Florida Housing Finance Corporation

Credit Underwriting Report

Alto Tower

Housing Credit and SAIL Financing for Homeless Housing Developments Located in Medium and Large Counties

SAIL, ELI, NHTF and 9% HC

RFA 2021-103 / 2021-294CSN

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

Section A Report Summary

Section B Loan Conditions and HC Allocation Recommendation and Contingencies

Section C Supporting Information and Schedules

Prepared by

Seltzer Management Group, Inc.

Final Report

October 20, 2022

ALTO TOWER

TABLE OF CONTENTS

Section A

Report Summary

Recommendation

Seltzer Management Group, Inc. ("SMG" or "Seltzer" or "Servicer") recommends the issuance of Florida Housing Finance Corporation ("FHFC" or "Florida Housing" or "Corporation") a State Apartment Incentive Loan ("SAIL") First Mortgage of $4,600,000, plus an additional $1,119,104 in SAIL from the Construction Housing Inflation Response Program ("CHIRP"), an Extremely Low Income ("ELI") Second Mortgage of $459,600, a National Housing Trust Fund ("NHTF") Third Mortgage of $1,236,800 plus an additional $1,522,000 in NHTF CHIRP. SMG also recommends an annual Housing Credit ("HC") allocation of $2,375,000 to Alto Tower for construction and permanent financing.

DEVELOPMENT & SET-ASIDES

Development Name: Alto Tower

RFA/Program Numbers: 2021-103 / 2021-294CSN

Address: 2291, 2277, 2267, NW 36th St. & 3618 NW 22nd Ct.

City: Miami Zip Code: 33142 County: Miami-Dade County Size: Large

Development Category: New Construction Development Type: Mid-Rise (5-6 Stories)

Construction Type: Masonry

Demographic Commitment:
Primary: Homeless for 50% of the Units

Unit Composition:
\# of ELI Units: 13 ELI Units Are Restricted to 25% AMI, or less. Total # of units with PBRA? 0
\# of Link Units: 7 Are the Link Units Demographically Restricted? Yes # of NHTF Units: 10

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
0	1.0	2	487	22%			$375	$48	$327		$327	$327	$327	$7,848
0	1.0	2	487	25%			$426	$48	$378		$378	$378	$378	$9,072
0	1.0	1	644	30%			$512	$48	$464		$464	$464	$464	$5,568
0	1.0	5	644	60%			$1,024	$48	$976		$478	$478	$478	$28,680
1	1.0	3	644	22%			$402	$73	$329		$329	$329	$329	$11,844
1	1.0	6	644	25%			$457	$73	$384		$384	$384	$384	$27,648
1	1.0	3	644	30%			$548	$73	$475		$475	$475	$475	$17,100
1	1.0	16	644	60%			$1,097	$73	$1,024		$479	$479	$479	$91,968
1	1.0	26	885	60%			$1,097	$73	$1,024		$1,024	$1,024	$1,024	$319,488
2	1.0	1	885	22%			$482	$100	$382		$382	$382	$382	$4,584
2	1.0	3	885	25%			$548	$100	$448		$448	$448	$448	$16,128
2	1.0	16	885	60%			$1,317	$100	$1,217		$1,217	$1,217	$1,217	$233,664
		84	64,554											$773,592

The demographic commitment is Homeless Individuals and Families. For the Persons with Special Needs population, the Applicant has selected to serve the following populations: Adult persons requiring independent living services in order to maintain housing or develop independent living skills and who have a Disabling Condition that neither currently impairs nor is likely to impair their physical mobility; such as persons with a mental illness Per the RFA, at least 50% (42 units) but less than 80% (68 units) of the total units will be set aside for Homeless Individuals and Families. The Applicant committed to set aside at least 50% (42 units) of the total units for Homeless individuals and families; and at least 15% (13 units) of the total units for Persons with Special Needs (which may be the same units set aside for Homeless Individuals and Families). The Applicant must irrevocably commit to the Homeless Individuals and Families demographic commitment selected for a minimum of 50 years. The Persons with Special Needs commitment is required for a minimum of 12 years. After the initial 12 years, the Applicant may submit a request to FHFC that allows the Applicant to commit to a different population(s) demographic commitment provided at 2.b. of Exhibit A of the RFA if the appropriate Level 1 or Level 2 Accessibility Requirements are met at the Development for the population(s).

Based on the RFA, the Applicant must commit to set aside 15% of the total units (13 units) at or below 25% AMI in the Development to serve ELI Households. The Applicant is eligible for ELI Loan Funding. One-third of the required ELI set-aside units (4 units) are eligible for ELI Loan funding up to the maximum ELI request amount of $600,000.

ELI Loan Amount per Bedroom Count: Miami-Dade County

Two (2) Studio units at $114,900 = $229,800
Two (2) One-Bedroom units at $114,900 = $229,800

Total = $459,600

The ELI Set-Aside Units are required for a minimum of 50 years. However, after 15 years, all of the ELI Set-Aside Units associated with the ELI Loan Funding (4 units) may convert to serve residents at or below 60% Area Median Income (“AMI”). The ELI Set-Aside Units that were not associated with the ELI Loan Funding (9 units) will remain ELI Set-Aside Units for the entire 50 year Compliance Period. However, the Persons with Special Needs set-aside commitment must be maintained throughout the entire 50 year compliance period.

NHTF Set-Aside Commitment: The proposed development must set aside ten (10) units as NHTF Link units targeted for Persons with Special Needs who are referred by a FHFC-designated Special Needs Household Referral Agency. These units are required to be at or below 22% AMI (6 units) and at or below 30% AMI (4 units) and are in addition to the fifteen percent (15%) requirement for ELI set aside units. Therefore, the Development will have a total of twenty-three (23) units targeted for Persons with Special Needs (ELI-13 units, NHTF-10 units). After 30 years, all of the NHTF Link units may convert to serve residents at or below 60% AMI; however, the Persons with Special Needs set aside commitment must be maintained throughout the entire 50 year compliance period.

Note that the above square footages were based on an average unit size.

All Applicants must meet the following requirements specific to its commitment, pursuant to the RFA, to serve Homeless households:

1. Have an executed agreement to participate in the Continuum of Care’s Homeless Management Information System (“HMIS”); and will contribute data on the Development’s tenants to the Continuum of Care’s HMIS data system or, if serving Survivors of Domestic Violence, is providing aggregate data reports to the Continuum of Care. The executed agreement shall be required at least six months prior to the expected placed in service date.

2. Commit to a housing provider in the Local Homeless Assistance Continuum of Care's Homeless Coordinated Entry system as required by the U.S. Department of Housing and Urban Development.

Buildings: Residential - 1 Non-Residential - 0
Parking: Parking Spaces - 53 Accessible Spaces - 7

Set Asides:

Program	% of Units	# of Units	% AMI	Term (Years)
SAIL/ELI/HC	15.0%	13	25%	50
SAIL/HC	85.0%	71	60%	50
NHTF Assisted Units	7.1%	6	22%	50
NHTF Assisted Units	4.8%	4	30%	50
HOME ARP	10.0%	9	33%	30

Absorption Rate 30 units per month for 2.8 months.

Occupancy Rate at Stabilization: Physical Occupancy 97.00% Economic Occupancy 96.00%
Occupancy Comments New Construction

DDA: No QCT: Yes Multi-Phase Boost: No QAP Boost: No
Site Acreage: 0.828 Density: 101.4493 Flood Zone Designation: AE
Zoning: T6-8-O / Urban Core Transect Open Flood Insurance Required?: Yes

DEVELOPMENT TEAM		
Applicant/Borrower:	Blue CASL Dade, LLC	% Ownership
Member	Blue Dade M, LLC	0.0049%
Member	CASL Dade, LLC	0.0051%
Limited Partner	Raymond James Tax Credit Funds, Inc. ("RJTCF")	99.99%
Construction Completion Guarantor(s):		
CC Guarantor 1:	Blue CASL Dade, LLC	
CC Guarantor 2:	Blue Dade M, LLC	
CC Guarantor 3:	CASL Dade, LLC	
CC Guarantor 4:	Shawn Wilson	
CC Guarantor 5:	James Chadwick	
CC Guarantor 6:	Community Assisted and Supported Living, Inc.	
CC Guarantor 7:	Blue Sky Communities, LLC	
CC Guarantor 8:	Weedon Enterprises, LLC	
Operating Deficit Guarantor(s):		
OD Guarantor 1:	Blue CASL Dade, LLC	
OD Guarantor 2:	Blue Dade M, LLC	
OD Guarantor 3:	CASL Dade, LLC	
OD Guarantor 4:	Shawn Wilson	
OD Guarantor 5:	James Chadwick	
OD Guarantor 6:	Community Assisted and Supported Living, Inc.	
OD Guarantor 7:	Blue Sky Communities, LLC	
OD Guarantor 8:	Weedon Enterprises, LLC	
Developer:	Blue AT Developer, LLC	
Principal 1	Blue Sky Communities, LLC	
Co-Developer:	CASL Developer, LLC	
Principal 1	Community Assisted and Supported Living, Inc.	
General Contractor 1:	Gomez Construction Company	
Management Company:	Carteret Management Corporation	
Syndicator:	RJTCF	
Architect:	Modis Architects, LLC	
Market Study Provider:	Meridian Appraisal Group, Inc. ("Meridian")	
Appraiser:	Colliers International Valuation & Advisory Services ("Colliers")	

PERMANENT FINANCING INFORMATION						
	1st Source	2nd Source	3rd Source	4th Source	5th Source	Other
Lien Position	First	First	Second	Third	Third	Fourth
Lender/Grantor	FHFC-SAIL	FHFC- SAIL CHIRP	FHFC-ELI	FHFC-NHTF	FHFC- NHTF CHIRP	HOME ARP
Amount	$4,600,000	$1,119,104	$459,600	$1,236,800	$1,522,000	$2,050,000
Underwritten Interest Rate	0.50%	0.50%	0.00%	0.00%	0.00%	0.50%
Loan Term	15.0	15.0	15.0	30.0	30.0	30.0
Amortization	N/A	N/A	N/A	N/A	N/A	N/A
Market Rate/Market Financing LTV	14.7%	18.3%	19.7%	23.7%	28.6%	35.1%
Restricted Market Financing LTV	107.0%	133.0%	143.7%	172.5%	207.8%	255.5%
Loan to Cost - Cumulative	13.1%	16.3%	17.6%	21.2%	25.5%	31.4%
Loan to Cost - SAIL Only		16.3%				
Debt Service Coverage	4.249	4.249	3.889	3.301	3.301	2.758
Operating Deficit & Debt Service Reserves	$1,290,712					
# of Months covered by the Reserves	25.6					

Deferred Developer Fee	$1,239,084
As-Is Land Value	$4,150,000
Market Rent/Market Financing Stabilized Value	$31,300,000
Rent Restricted Market Financing Stabilized Value	$4,300,000
Projected Net Operating Income (NOI) - Year 1	$172,058
Projected Net Operating Income (NOI) - 15 Year	$122,273
Year 15 Pro Forma Income Escalation Rate	2.00%
Year 15 Pro Forma Expense Escalation Rate	3.00%
Housing Credit (HC) Syndication Price	$0.96
HC Annual Allocation - Initial Award	$2,375,000
HC Annual Allocation - Qualified in CUR	$2,375,000
HC Annual Allocation - Equity Letter of Interest	$2,375,000

CONSTRUCTION/PERMANENT SOURCES:				
Source	**Lender**	**Construction**	**Permanent**	**Perm Loan/Unit**
Regulated Mortgage	TIAA Bank	$19,500,000	$0	$0.00
FHFC - SAIL	FHFC-SAIL	$4,600,000	$4,600,000	$54,761.90
FHFC - SAIL	FHFC- SAIL CHIRP	$1,119,104	$1,119,104	$13,322.67
FHFC - SAIL ELI	FHFC-ELI	$459,600	$459,600	$5,471.43
FHFC - NHTF	FHFC-NHTF	$1,236,800	$1,236,800	$14,723.81
FHFC - NHTF	FHFC- NHTF CHIRP	$1,522,000	$1,522,000	$18,119.05
Local Government	HOME ARP	$2,050,000	$2,050,000	$24,404.76
HC Equity	RJTCF	$3,419,658	$22,797,720	$271,401.43
Deferred Developer	Developer	$1,117,146	$1,239,084	$14,751.00
TOTAL		$35,024,308	$35,024,308	$416,956.05

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?	X	

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

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

1. See the below changes in the source of funds:
   - The Application included a Letter of Intent ("LOI") for first mortgage financing from JP Morgan Chase Bank, N.A. ("Chase") for construction financing. Subsequently, the Applicant provided a LOI from TIAA Bank for construction financing.
   - The Applicant received additional funding in the amount of $2,050,000 from Miami-Dade County HOME ARP.
   - Per the July 1, 2021 Invitation to Enter Credit Underwriting, the Applicant was awarded additional funding in the amount of $1,236,800 in the form of a NHTF loan.
   - Seltzer received an email, dated July 11, 2022, from Florida Housing with the Invitation to Participate ("ITP") for 2022 CHIRP Application and Acknowledgement for the Development. Based on the sizing criteria and parameters set forth in the SAIL/NHTF CHIRP, the Development will receive $1,119,104 in additional SAIL funding and $1,522,000 in additional NHTF funding.
2. Total Development Costs ("TDC") as stated in the application were $28,984,070. TDC have increased to $35,024,308, an increase of $6,040,238. This increase is primarily due to increases in construction, general development, financing costs, and Developer Fee
3. Other Changes since Application:
   - Applicant requested on September 16, 2021 to change its development designation from a scattered site to not a scattered site. This was marked in error.
   - Applicant requested on March 9, 2022 to change its unit mix and number of bathrooms in all two bedroom units as follows:

As submitted in application:

Number of Bedrooms per Unit	Number of Baths per Unit	Number of Units per Bedroom Type	Number of Units that are ELI Set-Aside Units
1	1	68	11
2	2	16	2
	TOTALS	84	13

Request to change:

Number of Bedrooms per Unit	Number of Baths per Unit	Number of Units per Bedroom Type	Number of Units that are ELI Set-Aside Units
0	1	10	2
1	1	54	8
2	1	20	3
	TOTALS	84	13

- The Appraiser provided an updated Market Study on April 11, 2022 to evaluate the new unit mix. The unit mix change was approved by FHFC staff on August 5, 2022. An updated Market Study dated October 10, 2022 was provided to reflect the updated set-asides based on the NHTF CHIRP units.
- On April 20, 2022, Applicant made a request to FHFC to change its legal description in the Carryover Agreement dated October 7, 2021. The Development site did not change but the legal description changed as a result of title and survey. The legal description change was approved by FHFC staff on May 2, 2022.
- On August 9, 2022, Applicant made a request to FHFC to add principals of the Manager/Member entity for Blue Dade M, LLC to keep the structure consistent with Blue Sky Communities, LLC by replacing Harry R. Chadwick and Laurel J. Chadwick Family Trust (50%) with Weedon Enterprises, LLC (50%). Applicant also requested to change the co-developer, Blue Sky Developer, LLC (75%) to a single purpose entity, Blue AT Developer, LLC (75%). The sole member of each entity is the same. FHFC staff approved this change on September 8, 2022.
- On August 9, 2022, Applicant made a request to FHFC to change its development type from High-Rise (7 stories) to Mid-Rise (6 stories). FHFC staff approved this change on September 8, 2022.
- FHFC staff noted in the August 9, 2022 Amendment Worksheet that the General Contractor changed from BSC P&E LLC to Gomez Construction Co. and was approved by FHFC Staff on September 8, 2022.
- On August 13, 2022, Applicant made a request to FHFC for a rule waiver (Rule Chapter 67-48.0072(19) to increase its hard cost contingency from the 5% limitation to 7.5%. The PCA provider states the 7.5% contingency is within the recommended amount for a development of this scope and size and is deemed reasonable by Seltzer. Staff approved the increase in the hard cost contingency on October 18, 2022. (See Waiver Requests/Special Conditions section).
- Applicant changed its Architect from Place Architecture to Modis Architects, LLC

These changes have no substantial material impact to the SAIL, ELI, NHTF and HC recommendations for this Development.

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

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

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

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

Strengths:

1. Per the Market Study, Meridian Appraisal Group, Inc. (“Meridian”) states the capture rates are below the typical developer’s benchmark of 10% at 0.3%, 0.1% and 0.1% in the three, five and 10-mile market areas, indicating the Development is appropriately sized for the market. The average occupancy for the comparables within the Subject’s Competitive Market Area (“CMA”) is 99.4%.
2. Although the Borrower, two Members, and Developer entities are newly formed, the principals, General Contractor, and the Management Company all have sufficient experience and financial resources to develop, construct and operate the proposed Development.

Other Considerations: None

Waiver Requests/Special Conditions:

1. On August 13, 2022, Applicant made a request to FHFC for a Rule waiver (Rule Chapter 67-48.0072(19) to increase its hard cost contingency from the 5% limitation to 7.5%. The PCA provider states the 7.5% contingency is within the recommended amount for a development of this scope and size and is deemed reasonable by Seltzer. Staff approved the increase in the hard cost contingency on October 18, 2022.
2. According to the RFA, the Corporation will review the limited partnership agreement or limited liability company operating agreement language on reserves for compliance with the RFA requirement. If the limited partnership agreement or limited liability company operating agreement does not specifically state that the parties will comply with the Corporation’s RFA requirements, the Corporation will require an amendment of the agreement and will not issue IRS form(s) 8609 until the amendment is executed and provided to the Corporation. The RFA includes language restricting the disposition of any funds remaining in any operating deficit reserve(s) after the term of the reserve’s original purpose has terminated or is near termination. The RFA also requires the Corporation to review the limited partnership agreement or limited liability company operating agreement language on reserves for compliance with the RFA requirement. While Florida Housing will continue to require the Applicant to adhere to all requirements in the RFA including the restrictions on the disposition of any funds in an operating deficit reserve account, Florida Housing will not monitor the limited partnership agreement or limited liability company operating agreement language for compliance with these requirements, as this would require analysis of a legal contract. This deviation was included as an Information Item in the April 29, 2022 FHFC Board Meeting.

Additional Information:

1. Seltzer received an email, dated July 11, 2022, from Florida Housing with the ITP for 2022 SAIL CHIRP Application and Acknowledgement for the Development. Based on the updated Sources and Uses, the Development qualifies for an additional $1,119,104 in SAIL CHIRP funding along with SAIL in the amount of $4,600,000, for a total SAIL amount of $5,719,104. According to the CHIRP sizing parameters as outlined in the ITP, Seltzer has concluded that the $1,119,104 increase is within the parameters. The SAIL CHIRP loan terms will be made under the same terms as the original SAIL. The SAIL and 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 Applicant will be required to defer at least 30% of the Developer Fee, which is currently estimated at 30.00%.

2. Seltzer received an email, dated July 11, 2022, from Florida Housing with the ITP for 2022 NHTF CHIRP Application and Acknowledgement for the Development. Based on the updated Sources and Uses, the Development qualifies for an additional $1,522,000 in NHTF CHIRP funding along with NHTF in the amount of $1,236,800, for a total NHTF amount of $2,758,800. According to the CHIRP sizing parameters as outlined in the ITP, Seltzer has concluded that the $1,522,000 increase is within the parameters. The NHTF CHIRP loan terms will be made under the same terms as the original NHTF. The NHTF and NHTF CHIRP loan will be closed as one loan and will have one set of closing documents but have been separated for presentation purposes. The Applicant will be required to defer at least 30% of the Developer Fee, which is currently estimated at 30.00%.

3. The increased SAIL and NHTF will be used to offset a portion of construction and development costs that have increased since Application. The $6,040,238 increase from $28,984,070 to $35,024,308 in total development costs is evidenced by an August 25, 2022 Financial Model provided by the Applicant. The increase is primarily attributable to the General Contractor's ("GC") estimated Contract costs from $15,999,900 to the actual Contract of $19,265,433 (increase of $3,265,533), general development costs, financing costs and Developer Fee.

4. Prior to the ITP CHIRP, the Applicant had four NHTF units. The Applicant requested an additional six units to receive CHIRP NHTF funding, for a total of 10 NHTF units. The Applicant was eligible for two existing ELI units that were set aside at 25% AMI to be converted to 22% AMI units. In addition, the Applicant elected four units to forgo (25%) ELI units converting to 22% AMI, and instead, allowed the four units to convert from 60% AMI units to 30% AMI. The change resulted in a total of two units converting from 25% AMI to 22% AMI, four units converting from 60% AMI to 22% units and four units converting from 60% AMI to 30% AMI, for a total of 10 NHTF units. Seltzer then accounted for the Homeless and Link unit set-aside requirements. As a result of the set-aside changes, proforma income increased from $763,848 to $773,592 (or $9,744). The Market Study was revised to reflect the correct set-asides.

5. The minimum first mortgage calculation chart has been omitted from this CUR, as this is a Homeless transaction and the Development would only use its actual committed debt.

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

<u>Issues and Concerns</u>: None

<u>Mitigating Factors</u>: None

<u>Recommendation</u>:

SMG recommends FHFC approve a SAIL First Mortgage in the amount of $4,600,000, a First Mortgage SAIL CHIRP in the amount of $1,119,104, an ELI Second Mortgage in the amount of $459,600, a NHTF Third Mortgage in the amount of $1,236,800 and a NHTF CHIRP Third Mortgage of $1,522,000. SMG also recommends an Annual HC allocation of $2,375,000 be awarded to Alto Tower for construction and permanent financing.

This recommendation is based upon the assumptions detailed in the Report Summary (Section A) and Supporting Information and Schedules (Section C). In addition, this recommendation is subject to the, SAIL, ELI and NHTF Loan Conditions and HC Allocation Recommendation and Contingencies (Section B). The reader is cautioned to refer to these sections for complete information.

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

Prepared by:	Reviewed by:
Keith Whitaker	Joshua Scribner
Senior Credit Underwriter	Credit Underwriting Manager

Overview

Construction Financing Sources

Source	Lender	Applicant	Revised Applicant	Underwriter	Interest Rate	Construction Debt Service
First Mortgage	TIAA Bank	$19,500,000	$19,500,000	$19,500,000	7.3500%	$1,020,000
Second Mortgage	FHFC-SAIL	$4,600,000	$4,600,000	$4,600,000	0.00%	$0
Second Mortgage	FHFC- SAIL CHIRP	$0	$810,000	$1,119,104	0.00%	$0
Third Mortgage	FHFC-ELI	$459,600	$459,600	$459,600	0.00%	$0
Fourth Mortgage	FHFC-NHTF	$0	$1,236,800	$1,236,800	0.00%	$0
Fourth Mortgage	FHFC- NHTF CHIRP		$1,890,000	$1,522,000	0.00%	$0
Fifth Mortgage	HOME ARP	$0	$2,050,000	$2,050,000	0.00%	$0
HC Equity	RJTCF	$3,348,416	$3,419,658	$3,419,658		
Deferred Developer Fee	Developer	$2,500,000	$1,107,972	$1,117,146		
Total		**$30,408,016**	**$35,074,030**	**$35,024,308**		**$1,020,000**

<u>First Mortgage Financing:</u>

Applicant submitted a term sheet from TIAA Bank dated December 10, 2021, for a first mortgage construction loan in an amount up to $19,500,000, currently estimated in the amount of $19,500,000. The initial construction term shall be 24 months from the closing date and will require monthly interest only payments with all principal and interest due at maturity. The interest rate will be variable based on 235 basis points over the One-month London Interbank Offered Rate (“LIBOR”) with a floor of 3.50%. TIAA Bank provided an email dated September 13, 2022 stating the December 10, 2021 term sheet was still valid except the interest rate pricing. New loans closed after December 31, 2021 are based on the One-month Secured Overnight Financing Rate (“SOFR”) versus the One-month LIBOR. The One-month SOFR as of October 18, 2022 is 3.05% with a floor rate of 3.50%. SMG included a 150 basis point cushion to account for possible interest rate increases resulting in an estimated rate of 7.3500%. There is an origination fee of 65 basis points (“bps”) of the full commitment amount paid at closing. TIAA’s loan is based on a 24-month construction/stabilization period. Seltzer has utilized the Applicant’s estimate for construction loan interest in the amount of $1,020,000, based on the anticipated construction draw schedule.

<u>Other Construction Sources of Funds:</u>

Additional sources of funds for this Development during construction consist of a SAIL in the amount of $4,600,000, an additional SAIL CHIRP loan in the amount of $1,119,104, an ELI loan in the amount of $459,600, a NHTF loan in the amount of $1,236,800, a NHTF CHIRP loan in the amount of $1,522,000, a Miami-Dade HOME-ARP loan of $2,050,000, Housing Credit equity of $3,419,658 and deferred Developer Fees in the amount of $1,117,146. See the Permanent Financing section below for details.

Permanent Financing Sources

Source	Lender	Applicant	Revised Applicant	Underwriter	Interest Rate	Amort. Yrs.	Term Yrs.	Annual Debt
First Mortgage	FHFC-SAIL	$4,600,000	$4,600,000	$4,600,000	0.50%	N/A	15	$23,000
First Mortgage	FHFC- SAIL CHIRP	$0	$810,000	$1,119,104	0.50%	N/A	15	$5,596
Second Mortgage	FHFC-ELI	$459,600	$459,600	$459,600	0.00%	N/A	15	$0
Third Mortgage	FHFC-NHTF	$0	$1,236,800	$1,236,800	0.00%	N/A	30	$0
Third Mortgage	FHFC- NHTF CHIRP	$0	$1,890,000	$1,522,000	0.00%	N/A	30	$0
Fourth Mortgage	HOME ARP	$0	$2,050,000	$2,050,000	0.50%	N/A	30	$10,250
HC Equity	RJTCF	$22,322,768	$22,797,720	$22,797,720				
Def. Developer Fee	Developer	$2,500,000	$1,226,819	$1,239,084				
Total		**$29,882,368**	**$35,070,939**	**$35,024,308**				**$38,846**

First Mortgage Financing:

Borrower applied to FHFC under RFA 2021-103 for SAIL funds in the amount of $4,600,000. Applicants that commit to set aside at least 50%, but less than 80% of the total units for Homeless individuals and families will qualify for a SAIL with an interest rate of 0% for the percentage of units for Homeless individuals and families. The remaining units will have an interest rate of 1.00%. The Development has committed to 50% of the units for Homeless and families and will have a blended, overall interest rate of 0.50%, per annum and is non-amortizing over the life of the loan.

SAIL will have a total term of 17 years, of which two years is for the construction/stabilization period and 15 years for the permanent period. Any unpaid interest will be deferred until cash flow is available. At the maturity of the SAIL, however, all principal and unpaid interest is due. Annual payments of all applicable fees will be required. Fees include an annual Permanent Loan Servicing Fee based on 25 bps of the outstanding loan amount with a maximum of $909 per month, subject to a minimum of $229 per month and an annual Compliance Monitoring Multiple Program Fee of $993.

Seltzer received an email, dated July 11, 2022, from Florida Housing with the ITP for 2022 SAIL CHIRP Application and Acknowledgement for the Development. Based on the updated Sources and Uses, the Development qualifies for an additional $1,119,104 in SAIL CHIRP funding, for a total SAIL amount of $5,719,104. According to the CHIRP sizing parameters as outlined in the ITP, Seltzer has concluded that the $1,119,104 increase is within the parameters. The SAIL CHIRP loan terms will be made under the same terms as the original SAIL. The SAIL and 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 Applicant will be required to defer at least 30% of the Developer Fee.

ELI Loan

Applicants who submitted an Application for RFA 2021-103 are also eligible for ELI Loan funding for the required ELI set-aside units not to exceed the lesser of (a) $600,000; or (b) the maximum amount based on the ELI set-aside per unit limits; for 5% of the total units. The ELI Loan is in the form of a forgivable loan in an amount of $459,600.

The ELI AMI for Miami-Dade County is 25%. The Borrower committed to set aside 15% of the units (13 units) at or below 25% of AMI for ELI. The ELI Loan is non-amortizing at 0.00% simple interest per annum. The principal is forgivable at maturity provided the units for which the ELI Loan amount is awarded are targeted to ELI Households for the first 15 years of the 50 year Compliance Period. However, after 15 years, all of the ELI set aside units associated with the ELI Loan funding (4 units) may convert to serve residents at or below 60% AMI. The Persons with Special Needs set-aside requirement must be maintained throughout the entire 50 year Compliance Period. The ELI Loan will have a total term of 17 years, of which two years is for the construction/stabilization period and 15 years for the permanent period. Annual payments of all applicable fees will be required. Fees include an annual Permanent Loan Servicing Fee based on 25 bps of the outstanding loan amount with a maximum of $909 per month, subject to a minimum of $229 per month and an annual Compliance Monitoring Multiple Program Fee of $993.

NHTF Loan:

Applicants who submitted an Application for RFA 2021-103 are also eligible for NHTF Loan funding to subsidize additional deep targeted units for Persons with Special Needs ("NHTF Link units"). The Applicant was selected to receive a NHTF Loan in the form of a forgivable loan in an amount of $1,236,800, and is required to designate four (4) units as NHTF units targeted for Persons with Special Needs at or below 22% of AMI. This set-aside requirement is in addition to the ELI set-aside commitments.

The NHTF Loan shall be a non-amortizing loan at 0.00% simple interest per annum. The principal is forgivable at maturity provided the units for which the NHTF Loan amount is awarded are targeted as NHTF Link units for the first 30 years of the 50 year Compliance Period. After 30 years, all of the NHTF Link units (10 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. The NHTF Loan will have a total term of 30 years, of which 2 years is for the construction/stabilization period. Fees include an annual Permanent Loan Servicing Fee based on 25 bps of the outstanding loan amount with a maximum of $909 per month, subject to a minimum of $229 per month and an annual Compliance Monitoring Multiple Program Fee of $993.

Seltzer received an email, dated July 11, 2022, from Florida Housing with the ITP for 2022 NHTF CHIRP Application and Acknowledgement for the Development. Based on the updated Sources and Uses, the Development qualifies for an additional $1,522,000 in NHTF CHIRP funding, for a total NHTF amount of $2,758,800. According to the CHIRP sizing parameters as outlined in the ITP, Seltzer has concluded that the $1,522,000 increase is within the parameters. The NHTF CHIRP loan terms will be made under the same terms as the original NHTF. The NHTF and NHTF CHIRP loan will be closed as one loan and will have one set of closing documents but have been separated for presentation purposes. The Applicant will be required to defer at least 30% of the Developer Fee.

HOME-ARP:

Miami-Dade County issued a Conditional Loan Commitment dated July 22, 2022 as a result of the Board of County Commissioners approving a HOME-ARP loan at its June 14, 2022 Board Meeting in the amount of $2,050,000. Terms include 0.00% during construction and 0.50% interest only during the permanent period from development cash flow. The term of the HOME-ARP loan will be for 30 years. The set-aside commitment for the HOME funding include 10% or more of the units that is affordable to households at 33% or less of AMI.

Housing Credits Equity Investment:

The Applicant has applied to Florida Housing to receive 9% Housing Credits.

Based upon an August 19, 2022 Agreement, RJTCF or an affiliate will purchase a 99.99% membership interest in the Applicant and provide HC equity as follows:

Capital Contributions	Amount	Percent of Total	When Due
1st Installment	$3,419,658	15.00%	At Closing
2nd Installment	$3,419,658	15.00%	Later of 7/1/2024 or Construction Completion
3rd Installment	$15,858,404	69.56%	Later of 1/1/2025 or Stabilized Operations
4th Installment	$100,000	0.44%	Form 8609 received
Total	$22,797,720	100.00%	

Annual Tax Credits per Syndication Agreement:	$2,375,000
Total HC Available to Syndicator (10 years):	$23,747,625
Syndication Percentage (investor member interest):	99.99%
Calculated HC Exchange Rate (per dollar):	$0.96
Proceeds Available During Construction:	$3,419,658

At least 15% of the total equity will be provided prior to or simultaneously with the closing of the construction / permanent financing which meets the RFA requirement.

Other Permanent Sources of Funds:

In order to balance the sources and uses of funds after all loan proceeds and capital contributions payable under the RJTCF LOI have been received, the Developer will have to defer $1,239,084, or 30.00% of Developer Fees, which meets the minimum 30% requirement in the CHIRP ITP.

Uses of Funds

CONSTRUCTION COSTS:	Applicant Costs	Revised Applicant Costs	Underwriters Total Costs - CUR	Cost Per Unit	HC Ineligible Costs - CUR
Accessory Buildings				$0	
Demolition	$100,000	$103,313	$103,313	$1,230	$103,313
Installation of Pre Fab Units				$0	
New Rental Units	$13,005,000	$15,871,422	$15,871,422	$188,946	$92,400
Off-Site Work		$132,800	$132,800	$1,581	$132,800
Recreational Amenities				$0	
Site Work	$930,000	$791,968	$791,968	$9,428	$118,795
Swimming Pool				$0	
Furniture, Fixture, & Equipment				$0	
Hard Cost Contingency - in Constr. Cont.				$0	
Constr. Contr. Costs subject to GC Fee	$14,035,000	$16,899,503	$16,899,503	$201,185	$447,308
General Conditions	$1,964,900	$1,013,970	$1,013,970	$12,071	
Overhead		$337,990	$337,990	$4,024	
Profit		$1,013,970	$1,013,970	$12,071	
Builder's Risk Insurance				$0	
General Liability Insurance				$0	
Payment and Performance Bonds				$0	
Contract Costs not subject to GC Fee				$0	
Total Construction Contract/Costs	$15,999,900	$19,265,433	$19,265,433	$229,350	$447,308
Hard Cost Contingency	$799,995	$1,444,908	$1,444,908	$17,201	
PnP Bond paid outside Constr. Contr.	$201,599	$192,655	$192,655	$2,294	
Fees for LOC used as Constr. Surety				$0	
Demolition paid outside Constr. Contr.				$0	
FF&E paid outside Constr. Contr.	$168,000	$307,900	$307,900	$3,665	
Other: General Liability Insurance		$91,308	$91,308	$1,087	
Total Construction Costs:	**$17,169,494**	**$21,302,204**	**$21,302,204**	**$253,598**	**$447,308**

Notes to the Construction Costs:

1. The Applicant has provided an executed AIA Document A102-2017 Standard Form of Agreement between Owner and Contractor where the basis of payment is the Cost of the Work plus a Fee with a Guaranteed Maximum Price dated July 29, 2022, in the amount of $19,265,433. The contract states the Date of Commencement shall be a date set forth in a notice to proceed issued by the owner. Substantial Completion is expected to occur not later than 462 days (approximately 15 months) from the Date of Commencement. Ten (10%) percent retainage will be withheld on all work performed up to 50% completion and no retainage thereafter. Retainage will not be held on insurance cost or bond cost. Note: the Schedule of Values includes an estimated General Liability Insurance amount of $59,723, but is outside the General Construction Contract. Seltzer has utilized the Applicant's current estimate of $91,308.

   Allowances in the GMP Agreement

   - Benches - $5,000
   - Interior Signage - $10,000
   - Access Control/Security Cameras - $127,595

   Total Allowances - $142,595

GLE Associates, Inc. ("GLE") is of the opinion that the allowances are within an acceptable range for the scope of work indicated.

The Owner's final payment to the General Contractor shall be made after the conditions precedent to final payment have been satisfied by the Contractor and review of Contractor's final accounting and Application for Payment.

2. The General Contractor has included within the Schedule of Values, the purchase of washers and dryers in the amount of $92,400, to be available for residents to rent. The cost of purchasing this income producing equipment is reflected above as HC Ineligible.
3. SMG received the General Contractor's Certification of Requirements, whereby the General Contractor acknowledges and commits to adhere to all requirements related to a General Contractor as published within Rule Chapter 67-48 ("Rule"), Florida Administrative Code.
4. General Contractor fees as stated are within the 14% maximum per the RFA and Rule. General liability insurance and cost of Payment and Performance Bond will be paid by the owner and not reflected in the schedule of values and are excluded from construction hard costs in the General Contractor fee calculation.
5. The Hard Cost Contingency for this development has been limited to the Applicant's request of 7.50% of the total construction contract, which exceeds the 5% limit per Rule for new construction. However, the PCA provider states the 7.5% contingency is within the recommended amount for a development of this scope and size and is deemed reasonable by Seltzer. Staff approved the increase in the hard cost contingency on October 18, 2022. The hard cost contingency is not included in the construction contract amount.
6. FF&E outside the construction contract includes the cost of recreational/owner items.
7. SMG engaged and received a Plan and Cost Analysis ("PCA") from GLE. Complete results are set forth in Section C of this credit underwriting report.

GENERAL DEVELOPMENT COSTS:	Applicant Costs	Revised Applicant Costs	Underwriters Total Costs - CUR	Cost Per Unit	HC Ineligible Costs - CUR
Accounting Fees	$40,000	$40,000	$40,000	$476	$20,000
Appraisal	$6,000	$6,500	$6,500	$77	
Architect's Fee - Site/Building Design	$500,000	$407,500	$407,500	$4,851	
Architect's Fee - Supervision	$100,000	$42,500	$42,500	$506	
Building Permits	$134,399	$538,836	$538,836	$6,415	
Builder's Risk Insurance		$170,775	$170,775	$2,033	
Capital Needs Assessment/Rehab				$0	
Engineering Fees	$85,000	$113,205	$113,205	$1,348	
Environmental Report	$10,000	$8,800	$8,800	$105	
Federal Labor Standards Monitoring				$0	
FHFC Administrative Fees	$213,750	$130,625	$130,625	$1,555	$130,625
FHFC Application Fee	$3,000	$3,000	$3,000	$36	$3,000
FHFC Credit Underwriting Fee	$30,000	$32,541	$32,541	$387	$32,541
FHFC Compliance Fee	$222,641	$223,393	$220,153	$2,621	$220,153
FHFC Other Processing Fee(s)		$103,194	$40,500	$482	$40,500
Impact Fee	$240,930	$124,700	$124,700	$1,485	
Lender Inspection Fees / Const Admin	$45,000	$50,000	$50,000	$595	
Green Building Cert. (LEED, FGBC, NGBS)	$30,000	$26,220	$26,220	$312	
Insurance	$280,000	$137,917	$137,917	$1,642	
Legal Fees - Organizational Costs	$400,000	$225,000	$225,000	$2,679	$168,750
Local Subsidy Underwriting Fee				$0	
Market Study	$6,000	$6,700	$6,700	$80	$6,700
Marketing and Advertising	$10,000	$141,000	$141,000	$1,679	$141,000
Plan and Cost Review Analysis		$2,100	$2,100	$25	
Property Taxes	$74,544	$76,477	$76,477	$910	
Soil Test	$35,000	$100,583	$100,583	$1,197	
Survey	$25,000	$41,255	$41,255	$491	$10,314
Tenant Relocation Costs				$0	
Title Insurance and Recording Fees	$112,000	$136,083	$136,083	$1,620	$34,021
Traffic Study				$0	
Utility Connection Fees	$125,000	$140,000	$140,000	$1,667	
Soft Cost Contingency	$154,893	$178,913	$178,498	$2,125	
Other: Security System		$15,132	$15,133	$180	$15,133
Total General Development Costs:	**$2,883,157**	**$3,222,949**	**$3,156,601**	**$37,579**	**$822,737**

Notes to the General Development Costs:

1. Architect's Fees for Site/Building Design and Supervision are based on the Agreement between Owner and Architect, Modis Architects, LLC, dated November 11, 2021.

2. Engineering Fees are based on the Proposal between the Owner and Biscayne Engineering Company, Inc. dated October 19, 2021.

3. The FHFC Administrative Fee is based on 5.5% of the recommended annual allocation of HC. The FHFC Application Fee is reflective of the application fees stated in RFA 2021-103. The total FHFC Credit Underwriting Fees are $32,541 (PRL of $1,658, SAIL/ELI/NHTF/HC of $24,179, SAIL CHIRP and NHTF CHIRP of $4,996, and an updated PRL of $1,708). FHFC Compliance Fees are $220,153.

4. The FHFC Other Processing Fee(s) include a legal description change ($500), NOC Extension ($10,000), LPA Extension ($10,000), CUR Extension ($5,000), and a FHFC Swap Fee ($15,000) already paid by the Applicant.
5. The Green Building Certification fee is based on the executed Agreement between the Applicant and E3 Design Group, Inc., dated December 22, 2021.
6. Impact Fees and Utility Connection Fees were estimated by the Applicant.
7. Soft cost contingency is within the 5% limit as allowed per the RFA and Rule.
8. Other General Development Costs are based on the Applicant's estimates, which appear reasonable.

FINANCIAL COSTS:	Applicant Costs	Revised Applicant Costs	Underwriters Total Costs - CUR	Cost Per Unit	HC Ineligible Costs - CUR
Construction Loan Application Fee				$0	
Construction Loan Underwriting Fee				$0	
Construction Loan Origination Fee	$195,000	$126,750	$126,750	$1,509	
Construction Loan Commitment Fee				$0	
Construction Loan Closing Costs		$25,000	$25,000	$298	
Construction Loan Interest	$712,969	$1,020,000	$1,020,000	$12,143	$408,000
Construction Loan Servicing Fees				$0	
Permanent Loan Application Fee	$50,000			$0	
Permanent Loan Underwriting Fee				$0	
Permanent Loan Subsidy Layering Rev.				$0	
Permanent Loan Commitment Fee				$0	
Permanent Loan Origination Fee	$50,596			$0	
SAIL Commitment Fee		$57,191	$57,191	$681	$57,191
SAIL Closing Costs		$50,000	$12,500	$149	$12,500
SAIL Interest				$0	
SAIL Servicing Fee				$0	
SAIL-ELI Commitment Fee		$4,596	$4,596	$55	$4,596
SAIL-ELI Closing Costs			$6,500	$77	$6,500
SAIL-ELI Servicing Fee				$0	
Misc Loan Underwriting Fee		$8,500	$8,500	$101	$8,500
NHTF Subsidy Layering Review			$3,155	$38	$3,155
NHTF Commitment Fee		$31,268		$0	$0
NHTF Closing Costs			$12,500	$149	$12,500
NHTF Servicing Fee				$0	
Legal Fees - Financing Costs		$75,000	$75,275	$896	$75,275
Other: Syndicator Fees		$35,000	$35,000	$417	$35,000
Other: FHFC Ext Fee SAIL, ELI & NHTF			$62,964	$750	$62,964
Total Financial Costs:	**$1,008,565**	**$1,433,305**	**$1,449,931**	**$17,261**	**$686,181**
Dev. Costs before Acq., Dev. Fee & Reserves	**$21,061,216**	**$25,958,458**	**$25,908,736**	**$308,437**	**$1,956,226**

Notes to the Financial Costs:

1. Construction Origination Fee is based on 65 bps of the "up to" construction loan amount provided by TIAA Bank of $19,500,000 ($126,750).
2. Construction Loan Interest is an estimate provided by the Applicant based on the Construction Draw Schedule.

3. SAIL Commitment Fee consists of 1% of the SAIL/SAIL CHIRP amount.
4. SAIL, ELI and NHTF Closing Costs are $12,500, $6,500 and $12,500 respectively, for FHFC legal counsel fees.
5. SAIL-ELI Commitment Fee consists of a 1% ELI commitment fee based on the ELI Loan amount.
6. NHTF Subsidy Layering Review is $3,155.
7. Syndication Fees of $35,000 represent the cost for legal fees and other closing costs associated with the tax credit equity provided by RJTCF.
8. Other Financial Costs are based on the Applicant's estimates, which appear reasonable.
9. FHFC Extension Fee for the SAIL, ELI and NHTF firm loan commitment issuance deadline is $62,964.

NON-LAND ACQUISITION COSTS	Applicant Costs	Revised Applicant Costs	Underwriters Total Costs - CUR	Cost Per Unit	HC Ineligible Costs - CUR
Brokerage Fees - Building				$0	
Building Acquisition Cost				$0	
Developer Fee on Non-Land Acq. Costs				$0	
Total Non-Land Acquisition Costs:	**$0**	**$0**	**$0**	**$0**	**$0**

Notes to the Non-Land Acquisition Costs:

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

DEVELOPER FEE ON NON-ACQUISTION COSTS	Applicant Costs	Revised Applicant Costs	Underwriters Total Costs - CUR	Cost Per Unit	HC Ineligible Costs - CUR
Developer Fee - Unapportioned	$3,369,794	$4,130,277	$4,130,277	$49,170	
DF to fund Operating Debt Reserve	$1,053,060	$1,290,712	$1,290,712	$15,366	
Total Other Development Costs:	**$4,422,854**	**$5,420,989**	**$5,420,989**	**$64,536**	**$0**

Notes to the Other Development Costs:

1. Developer Fee does not exceed 21% of the Development's construction cost, exclusive of land acquisition costs and reserves, as required per Rule. Five percent (5%) of the Developer Fee must be placed in an operating subsidy reserve account to be held by FHFC or its Servicer. At the end of the Compliance Period, any remaining balance of the ODR less amounts that may be permitted to be drawn (which includes Deferred Developer Fee and reimbursements for authorized member/partner and guarantor loan(s) pursuant to the operating/partnership agreement), will be used to pay FHFC loan debt; if there is no FHFC loan debt on the proposed Development at the end of the Compliance Period, any remaining balance shall be used to pay outstanding FHFC fees. If any balance is remaining in the ODR after the payments above, the amount should be placed in a Replacement Reserve account for the Development. In no event shall the payments of amounts to the Applicant or the Developer from the Reserve Account cause the Developer Fee or General Contractor Fee to exceed the applicable percentage limitations provided for in the Rule. Any and all terms and conditions of the ODR must be acceptable to Florida Housing, its Servicer and its Legal Counsel.

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

LAND ACQUISITION COSTS	Applicant Costs	Revised Applicant Costs	Underwriters Total Costs - CUR	Cost Per Unit	HC Ineligible Costs - CUR
Brokerage Fees - Land				$0	$0
Land Acquisition Cost				$0	$0
Land	$3,500,000	$3,500,000	$3,500,000	$41,667	$3,500,000
Land Carrying Costs		$194,583	$194,583	$2,316	$194,583
Total Acquisition Costs:	**$3,500,000**	**$3,694,583**	**$3,694,583**	**$43,983**	**$3,694,583**

Notes to the Land Acquisition Costs:

1. The Applicant provided an executed Closing Statement dated March 10, 2022 between Starker Services, Inc. as Qualified Intermediary for MJM Capital Enterprises, LLC as Exhangor ("Seller") and Blue CASL Dade, LLC ("Buyer"), reflecting a purchase price of $3,500,000. Applicant also provided a recorded Special Warranty Deed between said parties dated March 10, 2022.
2. Applicant also included $194,583 in interest expense as Land Carrying Costs. Applicant acquired a land loan from Raymond James Affordable Housing Investments to purchase the site in the amount of $3,500,000, with an interest rate of Wall Street Journal Prime Rate plus 100 basis points. There is a 10 month hold period plus a $5,000 application/processing fee.

   The appraised value of the vacant land is $4,150,000, which supports the purchase price.

RESERVE ACCOUNTS	Applicant Costs	Revised Applicant Costs	Underwriters Total Costs - CUR	Cost Per Unit	HC Ineligible Costs - CUR
Operating Deficit Reserve (FHFC)				$0	$0
Operating Deficit Reserve (Lender)				$0	$0
Operating Deficit Reserve (Syndicator)				$0	$0
Total Reserve Accounts:	**$0**	**$0**	**$0**	**$0**	**$0**

Notes to Reserve Accounts:

1. RJTCF requires an Operating Deficit Reserve ("ODR") in the amount of $1,246,448 or an amount otherwise approved by FHFC. As a Homeless development, FHFC is requiring a 5% ODR (or $1,290,712 to be funded through Developer Fee as reflected previously.

TOTAL DEVELOPMENT COSTS	Applicant Costs	Revised Applicant Costs	Underwriters Total Costs - CUR	Cost Per Unit	HC Ineligible Costs - CUR
TOTAL DEVELOPMENT COSTS:	$28,984,070	$35,074,030	$35,024,308	$416,956	$5,650,809

Notes to the Total Development Costs:

1. Per RFA 2021-103, Total Development Cost ("TDC") is limited on a per unit basis based on the construction type of the units as indicated by the Applicant. The Applicant has indicated a construction type of Mid-Rise-ESSC Construction, 5-6 stories, which had a maximum allowable per unit cost of $423,977.40. Based on changes to TDC limits as approved at the April 1, 2022 Telephonic FHFC Board Meeting, the maximum allowable per unit cost is $508,772.88. Alto Tower's final TDC per unit is $371,743, which does not exceed the maximum allowable TDC per the RFA.

Operating Pro forma

OPERATING PRO FORMA				ANNUAL	PER UNIT
INCOME	Gross Potential Rental Income			$773,592	$9,209
	Rent Subsidy (ODR)			$0	$0
	Other Income:				
		Miscellaneous		$12,500	$149
		Washer/Dryer Rentals		$22,680	$270
		Cable/Satellite Income			$0
	Gross Potential Income			$808,772	$9,628
	Less:				
		Physical Vacancy Loss - Percentage:	3.0%	($24,263)	($289)
		Collection Loss - Percentage:	1.0%	($8,088)	($96)
Total Effective Gross Revenue				$776,421	$9,243
EXPENSES	Fixed:				
		Real Estate Taxes		$34,674	$413
		Insurance		$92,400	$1,100
		Other		$0	$0
	Variable:				
		Management Fee - Percentage:	8.0%	$61,909	$737
		General and Administrative		$29,400	$350
		Payroll Expenses		$173,460	$2,065
		Utilities		$65,520	$780
		Marketing and Advertising		$4,200	$50
		Maintenance and Repairs		$44,100	$525
		Grounds Maintenance and Landscaping		$10,500	$125
		Resident Programs		$0	$0
		Contract Services		$0	$0
		Security		$63,000	$750
		Other-Pest Control		$0	$0
	Reserve for Replacements			$25,200	$300
Total Expenses				$604,363	$7,195
Net Operating Income				$172,058	$2,048
Debt Service Payments					
DEBT SERVICE		First Mortgage - FHFC SAIL & SAIL CHIRP		$28,596	$340
		Second Mortgage - FHFC-ELI		$0	$0
		Third Mortgage - FHFC NHTF/NHTF CHIRP		$0	$0
		Fourth Mortgage - HOME ARP		$10,250	$122
		First Mortgage Fees - FHFC SAIL & SAIL CHIRP		$11,901	$142
		Second Mortgage Fees- FHFC-ELI		$3,741	$45
		Third Mortgage Fees- FHFC NHTF/NHTF CHIRP		$7,890	$94
		Fourth Mortgage Fees- HOME ARP		$0	$0
Total Debt Service Payments				$62,378	$743
Cash Flow After Debt Service				$109,680	$1,306

Debt Service Coverage Ratios	
DSC - First Mortgage plus Fees	4.249
DSC - Second Mortgage plus Fees	3.889
DSC - Third Mortgage plus Fees	3.301
DSC - Fourth Mortgage plus Fees	2.758

Financial Ratios	
Operating Expense Ratio	77.8%
Break-Even Ratio	82.8%

Notes to the Operating Pro forma and Ratios:

1. The Development will be utilizing Housing Credits, SAIL, ELI and NHTF which will impose rent restrictions. Alto Tower is projected to achieve 2022 Maximum Allowable HC Rents published by Florida Housing on all units (except for the 60% AMI Homeless units) based upon the Appraiser's estimate of achievable rents per comparable properties surveyed. There are 42 units set-aside for Homeless. The Appraiser notes that for the 60% AMI Homeless units, the Developer projected rental rates lower than maximum 2022 HC Rents. The Appraiser reported that the Developer determined the 60% AMI Homeless unit rents after discussion with local Miami-Dade County program representatives. The Appraiser concluded rents consistent with those projected by the Developer, which are consistent with the 25%-28% AMI rent levels. Projected rents are less utility allowances as required by the HC Program based upon a HUD Utility Allowance Schedule for Miami-Dade County, FL (5+ Units; High Rise), dated January 1, 2022. The allowances reflect the resident paying for electricity and the Applicant paying for water, sewer, trash removal and pest control.

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

   Miami-Miami Beach-Kendall HMFA / Miami-Dade 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
0	1.0	2	487	22%			$375	$48	$327		$327	$327	$327	$7,848
0	1.0	2	487	25%			$426	$48	$378		$378	$378	$378	$9,072
0	1.0	1	644	30%			$512	$48	$464		$464	$464	$464	$5,568
0	1.0	5	644	60%			$1,024	$48	$976		$478	$478	$478	$28,680
1	1.0	3	644	22%			$402	$73	$329		$329	$329	$329	$11,844
1	1.0	6	644	25%			$457	$73	$384		$384	$384	$384	$27,648
1	1.0	3	644	30%			$548	$73	$475		$475	$475	$475	$17,100
1	1.0	16	644	60%			$1,097	$73	$1,024		$479	$479	$479	$91,968
1	1.0	26	885	60%			$1,097	$73	$1,024		$1,024	$1,024	$1,024	$319,488
2	1.0	1	885	22%			$482	$100	$382		$382	$382	$382	$4,584
2	1.0	3	885	25%			$548	$100	$448		$448	$448	$448	$16,128
2	1.0	16	885	60%			$1,317	$100	$1,217		$1,217	$1,217	$1,217	$233,664
		84	64,554											$773,592

2. The appraiser estimates a stabilized physical vacancy rate of 3% and a collection loss of 1%, resulting in a physical occupancy of 97% and an economic occupancy of 96%.

3. Real estate tax expense is based on the Appraiser's estimate.

4. Management Fees are based upon the Management Agreement provided by the Applicant that reflects a management fee in the amount of $2,000 per month or 7.0% of the gross revenues collected, whichever

is greater. In addition, the Management Company will charge a "Bookkeeping and Computer Services" fee of the lesser of actual costs or $630 per month. Therefore, the combined fees equate to approximately 8.0%.

5. Other operating expense estimates are based on comparable properties and are supported by the appraisal.
6. Replacement Reserves in the amount of $300 per unit per year meet RFA and Rule requirements. RJTCF requires the replacement reserve to be increased annually by 3.00%.
7. The debt service coverage for the first mortgage SAIL exceeds the 1.50x maximum per Rule Chapter 67-48. However, in extenuating circumstances, such as when the Development has deep or short term subsidy, the debt service coverage may exceed 1.50x if the Credit Underwriter's favorable recommendation is supported by the projected cash flow analysis. The Development has a Homeless demographic with deep subsidy in the form of units which serve tenants whose income is 22%, 25%, 30% and 33% or less of AMI including SAIL, ELI, NHTF and HOME ARP funding. As such, exceeding he maximum threshold of 1.50x to 1.00 is permitted.
8. The 15-year income and expense projection reflects a decreasing debt service coverage ("DSC") through year 15, but has an overall DSC of 1.774x (including all debt and fees in year 15). This projection is attached to this report as Exhibit 1.

Section B

Loan Conditions

HC Allocation Recommendation and Contingencies

Special Conditions

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

1. 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. 1701 u and 24CFR Part 135).
3. Satisfactory receipt of the Affirmative Fair Housing Marketing Plan.
4. Approval of the Rule Waiver regarding the changes in the General Partner and Co-Developer.
5. Applicant made a change in its general contractor from BSC P&E LLC to Gomez Construction Co. Applicant will submit a formal request to FHFC staff for approval prior to closing.

General Conditions

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

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

exceed the ratio of the SAIL, ELI and NHTF loans, respectively, to the Total Development Cost during the construction or rehabilitation phase, unless otherwise approved by the Credit Underwriter. The closing draw shall include appropriate backup and ACH wiring instructions.

7. Construction Period Developer Fee shall be the lessor of i) 50% of the Total Developer Fee or ii) the Total Developer Fee less the Deferred Developer Fee listed in the Sources and Uses for the construction period, as calculated by the Servicer. At closing, a maximum of 35% of the Construction Period Developer Fee may be funded. Remaining Construction Period Developer Fee will be disbursed during construction/rehabilitation on a pro rata basis, based on the percentage of completion of the development, as approved and reviewed by FHFC and Servicer.

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

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

9. The General Contractor shall secure a payment and performance bond equal to 100% of the total construction cost listing FHFC as co-obligee, whose terms do not adversely affect the Corporation's interest, issued in the name of the General Contractor, from a company rated at least "A-" by A.M. Best & Co., or a Corporation-approved alternate security for the General Contractor's performance such as a letter of credit ("LOC") issued by a financial institution with a senior long term (or equivalent) credit rating of at least "Baa3" by Moody's, or at least "BBB-" by Standard & Poor's or Fitch, or a financial rating of at least 175 by IDC Financial Publishing. The LOC must include "evergreen" language and be in a form satisfactory to Florida Housing, its Servicer and its Legal Counsel.

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

11. A copy of an Amended and Restated Operating Agreement reflecting purchase of the HC under terms consistent with the assumptions contained within this Credit Underwriting Report. The Amended and Restated Operating Agreement shall be in a form and of financial substance satisfactory to Servicer and to FHFC and its Legal Counsel.

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

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

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

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

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

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

1. Documentation of the legal formation and current authority to transact business in Florida for the Borrower, the general partner/member(s)/principal(s)/manager(s) of the Borrower, the guarantors, and any limited partners/members of the Borrower.
2. Signed and sealed survey, dated within 90 days of closing, unless otherwise approved by Florida Housing, and its Legal Counsel, based upon the particular circumstances of the transaction. The Survey shall be certified to Florida Housing and its Legal Counsel, as well as the title insurance company, and shall indicate the legal description, exact boundaries of the Development, easements, utilities, roads, and means of access to public streets, total acreage and flood hazard area, and any other requirements of Florida Housing.
3. An acceptable updated Environmental Audit Report, together with a reliance letter to Florida Housing, prepared within 90 days of SAIL, ELI and NHTF loan closing, unless otherwise approved by Florida Housing, and Legal Counsel, based upon the particular circumstances of the transaction. Borrower to comply with any and all recommendations noted in the Environmental Assessment(s) and Update and the Environmental Review, if applicable.
4. Title insurance pro-forma or commitment for title insurance with copies of all Schedule B exceptions, in the amount of the SAIL, 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 Borrower's Legal Counsel acceptable to Florida Housing addressing the following matters:

a. The legal existence and good standing of the Borrower and of any partnership or limited liability company that is the general partner of the Borrower (the "GP") and of any corporation or partnership that is the managing general partner of the GP, of any corporate guarantor and any manager;

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

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

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

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

8. Evidence of compliance with local concurrency laws, as applicable.
9. UCC Searches for the Borrower, its partnerships, as requested by Legal Counsel.
10. Such other assignments, affidavits, certificates, financial statements, closing statements, and other documents as may be reasonably requested by Florida Housing or its Legal Counsel in form and substance acceptable to Florida Housing and its Legal Counsel, in connection with the loan(s).
11. Any other reasonable conditions established by Florida Housing and its Legal Counsel.

Additional Conditions

This recommendation is also contingent upon the following additional conditions:

1. Compliance with all provisions of Sections 420.507 and 420.5087, Florida Statutes, Rule Chapters 67-48, 67-53 and 67-60, F.A.C., RFA 2021-103, Section 42 I.R.C., and any other State and Federal requirements.
2. Acceptance by the Borrower and execution of all documents evidencing and securing the SAIL, 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), the Land Use Restriction Agreement(s), and Extended Low Income Housing Agreement(s).
3. If applicable, receipt and satisfactory review of Financial Statements from all Guarantors dated within 90 days of Real Estate Closing.
4. Guarantors are to provide the standard FHFC Construction Completion Guaranty, to be released upon lien free completion as approved by the Servicer.
5. Guarantors for the SAIL are to provide the standard FHFC Operating Deficit Guaranty. If requested in writing by the Applicant, Servicer will consider a recommendation to release the Operating Deficit Guaranty if all conditions are met, including achievement of a 1.15 DSC on the permanent first mortgage SAIL as determined by FHFC or its Servicer, 90% Occupancy and 90% of Gross Potential

Rental Income net of utility allowances, if applicable, for a period equal to twelve (12) consecutive months, all certified by an independent Certified Public Accountant ("CPA") and verified by the Servicer. The calculation of the debt service coverage ratio shall be made by Florida Housing or the Servicer. Notwithstanding the above, the Operating Deficit Guaranty shall not terminate earlier than three (3) years following the final certificate of occupancy.

6. Guarantors are to provide the standard FHFC Environmental Indemnity Guaranty.
7. Guarantors are to provide the standard FHFC Guaranty of Recourse Obligations.
8. A mortgagee title insurance lender's policy naming Florida Housing as the insured SAIL, ELI and NHTF mortgage holder in the amount of the Loans is to be issued at closing. Any exceptions to the title insurance policy must be acceptable to Florida Housing or its Legal Counsel. All endorsements that are required by Florida Housing are to be issued and the form of the title policy must be approved prior to closing.
9. Property tax and hazard insurance escrows are to be established and maintained by the First Lender or the Servicer. In the event the reserve account is held by Florida Housing's loan servicing agent, the release of funds shall be at Florida Housing's sole discretion.
10. Replacement Reserves in the minimum amount of $300 per unit per year are required to be deposited on a monthly basis into a designated escrow account, to be maintained by the First Mortgagee/Credit Enhancer, the Trustee, or Florida Housing's loan servicing agent. However, Applicant has the option to prepay Replacement Reserves, as allowed per RFA, in the amount of $25,578 (one-half the required Replacement Reserves for Years 1 and 2), in order to meet the applicable DSC loan requirements. Applicant can waive this election, if at closing of the loan(s) the required DSC is met without the need to exercise the option. It is currently estimated that Replacement Reserves will be funded from Operations in the amount of $300 per unit per year for year 1, then escalating at 3.00% 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.

11. GLE or other construction inspector acceptable for Florida Housing is to act as Florida Housing's inspector during the construction period.
12. Under the Development construction contract, a minimum of 10% retainage holdback on all construction draws will be withheld until construction is 50% complete and thereafter no additional retainage is withheld. Retainage will not be released until successful lien free completion of construction and issuance of all certificates of occupancy, which satisfies the RFA and Rule minimum requirement.

13. Satisfactory completion of a pre-loan closing compliance audit conducted by Florida Housing or its Servicer, if applicable.
14. Closing of all funding sources prior to or simultaneous with the closing of the SAIL, ELI and NHTF loans.
15. Any other reasonable requirements of the Servicer, Florida Housing or its Legal Counsel.

Housing Credit Allocation Recommendation

Seltzer Management Group, Inc. recommends a preliminary annual Housing Credit allocation of $2,375,000. Please see the HC Allocation Calculation section of this report for further details.

Contingencies

The HC allocation recommendation is contingent upon the receipt and satisfactory review of the following items by SMG and the Florida Housing Finance Corporation by the deadline established in the Preliminary HC Allocation. Failure to submit these items within this time frame may result in forfeiture of the HC Allocation.

1. All items listed under the Special Conditions section of the Loan Conditions to Close.
2. Satisfactory resolution of any outstanding past due items and/or noncompliance items.
3. Any reasonable requirements of Florida Housing, SMG or its Legal Counsel.

Exhibit 1
Alto Tower
15 Year Income and Expense Projection

	FINANCIAL COSTS:		Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11	Year 12	Year 13	Year 14	Year 15
	OPERATING PRO FORMA																
	Gross Potential Rental Income		$773,592	$789,064	$804,845	$820,942	$837,361	$854,108	$871,190	$888,614	$906,386	$924,514	$943,004	$961,864	$981,102	$1,000,724	$1,020,738
	Rent Subsidy (ODR)		$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
	Other Income:																
	Ancillary Income-Parking		$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
	Miscellaneous		$12,500	$12,750	$13,005	$13,265	$13,530	$13,801	$14,077	$14,359	$14,646	$14,939	$15,237	$15,542	$15,853	$16,170	$16,493
	Washer/Dryer Rentals		$22,680	$23,134	$23,596	$24,068	$24,550	$25,041	$25,541	$26,052	$26,573	$27,105	$27,647	$28,200	$28,764	$29,339	$29,926
INCOME	Cable/Satellite Income		$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
	Rent Concessions		$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
	Alarm Income		$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
	Gross Potential Income		$808,772	$824,947	$841,446	$858,275	$875,441	$892,950	$910,809	$929,025	$947,605	$966,557	$985,889	$1,005,606	$1,025,718	$1,046,233	$1,067,157
	Less:																
	Economic Loss - Percentage:																
	Physical Vacancy Loss - Percentage:	3.0%	($24,263)	($24,748)	($25,243)	($25,748)	($26,263)	($26,788)	($27,324)	($27,871)	($28,428)	($28,997)	($29,577)	($30,168)	($30,772)	($31,387)	($32,015)
	Collection Loss - Percentage:	1.0%	($8,088)	($8,249)	($8,414)	($8,583)	($8,754)	($8,930)	($9,108)	($9,290)	($9,476)	($9,666)	($9,859)	($10,056)	($10,257)	($10,462)	($10,672)
	Total Effective Gross Revenue		$776,421	$791,950	$807,789	$823,944	$840,423	$857,232	$874,376	$891,864	$909,701	$927,895	$946,453	$965,382	$984,690	$1,004,384	$1,024,471
	Fixed:																
	Ground Lease		$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
	Sub-Ground Lease		$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
	Real Estate Taxes		$34,674	$35,714	$36,786	$37,889	$39,026	$40,197	$41,403	$42,645	$43,924	$45,242	$46,599	$47,997	$49,437	$50,920	$52,448
	Insurance		$92,400	$95,172	$98,027	$100,968	$103,997	$107,117	$110,330	$113,640	$117,050	$120,561	$124,178	$127,903	$131,740	$135,693	$139,763
	Other		$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
	Variable:																
	Management Fee - Percentage:	8.0%	$61,909	$63,148	$64,411	$65,699	$67,013	$68,353	$69,720	$71,115	$72,537	$73,988	$75,467	$76,977	$78,516	$80,087	$81,688
	General and Administrative		$29,400	$30,282	$31,190	$32,126	$33,090	$34,083	$35,105	$36,158	$37,243	$38,360	$39,511	$40,696	$41,917	$43,175	$44,470
EXPENSES	Payroll Expenses		$173,460	$178,664	$184,024	$189,544	$195,231	$201,088	$207,120	$213,334	$219,734	$226,326	$233,116	$240,109	$247,312	$254,732	$262,374
	Utilities		$65,520	$67,486	$69,510	$71,595	$73,743	$75,956	$78,234	$80,581	$82,999	$85,489	$88,053	$90,695	$93,416	$96,218	$99,105
	Marketing and Advertising		$4,200	$4,326	$4,456	$4,589	$4,727	$4,869	$5,015	$5,165	$5,320	$5,480	$5,644	$5,814	$5,988	$6,168	$6,353
	Maintenance and Repairs		$44,100	$45,423	$46,786	$48,189	$49,635	$51,124	$52,658	$54,237	$55,865	$57,540	$59,267	$61,045	$62,876	$64,762	$66,705
	Grounds Maintenance and Landscaping		$10,500	$10,815	$11,139	$11,474	$11,818	$12,172	$12,538	$12,914	$13,301	$13,700	$14,111	$14,534	$14,970	$15,420	$15,882
	Resident Programs		$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
	Contract Services		$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
	Security		$63,000	$64,890	$66,837	$68,842	$70,907	$73,034	$75,225	$77,482	$79,807	$82,201	$84,667	$87,207	$89,823	$92,518	$95,293
	Other-Pest Control		$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
	Reserve for Replacements		$25,200	$25,956	$26,735	$27,537	$28,363	$29,214	$30,090	$30,993	$31,923	$32,880	$33,867	$34,883	$35,929	$37,007	$38,117
	Total Expenses		$604,363	$621,875	$639,900	$658,453	$677,550	$697,206	$717,439	$738,265	$759,701	$781,767	$804,480	$827,860	$851,926	$876,698	$902,199
	Net Operating Income		$172,058	$170,074	$167,888	$165,491	$162,874	$160,026	$156,938	$153,599	$150,000	$146,128	$141,973	$137,522	$132,764	$127,685	$122,273
	Debt Service Payments																
	First Mortgage - FHFC SAIL & SAIL CHIRP		$28,596	$28,596	$28,596	$28,596	$28,596	$28,596	$28,596	$28,596	$28,596	$28,596	$28,596	$28,596	$28,596	$28,596	$28,596
	Second Mortgage - FHFC-ELI		$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
	Third Mortgage - FHFC NHTF/NHTF CHIRP		$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
DEBT SERVICE	Fourth Mortgage - HOME ARP		$10,250	$10,250	$10,250	$10,250	$10,250	$10,250	$10,250	$10,250	$10,250	$10,250	$10,250	$10,250	$10,250	$10,250	$10,250
	First Mortgage Fees - FHFC 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
	Second Mortgage Fees- FHFC-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
	Third Mortgage Fees- FHFC NHTF/NHTF CHIRP		$7,890	$7,890	$7,890	$7,890	$7,890	$7,890	$7,890	$7,890	$7,890	$7,890	$7,890	$7,890	$7,890	$7,890	$7,890
	Fourth Mortgage Fees- HOME ARP		$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
	Total Debt Service Payments		$62,378	$62,378	$62,378	$62,378	$62,378	$62,378	$62,378	$62,378	$62,378	$62,378	$62,378	$62,378	$62,378	$62,378	$62,378
	Cash Flow After Debt Service		$109,680	$107,697	$105,511	$103,114	$100,496	$97,648	$94,560	$91,222	$87,622	$83,751	$79,595	$75,145	$70,386	$65,307	$59,895
	Debt Service Coverage Ratios																
	DSC - First Mortgage plus Fees		4.249	4.200	4.146	4.087	4.022	3.952	3.875	3.793	3.704	3.608	3.506	3.396	3.278	3.153	3.019
	DSC - Second Mortgage plus Fees		3.889	3.845	3.795	3.741	3.682	3.617	3.548	3.472	3.391	3.303	3.209	3.109	3.001	2.886	2.764
	DSC - Third Mortgage plus Fees		3.301	3.263	3.221	3.175	3.125	3.070	3.011	2.947	2.878	2.803	2.724	2.638	2.547	2.449	2.346
	DSC - Fourth Mortgage plus Fees		2.758	2.727	2.691	2.653	2.611	2.565	2.516	2.462	2.405	2.343	2.276	2.205	2.128	2.047	1.960
	Financial Ratios																
	Operating Expense Ratio		77.8%	78.5%	79.2%	79.9%	80.6%	81.3%	82.1%	82.8%	83.5%	84.3%	85.0%	85.8%	86.5%	87.3%	88.1%
	Break-Even Ratio		82.8%	83.3%	83.8%	84.3%	84.8%	85.4%	85.9%	86.5%	87.1%	87.7%	88.2%	88.8%	89.5%	90.1%	90.7%

Alto Tower
RFA 2021-103 / 2021-294CSN
DESCRIPTION OF FEATURES AND AMENITIES

The Development will consist of:

84 units located in 1 mid-rise apartment building.

Unit Mix:

Ten (10) zero bedroom/one bath units;

Fifty-four (54) one bedroom/one bath units; and

Twenty (20) two bedroom/one bath units.

84 Total Units

All units are expected to meet all requirements as outlined below. If the proposed Development consists of rehabilitation, the proposed Development's ability to provide all construction features will be confirmed as outlined in Exhibit F of the RFA. The quality of the construction features committed to by the Applicant is subject to approval of the Board of Directors.

a. Federal Requirements and State Building Code Requirements for all Developments

All proposed Developments must meet all federal requirements and state building code requirements, including the following, incorporating the most recent amendments, regulations and rules:

- Florida Accessibility Code for Building Construction as adopted pursuant to Section 553.503, Florida Statutes;
- The Fair Housing Act as implemented by 24 CFR 100;
- Section 504 of the Rehabilitation Act of 1973*; and
- Titles II and III of the Americans with Disabilities Act of 1990 as implemented by 28 CFR 35.

*Section 504 of the Rehabilitation Act of 1973 requirements are met through the Applicant's commitment to meet either the Level 1 or Level 2 requirements described in c. below.

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

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

b. General Features

The Development will provide the following General Features:

- Broadband infrastructure which includes cables, fiber optics, wiring, or other infrastructure, as long as the installation results in accessibility in each unit.
- Termite prevention;
- Pest control;
- Window covering for each window and glass door inside each unit;
- 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;
- Washer and dryer hook ups in each of the Development’s units or an on-site laundry facility for resident use. If the proposed Development will have an on-site laundry facility, the following requirements must be met:
  - There must be a minimum of one Energy Star certified washer and one Energy Star certified 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 Development’s 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.
- At least two full bathrooms in all 3 bedroom or larger new construction units.
- Full-size range and oven must be incorporated in all units.
- A Community Building/dedicated space that includes:
  - At least one private office space with a door for resident purposes such as meeting with case managers and/or counselors and;
  - At least one enclosed training room with a door to conduct group training and educational activities for residents.

  NOTE: If the Development meets the definition of Scattered Sites, the Community Building/dedicated space must be located on the site with the most units.

c. 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.

Level 2 Accessibility Requirements

(i) Set aside a minimum of five percent of the total units, rounded up, as fully accessible units in accordance with the 2010 ADA Standards for Accessible Design, regardless of whether the proposed Development consists of new construction or Substantial Rehabilitation. These fully accessible units must (A) be on an accessible route and provide mobility features that comply with the residential dwelling units provision of the 2010 ADA Standards for Accessible Design; and (B) be equally distributed among different unit sizes and Development types and must be dispersed throughout the Development (not all located in the same area, or on a single floor); and

(ii) Set aside at least one additional unit to be accessible to persons with visual and hearing impairments in accordance with the 2010 ADA Standards for Accessible Design, regardless of whether the proposed Development consists of new construction or Substantial Rehabilitation. The unit(s) that ais accessible to persons with visual and hearing impairments shall comply with the communication features described for Residential Dwelling units with Communication Features in the 2010 ADA Standards for Accessible Design.

d. Required Green Building Features in all Developments

(1) All units and, as applicable, all common areas must have the features listed below:

- 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);
- 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;
- Energy Star certified refrigerator;
- Energy Star certified dishwasher;
- Energy Star certified ventilation fan in all bathrooms;

- Water heater minimum efficiency specifications:
  - Residential Electric:
    - Up to 55 gallons = 0.95 EF or 0.92 UEF; or
    - More than 55 gallons = Energy Star certified; or
    - Tankless = 0.97 EF and Max GPM of ≥ 2.5 over a 77◦ rise or 0.87 UEF and GPM of ≥ 2.9 over a 67◦ rise;
  - Residential Gas (storage or tankless/instantaneous): Energy Star certified,
  - Commercial Gas Water Heater: Energy Star certified;
- Energy Star certified ceiling fans with lighting fixtures in bedrooms;
- Air Conditioning (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.

(2) In addition to the required Green Building features outlined in (1) above, this New Construction Development commits to achieve the following Green Building Certification program:

_______ Leadership in Energy and Environmental Design (LEED);

_______ Florida Green Building Coalition (FGBC);

_______ Enterprise Green Communities; or

___X___ ICC 700 National Green Building Standard (NGBS)

e. Resident Community-Based Services Coordination:

The provision of community-based services coordination will be the responsibility of the Applicant, but may be in conjunction with public and/or private partnerships as approved by the Corporation in credit underwriting. All proposed Developments will be required to assist interested residents with the coordination of their community-based services. The purpose is to assist each resident to become aware of, access and/or maintain adequate and appropriate community-based services and resources. It is not the intent for this resident service to take the place of services coordination already provided for a resident by a program and/or agency as part of their supportive services plan. The focus shall be to assist residents not receiving community-based services coordination by another program and/or agency, as well as to assist those residents who need additional assistance with coordination of community-based services.

The approved provider of this service must have a minimum of three years' experience administering and providing supportive services including outreach, information and referral services, benefits counseling, community-based services planning and coordination, and/or other related supportive services. Such experience must demonstrate that the supportive services listed above have been oriented to the needs and preferences of each intended resident in assisting them to access services related to health care, independent activities of daily living, employment, income and housing. The provider of this resident service shall also provide, at credit underwriting, information demonstrating its mission, qualifications, experience, agreements and/or contracts with state and federal supportive services programs, professional staffing and experience in serving the intended residents described in question 2.b. of Exhibit A of the RFA.

Community-based services coordination shall be offered and made available on-site and at no charge to the residents initially and regularly, and resident participation shall be voluntary. If the proposed Development consists of Scattered Sites, the community-based services coordination shall be equally available to residents of each unit on each Scattered Site. Resident participation shall not be a requirement for new or continued residency. The Applicant shall commit to submit a Resident Community-Based Service Coordination Plan at credit underwriting. The Resident Community-Based Service Coordination Plan shall adhere to guidelines developed by the Corporation, in conjunction with state agencies, or their designee(s), that administer publicly funded supportive services for the intended residents.

Property management and resident community-based services coordination should not be the responsibility of the same staff persons; the functions must be entirely separate.

COMPLETENESS AND ISSUES CHECKLIST

DEVELOPMENT NAME: Alto Tower
DATE: OCTOBER 20, 2022

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

CREDIT UNDERWRITING REQUIRED ITEMS:	STATUS 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 Phase II if applicable (If Phase I and/or II disclosed environmental problems requiring remediation, a plan, including time frame and cost, for the remediation is required). If the report is not dated within one year of the application date, an update from the assessor must be provided indicating the current environmental status.	Satis.	
10. Audited financial statements for the most recent fiscal year ended or acceptable alternative as stated in the Rule for credit enhancers, Borrower, general partner, principals, guarantors and general contractor.	Satis.	

11. Resumes and experience of Borrower, general contractor and management agent.	Satis.	
12. Credit authorizations; verifications of deposits and mortgage loans.	Satis.	
13. Management Agreement and Management Plan.	Satis.	
14. Firm commitment from the credit enhancer or private placement purchaser, if any.	Satis.	
15. Firm commitment letter from the syndicator, if any.	Satis.	
16. Firm commitment letter(s) for any other financing sources.	Satis.	
17. Updated sources and uses of funds.	Satis.	
18. Draft construction draw schedule showing sources of funds during each month of the construction and lease-up period.	Satis.	
19. Fifteen-year income, expense, and occupancy projection.	Satis.	
20. Executed general construction contract with "not to exceed" costs.	Satis.	
21. HC ONLY: 15% of the total equity to be provided prior to or simultaneously with the closing of the construction financing.	Satis.	
22. Any additional items required by the credit underwriter.	Unsatis.	1

NOTES AND APPLICANT'S RESPONSES:

1. On August 9, 2022, Applicant made a request to FHFC to add principals of the Manager/Member entity for Blue Dade M, LLC to keep the structure consistent with Blue Sky Communities, LLC by replacing Harry R. Chadwick and Laurel J. Chadwick Family Trust (50%) with Weedon Enterprises, LLC (50%). Applicant also requested to change the co-developer, Blue Sky Developer, LLC (75%) to a single purpose entity, Blue AT Developer, LLC (75%). The sole member of each entity is the same. FHFC staff approved this change on September 8, 2022. However, it is listed as a condition to close as it requires FHFC Board approval.

HC Allocation Calculation

Section I: Qualified Basis Calculation	
Development Cost	$35,024,308
Less Land Cost	($3,694,583)
Less Federal Funds	$0
Less Other Ineligible Cost	($1,956,226)
Less Disproportionate Standard	$0
Total Eligible Basis	$29,373,499
Applicable Fraction	100.00%
DDA/QCT Basis Credit	130.00%
Qualified Basis	$38,185,549
Housing Credit Percentage	9.00%
Annual Housing Credit Allocation	$3,436,699

Notes to the Qualified Basis Calculation:

1. Other Ineligible Costs primarily include demolition, cost of appliances, a portion of site work, accounting fees, legal fees, a portion of construction loan interest, FHFC Loan commitment fees, FHFC administrative, application, compliance and underwriting fees, market study, marketing and advertising, survey, title insurance, and permanent financing costs.
2. The Borrower committed to a set aside of 100%. Therefore, SMG has utilized an Applicable Fraction of 100.00%.
3. The Development is located within a Qualified Census Tract, 24.03. Therefore, the 130% basis credit has been applied to the Eligible Basis. Homeless Demographic Basis Boost Applications that have committed to the Homeless Demographic and the Development is not located in a HUD designated DDA (Non-Metropolitan DDA or Small Area DDA) or a QCT as provided above, will qualify for a 30% basis boost as authorized by the Housing and Economic Recovery Act of 2008 and the Corporation's most recently authorized Qualified Allocation Plan.
4. The HC percentage is 9.00% per the Fiscal Year 2016 Omnibus Spending and Tax Bill passed by Congress.

Section II: Gap Calculation	
Total Development Cost (Including Land and Ineligible Costs)	$35,024,308
Less Mortgages	($10,987,504)
Less Grants	$0
Equity Gap	$24,036,804
Percentage to Investment Partnership	99.99%
HC Syndication Pricing	$0.9600
HC Required to Meet Gap	$25,040,842
Annual HC Required	$2,504,084

Notes to the Gap Calculation:

1. Per Rule Chapter 67-48.0072(29)(g)(2)(b), Homeless or Persons with Special Needs Demographic Developments would only use its actual committed debt instead of the qualifying first mortgage calculation. "Mortgages" include the FHFC SAIL, CHIRP SAIL, SAIL ELI, NHTF, CHIRP NHTF and a Miami-Dade County HOME-ARP loan.
2. HC Syndication Pricing and Percentage to Investment Partnership are based upon the August 19, 2022, LOI from RJTCF.

Section III: Summary	
HC per Applicant Request	$2,375,000
HC per Qualified Basis	$3,436,699
HC per Gap Calculation	$2,504,084
Annual HC Recommended	$2,375,000

Notes to the Summary:

1. The Annual HC Recommended is limited by the Applicant's Request.

CHIRP RECOMMENDATION - NHTF or HOME-ARP FUNDING

Development Name: Alto Tower

Which RFA Cycle was the Active Award funded	RFA Cycle 2020-2021	
Number of Total Units	84 Units	
Total Number of ELI Units	13 Units	
Number of ELI Units funded via ELI Loan Funding	4 Units	
# of units currently funded by the requested CHIRP Program	4 Units	*(out of the 84 units, 4 are currently funded by the NHTF program prior to the CHIRP request)*
What is the AMI for the ELI Commitment	25% AMI	*(in effect at time of Application)*
County Development is Located	Miami-Dade	
Development Category	New Construction	
Development Type	Mid-Rise	
Construction Qualifications	Enhanced Structural Systems (ESS)	
Number of Units requested to receive new funding	6 Units	*(Maximum of 6 NHTF units)*

Maximum # of existing ELI (25%) units to convert to 22% AMI	2 Units	
Out of these 2 ELI units qualified to be converted to CHIRP units, how many also have Project Based Rental Assistance (PBRA)?	0 Units	*(ELI designated units with PBRA cannot get CHIRP funding. If any # is entered here, those units will be pushed to the next level where the Applicant would be converting 60% AMI units to 30% AMI units.)*
Net # of existing ELI (25%) units to convert to 22% AMI	2 Units	
Net # of existing ELI units to convert to 22% AMI that is to be waived by Applicant	0 Units	*If an Applicant chooses to forgo an ELI unit converting to 22% AMI and allow it instead to be a 60% AMI unit converting to 30% AMI, enter the number here*
Final Net # of existing ELI units to convert to 22% AMI	2 Units	
Maximum # of existing 60% AMI (or higher) units to convert to 30% AMI	4 Units	

Determining Funding Amounts

Gross Funding for ELI units converted to 22% AMI	2 Units each at	$245,900	for a total of	$491,800
Less existing ELI funding on the converted units	2 Units each at	$114,900	for a total of	($229,800)
Net Funding for ELI units converted to 22% AMI				$262,000
Funding for 60% AMI units converted to 30% AMI	4 Units each at	$315,000	for a total of	$1,260,000
Total New Funding	6 converted Units		for a total of	$1,522,000

CHIRP RECOMMENDATION - ADDITIONAL LOANS

Development Name: Alto Tower

Permanent Period 1st Mortgages for Sizing Purposes		
Actual DSCR in approved CUR 1st Mtg LOI (no fees)		
Actual DSCR in current 1st Mtg LOI (Yr 1 NOI; no fees)		NA
Maximum CHIRP DSCR		1.30x
DSCR used for sizing (lowest DSCs from above)		**1.30x**
Actual Traditional 1st Mtg Amount to be stated in CUR	$	-
Calculated 1st Mtg at Restricted DSCR (1.30x)	$	1,178,108.78
Selected RFA qualifies for no 1st Mtg	$	-
RESULT: 1st Mtg amount for sizing purposes	$	-

Total Sources		
1st Mtg amt. for sizing from above	$	-
2nd Mortgage - SAIL	$	4,600,000.00
3rd Mortgage - SAIL ELI	$	459,600.00
4th Mortgage - NHTF	$	1,236,800.00
5th Mortgage - HOME ARP	$	2,050,000.00
6th Mortgage - CHIRP NHTF		$1,522,000
Total HC Equity	$	22,797,720.00
30% Deferred Developr Fee for Sizing	$	1,239,083.10
Total Sources	$	33,905,203.10
Total Uses	$	35,024,308.00

Test 1 - GAP ANALYSIS		
RESULT: Total Gap	$	1,119,104.00

Test 2 - INCREASED COST ANALYSIS		
Current GC Contract Amount	$	19,265,433.00
30% of GC Contract (est. Increased costs)*	$	5,779,629.90
Increased Corporation Fees	$	-
Increased Construction Financing Costs	$	-
Increased Dev. Fee (21% x sum of new costs)	$	1,213,722.28
RESULT: Total Increased Costs	$	6,993,352.00

***(This amount already yields a CHIRP amount that meets or exceeds the maximum lin**

Rule Test - SAIL LTC ANALYSIS		
Active Award Total SAIL Funding	$	5,059,600.00
Max Total SAIL Funding assuming a 35% LTC	$	12,258,507.00
Max New SAIL Funding using a 35% LTC	$	7,198,907.00

Rule Test - Minimum 1.10x DSC overall Ratio		
Net Operating Income	$	160,156.64
Actual % DDF when using Actual 1st Mortgage		30.00%
Debt Service for an Overall 1.10x DSC Ratio	$	145,596.95
Actual Traditional 1st mortgage Debt Service	$	-
Debt Service Available for New SAIL	$	145,596.95
Total (non-ELI) SAIL at 0.50% Interest Only DS	$	29,119,389.38
Total (non-ELI) SAIL less Active Award (non-ELI) SAIL	$	24,519,389.38

ADDITIONAL FHFC LOAN AMOUNT
Lessor of: Tests 1 & 2, $4,300,000, 35% LTC, Minimum 1.10x DSC
$1,119,104.00

FINAL: TOTAL NEW SAIL LOAN AMOUNT
$5,719,104.00

Select the RFA of the Active Award: 2021-103

Assumptions		
Number of units		84
Total Development Costs	$	35,024,308.00
Annual Servicing Fees ($) on stated	$	11,901.00
Traditional 1st Mtg Amort. Years		30.00
Traditional 1st Mtg Interest Rate		7.00%
Total Effective Gross Income in CUR	$	776,421.12
Total Operating Expenses in CUR	$	604,363.48
Existing Gap Loan Servicing Fees	$	11,901.00
Net Operating Income in CUR Yr 1	$	160,156.64
Net Operating Income in CUR Yr 15	$	122,272.60
Total HC Equity	$	22,797,720.00
Developer Fee % Basis for Deferral (16%)		16%
Total 16% Developer Fee		$4,130,277

Loan using lowest 1.30x DSCR (15th Yr NOI)	$	1,178,108.78
Loan using Max CHIRP 1.30x DSCR (15th Yr NOI)		$1,178,108.78
Annual Servicing Fees ($) on 1.30x	$	-
Annual Servicing Fees ($) on 1.30x	$	-
Actual DSC in current LOI, incl. fees (15th Yr NOI)		10.27x

All at 25% LTC except the following:

SAIL & 9%HCs (35% LTC)-	Over 25% LTC allowed:
Family/Elderly: More than 10% ELI	At least 80% Homeless,
SAIL w/o 9%HCs (35% LTC)-	
Family/Elderly: At least 5% ELI	

(The above can be altered if RFA permitted a different limit)

SAIL Interest Rate: 0.50%

For those developments that qualify for a rate of less than 1%, please enter the ap