Florida Housing Finance Corporation

Credit Underwriting Report ("CUR")

Civitas of Cape Coral
RFA 2019-102 (2020-018BD)/2019-574C

Multifamily Mortgage Revenue Note ("MMRN"), Community Development Block Grant – Disaster Recovery ("CDBG-DR"), CDBG-DR Viability Loan and 4% Non-Competitive Housing Credits ("HC")

COMMUNITY DEVELOPMENT BLOCK GRANT – DISASTER RECOVERY TO BE USED IN CONJUNCTION WITH TAX-EXEMPT MMRB AND NON-COMPETITIVE HOUSING CREDITS IN COUNTIES DEEMED HURRICANE RECOVERY PRIORITIES

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Prepared by

AmeriNat®

Final Report

October 20, 2022

Civitas of Cape Coral

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Section A

Report Summary

Recommendation

AmeriNat® ("AmeriNat" or "Servicer") recommends the issuance of MMRN in the amount of $17,490,000, CDBG-DR in the amount of $5,633,218, CDBG-DR Viability Loan in the amount of $4,335,000 and an annual 4% HC allocation in the amount of $1,618,414 to Pine Island Cape, LLC ("Applicant" or "Borrower") for the construction and permanent financing of Civitas of Cape Coral (the "Development").

DEVELOPMENT & SET-ASIDES

Development Name: Civitas of Cape Coral

RFA/Program Numbers: RFA 2019-102 / 2020-018BD 2019-574C

Address: 105-123 Civitas Court

City: Cape Coral Zip Code: 33991 County: Lee County Size: Medium

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

Construction Type: Masonry

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

*Demographic Commitment:
Primary: Workforce

Unit Composition:
# of ELI Units: 20 ELI Units Are Restricted to 30% AMI, or less. Total # of units with PBRA? 0
# of Link Units: 10 Are the Link Units Demographically Restricted? Yes # of NHTF Units: 0

Bed Rooms	Bath Rooms	Units	Square Feet	AMI%	Low HOME Rents	High HOME Rents	Gross HC Rent	Utility Allow.	Net Restricted Rents	PBRA Contr Rents	Applicant Rents	Appraiser Rents	CU Rents	Annual Rental Income
1	1.0	2	694	30%			$452	$123	$329		$329	$329	$329	$7,896
1	1.0	5	694	60%			$905	$123	$782		$782	$782	$782	$46,920
1	1.0	2	694	80%			$1,207	$123	$1,084		$1,084	$1,084	$1,084	$26,016
2	2.0	12	978	30%			$543	$146	$397		$397	$397	$397	$57,168
2	2.0	29	978	60%			$1,086	$146	$940		$940	$940	$940	$327,120
2	2.0	16	978	80%			$1,448	$146	$1,302		$1,302	$1,302	$1,302	$249,984
3	2.0	6	1,259	30%			$627	$170	$457		$457	$457	$457	$32,904
3	2.0	15	1,259	60%			$1,254	$170	$1,084		$1,084	$1,084	$1,084	$195,120
3	2.0	9	1,259	80%			$1,673	$170	$1,503		$1,503	$1,503	$1,503	$162,324
		96	99,762											$1,105,452

The Applicant committed to the Average Income Test at the time of Application; therefore, per the RFA, the Applicant must set-aside 15% of the total units (15 units) as ELI set-aside units. However, the Applicant has elected to set-aside 20.833% of the total units (20 units) as ELI set-aside units, which satisfies the requirement. The proposed Development must set aside 50% of the ELI set-aside units (10 units) as Link Units for Persons with Special Needs. The units set-aside for Link Units for Persons with Special Needs and ELI set-aside units must be set-aside in Perpetuity. In order to meet the commitment to set aside ELI units as Link units for Persons with Special Needs, the Applicant must develop and execute a Memorandum of Understanding ("MOU") with at least one designated Special Needs Household Referral Agency that provides supportive services for Persons with Special Needs for the County where the proposed

Development will be located (Lee County). The fully executed MOU was approved by Florida Housing Finance Corporation ("FHFC" or "Florida Housing" or "Corporation") on August 31, 2021.

CDBG-DR Subsidy Limits for Lee County:

Type	Max Per Unit	# Units	Total Per Unit	
1 bed	$171,802	9	$1,546,218	
2 bed	$208,913	57	$11,908,041	
3 bed	$270,266	30	$8,107,980	
		96	$21,562,239	MAX CDBG-DR

Buildings: Residential - 3 Non-Residential - 1
Parking: Parking Spaces - 210 Accessible Spaces - 6

Set Asides:

Program	% of Units	# of Units	% AMI	Term (Years)
CDBG-DR/Viability Assisted Units/HC	20.833%	20	30%	99
CDBG-DR/Viability Assisted Units/HC	51.042%	49	60%	99
CDBG-DR/Viability Assisted	28.125%	27	80%	99
MMRN	40.00%	39	60%	99

The Applicant applied as a Priority I Application. According to Requests for Applications 2019-102 ("RFA"), all Priority I Applicants must commit to making the land affordable into Perpetuity. The proposed Development must be affordable in Perpetuity. The RFA defines Perpetuity as at least 99 years. Applicant will be responsible for compliance monitoring fees for 50 years.

Absorption Rate 20 units per month for 4.5 months.

Occupancy Rate at Stabilization: Physical Occupancy 96.00% Economic Occupancy 95.00%
Occupancy Comments LIHTC weighted average vacancy rate is 0.5%

DDA: Yes QCT: No Multi-Phase Boost: No QAP Boost: No
Site Acreage: 4.663 Density: 20.59/units per acre Flood Zone Designation: X
Zoning: CC, Commercial Corridor. Future land use designation is PIRD-Pine Island Road District Flood Insurance Required?: No

DEVELOPMENT TEAM		
Applicant/Borrower:	Pine Island Cape, LLC	% Ownership
Manager	DDER Civitas Manager, LLC	0.0051%
Manager	LCHA Pine Island, LLC	0.0020%
Manager	Revital Civitas PIC, LLC	0.0029%
Member	Raymond James Affordable Housing Investments, Inc. , or its assigns	99.990%
Construction Completion Guarantor(s):		
CC Guarantor 1:	Pine Island Cape, LLC	
CC Guarantor 2:	DDER Civitas Manager, LLC	
CC Guarantor 3:	LCHA Pine Island, LLC	
CC Guarantor 4:	Revital Civitas PIC, LLC	
CC Guarantor 5:	DDER Development, LLC	
CC Guarantor 6:	Revital Development Group, LLC	
CC Guarantor 7:	LCHA Developer, LLC	
CC Guarantor 8:	Michael Allan, Domingo Sanchez, Robert H. Godwin, Deion R. Lowery and Edward E. Haddock, Jr.	
Operating Deficit Guarantor(s):		
OD Guarantor 1:	Pine Island Cape, LLC	
OD Guarantor 2:	DDER Civitas Manager, LLC	
OD Guarantor 3:	DDER Holdings, LLC	
OD Guarantor 4:	Domingo Sanchez, Robert H. Godwin, Deion R. Lowery and Edward E. Haddock, Jr.	
OD Guarantor 5:	LCHA Pine Island, LLC	
OD Guarantor 6:	Revital Civitas PIC, LLC	
OD Guarantor 7:	Revital Communities, LLC	
OD Guarantor 8:	Michael Allan	
Note Purchaser	Fifth Third Commercial Funding, Inc. (construction) and Grandbridge Real Estate Capital, LLC (permanent)	
Developer:	DDER Development, LLC	
Principal 1	Domingo Sanchez	
Principal 2	Robert H. Godwin	
Principal 3	Deion R. Lowery	
Principal 4	Edward E. Haddock, Jr.	
Co-Developer:	LCHA Developer, LLC	
Principal 1	Lee County Housing Authority	
Principal 2	Co-Developer - Revital Development Group, LLC	
Principal 3	Michael Allan	
General Contractor 1:	NDC Construction Company	
Management Company:	Professional Management, Inc.	
Syndicator:	Raymond James Affordable Housing Investments, Inc. , or its assigns	
Note Issuer:	Florida Housing Finance Corporation	
Architect:	PDS Architecture, Inc.	
Market Study Provider:	Meridian Appraisal Group, Inc.	
Appraiser:	Novogradac Consulting, LLP	

PERMANENT FINANCING INFORMATION						
	1st Source	2nd Source	3rd Source	4th Source	5th Source	Other
Lien Position	1	2	3	4	5	6 thru 8
Lender/Grantor	FHFC/Grandbridge/ Freddie Mac	FHFC-CDBG-DR	FHFC-CDBG-DR/ Viability	Lee County - HTF	City of Cape Coral - CDBG	City of Cape Coral-SHIP/City of Cape Coral-NSP/ Lee County-HOME
Amount	$5,840,000	$5,633,218	$4,335,000	$1,500,000	$106,202	$500,000/ $300,000/ $462,676
Underwritten Interest Rate	6.89%	0.00%	0.00%	0.00%	0.00%	0%/0%/0%
All In Interest Rate	6.89%	0.00%	0.00%	0.00%	0.00%	0%/0%/0%
Loan Term	17	20	20	0	20	30/50/21
Amortization	40	0	0	0	0	0/0/0
Market Rate/Market Financing LTV	19%	38%	52%	57%	57%	57%/58%/ 60%
Restricted Market Financing LTV	47%	92%	126%	138%	139%	139%/141%/ 145%
Loan to Cost - Cumulative	17%	33%	45%	49%	49%	50%/51%/ 52%
Debt Service Coverage	1.23	1.19	1.19	1.19	1.19	1.19/1.19/ 1.19
Operating Deficit & Debt Service Reserves	$490,823					
# of Months covered by the Reserves	5.9					

Deferred Developer Fee	$2,167,315
As-Is Land Value	$1,450,000
Market Rent/Market Financing Stabilized Value	$30,400,000
Rent Restricted Market Financing Stabilized Value	$12,500,000
Projected Net Operating Income (NOI) - Year 1	$557,154
Projected Net Operating Income (NOI) - 15 Year	$654,337
Year 15 Pro Forma Income Escalation Rate	2.00%
Year 15 Pro Forma Expense Escalation Rate	3.00%
Note Structure	Private Placement
Housing Credit (HC) Syndication Price	$0.90
HC Annual Allocation - Qualified in CUR	$1,618,414
HC Annual Allocation - Equity Letter of Interest	$1,591,022

CONSTRUCTION/PERMANENT SOURCES:				
Source	Lender	Construction	Permanent	Perm Loan/Unit
FHFC - MMRN	FHFC/Fifth Third (Const)/ Grandbridge (Perm)	$17,490,000	$5,840,000	$60,833
FHFC - CDBG-DR	FHFC	$5,633,218	$5,633,218	$58,679
FHFC - CDBG-DR	FHFC - Viability	$1,991,548	$4,335,000	$45,156
Local Government Subsidy	Lee County - HTF	$1,500,000	$1,500,000	$15,625
Local Government Subsidy	City of Cape Coral - CDBG	$106,202	$106,202	$1,106
Local Government Subsidy	City of Cape Coral - SHIP	$500,000	$500,000	$5,208
Local Government Subsidy	City of Cape Coral - NSP	$300,000	$300,000	$3,125
Local Government Subsidy	Lee County - HOME	$462,676	$462,676	$4,820
HC Equity	RJAHI	$5,011,218	$14,317,766	$149,143
Deferred Developer Fee	Developer	$2,167,315	$2,167,315	$22,576
TOTAL		$35,162,177	$35,162,177	$366,273

Credit Underwriter: AmeriNat Loan Services

Date of Final CUR:

TDC PU Limitation at Application: $258,000.00 TDC PU Limitation at Credit Underwriting: $411,825.38

Minimum 1st Mortgage per Rule: $0 Amount Dev. Fee Reduced for TDC Limit: $0

<u>Changes from the Application</u>:

COMPARISON CRITERIA	YES	NO
Does the level of experience of the current team equal or exceed that of the team described in the Application?	1.	
Are all funding sources the same as shown in the Application?		2.
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?		3.
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?		4.
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?		5.
Is the Development in all other material respects the same as presented in the Application?		6-8

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

***<u>Note:</u>* Changes listed below are changes since the time of the Final Credit Underwriting Report ("Final CUR") dated August 23, 2021.**

1. On October 7, 2022, the Applicant and Developer entities have changed as follows. Florida Housing staff approved the change to the Developer entity on October 19, 2022. See Waiver Requests/Special Conditions for further information below for the Applicant entity.

   <u>From:</u> The Managers of the Applicant were CCD Pine Island, LLC and LCHA Pine Island, LLC, and Non-Investor Member is Revital Civitas PIC, LLC. The three Co-Developers were 1) Catalyst Southwest Florida, LLC (30%) whose Sole Member is Catalyst Community Capital, Inc.; 2) LCHA Developer, LLC

(40%), whose Sole Member is Lee County Housing Authority; and 3) Revital Development Group, LLC (30%), whose Manager & Member is Michael Allan (95%) and Member Beth Allan (5%).

To: The Manager/Member of the Applicant is DDER Civitas Manager, LLC (0.0051%), Member LCHA Pine Island, LLC (0.0020%), and Member Revital Civitas PIC, LLC (0.0029%). The three Co-Developers are 1) DDER Development, LLC (51%) whose Managers are Domingo Sanchez, Robert H. Godwin, Deion R. Lowrey and Edward E. Haddock, Jr.; 2) LCHA Developer, LLC (20%), whose Sole Member is Lee County Housing Authority; and 3) Revital Development Group, LLC (29%), whose Manager & Member is Michael Allan and Member Beth Allan.

2. On September 26, 2022, the Applicant requested an increase in the MMRN amount by $2,000,000 from $16,000,000 to $18,000,000, which was approved by Florida Housing staff on September 30, 2022.

   Correspondence dated September 21, 2022 from FHFC offered additional subordinate debt in the form of a CDBG-DR Viability Loan for the Development in the amount of $4,335,000.

   The following Sources have changed or are an additional Source since the time of the Final CUR as follows:

   a) Fifth Third Commercial Funding, Inc. ("Fifth Third") construction MMRN amount increased by $5,500,000 from $12,500,000 to $18,000,000
   b) Grandbridge Real Estate Capital, LLC ("Grandbridge") permanent MMRN amount reduced by $760,000 from $6,600,000 to $5,840,000
   c) Lee County – Housing Trust Fund ("HTF") loan in the amount of $1,500,000 (additional source)
   d) City of Cape Coral – State Housing Initiatives Partnership program ("SHIP") in the amount of $500,000 (additional source)
   e) Lee County – HOME Investment Partnerships Program ("HOME") loan increased by $104,123 from $358,553 to $462,676

3. On March 2, 2021, Florida Housing staff approved an alternative for a required accessibility feature – grab bars as follows: Corporation-approved Alternative approach for grab bar installation for the non-fully ADA units: "Reinforced toilet tank walls for future installation of a wall-mounted fold-down grab bar in all non-ADA units."

4. Total Development Costs ("TDC") increased from $25,400,578 to $35,162,177 for a difference of $9,761,599 or 38.43% since the time of the Final CUR primarily due to an increase in Construction and Financial Costs, and Developer Fee.

5. Since the time of the Final CUR, Raymond James Tax Credit Funds, Inc. ("RJTCF"), the proposed syndicator, has changed to Raymond James Affordable Housing Investments, Inc. ("RJAHI") The annual Housing Credit equity investment has increased from $10,423,586 to $14,317,766 for a difference of $3,894,180. The rate of syndication has remained the same at $0.90 per allocated tax credit dollar. The Development remains financially feasible as proposed.

6. On September 28, 2022, the Applicant requested a change to the Management Company from NDC Asset Management, LLC (per Application and request letter) to Professional Management, Inc. ("PMI"). PMI has provided its prior experience chart.

7. On September 28, 2022, the Applicant requested a change to the General Contractor from Brooks & Freund, LLC to NDC Construction Company ("NDC"). NDC has provided its prior experience chart.

8. The Guarantors have changed as follows. See Waiver Requests/Special Conditions for further information below.

   From: Pine Island Cape, LLC; CCD Pine Island, LLC; LCHA Pine Island, LLC; Catalyst Community Capital, Inc.; Revital Civitas PIC, LLC; Revital Communities, LLC; and Michael Allan, Michael Maguire and Joseph Bonora as individuals. Construction Completion Guarantee Only – LCHA Developer, LLC; Revital Development Group, LLC and Catalyst Southwest Florida, LLC.

   To: Pine Island Cape, LLC; DDER Civitas Manager, LLC; DDER Holdings, LLC; LCHA Pine Island, LLC; Revital Civitas PIC, LLC; Revital Communities, LLC; and Michael Allan, Deion R. Lowery, Robert Godwin, Edward E. Haddock, Jr. and Domingo Sanchez as individuals. Construction Completion Guarantee Only – LCHA Developer, LLC; Revital Development Group, LLC and DDER Development, LLC.

The above changes have no material impact to the MMRN, CDBG-DR, CDBG-DR Viability & HC recommendation for the Development.

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

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

According to the FHFC Past Due Report dated September 22, 2022, no past due issues exist for the Development Team:
This recommendation is subject to satisfactory resolution of any outstanding noncompliance and/or past due issues prior to the loan closings or the issuance of the annual HC recommended herein.

Strengths:

1. Based upon the market study provided by Meridian Appraisal Group, Inc. ("Meridian"), Meridian stated the Remaining Potential Demand indicates significant potential demand in all market areas and has a positive demographic profile.

2. Properties identified by Novogradac Consulting, LLP ("Novogradac") as comparable to the Development reflect a 0.5% average vacancy rate within the Development's Competitive Market Area.

Other Considerations:

1. None.

Issues and Concerns:

1. AmeriNat concludes the Developer will likely be required to permanently defer $2,167,315 of Developer Fee, which is an amount greater than the cumulative cash flow over the first 15-years of operations $2,111,787) according to the 15-year operating pro forma presented herein as Exhibit 1 to this report. If the Development is unable to repay the deferred Developer Fee within the tax credit compliance period, the Partnership may be subject to tax credit recapture.

   Mitigant:

   The Manager shall contribute to the Partnership the remainder of any unpaid principal amount of the Developer Fee, and the Partnership shall thereupon make a payment in an equal amount to pay off all amounts due by the final date by which all amounts must be paid. As such, any risk associated with any tax credit recapture resulting from non-payment of any Developer Fee is assumed by the Manager. The associated principals of the Manager and Developer have sufficient financial capacity to make a loan to the partnership, if needed. Language documenting this payment should be present in the Operating Agreement, once drafted.

Waiver Requests:

1. At the September 16, 2022 FHFC Board meeting, the RFA Waiver request was approved to allow the extension of the loan closing date from September 28, 2022 to January 28, 2023.

2. A RFA waiver will be presented at the October 28, 2022 Board meeting for the requested changes in the Applicant entity and Guarantors as noted above in the Changes from the Application, Item #1 (Applicant entity) and Item #8 (Guarantors).

Special Conditions:

1. Lee County board approval to extend the closing date of the HTF funding to January 31, 2023 is a condition precedent to the MMRN, CDBG-DR and CDBG-DR Viability loan closing.

2. Satisfactory completion of a Davis-Bacon Federal Labor Standards and Section 3 preconstruction conference is a condition precedent to the MMRN, CDBG-DR and CDBG-DR Viability loan closing.

3. The Development shall meet the Section 3 requirements of the Housing and Urban Development Act of 1968 as amended (12 U.S.C 1701u and 24CFR Part 135) is a condition precedent to the MMRN, CDBG-DR and CDBG-DR Viability loan closing.

4. Satisfactory receipt of an FHFC approved Affirmative Fair Housing Marketing Plan is a condition precedent to the MMRN, CDBG-DR and CDBG-DR Viability loan closing.

5. Receipt of a ground lease with at least a 99-year term is a condition precedent to the MMRN, CDBG-DR and CDBG-DR Viability loan closing.

6. Receipt of an executed Property Management Agreement is a condition precedent to the MMRN, CDBG-DR and CDBG-DR Viability loan closing.

Additional Information:

1. In accordance with RFA 2019-102, FHFC limits the Total Development Cost ("TDC") per unit for all Developments categorized by the construction type of the units as indicated by the Applicant in the RFA. The maximum TDC per unit for the construction specified by the Applicant (new construction, garden, ESS construction), inclusive of a $7,500/unit add-on for using tax-exempt bonds, a $7,500 add-on for additional cost related to the Federal Program (CDBG-DR) per the RFA and an 8.00% escalation rate adjustment applied to the base $366,319.80 per unit allowable and approved at the April 1, 2022 Telephonic FHFC Board meeting, is $411,825.38 per unit. Based on the underwritten TDC, exclusive of land costs and Operating Deficit Reserve, the per unit cost for the Development is $345,058.43 which is less than the maximum TDC per unit.

2. To the underwriter's knowledge, no construction cost exceeding 20% is subcontracted to any one entity.

3. To the underwriter's knowledge, no construction cost shall be subcontracted to any entity that has common ownership or is an Affiliate of the General Contractor or Developer.

4. The United States is currently under a national emergency due to the spread of the virus known as COVID19. The extent of the virus' impact to the overall economy is unknown. More specifically, it is unknown as to the magnitude and timeframe the residential rental market (e.g. absorption rates, vacancy rates, collection losses, appraised value, etc.) and the construction industry (e.g. construction schedules, construction costs, subcontractors, insurance, etc.) will be impacted. Recommendations made by AmeriNat in this report, in part, rely upon assumptions made by third-party reports that are unable to predict the impacts of the virus.

Recommendation:

AmeriNat recommends the issuance of MMRN in the amount of $17,490,000, CDBG-DR in the amount of $5,633,218, CDBG-DR Viability Loan in the amount of $4,335,000 and an annual 4% HC allocation in the amount of $1,618,414 for the construction and permanent financing of the Development. Please see Exhibit 3 of this report for further information regarding the HC allocation calculation.

This recommendation is based upon the assumptions detailed in the Report Summary (Section A) and Supporting Information and Schedules (Section C). In addition, this recommendation is subject to the MMRN, CDBG-DR & CDBG-DR Viability Loan Special and General Loan Closing Conditions and HC Allocation Recommendation and Contingencies as set forth in Section B of this report. This recommendation is only valid for six months from the date of the report. The reader is cautioned to refer to these sections for complete information.

Prepared by:	Reviewed by:
Kimberly A Thorne	TA Louloudes
Kimberly A. Thorne	Tom Louloudes
Senior Credit Underwriter	Multifamily Credit Underwriting Manager

Overview

Construction Financing Sources:

Source	Lender	Applicant's Total	Applicant's Revised Total	Underwriter's Total	Interest Rate	Debt Service During Construction
FHFC - MMRN	FHFC/Fifth Third Bank	$12,500,000	$17,490,000	$17,490,000	6.53%	$1,550,500
FHFC-CDBG-DR	FHFC	$5,633,218	$5,633,218	$5,633,218	0.00%	$0
FHFC-CDBG-DR	FHFC - Viability	$0	$4,335,000	$1,991,548	0.00%	$0
Local Government Subsidy	Lee County - HTF	$0	$1,500,000	$1,500,000	0.00%	$0
Local Government Subsidy	City of Cape Coral - CDBG	$106,202	$106,202	$106,202	0.00%	$0
Local Government Subsidy	City of Cape Coral - SHIP	$0	$500,000	$500,000	0.00%	$0
Local Government Subsidy	City of Cape Coral - NSP	$300,000	$300,000	$300,000	0.00%	$0
Local Government Subsidy	Lee County - HOME	$358,553	$462,676	$462,676	0.00%	$0
HC Equity	RJTCF	$3,648,255	$5,137,662	$5,011,218		
Deffered Developer Fee	Developer	$2,854,350	$3,440	$2,167,315		
	Total :	**$25,400,578**	**$35,468,198**	**$35,162,177**		**$1,550,500**

Please note, the Applicant's Total column is based on AmeriNat's conclusions in the Final CUR.

<u>Proposed MMRN</u>:

The Applicant applied for $11,075,000 in tax-exempt Notes to be issued by FHFC for the construction financing. The Applicant requested an increase in the MMRN amount to $16,000,000, which was approved by Florida Housing staff on May 9, 2022. According to correspondence, dated September 26, 2022, the Applicant requested an additional increase of $2,000,000 in the MMRN to $18,000,000, which was approved by FHFC staff on September 30, 2022.

The Notes will be privately placed and purchased by Fifth Third Commercial Funding, Inc. ("Fifth Third") per the letter of intent ("LOI") dated September 26, 2022 on a draw down basis. Fifth Third will provide a construction loan in an amount up to $18,000,000. Based on the Applicant's assumption, a total of $17,490,000 is estimated for the construction phase. Interest only payments are due monthly based on the Secured Overnight Financing Rate ("SOFR") (currently 2.284%) with a floor of 0.75%, plus a spread of 275 basis points ("bps") with principal due at maturity. The underwriter included a cushion of 150 bps for rate volatility, providing for an "all in" rate of 6.53%. The interest only period is for up to 30-months, with a one-time six-month extension subject to certain Fifth Third conditions, with a fee of 25 bps of the outstanding loan amount. The annual FHFC Issuer fee of 24 bps and the annual Fiscal Agent Fee of $4,500 are included in the Uses of Funds section of this report. An origination fee of 75 bps of the loan amount is due on or before loan closing.

<u>Proposed FHFC CDBG-DR and CDBG-DR Viability Loans:</u>

The CDBG-DR and CDBG-DR Viability Loans will be combined into one loan totaling $9,968,218 at closing and will have one set of loan documents but have been separated for presentation purposes.

The Applicant applied to Florida Housing for a $5,633,218 CDBG-DR loan under RFA 2019-102 for the construction/permanent financing of the Development, which was approved at FHFC's September 10, 2021 Board meeting. The CDBG-DR loan will have a total term of 20 years (including 3 years for the construction/stabilization period and 17 years for the permanent period) and be non-amortizing with a 0.00% interest rate per annum plus permanent loan servicing and compliance monitoring fees. The loan will not require payment for as long as the Development remains in compliance. The loan will be forgiven after 20 years. Annual payments of all applicable fees will be required.

For Priority I Applications, the CDBG-DR funding associated with the land acquisition costs will be awarded to the designed Landowner (LCHA) in the amount of $1,414,755 and the remaining funding of $4,218,463 will be awarded to the Applicant. The $1,414,755 being allocated to the LCHA will not be represented in the final cost certifications.

Correspondence, dated September 21, 2022, was received from Florida Housing notating the offer of additional CDBG-DR loan funds for the Development in the amount of $4,335,000. However, it is anticipated $1,991,548 will be utilized during the construction phase, with the remainder funded at permanent loan conversion. The CDBG-DR Viability Loan terms will be made under the same terms of the original CDBG-DR Loan. The Applicant will be required to defer at least 40% of their Developer Fee.

CDBG-DR loan proceeds shall be disbursed during the construction phase in an amount per construction draw which does not exceed the ratio of the CDBG-DR loan to Total Development Costs, unless approved by the Credit Underwriter.

LEE COUNTY - HTF

A Loan Agreement, dated May 17, 2022, was provided between Lee County and RNP Civitas Land, LLC in the amount of $1,500,000 from the Affordable Housing Trust Fund (“HTF”). The loan is interest free with a term of 21 years with a maturity date of April 1, 2043. The Agreement states a closing date of no later than October 1, 2022. Correspondence, dated September 15, 2022 by Mikki Rozdolski, Planning Manager for Lee County Community Development, was provided whereby the closing date will be extended to January 31, 2023 and will be presented to the Lee County board on October 17, 2022 for final approval. Final board approval is a condition precedent to loan closing and listed in Section B of this report.

City of Cape Coral – CDBG

A preliminary commitment letter, dated September 1, 2022, was provided whereby the City of Cape Coral will grant $106,202 in CDBG funds to Lee County Housing Authority (Subrecipient) for the acquisition of the Development. The grant does not have a term and does not have an interest rate. The funds are to be used to acquire the real property of the Development at the time of construction loan closing, which shall include a ground lease to the Applicant.

City of Cape Coral – SHIP

A Sponsor Agreement, dated June 24, 2022, was provided between the City of Cape Coral and the Applicant in an amount not to exceed $250,000. Funding will be made in the form of a loan evidenced by a promissory note and secured by a non-recourse mortgage. The loan will bear interest at 0.00% and will mature 30 years from the date of the note and mortgage. Loan proceeds may be used for permitted uses of State Housing Initiatives Partnership (“SHIP”) funds under applicable state low and regulations. The loan will be forgivable at the end of the term in the sole and absolute discretion of the City of Cape Coral.

A preliminary commitment letter, dated July 14, 2022, was provided whereby the City of Cape Coral will allocated $250,000 in SHIP 22/23 funding to the Applicant. Funding will be made in the form of a loan evidenced by a promissory note and secured by a non-recourse mortgage. The loan will bear interest at 0.00% and will mature 30 years from the date of the note and mortgage. Loan proceeds may be used for permitted uses of SHIP funds under applicable state low and regulations. The loan will be forgivable at the end of the term in the sole and absolute discretion of the City of Cape Coral.

Please note these two sources will be combined into one Note/Mortgage for a total loan amount of $500,000.

<u>City of Cape Coral - NSP:</u>

According to the Neighborhood Stabilization Program Grant ("NSP") Agreement between the City of Cape Coral and the Applicant, dated June 25, 2020, the City of Cape Coral will provide $300,000 for the construction and permanent financing of the Development. The NSP funds will be provided as a non-amortizing deferred payment loan with 0.00% or payments subject to Affordability Period requirements and may be forgiven at the expiration of that term in the sole discretion of the City of Cape Coral. The terms reflected in the draft Housing Mortgage Note do not require that payments of interest be made as long as the Applicant complies with the conditions and provisions provided in the Note.

A minimum of 20 units of the Development must be rented to households with incomes at the time of the initial lease, at or below 50% Area Median Income ("AMI") as defined by the U.S. Department of Housing and Urban Development ("HUD") for the initial Affordability Period of twenty (20) years, with an additional thirty (30) year extended Affordability Period (for a total Affordability Period of 50-years) beginning immediate after the expiration of the initial affordability period with a minimum of 20% of the units at or below 50% AMI or 40% of the units at or below 60% AMI. The project period ends of August 31, 2024.

<u>Lee County - HOME:</u>

A preliminary commitment letter, dated September 13, 2022, was provided whereby Lee County will grant $462,676.06 in Home Investment Partnership ("HOME") Program funds to Lee County Housing Authority (Subrecipient) for costs associated with the Development. The grant term is for 21 years and does not have an interest rate. The funds are to be used to acquire the real property of the Development and eligible project soft costs and loan payments (non-construction expenses) at the time of construction loan closing, which shall include a ground lease to the Applicant.

<u>HC Equity:</u>

The Applicant provided a LOI, dated September 15, 2022, whereby Raymond James Affordable Housing Investments, Inc. ("RJAHI") will acquire an 99.99% investment member interest in the Applicant at $0.90 per Housing Credit for a total investment of $14,317,766. The LOI states that $2,147,665 or 15.00% will be provided at closing, which meets the requirement stated in the RFA. A total of $5,011,218 will be provided during the construction phase.

The annual allocation of 4% HC stated herein is for credit underwriting purposes only, and the final annual allocation of 4% HC will be determined pursuant to the final cost certification process as per Rule 67-21.

Deferred Developer Fee:

The Applicant will be required to defer $2,167,315 or 42.89% of total Developer Fee during the construction phase.

Permanent Financing Sources:

Source	Lender	Applicant's Total	Applicant's Revised Total	Underwriter's Total	Interest Rate	Amortization Years	Term Years	Annual Debt Service
FHFC - MMRN	FHFC/Grandbridge/ Freddie Mac	$6,600,000	$5,840,000	$5,840,000	6.89%	40	17	$429,911
FHFC-CDBG-DR	FHFC	$5,633,218	$5,633,218	$5,633,218	0.00%	0	20	$0
FHFC-CDBG-DR	FHFC - Viability	$0	$4,335,000	$4,335,000	0.00%	0	20	$0
Local Government Subsidy	Lee County - HTF	$0	$1,500,000	$1,500,000	0.00%	0	21	$0
Local Government Subsidy	City of Cape Coral - CDBG	$106,202	$106,202	$106,202	0.00%	0	0	$0
Local Government Subsidy	City of Cape Coral - SHIP	$0	$500,000	$500,000	0.00%	0	30	$0
Local Government Subsidy	City of Cape Coral - NSP	$300,000	$300,000	$300,000	0.00%	0	50	$0
Local Government Subsidy	Lee County - HOME	$358,553	$462,676	$462,676	0.00%	0	21	$0
HC Equity	RJTCF	$10,423,586	$14,679,033	$14,317,766				
Deferred Developer Fee	Developer	$1,979,019	$2,112,069	$2,167,315				
	Total :	$25,400,578	$35,468,198	$35,162,177				$429,911

Please note, the Applicant's Total column is based on AmeriNat's conclusions in the Final CUR.

<u>Proposed MMRN</u>:

The Applicant provided a LOI, dated August 24, 2022, whereby Grandbridge Real Estate Capital, LLC ("Grandbridge") will provide a permanent loan in an amount up to $6,000,000 under the Multifamily Programs of the Federal Home Loan Mortgage Corporation ("Freddie Mac") Direct Purchase of Tax-Exempt Loan ("TEL") Program. The loan amount is subject to (i) a maximum 80% loan to value ratio and a minimum 1.25 to 1.00 debt service coverage ratio at the interest rate for the loan and (ii) the additional terms set forth in the exhibits attached to the LOI. For underwriting purposes, the loan amount is estimated to be $5,840,000.

Upon the satisfaction of the conditions to conversion ("Conditions to Conversion") as determined by Lender and as set forth in a forward commitment (the "Commitment") to be issued by Lender to Borrower following Lender's approval of the proposed Loan and in the Construction Phase Financing Agreement to be executed as of the Origination Date (the "Construction Phase Financing Agreement") by and between Freddie Mac, Lender, the Construction Lender and Borrower, the Project Loan will convert (the "Conversion") to the permanent phase (the "Permanent Phase") and Lender will purchase the Funding Loan from the Construction Lender. The date on which the Conditions to Conversion are satisfied and Lender purchases the Funding Loan is referred to as the "Conversion Date". The date on which Freddie Mac purchases the Funding Loan is referred to as the "Freddie Mac Purchase Date". Lender's obligation to purchase the Funding Loan is subject to Lender's determination that all of the Conditions to Conversion have been and remain satisfied.

Grandbridge will size the Permanent Loan based on the Freddie Mac requirements at Permanent Loan conversion. However, approval of FHFC's Board will be required if the permanent loan is sized to an amount greater than the current recommended amount of $5,840,000. Payments of principal and interest are required based on a 17-year term and 40-year amortization. The interest will be calculated at an annual rate equal to the 10-Year U.S. Treasury Rate (currently 3.41%) with a 2.70% floor and a 2.48% spread. The interest rate is includes a cushion of 100 bps, for an all-in interest rate of 6.89%.

Other fees payable at closing are a 1.00% Commitment Fee and 0.15% Standby Fee of the loan amount per annum during the construction period, Construction Monitoring Fee and $25,000 Conversion Fee. Proceeds from the Funding Loan will fund the Project Loan made by FHFC to the Borrower. Thereafter, Grandbridge will deliver the Funding Loan to Freddie Mac for purchase pursuant to the Program. Terms of the Project Loan will match those of the Funding Loan.

The Permanent Loan will mature seventeen (17) years following permanent loan conversion. At maturity, Borrower may satisfy the MMRN via refinance or sale of the Development pending market feasibility. In the event the Borrower is unable to refinance or effectuate a sale to fund payoff of the MMRN, such event would not cause an event of default under the loan documents. Rather, should this situation occur, it would trigger a "Mortgage Assignment Event" whereby Grandbridge (or Freddie Mac) agrees to cancel the MMRN in exchange for an assignment by the Fiscal Agent of the mortgage and all other related documents and accounts. The Fiscal Agent would cancel the MMRN and discharge the lien of the Funding Loan Agreement, and it would then assign the mortgage loan (Project loan) and any other related documents and collateral to Grandbridge, effectively ending the transaction. Under this scenario, the MMRN will have been redeemed/cancelled not by payment of cash but by the assignment of the mortgage loan documents and there is no default. As the new direct mortgagee, Grandbridge (or Freddie Mac) would then be in position to work with the Borrower to arrive at a resolution without involvement of either FHFC or the Fiscal Agent (as the MMRN would have been cancelled and would no longer be outstanding).

Annual payments of all applicable fees will be required and are included in the DSC analysis. Fees include Permanent Loan Servicing Fees to be paid annually based on 2.3 basis points of the outstanding MMRN balance, subject to a minimum monthly fee of $229, and an hourly fee of $192 for extraordinary services; Compliance Monitoring Fees based on $178 per month plus an additional fee per set-aside unit of $10.91, subject to a minimum monthly fee of $278; a Fiscal Agent Fee of $4,500 and an Issuer Fee to be paid annually based on 24 basis points on the outstanding MMRN balance, subject to a minimum fee of $10,000.

<u>Proposed FHFC CDBG-DR:</u>

The CDBG-DR and CDBG-DR Viability Loans will be combined into one loan totaling $9,968,218 at closing and will have one set of loan documents but have been separated for presentation purposes.

The Applicant applied to Florida Housing for a $5,633,218 CDBG-DR loan under RFA 2019-102 for the construction/permanent financing of the Development, which was approved at FHFC's September 10, 2021 Board meeting. The CDBG-DR loan will have a total term of 20 years (including 3 years for the construction/stabilization period and 17 years for the permanent period) and be non-amortizing with a 0.00% interest rate per annum plus permanent loan servicing and compliance monitoring fees. The loan will not require payment for as long as the Development remains in compliance. The loan will be forgiven after 20 years. Annual payments of all applicable fees will be required.

For Priority I Applications, the CDBG-DR funding associated with the land acquisition costs will be awarded to the designed Landowner (LCHA) in the amount of $1,414,755 and the remaining funding of $4,218,463 will be awarded to the Applicant. The $1,414,755 being allocated to the LCHA will not be represented in the final cost certifications.

Correspondence, dated September 21, 2022, was received from Florida Housing notating the offer of additional CDBG-DR loan funds for the Development in the amount of $4,335,000. The CDBG-DR Viability Loan terms will be made under the same terms of the original CDBG-DR Loan. The Applicant will be required to defer at least 40% of their Developer Fee.

Annual payments of all applicable fees will be required. Fees include an annual Permanent Loan Servicing Fee of 25 bps on the outstanding loan amount, with a maximum of $909 per month, subject to a minimum of $229 per month, an annual Compliance Monitoring Multiple Program Fee of $993, and an annual Compliance Monitoring Multiple Program fee of $993 for Link Units for Persons with Special Needs.

LEE COUNTY - HTF

A Loan Agreement, dated May 17, 2022, was provided between Lee County and RNP Civitas Land, LLC in the amount of $1,500,000 from the HTF. The loan is interest free with a term of 21 years with a maturity date of April 1, 2043. The Agreement states a closing date of no later than October 1, 2022. Correspondence, dated September 15, 2022 by Mikki Rozdolski, Planning Manager for Lee County Community Development, was provided whereby the closing date will be extended to January 31, 2023 and will be presented to the Lee County board on October 17, 2022 for final approval. Final board approval is a condition precedent to loan closing and listed in Section B of this report.

City of Cape Coral – CDBG

A preliminary commitment letter, dated September 1, 2022, was provided whereby the City of Cape Coral will grant $106,202 in CDBG funds to Lee County Housing Authority (Subrecipient) for the acquisition of the Development. The grant does not have a term and does not have an interest rate. The funds are to be used to acquire the real property of the Development at the time of construction loan closing, which shall include a ground lease to the Applicant.

City of Cape Coral – SHIP

A Sponsor Agreement, dated June 24, 2022, was provided between the City of Cape Coral and the Applicant in an amount not to exceed $250,000. Funding will be made in the form of a loan evidenced by a promissory note and secured by a non-recourse mortgage. The loan will bear interest at 0.00% and will mature 30 years from the date of the note and mortgage. Loan proceeds may be used for permitted uses of SHIP funds under applicable state low and regulations. The loan will be forgivable at the end of the term in the sole and absolute discretion of the City of Cape Coral.

A preliminary commitment letter, dated July 14, 2022, was provided whereby the City of Cape Coral will allocated $250,000 in SHIP 22/23 funding to the Applicant. Funding will be made in the form of a loan evidenced by a promissory note and secured by a non-recourse mortgage. The loan will bear interest at 0.00% and will mature 30 years from the date of the note and mortgage. Loan proceeds may be used for permitted uses of SHIP funds under applicable state low and regulations. The loan will be forgivable at the end of the term in the sole and absolute discretion of the City of Cape Coral.

Please note these two sources will be combined into one Note/Mortgage for a total loan amount of $500,000.

City of Cape Coral - NSP:

According to the NSP Agreement between the City of Cape Coral and the Applicant, dated June 25, 2020, the City of Cape Coral will provide $300,000 for the construction and permanent financing of the Development. The NSP funds will be provided as a non-amortizing deferred payment loan with 0.00% or payments subject to Affordability Period requirements and may be forgiven at the expiration of that term in the sole discretion of the City of Cape Coral. The terms reflected in the draft Housing Mortgage Note do not require that payments of interest be made as long as the Applicant complies with the conditions and provisions provided in the Note. The project period ends of August 31, 2024.

A minimum of 20 units of the Development must be rented to households with incomes at the time of the initial lease, at or below 50% AMI as defined by HUD for the initial Affordability Period of twenty (20) years, with an additional thirty (30) year extended Affordability Period (for a total Affordability Period of 50-years) beginning immediate after the expiration of the initial affordability period with a minimum of 20% of the units at or below 50% AMI or 40% of the units at or below 60% AMI.

Lee County - HOME:

A preliminary commitment letter, dated September 13, 2022, was provided whereby Lee County will grant $462,676.06 in HOME funds to Lee County Housing Authority (Subrecipient) for costs associated with the Development. The grant term is for 21 years and does not have an interest rate. The funds are to be used to acquire the real property of the Development and eligible project soft costs and loan payments (non-construction expenses) at the time of construction loan closing, which shall include a ground lease to the Applicant.

HC Equity:

According to the LOI, RJAHI will acquire 99.99% investment member interest in the Applicant at $0.90 per Housing Credit for a total investment of $14,317,766 to be paid as follows:

Capital Contributions	Amount	Percent of Total	Due upon
1st Installment	$2,147,665	15.00%	Paid at closing
2nd Installment	$715,888	5.00%	Paid at the later of 50% construction completion or 7/1/23
3rd Installment	$2,147,665	15.00%	Paid at the later of 98% construction completion or 4/1/23
4th Installment	$4,490,000	31.35%	Paid at the later of 100% construction completion or 2/1/25
5th Installment	$4,816,548	33.64%	Paid at the later of stabilization and 8609s or 2/1/25
Total:	**$14,317,766**	**100%**	

Annual Credits Per Syndication Agreement	$1,591,022
Total Credits Per Syndication Agreement	$15,910,220
Calculated HC Rate:	$0.90
Limited Partner Ownership Percentage	99.99%
Proceeds During Construction	$5,011,218

Deferred Developer Fee:

To balance the sources and uses of funds during construction, the Developer is required to defer $2,167,315 or approximately 42.89% of the total Developer Fee, which meets the 40% requirement.

Uses of Funds

CONSTRUCTION COSTS:	Applicant Costs	Revised Applicant Costs	Underwriters Total Costs - CUR	Cost Per Unit	HC Ineligible Costs - CUR	HOME Ineligible Costs - CUR
Accessory Buildings	$728,000	$1,099,620	$1,099,620	$11,454	$0	$0
New Rental Units	$10,929,357	$15,187,326	$15,187,327	$158,201	$0	$0
Site Work	$1,261,503	$2,018,252	$2,018,252	$21,023	$100,913	$100,913
Swimming Pool	$177,127	$204,000	$204,000	$2,125	$0	$0
Furniture, Fixture, & Equipment	$0	$109,775	$109,775	$1,143	$109,775	$109,775
Constr. Contr. Costs subject to GC Fee	$13,095,987	$18,618,973	$18,618,974	$193,948	$210,688	$210,688
General Conditions	$785,759	$1,117,138	$1,117,138	$11,637	$0	$1,117,138
Overhead	$261,920	$372,379	$372,379	$3,879	$0	$372,379
Profit	$785,759	$1,117,138	$1,117,138	$11,637	$0	$1,117,138
General Liability Insurance	$106,375	$0	$0	$0	$0	$0
Payment and Performance Bonds	$151,965	$161,027	$161,027	$1,677	$0	$0
Contract Costs not subject to GC Fee	$0	$269,975	$269,975	$2,812	$0	$0
Total Construction Contract/Costs	$15,187,765	$21,656,630	$21,656,631	$225,590	$210,688	$2,817,343
Hard Cost Contingency	$759,388	$1,087,832	$1,082,831	$11,279	$0	$1,082,831
FF&E paid outside Constr. Contr.	$216,000	$216,000	$216,000	$2,250	$0	$0
Other: Above Ground Storage Tank Replacement	$0	$100,000	$100,000	$1,042	$100,000	$0
Total Construction Costs:	**$16,163,153**	**$23,060,462**	**$23,055,462**	**$240,161**	**$310,688**	**$3,900,174**

Please note, the Applicant's Costs column is based on AmeriNat's conclusions in the Final CUR.

Notes to the Total Construction Costs:

1. A Standard Form of Agreement Between Owner and Contractor where the basis of payment is the cost of the work plus a fee with a Guaranteed Maximum Price in the amount $21,656,631.21 (the "Construction Contract"), dated September 1, 2022, has been provided between the Applicant and NDC Construction Company. The Construction Contract indicates substantial completion shall be achieved no later than 476 days from the date of commencement. Retainage shall be limited to a minimum of 10% retainage holdback on all construction draws until the Development is 50% complete and 5% retainage thereafter. Total Construction Costs have increased by $6,892,309 from $16,163,153 to $23,055,462 since the Final CUR.

2. Contract Costs not Subject to GC Fee is Subcontract Default Insurance.

3. General Contractor's Fee (consisting of general conditions, overhead and profit) does not exceed the 14% maximum per the RFA and Rule 67-21 and is calculated excluding Payment & Performance Bond and Subcontractor Default Insurance.

4. The General Contractor will provide a Payment and Performance Bond to secure the Construction Contract. The cost is included in the budget and outside of the Construction Contract's Schedule of Values.

5. The Hard Cost Contingency is 5% of the construction contract and is within the RFA and Rules 67-21 limits.

6. Above Ground Storage Tank Replacement: An adjacent property, which has no affiliation or ownership to the Development, has two old above ground storage tanks ("ASTs") which stores motor oil and therefore a flammable hazard per HUD guidelines. To meet HUD requirements, the

Development will mitigate the flammable hazards by replacing both of the adjacent property's existing ASTs with concrete encapsulated double walled ASTs.

7. GLE Associates, Inc. ("GLE") provided a Plan and Cost Review ("PCR"), dated September 9, 2022, on the Development. The cost of the project is $21,656,631.21 and has a projected unit cost of $225,589.90 per unit, based on the Schedule of Values provided to GLE. It is GLE's opinion that the cost per unit is within an acceptable range, as the current cost of building materials are much higher due to current conditions, as compared to similar type projects, which ranged between $225,294 to $232,354 per unit. The construction progress schedule submitted for GLE's review shows a 440-day duration; GLE stated this time is adequate for the construction of the Development. There are allowances totaling $557,901 within the Schedule of Values, which GLE states is within an acceptable range for the scope of work indicated. Allowances include:

• Swimming Pool	$204,000
• Roof Drain Connections	$138,600
• Privet Hedges	$ 6,785
• Clubhouse Clerestory	$ 21,790
• Windows: Storefront	$130,000
• Bicycle Rakes	$ 7,032
• Mailboxes	$ 24,694
• FPL Conduits	$ 25,000
TOTAL	$557,901

GENERAL DEVELOPMENT COSTS:	Applicant Costs	Revised Applicant Costs	Underwriters Total Costs - CUR	Cost Per Unit	HC Ineligible Costs - CUR	HOME Ineligible Costs - CUR
Accounting Fees	$42,000	$42,000	$42,000	$438	$16,800	$0
Appraisal	$22,250	$22,250	$22,250	$232	$0	$0
Architect's and Planning Fees	$231,600	$231,600	$231,600	$2,413	$0	$0
Architect's Fee - Landscape	$9,300	$9,300	$9,300	$97	$0	$0
Architect's Fee - Supervision	$42,400	$42,400	$42,400	$442	$0	$0
Building Permits	$48,295	$48,295	$48,295	$503	$0	$0
Builder's Risk Insurance	$175,000	$175,000	$175,000	$1,823	$0	$0
Engineering Fees	$78,130	$78,130	$78,130	$814	$0	$0
Environmental Report	$15,350	$15,350	$15,350	$160	$0	$0
FHFC Administrative Fees	$63,828	$146,813	$89,504	$932	$89,504	$89,504
FHFC Application Fee	$3,000	$3,100	$3,000	$31	$3,000	$3,000
FHFC Credit Underwriting Fee	$25,243	$25,243	$38,854	$405	$38,854	$38,854
Impact Fee	$555,985	$555,985	$555,985	$5,792	$0	$0
Lender Inspection Fees / Const Admin	$145,000	$145,000	$145,000	$1,510	$0	$0
Green Building Cert. (LEED, FGBC, NAHB)	$19,200	$19,200	$19,200	$200	$0	$0
Insurance	$65,500	$65,500	$65,500	$682	$65,500	$0
Legal Fees - Organizational Costs	$253,000	$253,000	$253,000	$2,635	$253,000	$0
Market Study	$11,000	$11,000	$11,000	$115	$11,000	$0
Marketing and Advertising	$36,350	$36,350	$36,350	$379	$36,350	$36,350
Plan and Cost Review Analysis	$5,850	$8,750	$8,750	$91	$0	$0
Property Taxes	$15,000	$15,000	$15,000	$156	$7,500	$0
Soil Test	$5,040	$5,040	$5,040	$53	$0	$0
Survey	$25,000	$25,000	$25,000	$260	$0	$0
Title Insurance and Recording Fees	$240,000	$237,745	$237,745	$2,477	$161,889	$0
Utility Connection Fees	$220,000	$220,000	$220,000	$2,292	$0	$0
Soft Cost Contingency	$117,811	$140,265	$119,662	$1,246	$0	$119,662
Other: Utility Allowance Study	$2,900	$0	$0	$0	$0	$0
Total General Development Costs:	**$2,474,032**	**$2,577,316**	**$2,512,915**	**$26,176**	**$683,397**	**$287,370**

Please note, the Applicant's Costs column is based on AmeriNat's conclusions in the Final CUR.

Notes to General Development Costs:

1. FHFC Administrative Fees increased by $25,676 due to the increase in the estimated Annual HC Recommendation.

2. FHFC Credit Underwriting Fee has increased by $13,611 from $25,243 to $38,854 for the underwriting fee of the additional CDBG-DR loan ($4,850), re-underwriting fee for the CUR Update letter ($8,461) and credit report fee ($300).

3. A new Plan & Cost Review was completed due to the change in the General Contractor and construction costs. The fee increased by $2,900

4. Soft Cost Contingency of 5%, which increased by $1,851 , has been underwritten as permitted by the RFA and Rule 67-21 and may be utilized by the Applicant in the event soft costs exceed these estimates.

5. The Utility Allowance Study line item was removed as it is included in the Market Study line item.

6. All other costs have remained the same since the Final CUR.

FINANCIAL COSTS:	Applicant Costs	Revised Applicant Costs	Underwriters Total Costs - CUR	Cost Per Unit	HC Ineligible Costs - CUR	HOME Ineligible Costs - CUR
Construction Loan Commitment Fee	$93,750	$131,175	$131,175	$1,366	$0	$0
Construction Loan Interest	$714,000	$1,800,470	$1,550,500	$16,151	$335,689	$0
Permanent Loan Application Fee	$43,500	$52,710	$52,710	$549	$52,710	$0
Permanent Loan Commitment Fee	$66,000	$58,400	$58,400	$608	$58,400	$0
Permanent Loan Closing Costs	$10,000	$12,000	$12,000	$125	$12,000	$0
FHFC Note Fiscal Agent Fee	$9,000	$9,000	$9,000	$94	$9,000	$0
FHFC Note Cost of Issuance	$217,120	$214,625	$242,516	$2,526	$242,516	$0
Misc Loan Origination Fee	$45,000	$45,000	$45,000	$469	$45,000	$0
Legal Fees - Financing Costs	$150,000	$150,000	$150,000	$1,563	$0	$0
Placement Agent/Underwriter Fee	$31,000	$33,600	$33,600	$350	$33,600	$0
Initial TEFRA Fee	$1,000	$1,000	$1,000	$10	$1,000	$0
Other: FHFC Issuer Fee (2-years)	$60,000	$83,952	$83,952	$875	$83,952	$0
Other: Freddie Mac Standby Fee	$19,800	$17,520	$17,520	$183	$17,520	$0
Other: Freddie Mac Good Faith Deposit	$132,000	$116,800	$116,800	$1,217	$116,800	$0
Total Financial Costs:	**$1,592,170**	**$2,726,252**	**$2,504,173**	**$26,085**	**$1,008,187**	**$0**
Dev. Costs before Acq., Dev. Fee & Reserves	**$20,229,355**	**$28,364,030**	**$28,072,550**	**$292,422**	**$2,002,272**	**$4,187,544**

Please note, the Applicant's Costs column is based on AmeriNat's conclusions in the Final CUR.

Notes to Financial Costs:

1. Financial Costs were derived from the updated correspondence from Fifth Third Bank, Grandbridge, RJAHI, the Applicant and the RFA.

2. Construction Loan Interest has increased due to the increase in the construction loan amount and an increase of the current interest rates.

3. The various Financial Costs have respectively increased due to the increase in the construction MMRN amount or decreased due to the decrease in the permanent MMRN amount.

4. The FHFC Note Fiscal Agent Fee represents two years of the annual Fiscal Agent fee of $4,500.

5. FHFC Note Cost of Issuance includes fees and expenses of the Issuer, Real Estate Counsel for the MMRN and CDBG-DR loans, Note Counsel, Disclosure Counsel and other fees.

6. The FHFC Issuer Fee is based on two years of the annual Issuer Fee of 24 bps during construction.

7. All other costs have remained the same since the Final CUR.

DEVELOPER FEE ON NON-ACQUISTION COSTS	Applicant Costs	Revised Applicant Costs	Underwriters Total Costs - CUR	Cost Per Unit	HC Ineligible Costs - CUR	HOME Ineligible Costs - CUR
Developer Fee - Unapportioned	$3,467,703	$5,067,600	$5,053,059	$52,636	$0	$0
DF to Excess Land Costs	$173,580	$0	$0	$0	$0	$0
Total Other Development Costs:	**$3,641,283**	**$5,067,600**	**$5,053,059**	**$52,636**	**$0**	**$0**

Please note, the Applicant's Costs column is based on AmeriNat's conclusions in the Final CUR.

Notes to Other Development Costs:

1. Developer Fee is within 18% of Total Development Costs exclusive of Land Costs and Reserves, which is permitted by the RFA and Rule 67-21. The Developer Fee has increased by $1,411,776 since the Final CUR.

LAND ACQUISITION COSTS	Applicant Costs	Revised Applicant Costs	Underwriters Total Costs - CUR	Cost Per Unit	HC Ineligible Costs - CUR	HOME Ineligible Costs - CUR
Land Acquisition Cost	$950,000	$1,400,000	$1,400,000	$14,583	$1,400,000	$0
Land Lease Payment	$990	$990	$990	$10	$990	$0
Other: Land Acquisition Closing Costs	$0	$14,755	$14,755	$154	$14,755	$0
Total Acquisition Costs:	**$950,990**	**$1,415,745**	**$1,415,745**	**$14,747**	**$1,415,745**	**$0**

Please note, the Applicant's Costs column is based on AmeriNat's conclusions in the Final CUR.

Notes to Total Acquisition Costs:

1. Per the Final CUR, a Settlement Statement, dated October 9, 2020, was provided which reflects the previous Co-Developer (Catalyst Southwest Florida, LLC) purchased the vacant land for $990,000. The purchase price of the land is $950,000 and extension fees totaled $40,000, of which was reflected as a subset of Developer Fee.

2. A Settlement Statement, dated May 4, 2022, was provided which reflects Revital RNP Civitas Land, LLC purchased the vacant land for $1,379,000 from the previous Co-Developer, Catalyst Southwest Florida, LLC. Per the RFA, the landowner is not required to be a part of the Applicant entity.

3. A Vacant Land Contract, dated July 11, 2022, was provided whereby the Lee County Housing Authority ("LCHA") will purchase the vacant land from Revital RNP Civitas Land, LLC for $1,400,000, with a closing date no later than March 31, 2023.

4. Closing Costs consists of title, legal costs and recording fees.

   For Priority I Applications, the CDBG-DR funding associated with the land acquisition costs will be awarded to the designed Landowner (LCHA) in the amount of $1,414,755 and the remaining funding of $4,218,463 will be awarded to the Applicant. The $1,414,755 being allocated to the LCHA will not be represented in the final cost certifications.

5. A Ground Lease between LCHA ("Landlord") and the Applicant ("Tenant"), dated September 15, 2019, was provided. The term of the Ground Lease is sixty-five (65) years from the Commencement Date (closing of the construction financing). The annual base rent is $10 per annum and the Tenant shall pay the Landlord the base rent for the entire term on the Commencement Date. As required by the RFA, and as a Priority I Applicant, the ground lease for the property must be at least 99 years.

   Receipt of a revised Ground Lease evidencing at least a 99-year lease term is a condition precedent to the MMRN, CDBG-DR and CDBG-DR Viability loan closing and listed in Section B of this report.

6. According to an updated appraisal, dated July 25, 2022, prepared by Novogradac, the "As Is" market value of the vacant land is $1,450,000.

RESERVE ACCOUNTS	Applicant Costs	Revised Applicant Costs	Underwriters Total Costs - CUR	Cost Per Unit	HC Ineligible Costs - CUR	HOME Ineligible Costs - CUR
Operating Deficit Reserve (Syndicator)	$448,950	$490,823	$490,823	$5,113	$490,823	$490,823
Reserves - Start-Up/Lease-up Expenses	$130,000	$130,000	$130,000	$1,354	$130,000	$130,000
Total Reserve Accounts:	**$578,950**	**$620,823**	**$620,823**	**$6,467**	**$620,823**	**$620,823**

Please note, the Applicant's Costs column is based on AmeriNat's conclusions in the Final CUR.

Notes to Reserve Accounts:

1. The Operating Deficit Reserve has increased slightly to provide for approximately six months of expenses.
2. Operating Deficit Reserve ("ODR") is based on the requirements stated in the letter of intent by RJAHI, which is approximately six months of operating expenses and debt service. The reserve is to be funded at the time of the funding of the Stabilization Capital Contribution. At the end of the compliance period, any remaining balance of the ODR less amounts that may be permitted to be drawn (which includes Deferred Developer Fee and reimbursements for authorized member/partner and guarantor loan(s) pursuant to the operating/partnership agreement), will be used to pay FHFC loan debt; if there is no FHFC loan debt on the proposed Development at the end of the compliance period, any remaining balance shall be used to pay any outstanding FHFC fees. If any balance is remaining in the ODR after the payments above, the amount should be placed in a Replacement Reserve account for the Development. In no event shall the payments of amounts to the Applicant or the Developer from the Reserve Account cause the Developer Fee or General Contractor Fee to exceed the applicable percentage limitations provided for in Rule Chapter 67-21. Any and all terms and conditions of the ODR must be acceptable to Florida Housing, its Servicer and its Legal Counsel.

TOTAL DEVELOPMENT COSTS	Applicant Costs	Revised Applicant Costs	Underwriters Total Costs - CUR	Cost Per Unit	HC Ineligible Costs - CUR	HOME Ineligible Costs - CUR
TOTAL DEVELOPMENT COSTS:	$25,400,578	$35,468,198	$35,162,177	$366,273	$4,038,840	$4,808,367

Please note, the Applicant's Costs column is based on AmeriNat's conclusions in the Final CUR.

Notes to Total Development Costs:

1. TDC has increased by $9,761,599 or 38.43% inclusive of the applicable increase to Construction and Financial Costs, and Developer Fee from $25,400,578 per the Final CUR to $35,162,177 With the increase to the TDC, the resulting total Developer Fee increased by $1,411,776 from $3,641,283 to $5,053,059 .

OPERATING PRO FORMA

FINANCIAL COSTS:					Year 1	Year 1 Per Unit
OPERATING PRO FORMA						
INCOME:	Gross Potential Rental Income				$1,105,452	$11,515
	Other Income					
		Miscellaneous			$38,400	$400
	Gross Potential Income				$1,143,852	$11,915
	Less:					
		Physical Vac. Loss	Percentage:	4.00%	$45,754	$477
		Collection Loss	Percentage:	1.00%	$11,439	$119
Total Effective Gross Income					$1,086,659	$11,319
EXPENSES:	Fixed:					
		Real Estate Taxes			$133,140	$1,387
		Insurance			$55,200	$575
	Variable:					
		Management Fee	Percentage:	5.37%	$58,365	$608
		General and Administrative			$33,600	$350
		Payroll Expenses			$138,800	$1,446
		Utilities			$14,400	$150
		Maintenance and Repairs/Pest Control			$67,200	$700
	Reserve for Replacements				$28,800	$300
Total Expenses					$529,505	$5,516
Net Operating Income					$557,154	$5,804
Debt Service Payments						
	First Mortgage - FHFC/Grandbridge/Freddie Mac				$429,911	$4,478
	Second Mortgage - FHFC (CDBG-DR/Viability)				$0	$0
	Third Mortgage -Lee County (HTF)				$0	$0
	Fourth Mortgage - City of Cape Coral (CDBG)				$0	$0
	Fifth Mortgage - City of Cape Coral (SHIP)				$0	$0
	All Other Mortgages - City of Cape Coral & Lee County				$0	$0
	First Mortgage Fees - FHFC/Grandbridge/Freddie				$24,600	$256
	Second Mortgage Fees - FHFC (CDBG-DR/Viability)				$11,901	$124
	Third Mortgage Fees - Lee County (HTF)				$0	$0
	Fourth Mortgage Fees - City of Cape Coral (CDBG)				$0	$0
	Fifth Mortgage Fees - City of Cape Coral (SHIP)				$0	$0
	All Other Mortgages Fees - City of Cape Coral & Lee Coun				$0	$0
Total Debt Service Payments					$466,412	$4,858
Cash Flow after Debt Service					$90,742	$945
Debt Service Coverage Ratios						
	DSC - First Mortgage plus Fees				1.23x	
	DSC - Second Mortgage plus Fees				1.19x	
	DSC - Third Mortgage plus Fees				1.19x	
	DSC - Fourth Mortgage plus Fee				1.19x	
	DSC - Fifth Mortgage plus Fees				1.19x	
	DSC - All Mortgages and Fees				1.19x	
Financial Ratios						
	Operating Expense Ratio				48.73%	
	Break-even Economic Occupancy Ratio (all debt)				87.34%	

Notes to the Operating Pro Forma and Ratios:

1. MMRN does not impose rent restrictions; however, this Development will be utilizing Housing Credits in conjunction with CDBG-DR which will impose rent restrictions. Please note that the rents in the 2022 FHFC CDBG-DR chart are slightly lower (each about $1 lower) than the 2022 FHFC Housing Credit chart. The appraiser utilized the 2022 FHFC Housing Credit rents as Gross Rents. Overall, the maximum 2022 Housing Credit rents for the 30%, 60% and 80% AMI units for the Development are achievable as confirmed by the appraiser. The utility allowances are based on a Utility Allowance Study prepared by Matern Professional Engineering, Inc., dated January 13, 2021 and approved by Florida Housing staff on June 23, 2021.

MSA (County): Cape Coral-Fort Myers (Lee)

Bed Rooms	Bath Rooms	Units	Square Feet	AMI%	Low HOME Rents	High HOME Rents	Gross HC Rent	Utility Allow.	Net Restricted Rents	PBRA Contr Rents	Applicant Rents	Appraiser Rents	CU Rents	Annual Rental Income
1	1.0	2	694	30%			$452	$123	$329		$329	$329	$329	$7,896
1	1.0	5	694	60%			$905	$123	$782		$782	$782	$782	$46,920
1	1.0	2	694	80%			$1,207	$123	$1,084		$1,084	$1,084	$1,084	$26,016
2	2.0	12	978	30%			$543	$146	$397		$397	$397	$397	$57,168
2	2.0	29	978	60%			$1,086	$146	$940		$940	$940	$940	$327,120
2	2.0	16	978	80%			$1,448	$146	$1,302		$1,302	$1,302	$1,302	$249,984
3	2.0	6	1,259	30%			$627	$170	$457		$457	$457	$457	$32,904
3	2.0	15	1,259	60%			$1,254	$170	$1,084		$1,084	$1,084	$1,084	$195,120
3	2.0	9	1,259	80%			$1,673	$170	$1,503		$1,503	$1,503	$1,503	$162,324
		96	99,762											$1,105,452

1. Based on the achievable rents, the Development will benefit from the rental rate advantage it will have over market rental rates. The estimated market rental rate is between 28% and 79% higher than the maximum achievable HC rental rates.

2. Novogradac concluded it appears the Development will achieve the maximum allowable rent for all units at 30%, 60%, and 80% AMI.

3. Miscellaneous Income is estimated at $225 per unit for fees associated with late charges, cleaning fees, pet deposits and forfeiture of security deposits; and $175 per unit in cable income.

4. A 5.00% vacancy and collection loss rate was concluded by the appraisal based on comparables in the market with a weighted average vacancy rate of 0.5%.

5. It is Novogradac calculated the tax burden, assuming the arms-length sale transaction of the Development, market-oriented capitalization rate, and reasonable net operating income in addition to an 80 percent assessment to sales price ratio for a tax expense of $133,140 annually.

6. Novogradac estimated $575 per unit for insurance, which was based on a combination of other restricted comps and the Developer's pro forma.

7. The Appraiser concluded a management fee of 5.00%. According to the Draft Management Agreement the fee will be $3,500 or 5.00% of effective gross income, whichever is greater. Plus, a compliance administrative fee of $3.50/unit/month for a total of $4,032 annually. AmeriNat

included the 5.00% fee and $4,032 compliance administrative fee. Receipt of a final, executed Management Agreement is a precedent to loan closing.

8. Replacement Reserves is $300 per unit per year, which is the required minimum by the RFA and Rules 67-21.

9. The MMRN loan has an annual Permanent Loan Servicing Fee based on 2.3 basis points of the outstanding balance, subject to a minimum monthly fee of $229. The annual Compliance Monitoring Fee is based on $178 per month and an additional fee per set-aside unit of $10.91, subject to a minimum monthly fee of $278. The Fiscal Agent Fee is $4,500 annually, as well as an Issuer Fee of 24 basis points of the outstanding balance, subject to a $10,000 minimum annual fee.

10. The CDBG-DR Loan has an annual Permanent Loan Servicing Fee to be paid annually based on 25 basis points of the outstanding loan amount, with a minimum monthly fee of $229 and a maximum monthly fee of $909, and an hourly fee of $192 for extraordinary services. The annual Compliance Monitoring Multiple Program Fee of $993.

11. Based upon an estimated Net Operating Income (“NOI”) of $557,154 for the proposed Development’s initial year of stabilized operations; the First Mortgage loan can be supported by operations at a 1.23x to 1.00 debt service coverage (“DSC”) ratio. For the first and second mortgages, the DSC is 1.19x to 1.00. All mortgage loans and fees can be supported by operations at a 1.19x to 1.00 DSC.

    Per the RFA, the minimum 1.10x DSC and maximum 1.50x DSC for the CDBG-DR loan and all superior mortgages has been satisfied. In addition, the Development meets the minimum 1.10x DSC requirement with all first and second mortgages for Housing Credits.

    At the time of the Final CUR, the estimated NOI was $466,867 for the proposed Development’s initial year of stabilized operations; the First Mortgage MMRN loan and fees can be supported by operations at a 1.13x to 1.00 DSC. The First Mortgage MMRN loan and Second Mortgage CDBG-DR loan and fees can be supported by operations at a 1.10x to 1.00 DSC.

12. A 15-year Operating Pro Forma reflects rental income increasing at an annual rate of 2% and expenses increasing at an annual rate of 3%.

Section B

MMRN, CDBG-DR & CDBG-DR Viability Loan Special and General Loan Closing Conditions and HC Allocation Recommendation and Contingencies

Special Conditions

This recommendation is contingent upon the review and approval of the following items by Florida Housing and the Servicer at least 30-days prior to real estate closing. Failure to submit and to receive approval of these items within this time frame may result in postponement of the MMRN pricing date and/or MMRN, CDBG-DR and CDBG-DR Viability loan closing date. For competitive MMRN sales, these items must be reviewed and approved prior to issuance of the notice of MMRN sale:

1. Lee County board approval to extend the closing date of the HTF funding to January 31, 2023.

2. Satisfactory completion of a Davis-Bacon Federal Labor Standards and Section 3 preconstruction conference.

3. The Development shall meet the Section 3 requirements of the Housing and Urban Development Act of 1968 as amended (12 U.S.C 1701u and 24CFR Part 135).

4. Satisfactory receipt of an FHFC approved Affirmative Fair Housing Marketing Plan.

5. Receipt of a ground lease with at least a 99-year term.

6. Receipt of an executed Property Management Agreement.

7. FHFC Board approval of the RFA Waiver regarding the request to change the Applicant and Developer entity structures.

8. Any other reasonable requirements of the Servicer, Florida Housing, or its Legal Counsel.

General Conditions

This recommendation is contingent upon the review and approval of the following items by Florida Housing and the Servicer at least 30-days prior to real estate closing. Failure to submit and to receive approval of these items within this time frame may result in postponement of the MMRN pricing date. For competitive MMRN sales, these items must be reviewed and approved prior to issuance of the Notice of MMRN Sale.

1. Borrower is to comply with any and all recommendations noted in the Plan and Cost Review prepared by GLE Associates, Inc.

2. Signed and sealed survey, dated within 90 days of closing, unless otherwise approved by Florida Housing, and its Legal Counsel, based upon the particular circumstances of the transaction. The Survey shall be certified to Florida Housing, and its Legal Counsel, as well as the title insurance company, and shall indicate the legal description, exact boundaries of the Development, easements, utilities, roads, and means of access to public streets, total acreage and flood hazard area and any other requirements of Florida Housing.

3. Building permits and any other necessary approvals and permits (e.g., final site plan approval, water management district, Department of Environmental Protection, Army Corps of Engineers,

Department of Transportation, etc.). An acceptable alternative to this requirement is receipt and satisfactory review of a letter from the local permitting and approval authority stating that the above referenced permits and approvals will be issued upon receipt of applicable fees (with no other conditions), or evidence of 100% lien-free completion, if applicable. If a letter is provided, copies of all permits will be required as a condition of the first post-closing draw.

4. 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 final sources and uses of funds schedule will be attached to the Loan Agreements as the approved Development budget.

5. A final construction draw schedule showing itemized sources and uses of funds for each monthly draw. CDBG-DR and CDBG-DR Viability loan proceeds shall be disbursed during the construction phase in an amount per draw that does not exceed the ratio of the CDBG-DR & CDBG-DR Viability loan to the Total Development Cost, unless otherwise approved by the Credit Underwriter. The closing draw shall include appropriate backup and ACH wiring instructions.

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

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

7. 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.

8. Evidence of insurance coverage pursuant to the Request for Application ("RFA") governing this proposed transaction and, as applicable, the FHFC Insurance Guide.

9. The General Contractor shall secure a payment and performance bond equal to 100 percent of the total construction cost listing FHFC as a co-obligee, whose terms do not adversely affect the Corporation's interest, issued in the name of the General Contractor, from a company rated at least "A-" by AMBest & Co., or a Corporation-approved alternate security for the General Contractor's performance such as a letter of credit issued by a financial institution with a senior long term (or equivalent) credit rating of at least "Baa3" by Moody's, or at least "BBB-" by Standard & Poor's or

Fitch, or a financial rating of at least 175 by IDC Financial Publishing. The LOC must include "evergreen" language and be in a form satisfactory to Florida Housing, its Servicer and its Legal Counsel.

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, Americans with Disabilities Act, and the Federal Fair Housing Act requirements, as applicable.

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

12. Payment of any outstanding arrearages to FHFC, its Legal Counsel, Servicer or any agent or assignee of FHFC for past due issues applicable to the development team (Applicant or Developer or Principal, Affiliate or Financial Beneficiary, as described in Rule 67-21.0025 (5) F.A.C., of an Applicant or a Developer).

13. Final "as permitted" (signed and sealed) site plans, building plans and specifications. The geotechnical report must be bound within the final plans and specifications.

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

15. An Operating Deficit Reserve ("ODR") in the collective amount of approximately six months of operating expenses and debt service will be permitted within the Applicant's budget, unless the credit underwriter deems a larger reserve is necessary. The calculation of Developer Fee will be exclusive of the budgeted ODR and any ODR "proposed or required by a limited partner or other lender" in excess of the amount of the ODR deemed satisfactory by the credit underwriter will be a subset of Developer Fee. At the end of the compliance period, any remaining balance of the ODR less amounts that may be permitted to be drawn (which includes Deferred Developer Fee and reimbursements for authorized member/partner and guarantor loan(s) pursuant to the operating/partnership agreement), will be used to pay FHFC loan debt; if there is no FHFC loan debt on the proposed Development at the end of the compliance period, any remaining balance shall be used to pay any outstanding FHFC fees. If any balance is remaining in the ODR after the payments above, the amount should be placed in a Replacement Reserve account for the Development. In no event shall the payments of amounts to the Applicant or the Developer from the Reserve Account cause the Developer Fee or General Contractor Fee to exceed the applicable percentage limitations provided for in Rule Chapter 67-21. Any and all terms and conditions of the ODR must be acceptable to Florida Housing, its Servicer and its Legal Counsel.

This recommendation is contingent upon the review and approval by Florida Housing, and its Legal Counsel at least 30-days prior to real estate loan closing. Failure to submit and to receive approval of these items within this time frame may result in postponement of the MMRN pricing date and/or MMRN loan closing date. For competitive MMRN sales, these items must be reviewed and approved prior to issuance of the Notice of MMRN Sale.

1. Documentation of the legal formation and current authority to transact business in Florida for the Borrower, the general partner/principal(s)/managers(s) of the Borrower, the guarantors, and any limited partners of the Borrower.

2. Signed and sealed survey, dated within 90 days of closing, unless otherwise approved by Florida Housing, and its Legal Counsel, based upon the particular circumstances of the transaction. The Survey shall be certified to Florida Housing and its Legal Counsel, as well as the title insurance company, and shall indicate the legal description, exact boundaries of the Development, easements, utilities, roads, and means of access to public streets, total acreage and flood hazard area and any other requirements of Florida Housing.

3. An acceptable updated Environmental Audit Report, together with a reliance letter to Florida Housing, prepared within 90 days of MMRN, CDBG-DR and CDBG-DR Viability closing, unless otherwise approved by Florida Housing, and Legal Counsel, based upon the particular circumstances of the transaction. Borrower is to comply with any and all recommendations noted in the updated Environmental Audit Report(s) and all other environmental reports related to the property, as deemed appropriate by Florida Housing in its sole discretion.

4. Title insurance pro-forma or commitment for title insurance with copies of all Schedule B exceptions, in the amount of the MMRN, CDBG-DR and CDBG-DR Viability loans naming Florida Housing as the insured. All endorsements required by Florida Housing shall be provided.

5. Florida Housing and its Legal Counsel shall review and approve all other lenders closing documents and the limited partnership or other applicable agreement. Florida Housing shall be satisfied in its sole discretion that all legal and program requirements for the MMRN, CDBG-DR & CDBG-DR Viability loans has been satisfied.

6. Evidence of insurance coverage pursuant to the RFA governing this proposed transaction and, as 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, and of any corporate guarantor and any manager;
    b. Authorization, execution, and delivery by the Borrower and the guarantors, of all loan documents;
    c. The loan documents being in full force and effect and enforceable in accordance with their terms, subject to bankruptcy and equitable principles only;
    d. The Borrower's and the guarantor's execution, delivery and performance of the loan documents shall not result in a violation of, or conflict with, any judgments, orders, contracts, mortgages, security agreements or leases to which the Borrower is a party or to which the Development is subject to the Borrower’s Partnership Agreement; and
    e. Such other matters as Florida Housing or its Legal Counsel may require.

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

9. Such other assignments, affidavits, certificates, financial statements, closing statements and other documents as may be reasonably requested by Florida Housing or its Legal Counsel in form and

substance acceptable to Florida Housing or its Legal Counsel, in connection with the CDBG-DR, CDBG-DR Viability and MMRN loans.

10. UCC Searches for the Borrower, its partnerships, as requested by Legal Counsel.

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

This recommendation is also contingent upon the following additional conditions.

1. Compliance with all applicable provisions of 420.507, 420.5087 and 420.509, Florida Statutes, Rule Chapters 67-21, 67-53 and 67-60, F.A.C., Section 42 I.R.C., RFA 2019-102, 49 CFR 24 (URA), 24 CFR 42(104 (d), 24 CFR Part 135, 24 CFR 570 (CDBG) and Section 414 of the Stafford Act, HUD environmental requirements 24 CFR Part 58, Section 42 I.R.C. and any other applicable State and Federal requirements.

2. Acceptance by the Borrower and execution of all documents evidencing and securing the CDBG-DR, CDNG-DR Viability and MMRN loans in form and substance satisfactory to Florida Housing, including, but not limited to, the Promissory Note, the Loan Agreement(s), the Mortgage and Security Agreement, and the Land Use Restriction Agreement(s) and Final Cost Certificate.

3. MMRN Loan - All amounts necessary to complete construction/rehabilitation, must be deposited with the Fiscal Agent prior to closing, or any phased pay-in of amount necessary to complete construction/rehabilitation shall be contingent upon an unconditional obligation, through a Joint Funding Agreement or other mechanism acceptable to Florida Housing, of the entity providing HC Equity payments (and evidence that 100% of such amount is on deposit with such entity at loan closing) to pay, regardless of any default under any documents relating to the HC as long as the First Mortgage continues to be funded.

4. For the MMRN, Guarantors are to provide the standard FHFC Operating Deficit Guaranty. If requested in writing by the Applicant, the Servicer will consider a recommendation to release the Operating Deficit Guaranty if all conditions are met, including achievement of a 1.15 DSC on the permanent First Mortgage MMRN as determined by FHFC or the Servicer and 90 percent occupancy and 90 percent of the 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 DSC shall be made by FHFC or the Servicer. Notwithstanding the above, the Operating Deficit Guaranty shall not terminate earlier than three (3) years following the final certificate of occupancy.

5. For the CDBG-DR & CDBG-DR Viability loans, Guarantors are to provide the standard FHFC Operating Deficit Guaranty. If requested in writing by the Applicant, Servicer will consider a recommendation to release the Operating Deficit Guaranty if all conditions are met including achievement of a 1.15 Debt Service Coverage on the combined permanent First Mortgage MMRN, CDBG-DR and CDBG-DR Viability loan as determined by FHFC or the Servicer and 90% occupancy and 90% of Gross Potential rental income, net of utility allowances, if applicable, for a period equal to twelve (12) consecutive months, all certified by an independent Certified Public Accountant ("CPA") and verified by the Servicer. The calculation of the debt service coverage ratio shall be made by FHFC or the Servicer. Notwithstanding the above, the Operating Deficit Guaranty shall not terminate earlier than three years following the final certificate of occupancy.

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

7. Guarantors to provide the standard Florida Housing Construction Completion Guaranty; to be released upon lien-free completion as approved by the Servicer.

8. Guarantors are to provide the standard Florida Housing Environmental Indemnity Guaranty.

9. Guarantors are to provide the standard Florida Housing Guaranty of Recourse Obligations.

10. Closing of all funding sources simultaneous with or prior to closing of the CDBG-DR, CDBG-DR Viability & MMRN loans.

11. A mortgagee title insurance policy naming Florida Housing as the insured in the amount of the MMRN, CDBG-DR & CDBG-DR Viability loans is to be issued immediately after 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.

12. Property tax and hazard insurance escrow are to be established and maintained by the First Mortgagee, the Fiscal Agent or the Servicer. In the event the reserve account is held by the Servicer, the release of funds shall be at Florida Housing's sole discretion.

13. Replacement Reserves funds in the amount of $300 per unit per year are required to be deposited on a monthly basis into a designated escrow account to be maintained by the First Mortgagee/Credit Enhancer, the Fiscal Agent, or Florida Housing's loan servicing agent. However, Applicant has the option to prepay Replacement Reserves, as allowed per the RFA and Rule 67-21 F.A.C., in the amount of $28,800 (one-half the required Replacement Reserves for Years 1 and 2), in order to meet the applicable DSC loan requirements. Applicant can waive this election, if at closing of the loan(s) the required DSC is met without the need to exercise the option. It is currently estimated that Replacement Reserves will be funded from Operations in the amount of $300 per unit per year for Years 1 and 2, followed by $300 per unit per year thereafter. The initial replacement reserve will have limitations on the ability to be drawn. New construction developments shall not be allowed to draw during the first five (5) years or until the establishment of a minimum balance equal to the accumulation of five (5) years of replacement reserves per unit.

    The amount established as a replacement reserve shall be adjusted based on a capital needs assessment ("CNA") to be received by the Corporation or its servicers, prepared by an independent third party and acceptable to the Corporation and its servicers at the time the CNA is required. Beginning no later than the 10th year after the first residential building receives a certificate of occupancy, a temporary certificate of occupancy, or is placed in service, whichever is earlier ("Initial Replacement Reserve Date"). A subsequent CNA is required no later than the 15th year after the Initial Replacement Reserve Date and subsequent assessments are required every five years thereafter.

14. GLE Associates, Inc. will act as Florida Housing's inspector during the construction period.

15. Under the terms of the construction contract, a minimum of 10% retainage holdback on all construction draws until the Development is 50% complete and 0% retainage thereafter is required. Retainage will not be released until successful lien free completion of construction and issuance of all certificates of occupancy, which satisfies the RFA and Rule 67-21 minimum requirement.

16. Satisfactory completion of a pre-loan closing compliance audit conducted by Florida Housing or Servicer, if applicable.

17. Satisfactory evidence of compliance with the Davis Bacon Act and other applicable Federal Labor Standards during the construction of this Development. Evidence of compliance must be through satisfactory completion of a compliance audit by HUD and its authorized subcontractor.

18. CDBG-DR & CDBG-DR Viability funds are subject to the National Environmental Policy Act (“NEPA”) of 1969 and related federal environmental authorities and regulations at 24 CFR Part 58 “Environmental Review Procedures.” No CDBG-DR or CDBG-DR Viability funds may be committed to a development before completion of the environmental review process and HUD approval of the environmental review and Request for Release of Funds.

19. Any other reasonable requirements of the Servicer, Florida Housing or its Legal Counsel.

Housing Credit Allocation Recommendation

AmeriNat recommends an annual Housing Credit allocation in the amount of $1,618,414 the construction and permanent financing of Civitas of Cape Coral. Please refer to Exhibit 3 - HC Allocation Calculation for further detail.

HC Contingencies

The HC allocation recommendation is contingent upon the receipt and satisfactory review of the following items by AmeriNat and FHFC. Failure to resolve these contingencies may result in forfeiture of the HC allocation:

1. Closing of all funding sources simultaneous with or prior to closing of the MMRN & CDBG-DR loans.

2. GLE Associates, Inc. is to act as construction phase inspector for Florida Housing.

3. Purchase of the HC by the Syndicator or its assigns under terms consistent with the assumptions of this report.

4. Receipt of executed FHFC Fair Housing, Section 504 and ADA as-built certification forms 122, 127, and 129.

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

6. Any other reasonable requirements of Florida Housing, its Legal Counsel or Servicer.

Exhibit 1
Civitas of Cape Coral
15 Year Operating Pro Forma

FINANCIAL COSTS:	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11	Year 12	Year 13	Year 14	Year 15
OPERATING PRO FORMA															
Gross Potential Rental Income	$1,105,452	$1,127,561	$1,150,112	$1,173,115	$1,196,577	$1,220,508	$1,244,918	$1,269,817	$1,295,213	$1,321,117	$1,347,540	$1,374,491	$1,401,980	$1,430,020	$1,458,620
Other Income															
Ancillary Income	$0														
Cable/Satellite Income	$0														
Gross Potential Income	$1,143,852	$1,166,729	$1,190,064	$1,213,865	$1,238,142	$1,262,905	$1,288,163	$1,313,926	$1,340,205	$1,367,009	$1,394,349	$1,422,236	$1,450,681	$1,479,695	$1,509,288
Less:															
Physical Vac. Loss Percentage: 4.00%	$45,754	$46,669	$47,603	$48,555	$49,526	$50,516	$51,527	$52,557	$53,608	$54,680	$55,774	$56,889	$58,027	$59,188	$60,372
Collection Loss Percentage: 1.00%	$11,439	$11,667	$11,901	$12,139	$12,381	$12,629	$12,882	$13,139	$13,402	$13,670	$13,943	$14,222	$14,507	$14,797	$15,093
Total Effective Gross Income	$1,086,659	$1,108,393	$1,130,560	$1,153,172	$1,176,235	$1,199,760	$1,223,755	$1,248,230	$1,273,195	$1,298,659	$1,324,632	$1,351,124	$1,378,147	$1,405,710	$1,433,824
Fixed:															
Real Estate Taxes	$133,140	$137,134	$141,248	$145,486	$149,850	$154,346	$158,976	$163,745	$168,658	$173,718	$178,929	$184,297	$189,826	$195,521	$201,386
Insurance	$55,200	$56,856	$58,562	$60,319	$62,128	$63,992	$65,912	$67,889	$69,926	$72,023	$74,184	$76,410	$78,702	$81,063	$83,495
Variable:															
Management Fee Percentage: 5.37%	$58,365	$59,532	$60,723	$61,937	$63,176	$64,440	$65,728	$67,043	$68,384	$69,752	$71,147	$72,570	$74,021	$75,501	$77,011
General and Administrative	$33,600	$34,608	$35,646	$36,716	$37,817	$38,952	$40,120	$41,324	$42,563	$43,840	$45,156	$46,510	$47,906	$49,343	$50,823
Payroll Expenses	$138,800	$142,964	$147,253	$151,671	$156,221	$160,907	$165,734	$170,706	$175,828	$181,103	$186,536	$192,132	$197,896	$203,832	$209,947
Utilities	$14,400	$14,832	$15,277	$15,735	$16,207	$16,694	$17,194	$17,710	$18,241	$18,789	$19,352	$19,933	$20,531	$21,147	$21,781
Marketing and Advertising	$0														
Maintenance and Repairs/Pest Control	$67,200	$69,216	$71,292	$73,431	$75,634	$77,903	$80,240	$82,648	$85,127	$87,681	$90,311	$93,021	$95,811	$98,685	$101,646
Grounds Maintenance and Landscaping	$0														
Contract Services	$0														
Reserve for Replacements	$28,800	$28,800	$28,800	$28,800	$28,800	$28,800	$28,800	$28,800	$28,800	$28,800	$29,664	$30,554	$31,471	$32,415	$33,387
Total Expenses	$529,505	$543,953	$558,811	$574,104	$589,844	$606,043	$622,716	$639,875	$657,537	$675,715	$695,289	$715,435	$736,173	$757,517	$779,487
Net Operating Income	$557,154	$564,440	$571,749	$579,067	$586,391	$593,717	$601,039	$608,355	$615,658	$622,944	$629,343	$635,689	$641,974	$648,193	$654,337
Debt Service Payments															
First Mortgage - FHFC/Grandbridge/Freddie Mac	$429,911	$429,911	$429,911	$429,911	$429,911	$429,911	$429,911	$429,911	$429,911	$429,911	$429,911	$429,911	$429,911	$429,911	$429,911
Second Mortgage - FHFC (CDBG-DR/Viability)	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Third Mortgage -Lee County (HTF)	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Fourth Mortgage - City of Cape Coral (CDBG)	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Fifth Mortgage - City of Cape Coral (SHIP)	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
All Other Mortgages - City of Cape Coral & Lee County	$0														
First Mortgage Fees - FHFC/Grandbridge/Freddie	$24,600	$24,632	$24,662	$24,690	$24,715	$24,738	$24,758	$24,775	$24,787	$24,796	$24,800	$24,799	$24,792	$24,779	$24,760
Second Mortgage Fees - FHFC (CDBG-DR/Viability)	$11,901	$11,901	$11,901	$11,901	$11,901	$11,901	$11,901	$11,901	$11,901	$11,901	$11,901	$11,901	$11,901	$11,901	$11,901
Third Mortgage Fees - Lee County (HTF)	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Fourth Mortgage Fees - City of Cape Coral (CDBG)	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Fifth Mortgage Fees - City of Cape Coral (SHIP)	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
All Other Mortgages Fees - City of Cape Coral & Lee County	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Total Debt Service Payments	$466,412	$466,444	$466,474	$466,502	$466,527	$466,550	$466,570	$466,587	$466,599	$466,608	$466,612	$466,611	$466,604	$466,591	$466,572
Cash Flow after Debt Service	$90,742	$97,996	$105,275	$112,566	$119,864	$127,167	$134,469	$141,768	$149,058	$156,336	$162,731	$169,078	$175,370	$181,601	$187,765
Debt Service Coverage Ratios															
DSC - First Mortgage plus Fees	1.23x	1.24x	1.26x	1.27x	1.29x	1.31x	1.32x	1.34x	1.35x	1.37x	1.38x	1.40x	1.41x	1.43x	1.44x
DSC - Second Mortgage plus Fees	1.19x	1.21x	1.23x	1.24x	1.26x	1.27x	1.29x	1.30x	1.32x	1.34x	1.35x	1.36x	1.38x	1.39x	1.40x
DSC - Third Mortgage plus Fees	1.19x	1.21x	1.23x	1.24x	1.26x	1.27x	1.29x	1.30x	1.32x	1.34x	1.35x	1.36x	1.38x	1.39x	1.40x
DSC - Fourth Mortgage plus Fee	1.19x	1.21x	1.23x	1.24x	1.26x	1.27x	1.29x	1.30x	1.32x	1.34x	1.35x	1.36x	1.38x	1.39x	1.40x
DSC - Fifth Mortgage plus Fees	1.19x	1.21x	1.23x	1.24x	1.26x	1.27x	1.29x	1.30x	1.32x	1.34x	1.35x	1.36x	1.38x	1.39x	1.40x
DSC - All Mortgages and Fees	1.19x	1.21x	1.23x	1.24x	1.26x	1.27x	1.29x	1.30x	1.32x	1.34x	1.35x	1.36x	1.38x	1.39x	1.40x
Financial Ratios															
Operating Expense Ratio	48.73%	49.08%	49.43%	49.78%	50.15%	50.51%	50.89%	51.26%	51.64%	52.03%	52.49%	52.95%	53.42%	53.89%	54.36%
Break-even Economic Occupancy Ratio (all debt)	87.34%	86.87%	86.42%	86.00%	85.59%	85.20%	84.83%	84.48%	84.15%	83.83%	83.60%	83.38%	83.18%	83.00%	82.83%

Exhibit 2
Civitas of Cape Coral
RFA 2019-102 (2020-018BD/2019-574C)
Description of Features and Amenities

A. The Development will consist of:

96 units located in three (3), garden-style (3 stories) residential buildings.

Unit Mix:

Nine (9) one bedroom / one bathroom units;

Fifty-Seven (57) two bedroom / two bathroom units; and

Thirty (30) three bedroom / two bathroom units

96 Total Units

B. All units are expected to meet all requirements as outlined below. The quality of the construction features committed to by the Applicant is subject to approval of the Board of Directors. Additionally, all Developments must meet the Housing Quality Standards provided by HUD.

The Development 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, F.S., The Architectural Barriers Act of 1968, The Fair Housing Act as implemented by 24 CFR 100, Section 504 of the Rehabilitation Act of 1973, and Titles II and III of the Americans with Disabilities Act ("ADA") of 1990 as implemented by 28 CFR 35.

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

C. The Development must provide the following General Features:

1. Broadband infrastructure which includes cables, fiber optics, wiring, or other infrastructure, as long as the installation results in accessibility in each unit;

2. Termite prevention;

3. Pest control;

4. Window covering for each window and glass door inside each unit;

5. Cable or satellite TV hook-up in each unit and, if the Development offers cable or satellite TV service to the residents, the price cannot exceed the market rate for service of similar quality available to the Development's residents from a primary provider of cable or satellite TV;

6. Single Family Homes must have washer and dryer hook ups in each of the Development's units. All other Development Types must have washer and dryer hook ups in each of the Development's units or an on-site laundry facility for resident use. If the proposed Development will have an on-site laundry facility, the following requirements must be met:

   - There must be a minimum of one Energy Star certified washer and one Energy Star certified dryer per every 15 units. To determine the required number of washers and dryers for the on-site laundry facility; divide the total number of the Development's units by 15, and then round the equation's total up to the nearest whole number; and
   - If the proposed Development consists of Scattered Sites, the laundry facility shall be located on each of the Scattered Sites, or no more than 1/16 mile from the Scattered Site with the most units, or a combination of both.

7. At least two full bathrooms in all 3 bedroom or larger units;

8. Bathtub with shower in at least one bathroom in at least 90 percent of the units; and

9. A full-size range and oven in all units.

D. Required Accessibility Features, regardless of the age of Development:

(1) Required Accessibility Features in all Units

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

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

At the request of and at no charge to a resident household, the Development shall purchase and install grab bars around each tub/shower unit and toilet in the dwelling unit. The product specifications and installation must meet or exceed 2010 ADA Standards for Accessible Design. The Development shall inform a prospective resident that the Development, upon a resident household's request and at no charge to the household, will install grab bars around a dwelling unit's tub/shower unit, pursuant to the 2010 ADA

Standards. At a minimum, the Development shall inform each prospective lessee by including language in the Development's written materials listing and describing the unit's features, as well as including the language in each household's lease.

Note: Florida Housing approved an alternative approach for grab bar installation for the non-fully ADA units; to provide reinforced toilet tank walls for future installed wall-mounted fold-down grab bars in all non-ADA units.

E. The Development must provide the following Green Building Features:

(1) All units must have the features listed below:

a. Low or No-VOC paint for all interior walls (Low-VOC means 50 grams per liter or less for flat; 150 grams per liter or less for non-flat paint);
b. Low-flow water fixtures in bathrooms – WaterSense labeled products or the following specifications:
   i. Toilets: 1.28 gallons/flush or less,
   ii. Urinals: 0.5 gallons/flush,
   iii. Lavatory Faucets: 1.5 gallons/minute or less at 60 psi flow rate,
   iv. Showerheads: 2.0 gallons/minute or less at 80 psi flow rate;
c. Energy Star certified refrigerator;
d. Energy Star certified dishwater;
e. Energy Star certified ventilation fan in all bathrooms;
f. Water heater minimum efficiency specifications:
   - Residential Electric:
     i. Up to 55 gallons = .95 EF or .92 UEF; or
     ii. More than 55 gallons = Energy Star certified; or
     iii. Tankless = Energy Star certified;
   - Residential Gas (storage or tankless/instantaneous): Energy Star certified,
   - Commercial Gas Water Heater: Energy Star certified;
g. Energy Star certified ceiling fans with lighting fixtures in bedrooms;
h. Air Conditioning (in-unit or commercial):
   - 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 above, proposed Developments must achieve one of the following Green Building Certification programs:

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

______ Florida Green Building Coalition (FGBC); or
__X__ ICC 700 National Green Building Standard (NGBS); or
______ Enterprise Green Communities.

F. Resident Programs

(1) Employment Assistance Program

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

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

Electronic media, if used, must be used in conjunction with live instruction

(2) Financial Management Program

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

- Financial budgeting and bill-paying including training in the use of technologies and web-based applications;
- Tax preparation including do's and don'ts, common tips, and how and where to file, including electronically;
- Fraud prevention including how to prevent credit card and banking fraud, identity theft, computer hacking and avoiding common consumer scams;
- Retirement planning & savings options including preparing a will and estate planning; and
- Homebuyer education including how to prepare to buy a home, and how to access to first-time homebuyer programs in the county in which the development is located.

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

Housing Credit Allocation Calculation

Qualified Basis Calculation

Total Development Cost	$35,162,177
Less Land Costs	$1,415,745
Less Other Ineligible Costs	$2,623,095
Total Eligible Basis	$31,123,337
Applicable Fraction	100%
DDA/QCT Basis Credit, if applicable	130%
Qualified Basis	$40,460,338
Housing Credit Percentage (Federal allocation)	4.00%
Annual Housing Credit Allocation	$1,618,414

Notes to the Qualified Basis Calculation:

1. "Other Ineligible Costs" include but are not limited to Florida Housing compliance, administrative, application, and underwriting fees, title insurance/recording fees, legal fees, marketing/advertising fees, permanent loan related costs, MMRN related costs, and Reserves.

2. The Development is 100% set-aside; therefore, the Applicable Fraction is 100%.

3. The Development is located in a HUD-designated Small Area DDA ("SADDA") Zip Code Tabulation Area 33991; therefore, the 130% multiplier for DDA/QCT Basis Credit was utilized.

4. FY 2021 Omnibus Appropriations and COVID-19 Legislation provides for a minimum rate of 4% for acquisition LIHTC's and tax-exempt private activity bond-financed developments; therefore, the minimum rate of 4% has been applied herein.

GAP Calculation

Total Development Cost (including ineligible costs, less Land)	$33,747,422
Less Mortgages	$15,808,218
Less Grants	$1,368,878
Equity Gap	$16,570,326
HC Percentage to Investment Partnership	99.99%
HC Syndication Pricing	$0.90
HC Required to meet Equity Gap	$18,413,315
Annual HC Required	$1,841,332

Notes to the GAP Calculation:

1. The land acquisition cost of $1,414,755 has been removed from the GAP calculation as per the RFA for Priority I Applications, the CDBG-DR funding associated with the land acquisition costs will be awarded to the designated Landowner (LCHA) in the amount of $1,414,755 and the remaining funding of $4,218,463 will be awarded to the Applicant. The $1,414,755 being allocated to the LCHA will not be represented in the final cost certifications.

2. Mortgages include a MMRN of $5,840,000 by Grandbridge, $5,633,218 by FHFC-CDBG-DR, $4,335,000 by FHFC-CDBG-DR Viability loan, $1,500,000 by Lee County-HTF, $106,202, by the City of Cape Coral-DCBG, $500,000 by the City of Cape Coral-SHIP, $300,000 by the City of Cape Coral-NSP, and $462,676 by Lee County-HOME.

3. The HC Syndication Pricing of $0.90 per dollar and HC Percentage to Investment Partnership are based upon correspondence from RJAHI dated September 15, 2022 and applied in the GAP Calculation.

   Note: The actual HC syndication pricing is $0.89999999496/credit in order to be consistent with the equity contribution stated in the letter of intent.

Summary

HC Per Qualified Basis	$1,618,414
HC Per GAP Calculation	$1,841,332
Annual HC Recommended	$1,618,414
HC Proceeds Recommended	$14,564,269

Notes to Summary:

1. The Annual HC Recommended is equal to the lesser of the Qualified Basis or the GAP Calculation. The Qualified Basis amount is therefore recommended. The Annual HC Recommended has increased by $457,913 from $1,160,501 to $1,618,414 since the Final CUR.

50% Note Test

Total DEPRECIABLE Cost	$31,123,337
Plus: Land Cost	$1,415,745
Equals Aggregate Basis	$32,539,082
Tax Exempt Note Amount	$17,490,000
Tax Exempt Proceeds Used for Building and Land	$17,490,000
Tax Exempt Proceeds as a Percentage of Aggregate Basis	53.75%

Notes to the 50% Note Test:

1. Based on the budget, the Development appears to meet the 50% test for 4% Housing Credits. If, at the time of Final Cost Certification, the Tax-Exempt Note amount is less than 50%, Developer Fee will have to be reduced by an amount to ensure compliance with the 50% Test. That may, in turn, result in a reduction to HC Equity.

COMPLETENESS AND ISSUES CHECKLIST

DEVELOPMENT NAME: Civitas of Cape Coral
DATE: October 20, 2022

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

FINAL REVIEW	**STATUS**	**NOTE**
REQUIRED ITEMS:	**Satis. / Unsatis.**	
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.	
Final site plan and/or status of site plan approval.	Satis.	
Permit Status.	Satis.	
Pre-construction Review ("PCR").	Satis.	
Survey.	Satis.	
Complete, thorough soil test reports.	Satis.	
Full or self-contained appraisal as defined by the Uniform Standards of Professional Appraisal Practice.	Satis.	
Market Study separate from the Appraisal.	Satis.	
Environmental Site Assessment – Phase I and/or the Phase II if applicable (If Phase I and/or II disclosed environmental problems requiring remediation, a plan, including time frame and cost, for the remediation is required). If the report is not dated within one year of the application date, an update from the assessor must be provided indicating the current environmental status.	Satis.	
Audited financial statements for the most recent fiscal year ended or acceptable alternative as stated in Rule for credit enhancers, applicant, general partner, principals, guarantors, and general contractor.	Satis.	
Resumes and experience of applicant, general contractor, and management agent.	Satis.	
Credit authorizations; verifications of deposits and mortgage loans.	Satis.	
Management Agreement and Management Plan.	Unsatis.	1.
Firm commitment from the credit enhancer or private placement purchaser, if any.	Satis.	
Firm commitment letter from the syndicator, if any.	Satis.	
Firm commitment letter(s) for any other financing sources.	Unsatis.	2.
Updated sources and uses of funds.	Satis.	
Draft construction draw schedule showing sources of funds during each month of the construction and lease-up period.	Satis.	
Fifteen-year income, expense, and occupancy projection.	Satis.	

COMPLETENESS AND ISSUES CHECKLIST

FINAL REVIEW **REQUIRED ITEMS:**	**STATUS** **Satis. / Unsatis.**	**NOTE**
Executed general construction contract with “not to exceed” costs.	Satis.	
HC ONLY: 15% of the total equity to be provided prior to or simultaneously with the closing of the construction financing.	Satis.	
Any additional items required by the credit underwriter.	Unsatis.	3-7

NOTES AND DEVELOPER RESPONSES:

1. Receipt of an executed Property Management Agreement and final Management Plan.

2. Lee County board approval to extend the closing date of the HTF funding to January 31, 2023.

3. Satisfactory completion of a Davis-Bacon Federal Labor Standards and Section 3 preconstruction conference.

4. The Development shall meet the Section 3 requirements of the Housing and Urban Development Act of 1968 as amended (12 U.S.C 1701u and 24CFR Part 135).

5. Satisfactory receipt of an FHFC approved Affirmative Fair Housing Marketing Plan.

6. Receipt of a ground lease with at least a 99-year term.

7. FHFC Board approval of the RFA Waiver regarding the request to change the Applicant and Developer entity structures.