viability	$3,000	$3,000	$3,000	$3,000	$3,000	$3,000	$3,000	$3,000	$3,000	$3,000	$3,000	$3,000	$3,000	$3,000	$3,000
	Second Mortgage Fees -RRLP	$14,244	$14,344	$14,447	$14,553	$14,663	$14,775	$14,891	$15,011	$15,134	$15,261	$15,391	$15,526	$15,664	$15,807	$15,954
	Third Mortgage Fees -RRLP 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	$4,206	$4,250
	Fourth Mortgage Fees -NHTF	$5,543	$5,543	$5,543	$5,543	$5,543	$5,543	$5,543	$5,543	$5,543	$5,543	$5,543	$5,543	$5,543	$6,008	$6,052
	Total Debt Service Payments	**$83,427**	**$83,527**	**$83,630**	**$83,736**	**$83,845**	**$83,958**	**$84,074**	**$84,193**	**$84,316**	**$84,443**	**$84,574**	**$84,708**	**$84,847**	**$85,920**	**$86,155**
	Cash Flow after Debt Service	**$28,581**	**$29,635**	**$47,117**	**$48,462**	**$49,793**	**$51,108**	**$52,405**	**$53,683**	**$54,940**	**$56,175**	**$57,114**	**$58,019**	**$58,887**	**$58,784**	**$59,483**
	Debt Service Coverage Ratios															
	DSC - First Mortgage plus Fees	**7.47x**	**7.54x**	**8.72x**	**8.81x**	**8.91x**	**9.00x**	**9.10x**	**9.19x**	**9.28x**	**9.37x**	**9.45x**	**9.52x**	**9.58x**	**9.65x**	**9.71x**
	DSC - Second Mortgage plus Fees	**1.51x**	**1.52x**	**1.76x**	**1.78x**	**1.79x**	**1.81x**	**1.82x**	**1.84x**	**1.86x**	**1.87x**	**1.88x**	**1.89x**	**1.90x**	**1.91x**	**1.92x**
	DSC - Third Mortgage plus Fees	**1.44x**	**1.45x**	**1.67x**	**1.69x**	**1.71x**	**1.72x**	**1.74x**	**1.75x**	**1.77x**	**1.78x**	**1.79x**	**1.80x**	**1.81x**	**1.81x**	**1.82x**
	DSC - Fourth Mortgage plus Fee	**1.34x**	**1.35x**	**1.56x**	**1.58x**	**1.59x**	**1.61x**	**1.62x**	**1.64x**	**1.65x**	**1.67x**	**1.68x**	**1.68x**	**1.69x**	**1.68x**	**1.69x**
	DSC - All Mortgages and Fees	**1.34x**	**1.35x**	**1.56x**	**1.58x**	**1.59x**	**1.61x**	**1.62x**	**1.64x**	**1.65x**	**1.67x**	**1.68x**	**1.68x**	**1.69x**	**1.68x**	**1.69x**
	Financial Ratios															
	Operating Expense Ratio	**57.48%**	**57.89%**	**52.30%**	**52.71%**	**53.14%**	**53.56%**	**54.00%**	**54.44%**	**54.88%**	**55.34%**	**55.88%**	**56.43%**	**56.98%**	**57.54%**	**58.10%**
	Break-even Economic Occupancy Ratio (all debt)	**84.99%**	**84.82%**	**84.67%**	**84.53%**	**84.41%**	**84.31%**	**84.22%**	**84.15%**	**84.09%**	**84.05%**	**84.10%**	**84.17%**	**84.26%**	**84.61%**	**84.74%**

New River Landing
RFA 2019-111 (2020-075RN)

Description of Features and Amenities

A. The Development will consist of:

30 Single Family Apartments located in 30 residential buildings

Unit Mix:

Thirty (30) two bedroom/two bath units;

30 Total Units

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

The Developments must meet all federal requirements and state building code requirements, including the following, incorporating the most recent amendments, regulations and rules: The Federal Fair Housing Act as implemented by 24 CFR 100, Florida Accessibility Code for Building Construction as adopted pursuant to Section 553.503, 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 the accessibility standards of Section 504. Section 504 accessibility standards require a minimum of 5 percent of the total dwelling units, but not fewer than one unit, to be accessible for individuals with mobility impairments. An additional 2 percent of the total units, but not fewer than one unit, must be accessible for persons with hearing or vision impairments.

C. The Development must provide the following General Features:

1. Termite prevention;
2. Pest control;
3. Window covering for each window and glass door inside each unit;
4. Cable or satellite TV hook-up in each unit and, if the Development offers cable or satellite TV service to the residents, the price cannot exceed the market rate for service of similar quality available to the Development's residents from a primary provider of cable or satellite TV;
5. Washer and dryer hook ups in each of the Development's units or an on-site laundry facility for resident use. If the proposed Development will have an on-site laundry facility, the following requirements must be met:
    - There must be a minimum of one (1) Energy Star certified washer and one (1) Energy Star certified dryer per every 15 units. To determine the required number of washers and dryers for the on-site laundry facility; divide the total number of the Development's units by 15, and then round the equation's total up to the nearest whole number; and

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

6. At least two full bathrooms in all 3 bedroom or larger units;
7. Bathtub with shower in at least one bathroom in at least 90 percent of the new construction non-Elderly units;
8. All Developments must provide a full-size range and oven in all units.

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

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

E. All Family Demographic Developments must provide reinforced walls for future installation of horizontal grab bars in place around each toilet/shower, or a Corporation-approved alternative approach for grab bar installation. The installation of the grab bars must meet or exceed 2010 ADA Standards for Accessible Design, Section 604.5.1 (Side Wall) and Section 604.5.2 (Rear Wall). At the request of and at no charge to a resident household, the Development shall purchase and install grab bars around each tub/shower unit and toilet in the dwelling unit. The product specifications and installation must meet or exceed 2010 ADA Standards for Accessible Design. The Development shall inform a prospective resident that the Development, upon a resident household's request and at no charge to the household, will install grab bars around a dwelling unit's tub/shower unit, pursuant to the 2010 ADA Standards. At a minimum, the Development shall inform each prospective lessee by including language in the Development's written materials listing and describing the unit's features, as well as including the language in each household's lease.

F. Green Building Features required in all Developments:

1. Low or No-VOC paint for all interior walls (Low-VOC means 50 grams per liter or less for flat; 150 grams per liter or less for non-flat paint);
2. Low-flow water fixtures in bathrooms – WaterSense labeled products or the following specifications:
   - Toilets: 1.28 gallons/flush or less
   - Urinals: 0.5 gallons/flush,
   - Lavatory Faucets: 1.5 gallons/minute or less at 60 psi flow rate,
   - Showerheads: 2.0 gallons/minute or less at 80 psi flow rate;
3. Energy Star certified refrigerator;
4. Energy Star certified dishwasher;

5. Energy Star certified ventilation fan in all bathrooms;
6. Water heater minimum efficiency specifications:
   - Residential Electric:
     - Up to 55 gallons = .95 EF or .92 UEF; or
     - More than 55 gallons = Energy Star certified; or
     - Tankless = Energy Star certified;
   - Residential Gas (storage or tankless/instantaneous): Energy Star certified
   - Commercial Gas Water Heater: Energy Star certified;
7. Energy Star certified ceiling fans with lighting fixtures in bedrooms;
8. Air Conditioning (choose in-unit or commercial):
   - Air-Source Heat Pumps – Energy Star certified:
     - ≥8.5 HSPF/ ≥15 SEER/ ≥12.5 EER for split systems
     - ≥8.2 HSPF/ ≥15 SEER/ ≥12 EER for single package equipment including gas/electric package units
   - Central Air Conditioners – Energy Star certified:
     - ≥15 SEER/ ≥12.5 EER* for split systems
     - ≥15 SEER/ ≥12 EER* for single package equipment including gas/electric package units.

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

G. The Development commits to achieve the following Green Building Certification program:

_______ Leadership in Energy and Environmental Design (LEED);

___X___ Florida Green Building Coalition (FGBC);

_______ Enterprise Green Communities; or

_______ ICC 700 National Green Building Standard (NGBS).

H. The Applicant must provide the following Resident Programs:

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

1. Employment Assistance Program

   The Applicant or its Management Company must provide, at no cost to the resident, a minimum of quarterly scheduled Employment Assistance Program workshops/meetings offering employment counseling by a knowledgeable employment counselor. Such a program includes employability skills workshops providing instruction in the basic skills necessary for getting, keeping, and doing well in a job. The instruction must be held between the hours of 8:00 a.m. and 7:00 p.m. and include, but not be limited to, the following:

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

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

2. Family Support Coordinator

   The Applicant must provide a Family Support Coordinator at no cost to the resident. The Family Support Coordinator shall assist residents in assessing needs and obtaining services, with the goal of promoting successful tenancies and helping residents achieve and maintain maximum independence and self-sufficiency. Responsibilities shall include linking residents with public and private resources in the community to provide needed assistance, develop and oversee on-site programs and activities based on the needs and interests of residents, and support residents in organizing group activities to build community and to address and solve problems such as crime and drug activity. The duties of the Family Support Coordinator shall not be performed by property management staff. The Coordinator shall be on-site and available to residents at least 20 hours per week, within the hours of 9 a.m. and 8 p.m. The Coordinator may be an employee of the Development or, through an agreement, an employee of a third-party agency or organization that provides these services.

3. Financial Management Program

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

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

- Homebuyer education including how to prepare to buy a home, and how to access to first-time homebuyer programs in the county in which the development is located.

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

MINIMUM FIRST MORTGAGE DETERMINIATION

DEVELOPMENT NAME: New River Landing
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 Satis. / Unsatis.	NOTE
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.	Unsatis.	6,7, 8
11. Resumes and experience of applicant, general contractor, and management agent.	Satis.	
12. Credit authorizations; verifications of deposits and mortgage loans.	Unsatis.	6,7, 8
13. Management Agreement and Management Plan.	Unsatis.	3
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.	

MINIMUM FIRST MORTGAGE DETERMINIATION

FINAL REVIEW REQUIRED ITEMS:	STATUS Satis. / Unsatis.	NOTE
20. Executed general construction contract with “not to exceed” costs.	Satis.	
21. HC ONLY: 15% of the total equity to be provided prior to or simultaneously with the closing of the construction financing.	Satis	
22. Any additional items required by the credit underwriter.	Unsatis	1, 2,4, 5

NOTES AND DEVELOPER RESPONSES:

1. Completion of the HUD Section 3 pre-construction conference is a condition precedent to closing.
2. 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.
3. Receipt of an executed Property Management Agreement and Management Plan is a condition precedent to closing.
4. Receipt of FHFC approval of the Tenant Selection Plan is a condition precedent to closing.
5. Receipt of Florida Housing approval of the Energy Consumption Model prepared by Zappling as illustrated in the Appraisal is a condition precedent to the finalization of this recommendation.
6. Receipt of an updated financial statement for Archipelago Housing, LLC is a condition precedent to the finalization of this recommendation.
7. Receipt of an updated financial statement for Kenneth Lee is a condition precedent to the finalization of this recommendation.
8. Receipt of an updated financial statement and Schedule of Real Estate Owned for W. Patrick McDowell is a condition precedent to the finalization of this recommendation.