

<p>C. 2023-203 Housing Credit Financing for Affordable Housing Developments Located In Miami-Dade County</p> <p>D. Request for Approval to issue a Request for Applications (RFA) for Community Development Block Grant-Disaster Recovery (CDBG-DR) financing for affordable Developments located in Hurricane Ian impacted areas.</p> <p>III. Professional Services Selection (PSS)</p> <p>A. Request for Qualifications (RFQ) 2023-07, for Investment Manager Services</p> <p>IV. Fiscal</p> <p>A. Allocation of Available Funds</p> <p>V. Audit Committee Update</p> <p>VI. Other Business</p> <p>A. OIG Case #230629-01</p>	<p><i>David Westcott</i></p> <p><i>Angie Sellers</i></p> <p><i>Angie Sellers</i></p> <p><i>Vice Chair</i></p> <p><i>Board Chair/Board</i></p>
<p>Public Comment</p>	<p><i>Chair</i></p>
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October 27, 2023

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HOME RENTAL

Consent

I. HOME RENTAL

A. Request Approval of the Credit Underwriting Report for Holy Child (RFA 2022-206 / 2023-168H)

Development Name: Holy Child	Location: Hardee County
Applicant/Borrower: Holy Child Housing, Inc.	Set Asides: 20% @ 50% AMI 80% @ 60% AMI
Developer/Principal: NDA Developer, LLC./Eric C. Miller; Holy Child Developer, Inc./Most Reverend Frank J. Dewane	Demographic/Number of Units: Family/25 Units
Requested Amounts: HOME: \$6,994,000	Development Category/Type: New Construction/Single Family

1. Background:

- a) On December 15, 2022, Florida Housing Finance Corporation issued a Request for Applications (RFA) 2022-206 for HOME Financing to be Used for Rental Developments in Certain Hurricane Ian Impacted Counties.
- b) On March 10, 2023, the Board approved the final scores and recommendations for the RFA and directed staff to proceed with all necessary credit underwriting activities.
- c) On March 15, 2023, the Applicant filed a Notice of Protest.
- d) On April 12, 2023, correspondence was received from NDA Cardinal 2, LLC. formally withdrawing the Cardinal Corner 2 application and returning the preliminary HOME awarded funding in the amount of \$6,219,000.
- e) On June 12, 2023, the Applicant was invited to enter credit underwriting activities which was accepted on June 19, 2023. The one-year deadline to complete credit underwriting was June 19, 2024.

2. Present Situation:

- a) On October 11, 2023, staff received a final credit underwriting report with a positive recommendation for the requested funding ([Exhibit A](#)). Staff has reviewed this report and finds that the Development meets all requirements of the RFA.

3. Recommendation:

- a) Approve the final credit underwriting report and direct staff to proceed with issuance of a firm commitment and closing activities, subject to further approvals and verifications by the Credit Underwriter, Counsels, and appropriate Florida Housing Staff.

HOUSING CREDITS

Consent

II. HOUSING CREDITS

A. Request Approval of Applicant Entity Organizational Structure Changes for Hermosa North Fort Myers (RFA 2022-201/2023-040C)

Development Name: Hermosa North Fort Myers	Location: Lee County
Applicant/Borrower: Hermosa NFTM 41, LLC	Set-Asides: 10% @ 33% AMI 90% @ 60% AMI
Developer/Principal: ReVital Development Group, LLC/ Michael Allan	Demographic/Number of Units: Elderly, Non-ALF / 72
Requested Amounts: \$2,040,000 9% Housing Credits	Development Category/Type: New Construction / Mid-Rise (4 Stories)

1. Background/Present Situation:

- a) Hermosa NFTM 41, LLC applied for and was awarded funding from Request for Applications (RFA) 2022-201 for Housing Credit Financing for Affordable Housing Developments located in Medium and Small Counties. The funds are being utilized to finance the construction of a 72-unit Elderly, Non-ALF, development in Lee County. On April 21, 2023, staff issued an invitation to the Applicant to enter credit underwriting and subsequently executed a Carryover Allocation Agreement on September 27, 2023.

- b) On September 18, 2023, Florida Housing received a letter from the Applicant requesting to change the Applicant Entity from a limited liability company (Hermosa NFTM 41, LLC) to a limited partnership (Hermosa NFTM 41, Ltd.). The Applicant also requests to make additional changes to the organizational structure, which are outlined below. The Applicant makes the request in order to structure the Applicant entity in such a way that it can insert a non-profit General Partner that will allow the Development to qualify for the "Homes for the Aged" ad-valorem tax exemption. The request is not intended for the purpose of qualifying the Development as a "Non-Profit Application." The letter and the current and proposed principal disclosures are attached as [Exhibit A](#).

- c) Changes requested to the Applicant Structure:
 - (1) Replace Applicant Entity Hermosa NFTM 41, LLC with Hermosa NFTM 41, Ltd.

 - (2) At the first level:
 - (a) Remove RNP NFTM 41, LLC as the 0.0015% Non-Investor Member;

 - (b) Remove ReVital NFTM 41, LLC as the Manager of the Applicant and change its ownership from the acting 0.0085% Non-Investor Member to acting 0.0043% Non-Investor Limited Partner;

 - (c) Change ReVital Communities, LLC participation as the 99.99% Investor Member to the 99.99% Investor Limited Partner;

HOUSING CREDITS

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(d) Add Rivers Edge North, Inc., a non-profit corporation, as the 0.0001% General Partner, REN NFTM 41, LLC as the 0.0014% Non-Investor Limited Partner, and DDER NFTM 41 SLP, LLC as the 0.0043% Non-Investor Limited Partner;

(3) At the second level:

(a) Rivers Edge North, Inc. is made up of Marcus D. Goodson as Executive Director/Officer/Director, and Robert Ortiz, Christine M. Sardina, and Robert Norris as Officers and Directors.

(b) REN NFTM 41, LLC's 100% Sole Member/Manager is Rivers Edge North, Inc. whose principals are listed above.

(c) DDER NFTM 41 SLP, LLC's 100% Sole Member/Manager is DDER Holdings, LLC.

(4) At the third level:

(a) DDER Holdings, LLC is made up of Member/Managers Domingo Sanchez (25%), Robert H. Godwin (25%), Deion R. Lowery (25%), and Edward E. Haddock, Jr. (25%).

d) Regarding the Applicant structure changes, the RFA states that once the Carryover Allocation Agreement has been executed by all parties, (a) replacement of the Applicant or material change in the ownership structure of the named Applicant will require Board Approval prior to the change and (b) any non-material change in the ownership structure of the named Applicant will require Corporation approval prior to the change.

e) Staff reviewed this request and finds that the Development meets all other requirements of the RFA/Rule.

2. **Recommendation:**

a) Approve the request to change the Applicant Structure as described.

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III. LEGAL

A. In Re: Cross Creek Gardens At Quincy, LLC

FHFC Case No. 2023-069VW (RFA 2021-206/App. No. 2022-247H)

Development Name (“Development”):	Cross Creek Gardens at Quincy
Developer/Principal (“Developer”):	ACRUVA Community Developers, LLC (Daniel Acosta); Neighborhood Renaissance, Inc. (Terri Murray, Exec. Director)
Number of Units: 36 units* *Petitioner's request to increase units from 34 to 36 has been approved.	Location: Gadsden County
Type: New Construction, Garden Apartments	Set-Asides: 20% @ 50 AMI; 80% @ 60% AMI
Demographics: Family	Funding: HOME: \$6,000,000

1. Background:

- a) Petitioner successfully applied for HOME Financing for the Construction of Small, Rural Developments, to construct Cross Creek Gardens at Quincy, a now 36-unit development in Gadsden County, Florida (the "Development"). Petitioner accepted the invitation to enter credit underwriting on March 31, 2022. Due to a funding gap, on March 10, 2023, Petitioner exercised its right to a six-month extension under Rule 67-48.0072(21)(b), F.A.C., extending its deadline to October 2, 2023. On September 8, 2023, Florida Housing received a Petition for Waiver of Rules 67-48.0072(21)(b) and Exhibit D, §6 of the RFA. On September 13, 2023, Florida Housing received an Amended Petition for Waiver of Rule 67-48.0072(21)(b) (the "Amended Petition"), removing Petitioner's request as to Exhibit D of the RFA. The Amended Petition requests to extend the Firm Loan Commitment deadline to April 2, 2024. A copy of the Amended Petition is attached as [Exhibit A](#).

2. Present Situation:

- a) Rule 67-48.0072(21)(b), Fla. Admin. Code (5/18/2021), states, in relevant part:
- (b) For SAIL, EHCL, and HOME, unless stated otherwise in a competitive solicitation, the firm loan commitment must be issued within twelve (12) months of the Applicant's acceptance to enter credit underwriting. Unless an extension is approved by the Corporation in writing, failure to achieve credit underwriting report approval and issuance of a firm loan commitment by the specified deadline shall result in withdrawal of the preliminary commitment. Applicants may request one (1) extension of up to six (6) months to secure a firm loan commitment. All extension requests must be submitted in writing to the program administrator and contain the specific reasons for requesting the extension and shall detail the time frame to achieve a firm loan commitment. In determining whether to grant an extension, the

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Corporation shall consider the facts and circumstances of the Applicant's request, inclusive of the responsiveness of the Development team and its ability to deliver the Development timely. The Corporation shall charge non-refundable extension fee of one (1) percent of each loan amount if the request to extend the credit underwriting and firm loan commitment process beyond the initial twelve (12) month deadline is approved. If, by the end of the extension period, the Applicant has not received a firm loan commitment, then the preliminary commitment shall be withdrawn.

- b) Petitioner's initial firm loan commitment issuance deadline for the HOME Award was March 31, 2022. On March 10, 2023, the Board granted Petitioner's request for an extension of the firm loan commitment issuance deadline due to an identified funding gap. Petitioner was granted an extension to October 2, 2023.
- c) Petitioner now requests a waiver of the Rule for an additional extension of the firm loan commitment deadline from October 2, 2023, to April 2, 2024. As justification for its request, Petitioner states that inflation and increased construction costs created a funding gap with the Development's preliminary design construction costs, as estimated by the General Contractor. Petitioner states it is working to secure additional funding sources, including adding 4% low-income housing tax credits with tax-exempt bonds and viability loan funding. Petitioner states the Credit Underwriting Report will not be complete prior to October 2, 2023, preventing Florida Housing from issuing a Firm Loan Commitment.
- d) On September 12, 2023, the Notice of Petition was published in the Florida Administrative Register in Volume 49, Number 177. Given the Amended Petition did not impact another rule provision, additional notice was not necessary. To date, Florida Housing has received no comments concerning the Petition or Amended Petition.
- e) Section 120.542(2), Florida Statutes provides in pertinent part:

Variances and waivers shall be granted when the person subject to the rule demonstrates that the purpose of the underlying statute will be or has been achieved by other means by the person and when the application of a rule would create a substantial hardship or would violate principles of fairness.
- f) Granting the requested waiver of Rule 67-48.0072(21)(b), F.A.C., would not have any impact on other participants in funding programs administered by Florida Housing, nor would it have a detrimental impact on Florida Housing or the Development. Petitioner has demonstrated that strict application of the above Rule under these circumstances would constitute a substantial hardship. Petitioner has also demonstrated that the purpose of the underlying statute, which is to "encourage development of low-income housing in the state" (§420.5099, Fla. Stat.), would still be achieved if the waiver is granted.

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3. Recommendation:

- a) Staff recommends the Board GRANT Petitioner's request for a waiver of Rule 67-48.0072(21)(b), Fla. Admin. Code (5/18/2021), allowing Petitioner to extend its firm loan commitment issuance deadline from October 2, 2023, to April 2, 2024.

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B. In Re: Osprey Sound Apartments, L.P.
FHFC Case No. 2023-077VW

Development Name: (“Development”):	Osprey Sound Apartments
Developer/Principal: (“Developer”):	Osprey Sound Developer, LLC/Jonathan Gruskin
Number of Units: 294 units were identified in the application. This waiver requests approval to decrease that amount to 100 units for the first construction phase.	Location: Orange County
Type: New Construction; Mid-Rise 5 to 6-stories	Set-Asides: 100% @ 60% AMI
Demographics: Elderly Non-ALF	Funding: 4% HC: \$3,651,500 Viability: \$4,300,000 MMRB: \$42,000,000

1. Background:

- a) Osprey Sound Apartments, L.P. (“Petitioner”) successfully applied for funding to assist in the construction of the Osprey Sound Apartments, a 294-unit development located in Orange County, Florida (the “Development”). On September 25, 2023, Florida Housing received a Petition for Waiver of Rule 67-21.003(8)(h), F.A.C. (5/18/21) (the “Petition”) to allow the Petitioner to divide the development into two construction phases (instead of building all the units in a single phase) and decrease the number of funded units from 294 to 100. A copy of the Petition is attached as [Exhibit B](#).

2. Present Situation

- a) Rule 67-21.003(8)(h), Fla. Admin. Code (2021), states in relevant part:

(8) Notwithstanding any other provision of these rules, there are certain items that must be included in the Application and cannot be revised, corrected or supplemented after the Application is deemed complete. Those items are as follows:

(h) Total number of units; notwithstanding the foregoing, the total number of units may be increased after the Applicant has been invited to enter Credit Underwriting, subject to written request of an Applicant to Corporation staff and approval of the Corporation. With regard to said approval, the Corporation shall consider the facts and circumstances, inclusive of each Applicant’s request, in evaluating whether the changes made are prejudicial to the Development or to the market to be served by the Development;

- b) In its waiver, Petitioner proposes splitting the development into two construction phases (instead of building all 294 units in a single phase) and requests a waiver of the above rule to allow Petitioner to decrease the number of funded units from 294 to 100 for the first phase of construction. Petitioner cites construction cost increases and loan interest rate increases that have burdened the development over the last 20 months and have made the construction of the entire development in a

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single phase within the timeframes required by its permits unfeasible.

- c) The Development site comprises 15 acres, and roughly half the site is affected by wetlands. Because the Development will impact a class III wetland, Petitioner was required to obtain certain governmental approvals that will begin to expire on December 22, 2025. Petitioner must complete mass grading on the development site before that date or be required to submit new wetland permit applications, which would be subject to new standards at both the state and local levels, potentially making development on the parcel unfeasible. Further, Petitioner obtained a Future Land Use Map Amendment from the Orange County Board of Commissioners and variances from the Orange County Board of Zoning Adjustment that will become void if building permits are not issued by 2027.
- d) If this Petition is granted, the bond request will be reduced from \$42 million to \$22.38 million, thereby returning \$19.62 million of bonds to Florida Housing for use in relation to other projects. Petitioner states that it will seek to maximize the total units of affordable housing delivered between the two phases of development, subject to funding availability and obtaining necessary governmental approvals.
- e) On September 27, 2023, the Notice of Petition was published in the Florida Administrative Register in Volume 49, Number 188. To date, Florida Housing has received no comments concerning the Petition.
- f) Section 120.542(2), Florida Statutes provides in pertinent part:

Variances and waivers shall be granted when the person subject to the rule demonstrates that the purpose of the underlying statute will be or has been achieved by other means by the person and when the application of a rule would create a substantial hardship or would violate principles of fairness.
- g) Granting the requested waiver does not impact any other participants in funding programs administered by Florida Housing, nor does it detrimentally impact Florida Housing or the Development. Petitioner has demonstrated that strict application of the above Rules under these circumstances would constitute a substantial hardship. Petitioner has also demonstrated that the purpose of the underlying statute, which is to “encourage development of low-income housing in the state” (§420.5099, Fla. Stat.), would still be achieved if the waiver is granted.

3. **Recommendation:**

- a) Staff recommends the Board GRANT Petitioner’s request for waiver of Rule 67-21.003(8)(h), Fla. Admin. Code (2021), to allow the Petitioner to decrease the total number of units from 294 to 100, which will allow the development to be divided into two separate construction phases.

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- C. **In Re: Silver Lakes Village VOA Affordable Housing LP**
FHFC Case No. 2023-078VW (RFA 2020-101/App. No. 2021-189E)

Development Name: (“Development”):	Silver Lakes Village Apartments
Developer/Principal: (“Developer”):	Orlando Volunteers of America Elderly Housing, Inc./Kimberly Black King
Number of Units: 104 units	Location: Orange County
Type: Rehabilitation, Garden	Set-Asides: 20% @ 50% AMI 80% @ 60% AMI
Demographics: Elderly	Funding: EHCL: \$750,000

1. **Background:**

- a) Petitioner successfully applied for funding to assist in the construction of Silver Lakes Village Apartments, a 104-unit development located in Orange County, Florida (the “Development”). On September 28, 2023, Florida Housing received a Petition for Waiver of Rule 67-48.0072(26), F.A.C. (06/23/2020) (the “Petition”) to extend its loan closing deadline by six months. A copy of the Petition is attached as [Exhibit C](#).

2. **Present Situation**

- a) Rule 67-48.0072(26), Fla. Admin. Code (2020), provides in relevant part:

(26) For SAIL, EHCL, and HOME, unless stated otherwise in a competitive solicitation, these Corporation loans and other mortgage loans related to the Development must close within 120 Calendar Days of the date of the firm loan commitment(s), unless the Development is a Tax-Exempt Bond-Financed Development which then the closing must occur within 180 Calendar Days of the firm loan commitment(s). Unless an extension is approved by the Board, failure to close the loan(s) by the specified deadline outlined above shall result in the firm loan commitment(s) being deemed void and the funds shall be de-obligated. Applicants may request one (1) extension of the loan closing deadline outlined above for a term of up to 90 Calendar Days. All extension requests must be submitted in writing to the program administrator and contain the specific reasons for requesting an extension and shall detail the time frame to close the loan. The Board shall consider the facts and circumstances of each Applicant’s request, inclusive of the Applicant’s ability to close within the extension term and any credit underwriting report, prior to determining whether to grant the requested extension. The Corporation shall charge an extension fee of one (1) percent of each Corporation loan amount if the Board approves the request to extend the loan closing deadline beyond the applicable 120 Calendar Day period outlined above. If an approved extension is utilized, Applicants must pay the extension fee not later than seven (7) Calendar Days after the original loan closing deadline. In the event the Corporation loan(s) does not close by the end of the extension period, the firm loan commitment(s) shall be deemed void and the funds shall be de-obligated.

- b) Petitioner accepted an invitation to enter credit underwriting on January 26, 2021, with an initial firm loan commitment issuance deadline of February 2, 2022. On

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January 21, 2022, the Board granted Petitioner a six-month extension of the firm loan commitment issuance deadline from February 2, 2022 to August 2, 2022. On June 17, 2022, the Board granted Petitioner's Rule waiver request for a second six-month extension of the firm loan commitment issuance deadline from August 2, 2022 to February 2, 2023. On February 3, 2023, Florida Housing issued a firm loan commitment for Petitioner's SAIL loan that was required to close by August 2, 2023. On July 21, 2023, the Board granted Petitioner an extension of the closing deadline from August 2, 2023 to October 31, 2023. Petitioner now requests an additional 90-day extension. Petitioner states that damage from water infiltration from Hurricane Ian has increased the scope and costs of the rehabilitation project. Additionally, Petitioner has begun the RAD program for the Section 202 PRAC conversion process with HUD and needs time to complete this process. Due to the referenced delays, Petitioner does not believe that it will be able to satisfy the current closing deadline.

c) On September 29, 2023, the Notice of Petition was published in the Florida Administrative Register in Volume 49, Number 190. To date, Florida Housing has received no comments concerning the Petition.

d) Section 120.542(2), Florida Statutes provides in pertinent part:

Variations and waivers shall be granted when the person subject to the rule demonstrates that the purpose of the underlying statute will be or has been achieved by other means by the person and when the application of a rule would create a substantial hardship or would violate principles of fairness.

e) Granting the requested waiver would not have any impact on other participants in funding programs administered by Florida Housing, nor would it have a detrimental impact on Florida Housing or the Development. Petitioner has demonstrated that strict application of the above Rules under these circumstances would constitute a substantial hardship. Petitioner has also demonstrated that the purpose of the underlying statute, which is to "encourage development of low-income housing in the state" (§420.5099, Fla. Stat.), would still be achieved if the waiver is granted.

3. **Recommendation:**

a) Staff recommends that the Board GRANT Petitioner's request for a waiver of 67-48.0072(26), Fla. Admin. Code (6/23/20), to extend Petitioner's loan closing deadline from October 31, 2023, to April 30, 2024.

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- D. In Re: Everglades Village Phase 5.6, LLC**
FHFC Case No. 2023-081VW (RFA 2022-104/App. No. 2022-237S)

Development Name (“Development”):	Everglades Village Phase 5.6
Developer/Principal (“Developer”):	Rural Neighborhoods, Incorporated/Steven C. Kirk
Number of Units: 20 units	Location: Miami-Dade County
Type: New Construction/Garden	Set-Asides: 10% @ 25% AMI 10% @ 50% AMI 80% @ 60% AMI
Demographics: Farmworker	Funding: SAIL: \$4,300,000 Viability: \$1,000,000

1. Background:

- a) Petitioner successfully applied for funding to assist in the construction of Everglades Village Phase 5.6 in Miami-Dade County, Florida (the “Development”). On September 29, 2023, Florida Housing received a Petition for Waiver of Rule 67-48.0072(21)(b) (the “Petition”) to extend the Firm Loan Commitment deadline from September 18, 2023 to March 18, 2024. A copy of the Petition is attached as [Exhibit D](#).

2. Present Situation:

- a) Rule 67-48.0072(21)(b), Fla. Admin. Code (5/18/2021), states, in relevant part:
- (b) For SAIL, EHCL, and HOME, unless stated otherwise in a competitive solicitation, the firm loan commitment must be issued within twelve (12) months of the Applicant’s acceptance to enter credit underwriting. Unless an extension is approved by the Corporation in writing, failure to achieve credit underwriting report approval and issuance of a firm loan commitment by the specified deadline shall result in withdrawal of the preliminary commitment. Applicants may request one (1) extension of up to six (6) months to secure a firm loan commitment. All extension requests must be submitted in writing to the program administrator and contain the specific reasons for requesting the extension and shall detail the time frame to achieve a firm loan commitment. In determining whether to grant an extension, the Corporation shall consider the facts and circumstances of the Applicant’s request, inclusive of the responsiveness of the Development team and its ability to deliver the Development timely. The Corporation shall charge non-refundable extension fee of one (1) percent of each loan amount if the request to extend the credit underwriting and firm loan commitment process beyond the initial twelve (12) month deadline is approved. If, by the end of the extension period, the Applicant has not received a firm loan commitment, then the preliminary commitment shall be withdrawn.
- b) Petitioner’s initial firm loan commitment issuance deadline for Petitioner’s SAIL Award was March 18, 2023. On April 28, 2023, the Board granted Petitioner’s request for a 6-month extension of the firm loan commitment issuance deadline to September 18, 2023.

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- c) Petitioner now requests an additional extension of the firm loan commitment issuance deadline from September 18, 2023 to March 18, 2024. As justification for its request, Petitioner states that the Development stalled due to a series of interest rate increases to its construction and permanent loans that reduced the amount of available first mortgage financing. Additionally, Petitioner has been unable to secure a contractor due to budgeted construction costs. Petitioner has received a preliminary award of \$1,000,000 from RFA 2023-211 Construction Inflation Response Viability Funding and anticipates selecting a general contractor in late 2023.
- d) On October 3, 2023, the Notice of Petition was published in the Florida Administrative Register in Volume 49, Number 192. To date, Florida Housing has received no comments concerning the Petition.
- e) Section 120.542(2), Florida Statutes provides in pertinent part:

Variances and waivers shall be granted when the person subject to the rule demonstrates that the purpose of the underlying statute will be or has been achieved by other means by the person and when the application of a rule would create a substantial hardship or would violate principles of fairness.
- f) Granting the requested waiver would not have any impact on other participants in funding programs administered by Florida Housing, nor would it have a detrimental impact on Florida Housing or the Development. Petitioner has demonstrated that strict application of the above Rules under these circumstances would constitute a substantial hardship. Petitioner has also demonstrated that the purpose of the underlying statute, which is to “encourage development of low-income housing in the state” (§420.5099, Fla. Stat.), would still be achieved if the waiver is granted.

3. Recommendation:

- a) Staff recommends the Board GRANT Petitioner’s request for a waiver of Rule 67-48.0072(21)(b), Fla. Admin. Code (5/18/2021), allowing Petitioner to extend its firm loan commitment issuance deadline from September 18, 2023 to March 18, 2024.

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E. In Re: Vineland Family Apartments, LTD
FHFC Case No. 2023-080VW

Development Name: (“Development”):	The Salix on Vine
Developer/Principal: (“Developer”):	Vineland Family Developer, LLC
Number of Units: 252 units	Location: Osceola
Type: New Construction, Garden	Set-Asides: 100% @ 60% AMI
Demographics: Family	Funding: MMRB: \$50,000,000 Viability: \$4,300,000 4% HC: \$3,060,938

1. Background:

- a) Petitioner successfully applied for funding to assist in construction for The Salix on Vine, a 252-unit development located in Osceola County, Florida (the “Development”). On September 29, 2023, Florida Housing received a Petition for waiver of the prohibition against changing the principals of the Applicant identified in the Application prior to MMRB loan closing under Rule 67.21.003(1)(b), Fla. Admin. Code (F.A.C.) (05/18/2021) and the Non-Competitive Application Instructions (Rev. 03-2021 (NCA)). A copy of the Petition is attached as [Exhibit E](#).

2. Present Situation

- a) Rule 67-21.003(1)(b), Fla. Admin. Code (05/18/21), provides in relevant part:
- (1) Applicants shall apply for MMRB, Non-Competitive HC, or a combination of MMRB and Non-competitive HC as set forth below. For purposes of this subsection only, the term NC Award shall refer to MMRB, Non-Competitive HC, or a combination of MMRB and Non-Competitive HC, and Funding from the following Corporation programs will not be considered to be other corporation funding: Predevelopment Loan Program (PLP) and Elderly Housing Community Loan (EHCL) Program.
- (b) If the NC Award will not be in conjunction with other Corporation funding made available through the competitive solicitation funding process outlined in rule Chapter 67-60, F.A.C., the Applicant shall utilize the Non-Competitive Application Package in effect at the time the Applicant submits the Application. The Non-Competitive Application Packet or NCA (Rev. 03-2021) is adopted and incorporated herein by reference and consists of the forms and instructions available, without charge, on the Corporations website under the Multifamily Programs link labeled Non-Competitive Programs or from <http://www.flrules.org/Gateway/reference.asp?No=Ref-13093>, which shall be completed and submitted to the Corporation in accordance with this rule chapter.
- b) This Rule incorporates by reference the NCA Package (Rev. 03-2021). The NCA Package includes the following requirement at Part A.6.b.(2):
- (2) For Applicants requesting MMRB, with or without Non-Competitive

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Housing Credits:

The Applicant entity shall be the recipient of the Non-Competitive Housing Credits and the borrowing entity for the MMRB Loan and ownership structure of the Applicant entity as set forth in the Principal Disclosure Form cannot be changed in any way (materially or non-materially) until after the MMRB Loan closing. After loan closing, (a) any material change in the ownership structure of the named Applicant will require review and approval of the Credit Underwriter, as well as Board approval prior to the change, and (b) any non-material change in the ownership structure of the named Applicant will require review and approval of the Corporation, as well as Board approval prior to the change. The Applicant must comply with the Principal disclosure requirements outlined in Rule Chapter 67-21, F.A.C. for the duration of the Compliance Period. Changes to the ownership structure of the Applicant entity (material or non-material) prior to the loan closing or without Board approval after the loan closing shall result in disqualification from receiving funding and shall be deemed a material misrepresentation. Changes prior to loan closing to the officers or directors of the Public Housing Authority, officers or directors of the Non-Profit entity, or the limited partner of an investor limited partnership or an investor member of a limited liability company owning the syndicating interest therein will not result in disqualification, however, the Corporation must be notified of the change. Changes to the officers or directors of a Non-Profit entity shall require Corporation approval.

- c) Petitioner seeks Board approval to change Developer's principals pursuant to Rule 67-21.003(8)(b), F.A.C. (05/18/21), which provides:

(8) Notwithstanding any other provision of these rules, there are certain items that must be included in the Application and cannot be revised, corrected or supplemented after Application is deemed complete. Those items are as follows:

(b) Principles of each Developer, including all co-Developers: notwithstanding the foregoing, the Principals of the Developer(s) may be changed only by written request of an Applicant to Corporation staff and approval of the Board after the Applicant has been invited to enter Credit Underwriting. With regard to said approval, the Board shall consider the facts and circumstances of each Applicant's request, inclusive of validity and consistency of Application documentation. Principals of a Public Housing Authority or officers and/or directors of a non-profit entity may be changed only by written request of an Applicant to Corporation staff and approval of the Corporation after the Applicant has been invited to enter Credit Underwriting. Any allowable replacement of a Principal that was identified as the experienced Developer in a competitive solicitation must meet the experience requirements met by the original Principal.

- d) Petitioner requests a waiver of the above rule and NCA Instructions so that Petitioner's original organizational chart may be revised to reflect its new structure. Petitioner also seeks Board approval pursuant to Rule 67-21.003(8)(b), F.A.C (05/18/21) and the NCA to change the principals of the Developer. Two of Petitioner's principals presently need to change the organizational structure for estate planning and other purposes. The change must occur prior to the closing of

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the MMRB loan because 2023 tax returns must reflect the ownership entity structure that will in fact operate the Development.

e) On October 3, 2023, the Notice of Petition was published in the Florida Administrative Register in Volume 49, Number 192. To date, Florida Housing has received no comments concerning the Petition.

f) Section 120.542(2), Florida Statutes provides in pertinent part:

Variances and waivers shall be granted when the person subject to the rule demonstrates that the purpose of the underlying statute will be or has been achieved by other means by the person and when the application of a rule would create a substantial hardship or would violate principles of fairness.

g) Granting the requested waiver would not have any impact on other participants in funding programs administered by Florida Housing, nor would it have a detrimental impact on Florida Housing or the Development. Petitioner has demonstrated that strict application of the above Rules under these circumstances would constitute a substantial hardship. Petitioner has also demonstrated that the purpose of the underlying statute, which is to “encourage development of low-income housing in the state” (§420.5099, Fla. Stat.), would still be achieved if the waiver is granted.

3. **Recommendation:**

a) Staff recommends the Board GRANT Petitioner’s request for a waiver of Rule 67.21.003(1)(b), Fla. Admin. Code (F.A.C.) (05/18/2021) and NCA, and allow Petitioner to revise its organizational chart to reflect its new structure and to change the principals of the Developer pursuant to Rule 67-21.003(8)(b), F.A.C (05/18/21) and the NCA.

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F. In Re: Pollywog Creek Mews, LLC

FHFC Case No. 2023-079VW (RFA 2021-206 /App. No. 2022-242H)

Development Name (“Development”):	Pollywog Creek Mews
Developer/Principal (“Developer”):	Rural Neighborhoods Inc. (Steven Kirk); Odyssey Development Group, LLC (Jason Goldfarb)
Number of Units: 28	Location: LaBelle, Hendry County
Type: New Construction, Garden Apartments	Set-Asides: 20% @ 50 AMI; 80% @ 60% AMI
Demographics: Family	Funding: HOME: \$5,690,000

1. Background:

- a) Petitioner successfully applied for HOME Financing for the Construction of Small, Rural Developments, to construct Pollywog Creek Mews, a 28-unit development in Hendry County, Florida (the "Development"). Petitioner accepted the invitation to enter credit underwriting on April 4, 2022. On February 15, 2023, Petitioner exercised its right to a six-month extension under Rule 67-48.0072(21)(b), F.A.C., extending its deadline to October 4, 2023. On September 29, 2023, Florida Housing received a Petition for Waiver of Rule 67-48.0072(21)(b) (the "Petition") to extend the Firm Loan Commitment deadline to June 4, 2024. A copy of the Petition is attached as [Exhibit F](#).

2. Present Situation:

- a) Rule 67-48.0072(21)(b), Fla. Admin. Code (5/18/2021), states, in relevant part:
- (b) For SAIL, EHCL, and HOME, unless stated otherwise in a competitive solicitation, the firm loan commitment must be issued within twelve (12) months of the Applicant’s acceptance to enter credit underwriting. Unless an extension is approved by the Corporation in writing, failure to achieve credit underwriting report approval and issuance of a firm loan commitment by the specified deadline shall result in withdrawal of the preliminary commitment. Applicants may request one (1) extension of up to six (6) months to secure a firm loan commitment. All extension requests must be submitted in writing to the program administrator and contain the specific reasons for requesting the extension and shall detail the time frame to achieve a firm loan commitment. In determining whether to grant an extension, the Corporation shall consider the facts and circumstances of the Applicant’s request, inclusive of the responsiveness of the Development team and its ability to deliver the Development timely. The Corporation shall charge non-refundable extension fee of one (1) percent of each loan amount if the request to extend the credit underwriting and firm loan commitment process beyond the initial twelve (12) month deadline is approved. If, by the end of the extension period, the Applicant has not received a firm loan commitment, then the preliminary commitment shall be withdrawn.
- b) Petitioner’s initial firm loan commitment issuance deadline for the HOME Award was April 4, 2023. On March 10, 2023, the Board granted Petitioner’s request for

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an extension of the firm loan commitment issuance deadline and Petitioner was granted an extension to October 4, 2023.

- c) Petitioner now requests a waiver of the Rule for an extension of the firm loan commitment deadline from October 4, 2023, to June 4, 2024. As justification for its request, Petitioner states that it has made progress towards closing of financing and commencement of construction, including completed building and civil engineering plans and permit approvals to construct the Development. However, due to interest rate increases to its construction and permanent loans, and an insufficient budget for labor and materials, exacerbated by the Development's rural location, Petitioner has had to seek additional funding. Petitioner states that it applied for and was preliminary awarded \$2,475,000.00 in Construction Inflation Response Viability Funding pursuant to RFA 2023-2011 on June 9, 2023. With the new funding, Petitioner is reviewing bids from general contractors and anticipates entering credit underwriting in or shortly after the fourth quarter of 2023.
- d) On October 4, 2023, the Notice of Petition was published in the Florida Administrative Register in Volume 49, Number 192. To date, Florida Housing has received no comments concerning the Petition or Amended Petition.
- e) Section 120.542(2), Florida Statutes provides in pertinent part:

Variances and waivers shall be granted when the person subject to the rule demonstrates that the purpose of the underlying statute will be or has been achieved by other means by the person and when the application of a rule would create a substantial hardship or would violate principles of fairness.
- f) Granting the requested waiver of Rule 67-48.0072(21)(b), F.A.C., would not have any impact on other participants in funding programs administered by Florida Housing, nor would it have a detrimental impact on Florida Housing or the Development. Petitioner has demonstrated that strict application of the above Rule under these circumstances would constitute a substantial hardship. Petitioner has also demonstrated that the purpose of the underlying statute, which is to “encourage development of low-income housing in the state” (§420.5099, Fla. Stat.), would still be achieved if the waiver is granted.

3. **Recommendation:**

- a) Staff recommends the Board GRANT Petitioner’s request for a waiver of Rule 67-48.0072(21)(b), Fla. Admin. Code (5/18/2021), allowing Petitioner to extend its firm loan commitment issuance deadline from October 4, 2023, to June 4, 2024.

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G. In Re: Sandcastles Foundation, Inc.

FHFC Case No. 2023-070VW (RFA 2021-206/App. No. 2022-244H)

Development Name: (“Development”):	Sandcastle Manor
Developer/Principal: (“Developer”):	Sandcastles Foundation, Inc./Jessica Criss FBC Holdings, LLC/Michael McPhillips
Number of Units: 22	Location: Baker County
Type: Single Family Homes/New Construction	Set Asides: 20% at 50% AMI 80% at 60% AMI
Demographics: Family	Funding: HOME \$5,544,000.00

1. Background

- a) Petitioner successfully applied for HOME funding in RFA 2021-206 to assist in the construction of Sandcastle Manor, a 22-unit development in Baker County, Florida (the “Development”). Petitioner accepted the invitation to enter credit underwriting on April 5, 2022. Petitioner exercised its right to a six-month extension under Rule 67-48.0072(21)(b), which was granted by the Board, extending its deadline to October 5, 2023. On October 3, 2023, Florida Housing received an Amended Petition for Waiver of Rule 67-48.0072(21)(b), Florida Administrative Code (the “Amended Petition”) to allow Petitioner to extend the Firm Loan Commitment Date by 90 days. A copy of the Amended Petition is attached as [Exhibit G](#).

2. Present Situation:

- a) Rule 67-48.0072(21)(b), Fla. Admin. Code (5/18/2021), states, in relevant part:
- (b) For SAIL, EHCL, and HOME, unless stated otherwise in a competitive solicitation, the firm loan commitment must be issued within twelve (12) months of the Applicant’s acceptance to enter credit underwriting. Unless an extension is approved by the Corporation in writing, failure to achieve credit underwriting report approval and issuance of a firm loan commitment by the specified deadline shall result in withdrawal of the preliminary commitment. Applicants may request one (1) extension of up to six (6) months to secure a firm loan commitment. All extension requests must be submitted in writing to the program administrator and contain the specific reasons for requesting the extension and shall detail the time frame to achieve a firm loan commitment. In determining whether to grant an extension, the Corporation shall consider the facts and circumstances of the Applicant’s request, inclusive of the responsiveness of the Development team and its ability to deliver the Development timely. The Corporation shall charge non-refundable extension fee of one (1) percent of each loan amount if the request to extend the credit underwriting and firm loan commitment process beyond the initial twelve (12) month deadline is approved. If, by the end of the extension period, the Applicant has not received a firm loan commitment, then the preliminary commitment shall be withdrawn.
- b) Petitioner’s initial firm loan commitment issuance deadline for the HOME Award

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was April 5, 2022. On April 11, 2023, the Board granted Petitioner's request for an extension of the firm loan commitment issuance deadline due site plan revisions. Petitioner was granted an extension to October 5, 2023.

- c) Petitioner now requests a waiver of the Rule for an additional extension of the firm loan commitment deadline of October 5, 2023. As justification for its request, Petitioner states that it is waiting on the issuance of a permit from St. Johns Water Management District, as the Development is Wetlands adjacent. Petitioner states it has been responsive to all requests for information and has not caused the delay.
- d) On October 4, 2023, the Notice of Petition was published in the Florida Administrative Register in Volume 49, Number 193. To date, Florida Housing has received no comments concerning the Amended Petition.
- e) Section 120.542(2), Florida Statutes provides in pertinent part:

Variances and waivers shall be granted when the person subject to the rule demonstrates that the purpose of the underlying statute will be or has been achieved by other means by the person and when the application of a rule would create a substantial hardship or would violate principles of fairness.
- f) Granting the requested waiver of Rule 67-48.0072(21)(b), F.A.C., would not have any impact on other participants in funding programs administered by Florida Housing, nor would it have a detrimental impact on Florida Housing or the Development. Petitioner has demonstrated that strict application of the above Rule under these circumstances would constitute a substantial hardship. Petitioner has also demonstrated that the purpose of the underlying statute, which is to "encourage development of low-income housing in the state" (§420.5099, Fla. Stat.), would still be achieved if the waiver is granted.

3. **Recommendation:**

- a) Staff recommends the Board GRANT Petitioner's request for a waiver of Rule 67-48.0072(21)(b), Fla. Admin. Code (5/18/2021), allowing Petitioner to extend its firm loan commitment issuance deadline from October 5, 2023, to January 3, 2024.

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H. In Re: Orlando Leased Housing Associates XI, LLLP

FHFC Case No. 2023-082VW

Development Name: (“Development”):	Chapel Trace Apartments
Developer/Principal: (“Developer”):	Orlando Leased Housing Development XI, LLC/Owen Metz
Number of Units: 312 units	Location: Orange County
Type: Rehabilitation; Garden	Set-Asides: 100% @ 60% AMI
Demographics: Family	Funding: 4% HC: \$1,674,341

1. Background:

- a) Orlando Leased Housing Associates XI, LLLP (“Petitioner”) successfully applied for funding to assist in the construction of the Chapel Trace Apartments, a 312-unit development located in Orange County, Florida (the “Development”). On October 5, 2023, Florida Housing received a Petition for Waiver of Rule 67-21.026(10), F.A.C. (2018) (the “Petition”) to relieve Petitioner of the requirement to perform all rehabilitation work under a guaranteed maximum price (“GMP”) contract. A copy of the Petition is attached as [Exhibit H](#).

2. Present Situation

- a) Rule 67-21.026(10), Fla. Admin. Code (2018), states in relevant part:

(10) The Corporation’s assigned Credit Underwriter shall require a guaranteed maximum price construction contract, acceptable to the Corporation, which may include change orders for changes in cost or changes in the scope of work, or both, if all parties agree, and shall order, at the Applicant’s sole expense, and review a pre-construction analysis for all new construction units or a physical needs assessment for rehabilitation units and review the Development’s costs.

- b) Petitioner seeks a waiver of the above rule to relieve Petitioner of the requirement to perform all rehabilitation work under a guaranteed maximum price (“GMP”) contract. Initially, Petitioner intended that all construction work be completed under its GMP Contract with its Contractor as required under the above Rule. However, Petitioner explains that unforeseen weather delays combined with the emergence of COVID-19 delayed the project well past the expected completion date. The extended timeline meant that the rehabilitation wouldn’t accrue sufficient construction costs to qualify for the anticipated tax credits for 2019. To alleviate this financial strain on the Development, the Petitioner opted to prepay \$807,428.45 in construction costs outside the GMP contract directly to the Contractor instead of using its construction loan and GMP contract (the “Prepaid Amount”). A Change Order was thereafter issued to reduce the GMP to account for the Prepaid Amount. All work was otherwise paid through the GMP contract to the Contractor. Petitioner states that the work performed under the Prepaid Amount was otherwise in compliance with the Corporation’s rules, and Petitioner realized no cost savings.

- c) On October 6, 2023, the Notice of Petition was published in the Florida Administrative Register in Volume 49, Number 195. To date, Florida Housing has received no comments concerning the Petition.

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- d) Section 120.542(2), Florida Statutes provides in pertinent part:
- e) Variances and waivers shall be granted when the person subject to the rule demonstrates that the purpose of the underlying statute will be or has been achieved by other means by the person and when the application of a rule would create a substantial hardship or would violate principles of fairness.
- f) Granting the requested waiver does not impact any other participants in funding programs administered by Florida Housing, nor does it detrimentally impact Florida Housing or the Development. Petitioner has demonstrated that strict application of the above Rules under these circumstances would constitute a substantial hardship. Petitioner has also demonstrated that the purpose of the underlying statute, which is to “encourage development of low-income housing in the state” (§420.5099, Fla. Stat.), would still be achieved if the waiver is granted.

3. **Recommendation:**

- a) Staff recommends the Board GRANT Petitioner’s request for waiver of Rule 67-21.026(10), Fla. Admin. Code (2018), to waive the requirement to perform all rehabilitation work under a GMP contract.

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I. In Re: Beacon at Creative Village Partners, LTD.

FHFC Case No. 2023-083VW

Development Name: ("Development"):	The Beacon at Creative Village
Developer Principal: ("Developer"):	Beach at Creative Village Partners, Ltd./Jay Brock Atlantic Housing Partners II, L.L.C./W. Scott Culp
Number of Units: 85	Location: Orange County
Type: High-Rise; New Construction	*Set Asides: 13 units at 30% AMI 45 units at 60% AMI 18 units at 80% AMI 9 units at Market Rate
Demographics: Family	Funding: 9% HC: \$2,375,000

1. Background:

- a) Petitioner successfully applied for competitive housing credits in RFA 2021-202 (the "RFA") to assist in the construction of a 79-unit family housing development named The Beacon at Creative Village in Orange County, Florida (the "Development"). On October 6, 2023, Florida Housing Finance Corporation ("Florida Housing") received a Petition for Waiver of Rule 67-48.002(96) and the 2021 Qualified Allocation Plan's Requirement for Returning Housing Credit Allocations (the "Petition"). A copy of the Petition is attached as [Exhibit I](#).
- b) On August 26, 2022, staff received a Petition for Variance from Rule to Allow a Decrease in the Total Set-Aside Percentage, and Request for Approval of Increase in Total Number of Units. On September 16, 2022, the Board granted petitioner's request to reduce the Total Set-Aside Percentage to 89% while increasing the total of number of units to 85.

2. Present Situation:

- a) Petitioner requests a waiver of Rule 67-48.002(96), Florida Administrative Code (2021), which adopts and incorporates the 2021 Qualified Allocation Plan (QAP).
- b) Subsection II.J of the 2021 QAP states:

Notwithstanding any other provision of this QAP, where a Development has not been placed in service by the date required pursuant to Section 42 of the IRC, or it is apparent that a Development will not be placed in service by the date required pursuant to Section 42 of the IRC, and the Applicant has returned its Housing Credit Allocation after the end of the second calendar quarter of the year in which it was otherwise required to be placed in service pursuant to Section 42 of the IRC, the Corporation will reserve allocation in an amount not to exceed the amount of Housing Credits returned, and will issue a Carryover Allocation Agreement allocating such Housing

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Credits to the Applicant for either the current year or the year after the year in which the Development was otherwise required to be placed in service pursuant to Section 42 of the IRC, provided the following conditions have been met: (i) The sponsor must have provided written notice to the Corporation, describing the circumstances, all remedial measures attempted by the Applicant to mitigate the delay, and any other pertinent information, prior to returning the allocation; and (ii) A site inspection reflecting the percentage of Development completion must be completed. If the Development is at least fifty (50) percent completed, as reflected in the site inspection, the approval may be made by Corporation staff. If the Development is less than fifty (50) percent completed, as reflected in the site inspection, the approval must be made by the Board. In making such determination, the Board must find and determine that the delay was caused by circumstances beyond the Applicant's control, and that the sponsor exercised due diligence in seeking to resolve the circumstances causing delay; and (iii) The Corporation or Board, as applicable, must find that the Development in all respects, except time placed in service, still meets the conditions upon which the Housing Credits were originally allocated, and that the Development is still desirable in terms of meeting affordable housing needs.

- c) Petitioner successfully applied for an allocation of 2022 housing credits through RFA 2021-202 Housing Credit Financing for Affordable Housing Developments Located in Broward, Duval, Hillsborough, Orange, Palm Beach, and Pinellas Counties and was invited into credit underwriting on May 5, 2022. Florida Housing staff executed a 2022 CAA on November 18, 2022, which required Petitioner to incur at least ten percent of the reasonably expected basis of the Development (10% Test) on or before May 31, 2023 (the "CAA Deadline"). Petitioner was previously granted a CAA Deadline extension to November 18, 2023. Failure to comply with the CAA Deadline will cause the Housing Credits allocated within the CAA to be deemed returned to Florida Housing under Section 42(h)(3)(c), Internal Revenue Code.
- d) Petitioner states that development has been delayed so that it is unable to meet the deadlines. The delays are set forth below:
- e) Petitioner states that it commenced pre-development activities upon receipt of its invitation to credit underwriting. Petitioner has been processing all pre-development and development approvals diligently.
- f) In the second quarter of 2022, Petitioner states it became obvious due to the significant increase in construction costs, a budgetary gap existed that could not be bridged without further assistance. In response, Petitioner submitted its response to Florida Housing's 2022 Constriction Housing Inflation Response Program ("CHIRP") on July 5, 2022, which alleviated the budgetary gap issue.
- g) It was anticipated that the Development would be built as one residential tower with Beacon II as part of a multiphase development. Petitioner did not ultimately received funding for Beacon II under RFA 2022-202, and the Development now intends to continue permitting as one phase.
- h) Due to design revisions and approvals required to build Beacon I only, the Permitting approval process for the Development with the City of Orlando has

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been delayed. Additionally, the land closing date has been delayed until July 2024.

- i) The estimated completion date for the Development will not fall within the Deadlines.
- j) Petitioner anticipates all permits will be issued by June 30, 2024, prior to land closing in July 2024, and for land closing and pre-development expenses to be sufficient to meet the 10% test.
- k) Petitioner states all financing sources are available and no other closings are necessary to start construction. Construction is scheduled to commence July 2024 and to be completed as early as June 2025, which would be in advance of the placed in service date required by a 2023 Carryover Allocation Agreement.
- l) As a result of the above delays, Petitioner states it will not be possible to meet the 10% test deadline of November 18, 2023, and places it in jeopardy of its ability to meet the December 31, 2024, placed in service deadline.

Petitioner requests a waiver of the timing provision in the QAP so that it may exchange its housing credits now, rather than wait until the end of the third quarter of the year in which the Development was otherwise required to be placed in service (2024). Due to events outside of Petitioner's control, Petitioner cannot meet the "placed in service" and "10% test" deadlines as required by the Carryover Allocation Agreement ("CAA")

- m) On October 9, 2023, Notice of Petition was published in Volume 49, Number 196, of the Florida Administrative Register. To date, Florida Housing has received no comments concerning the Petition.
- n) Section 120. 542(2), Florida Statutes provides in pertinent part:

Variances and waivers shall be granted when the person subject to the rule demonstrates that the purpose of the underlying statute will be or has been achieved by other means by the person and when application of a rule would create a substantial hardship or would violate principles of fairness.
- o) Granting the requested waiver would not impact other participants in funding programs administered by Florida Housing, nor would it detrimentally impact Florida Housing. Petitioner has demonstrated that it would suffer a substantial hardship if the waiver is not granted. Petitioner has also demonstrated that the purpose of the underlying statute, which is to "encourage development of low-income housing in the state" (§420.5099, Fla. Stat.), would still be achieved if the waiver is granted.

3. **Recommendation:**

- a) Staff recommends the Board **GRANT** Petitioner's request for a waiver of Rule 67-48.002(96), Florida Administrative Code (2021), and the timing provisions of subsection II.J of the 2021 QAP to allow Petitioner to exchange its 2022 housing credits for an immediate allocation of 2023 housing credits.

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J. In Re: Parkwood Plaza Apartments, LTD

FHFC Case No. 2023-084VW

Development Name: (“Development”):	52 at Park
Developer/Principal: (“Developer”):	Parkwood Plaza Developer, LLC/Jeremy Bronfman
Number of Units: 300 units	Location: Orange
Type: New Construction, Garden/Midrise	Set-Asides: 100% @ 60% AMI
Demographics: Family	Funding: Viability: \$4,300,000 4% HC: \$4,516,161

1. Background:

- a) Petitioner successfully applied for funding to assist in construction of 52 at Park, a 300-unit development located in Orange County, Florida (the “Development”). On October 9, 2023, Florida Housing received a Petition for waiver of the prohibition against changing the principals of the Applicant identified in the Application prior to the issuance of the Preliminary Determination under Rule 67.21.003(1)(b), Fla. Admin. Code (F.A.C.) (05/18/2021) and the Non-Competitive Application Instructions (Rev. 03-2021 (NCA)). A copy of the Petition is attached as [Exhibit J](#).

2. Present Situation

- a) Rule 67-21.003(1)(b), Fla. Admin. Code (05/18/21), provides in relevant part:
- (1) Applicants shall apply for MMRB, Non-Competitive HC, or a combination of MMRB and Non-competitive HC as set forth below. For purposes of this subsection only, the term NC Award shall refer to MMRB, Non-Competitive HC, or a combination of MMRB and Non-Competitive HC, and Funding from the following Corporation programs will not be considered to be other corporation funding: Predevelopment Loan Program (PLP) and Elderly Housing Community Loan (EHCL) Program.
- (b) If the NC Award will not be in conjunction with other Corporation funding made available through the competitive solicitation funding process outlined in rule Chapter 67-60, F.A.C., the Applicant shall utilize the Non-Competitive Application Package in effect at the time the Applicant submits the Application. The Non-Competitive Application Packet or NCA (Rev. 03-2021) is adopted and incorporated herein by reference and consists of the forms and instructions available, without charge, on the Corporations website under the Multifamily Programs link labeled Non-Competitive Programs or from <http://www.flrules.org/Gateway/reference.asp?No=Ref-13093>, which

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shall be completed and submitted to the Corporation in accordance with this rule chapter.

This Rule incorporates by reference the NCA Package (Rev. 03-2021). The NCA Package includes the following requirement at Part A.6.b.(1):

(1) For Applicants requesting Non-Competitive Housing Credits only:

The Applicant entity shall be the recipient of the Housing Credits and the ownership structure of the Applicant entity as set forth in the Principal Disclosure Form cannot be changed in any way (materially or non-materially) until after the Preliminary Determination is issued. Once the Preliminary Determination has been issued, (a) any material change in the ownership structure of the named Applicant will require Board approval prior to the change, and (b) any non-material change in the ownership structure of the named Applicant will require Corporation approval prior to the change. The ownership structure of the Applicant entity may be changed without Corporation or Board approval after a Final Housing Credit Allocation Agreement has been approved and the IRS Forms 8609 have been issued; however, the Corporation must still be notified in writing of the change. The Applicant must comply with the Principal disclosure requirements outlined in Rule Chapter 67-21, F.A.C. for the duration of the Compliance Period. Changes to the ownership structure of the Applicant entity prior to the issuance of the Preliminary Determination or without Board approval or Corporation approval, as applicable, prior to the approval of the Final Housing Credit Allocation and issuance of the IRS Forms 8609 shall result in a disqualification from receiving funding and shall be deemed a material misrepresentation. Changes prior to the issuance of the Preliminary Determination to the officers or directors of a Public Housing Authority, officers or directors of a Non-Profit entity, or the limited partner of an investor limited partnership or an investor member of a limited liability company owning the syndicating interest therein will not result in disqualification, however, the Corporation must be notified of the change. Changes to the officers or directors of a Non-Profit entity shall require Corporation approval.

b) Petitioner seeks Board approval to change Developer's principals pursuant to Rule 67-21.003(8)(b), F.A.C. (05/18/21), which provides:

(8) Notwithstanding any other provision of these rules, there are certain items that must be included in the Application and cannot be revised, corrected or supplemented after Application is deemed complete. Those items are as follows:

(b) Principles of each Developer, including all co-Developers: notwithstanding the foregoing, the Principals of the Developer(s) may be changed only by written request of an Applicant to Corporation staff and approval of the Board after the Applicant has been invited to enter Credit Underwriting. With regard to said approval, the Board shall consider the facts and circumstances of each Applicant's request, inclusive of validity and consistency of Application documentation. Principals of a Public Housing Authority or officers and/or directors of a non-profit entity may be changed only by written request of an

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Applicant to Corporation staff and approval of the Corporation after the Applicant has been invited to enter Credit Underwriting. Any allowable replacement of a Principal that was identified as the experienced Developer in a competitive solicitation must meet the experience requirements met by the original Principal.

- c) Petitioner requests a waiver of the above rule and NCA Instructions so that Petitioner's original organizational chart may be revised to reflect its new structure. Petitioner also seeks Board approval pursuant to Rule 67-21.003(8)(b), F.A.C (05/18/21) and the NCA to change the principals of the Developer. Two of Petitioner's principals presently need to change the organizational structure for estate planning purposes. The change must occur prior to the issuance of the Preliminary Determination because 2023 tax returns must reflect the ownership entity structure that will in fact operate the Development.
- d) On October 10, 2023, the Notice of Petition was published in the Florida Administrative Register in Volume 49, Number 197. To date, Florida Housing has received no comments concerning the Petition.
- e) Section 120.542(2), Florida Statutes provides in pertinent part:

Variances and waivers shall be granted when the person subject to the rule demonstrates that the purpose of the underlying statute will be or has been achieved by other means by the person and when the application of a rule would create a substantial hardship or would violate principles of fairness.
- f) Granting the requested waiver would not have any impact on other participants in funding programs administered by Florida Housing, nor would it have a detrimental impact on Florida Housing or the Development. Petitioner has demonstrated that strict application of the above Rules under these circumstances would constitute a substantial hardship. Petitioner has also demonstrated that the purpose of the underlying statute, which is to “encourage development of low-income housing in the state” (§420.5099, Fla. Stat.), would still be achieved if the waiver is granted.

3. Recommendation:

- a) Staff recommends the Board GRANT Petitioner’s request for a waiver of Rule 67.21.003(1)(b), Fla. Admin. Code (F.A.C.) (05/18/2021) and NCA, and allow Petitioner to revise its organizational chart to reflect its new structure and to change the principals of the Developer pursuant to Rule 67-21.003(8)(b), F.A.C (05/18/21) and the NCA.

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K. In Re: Douglas Gardens IV, LTD.

FHFC Case No. 2023-085VW

Development Name ("Development"):	Douglas Gardens Senior Health and Living
Developer/Principal ("Developer"):	MHP Douglas Developer, LLC/ Chris Shear Douglas Gardens IV Developer, LLC/Jeffrey Freimark
Number of Units: 410	Location: Broward County
Type: New Construction, Mid-Rise (5 or 6 stories)	Set-Asides: 5% @ 30% AMI 95% @ 60% AMI
Demographics: Elderly, Non-ALF	Funding: \$4,591,342 4% Housing Credits

1. **Background**

- a) On January 12, 2023, Petitioner submitted a Non-Competitive Application (the "Application") for 4 Percent Housing Credits ("4 Percent HC") to finance Douglas Gardens Senior Health and Living, a 410-unit development serving elderly, non-ALF residents in Broward County, Florida (the "Development"). On October 11, 2023, Florida Housing received a Petition for Wavier of Rule 67-21.003(8)(i), Fla. Admin. Code, to decrease the set-aside percentage of the Development (the "Petition"). The Petition requests to reduce the total set-aside percentage from 100% to 95%. The set-asides commitments will be 95% of the units at 60% AMI, and with the remaining 5% of the units at Market Rate. A copy of the Petition is attached as [Exhibit K](#).

2. **Present Situation:**

- a) Rule 67-21.003(8)(i), Fla. Admin. Code (2022), prohibits an Applicant from changing certain items identified in the application and provides in relevant part:

(8) Notwithstanding any other provision of these rules, there are certain items that must be included in the Application and cannot be revised, corrected, or supplemented after the Application is deemed complete. Those items are as follows:

...

- (i) The Total Set-Aside Percentage as stated in the total set-aside breakdown chart for the program(s) applied for in the Set-Aside Commitment section of the Application; notwithstanding the foregoing, the Total Set-Aside Percentage may be increased after the Applicant has been invited to enter Credit Underwriting, subject to written request of an Applicant to Corporation staff and approval of the Corporation. With regard to said approval, the Corporation shall consider the facts and circumstances, inclusive of each Applicant's request, in evaluating whether the changes made are prejudicial to the Development or to the market to be served by the Development;
- b) Petitioner now requests a waiver of the Rule to reduce the total Set-Aside Percentage in the Total Set-Aside Breakdown Chart in its application based on an alleged scrivener's error. Petition states that in Section 10(a) of the Application, it selected the option for 40% of units at 60% AMI or lower

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Consent

commitment and when completing the application, filled out the chart in Section 10(b)(1). However, in the Total-Set-Aside Breakdown Chart, Petitioner states it inadvertently identified the set-asides as 95% of units at 60% AMI or lower and 5% of the units @ 30% AMI or lower. Petitioner requests to reduce the total set-aside percentage from 100% to 95%. The set-asides commitments will be 95% of the units at 60% AMI, and with the remaining 5% of the units at Market Rate.

- c) As justification for its request, Petitioner states that it has closed and drawn on a gap financing loan from Broward County ("Broward Loan") that is vital to the Development's feasibility, and that a Declaration of Covenants and Restrictions executed in connection with the loan conflicts with the Total Set-Aside Percentage of 100%. If Petitioner is not granted a waiver, the Broward Loan is subject to default and repayment, which would create a material hardship for the Petitioner.
- d) On October 12, 2023, the Notice of Petition was published in the Florida Administrative Register in Volume 49, Number 199. To date, Florida Housing has received no comments concerning the Petition.
- e) Section 120.542(2), Florida Statutes provides in pertinent part:

Variances and waivers shall be granted when the person subject to the rule demonstrates that the purpose of the underlying statute will be or has been achieved by other means by the person and when the application of a rule would create a substantial hardship or would violate principles of fairness.
- f) Granting the requested waiver of Rule 67-21.003(8)(i), Fla. Admin.Code, would not have any impact on other participants in funding programs administered by Florida Housing, nor would it have a detrimental impact on Florida Housing or the Development. Petitioner has demonstrated that strict application of the above Rule under these circumstances would constitute a substantial hardship. Petitioner has also demonstrated that the purpose of the underlying statute, which is to "encourage development of low-income housing in the state" (§420.5099, Fla. Stat.), would still be achieved if the waiver is granted.

3. **Recommendation:**

- a) Staff recommends the Board GRANT Petitioner's request for a waiver of Rule 67-21.003(8)(i), Fla. Admin. Code, allowing Petitioner to reduce the Total Set-Aside Percentage under the 4% HC from 100% to 95%, with 95% of units at 60% AMI and the remaining 5% of units at Market Rate.

MULTIFAMILY BONDS

Consent

IV. MULTIFAMILY BONDS

A. Request Approval of the Credit Underwriting Report and Authorizing Resolutions for Naranja Grand II (RFA 2021-205 / 2022-201BSN / RFA 2023-211 / 2023-236V)

Development Name: Naranja Grand II	Location: Miami-Dade County
Applicant/Borrower: Naranja Grand II, LLC	Set-Asides: 40% @ 60% AMI (MMRN) 92 Units @ 60% AMI (SAIL & 4% HC) 81 Units @ 70% AMI (SAIL & 4% HC) 27 Units @ 30% AMI (SAIL, ELI, & 4% HC) 5 Units @ 22% AMI (NHTF)
Developers/Principals: Naranja Grand II Developer, LLC / Matthew A. Rieger	Demographic/Number of Units: Family / 200 units
Requested Amounts: \$41,000,000 Multifamily Mortgage Revenue Notes (MMRN) \$7,600,000 Construction Inflation Response Viability Loan (Viability) \$5,000,000 State Apartment Incentive Loan (SAIL) \$600,000 Extremely Low Income (ELI) \$1,546,000 National Housing Trust Fund (NHTF) \$3,525,041 Housing Credits (4% HC)	Development Category/Type: New Construction / High Rise

1. Background/Present Situation:

- a) On August 17, 2021 Florida Housing issued a Request for Applications (RFA) 2021-205 SAIL Financing of Affordable Multifamily Housing Developments to be Used in Conjunction with Tax-Exempt Bond Financing and Non-Competitive Housing Credits.
- b) Staff issued a preliminary commitment and invitation to enter credit underwriting on March 1, 2022. The acceptance was acknowledged on March 3, 2022.
- c) On May 1, 2023, Florida Housing Finance Corporation issued RFA 2023-211 for Construction Inflation Response Viability Funding (Viability Loan) to assist competitive projects in the development pipeline experiencing cost increases related to market inflation. Viability Loan funding is intended to fill the funding gap experienced due to increased construction costs.
- d) On June 9, 2023, the Board approved the final scores and recommendations for RFA 2023-211 and directed staff to proceed with all necessary credit underwriting activities. Staff issued a notice of preliminary award to the Applicant on June 14, 2023. The acceptance was acknowledged on June 15, 2023.
- e) On October 12, 2023, staff received a final credit underwriting report with a positive recommendation for funding ([Exhibit A](#)). Staff has reviewed this report

MULTIFAMILY BONDS

Consent

and finds that the development meets all requirements of the RFAs.

- f) Staff reviewed the authorizing resolutions ([Exhibit B](#)) authorizing the sale and issuance of Multifamily Mortgage Revenue Notes to finance this affordable housing Development within the State of Florida. Staff requests approval for the execution of the resolutions.

2. **Recommendation:**

- a) Approve the final credit underwriting report, authorizing resolutions, and direct staff to proceed with issuance of a firm commitment and closing activities, subject to further approvals and verifications by the Credit Underwriter, Note Counsel, Special Counsel, and the appropriate Florida Housing staff.

MULTIFAMILY BONDS

Consent

B. Request Approval of the Method of Bond/Note Sale Recommendation from Florida Housing's Independent Registered Municipal Advisor and Assignment of Recommended Professional

1. Background

- a) Pursuant to staff's request for approval to issue bonds/notes to finance the construction, and acquisition/rehabilitation of the proposed Development referenced below, the final credit underwriting report is being presented to the Board for approval simultaneously with this request to assign the appropriate professional for the transaction and approval of the recommended method of sale. A brief description of the Development is detailed below, along with staff's recommendation.
- b) Pursuant to Rule 67-21.0045, F.A.C., staff has requested a review of the proposed financing structure by the Independent Registered Municipal Advisor (IRMA) in order to make a recommendation to the Board for the method of bond/note sale for the development. Caine Mitter and Associates Incorporated has prepared an analysis and recommendation for the method of bond/note sale for the Development. The recommendation letter is attached as Exhibit C.

2. Present Situation

- a) Florida Housing staff, the Credit Underwriter, and the IRMA have reviewed the financial structure for the proposed Development.

3. Recommendation

- a) Approve the assignment of the recommended professional and the Independent Registered Municipal Advisor's recommendation for the method of bond/note sale, as shown in the chart below, for the proposed Development.

Development Name	Location of Development	Number of Units	Method of Bond Sale	Recommended Professional	Exhibit
Naranja Grand II	Miami-Dade County	200	Private Placement	Stifel, Nicolaus & Co.	<u>Exhibit C</u>

MULTIFAMILY BONDS

Consent

C. Request Approval to Execute Acknowledgment Resolutions

1. Background/Present Situation

- a) Pursuant to Rule 67-21, F.A.C., the Acknowledgement Resolution is the official action taken by the Corporation to reflect its intent to finance a Development provided that the requirements of the Corporation, the terms of the MMRB Loan Commitment, and the terms of the Credit Underwriting Report are met. The resolution designates the period within which the Borrower is able to be reimbursed for allowable project costs incurred with MMRB proceeds (with such period starting 60 days prior to the adoption of the resolution).
- b) Staff requests the execution of an Acknowledgement Resolution for the proposed Developments referenced below intending to finance the acquisition, construction and/or rehabilitation of the Development. Brief descriptions of the Developments are detailed below. The resolutions being presented to the Board for approval is attached as Exhibit D through K.

2. Recommendation

- a) Approve the execution of the Acknowledgment Resolutions for the proposed Developments, as shown in the chart below.

Development Name	Name of Applicant	County	Number of Units	RFA / Applicable Application	Exhibit
The Residence at Martin Manor	DM Redevelopment, Ltd.	Palm Beach County	95	RFA 2022-205 / 2023-129BSN	Exhibit D
Bayside Breeze	Bayside Breeze Redevelopment, LLLP	Okaloosa County	100	RFA 2022-205 / 2023-151BSN	Exhibit E
The Enclave at Canopy Park	The Enclave at Canopy Partners, LLC	Orange County	104	RFA 2022-205 / 2023-160BSN	Exhibit F
Town Oaks Apartments	ECG Town Oaks, LP	Orange County	60	RFA 2023-304 / 2023-196BR	Exhibit G
Lakewood Senior Housing	Lakewood Senior Housing, LLLP	Volusia County	56	RFA 2023-304 / 2023-206BR	Exhibit H
Palms Landing	SP Palms LLC	Lee County	88	RFA 2023-304 / 2023-216BR	Exhibit I
Legacy Park II	HTG Legacy II, Ltd.	Lee County	80	RFA 2023-304 / 2023-220BR	Exhibit J
New York Avenue Apartments	Blue Ian, LLC	Volusia County	84	RFA 2023-304 / 2023-226BR	Exhibit K

MULTIFAMILY BONDS

Consent

D. Request Approval of Transfer of Ownership for Lauderhill Point f/k/a Driftwood Terrace (1989 Series I / 2007-539C)

Development Name: Lauderhill Point f/k/a Driftwood Terrace	Location: Broward County
Applicant/Borrower: Driftwood Preservation, Ltd.	Set-Asides: 40% @ 60% AMI (MMRB) 100% @ 60% AMI (4% HC)
Developers/Principals: Michaels Development Company / Michael J. Levitt	Demographic/Number of Units: Family / 176 Units
Requested Amounts: \$7,205,000 Multifamily Mortgage Revenue Bonds (MMRB) \$537,206 Housing Credits (4% HC)	Development Category/Type: Acquisition & Rehabilitation / Garden Apartments

1. **Background**

- a) Florida Housing financed the above referenced Development in 1989 with \$7,205,000 in tax exempt MMRB designated as 1989 Series I. In addition, \$537,206 in Housing Credits was allocated to this Development. The MMRB were subsequently redeemed on March 20, 2008.

2. **Present Situation**

- a) The Borrower has requested Florida Housing’s consent to the transfer of ownership of the Development from affiliates of Driftwood Preservation, Ltd., to Lauderhill Preservation LP., an affiliate of Fairstead Affordable LLC, and transfer and subordination of the MMRB Land Use Restriction Agreement (LURA) and the Extended Low-Income Housing Agreement (ELIHA). First Housing Development Corporation has reviewed this request and provided a positive recommendation for the transfer of ownership interests and the assignment and assumption, and subordination of the MMRB LURA and ELIHA to the new first mortgage provided by Berkadia Commercial Mortgage LLC under the Freddie Mac Tax-Exempt Loan Program ([Exhibit L](#)).

3. **Recommendation**

- a) Approve the transfer of ownership and the assignment, assumption, and subordination of the MMRB LURA and ELIHA, subject to the conditions in the credit underwriting report, and further approvals and verifications by the Credit Underwriter, Bond Counsel, Special Counsel, and appropriate Florida Housing staff.

MULTIFAMILY BONDS

Consent

E. Request Approval of Transfer of Ownership for Murdock Circle (2011 Series B / 2000-096S/ 2001-512C)

Development Name: Murdock Circle	Location: Charlotte County
Applicant/Borrower: Tralee Affordable Housing Rays L, LLC	Set-Asides: 85% @ 60% AMI (MMRB and SAIL)
Developers/Principals: Tralee Capital Partners / Mike Kelly	Demographic/Number of Units: Family / 264 Units
Requested Amounts: \$7,000,000 Multifamily Mortgage Revenue Bonds (MMRB) \$2,000,000 State Apartment Incentive Loan (SAIL) \$944,440 Housing Credits (4% HC)-	Development Category/Type: New Construction / Garden

1. **Background**

- a) Florida Housing financed the above referenced Development in 2001 with a \$2,000,000 SAIL Loan. In addition, an annual amount of \$944,440 in Housing Credits was allocated to this Development. Later, in 2010, MMRB in the amount of \$7,000,000 were allocated and issued to the development. In April of 2016 the MMRB were redeemed, and the SAIL loan was paid off. The set-aside restrictions associated with the Extended Low-Income Housing Agreement were terminated through a Qualified Contract on June 28, 2017.

2. **Present Situation**

- a) The Borrower has requested Florida Housing’s consent to the transfer of ownership of the Development from Tralee Affordable Housing Rays L, LLC., to Peninsula at Port Charlotte LLC, (majority TIC owner), Lakes Investments 6 LLC, 100 Bauer Murdock LLC, Bauer Drive Murdock LLC, E. Roman Peninsula LLC and M. Roman Peninsula LLC as Tenants in Common (TIC) and all affiliates of SELA Realty Investments LLC and transfer and subordination of the MMRB and SAIL Land Use Restriction Agreements (LURAs). Seltzer Management Group has reviewed this request and provided a positive recommendation for the transfer of ownership and the assignment and assumption, and subordination of the MMRB and SAIL LURAs to the new first mortgage provided by Greystone Servicing Company LLC ([Exhibit M](#)).

3. **Recommendation**

Approve the transfer of ownership and the assignment, assumption, and subordination of the MMRB and SAIL LURAs, subject to the conditions in the credit underwriting report, and further approvals and verifications by the Credit Underwriter, Bond Counsel, Special Counsel, and appropriate Florida Housing staff.

MULTIFAMILY PROGRAMS

Consent

V. MULTIFAMILY PROGRAMS

A. Request Approval of Credit Underwriting Report for Skyway Lofts II (RFA 2022-205 / 2023-118SN / 2022-526C)

Development Name: Skyway Lofts II	Location: Pinellas County
Applicant/Borrower: Blue Pinellas 2, LLC	Set-Aside(s): 10 Units @ 30% AMI (SAIL & 4% HC) 44 Units @ 60% AMI (SAIL & 4% HC) 12 Units @ 80% AMI (SAIL & 4% HC) 5 Units @ 22% (NHTF)
Developer/Principal: Blue SWL2 Developer, LLC / Shawn Wilson	Demographic/Number of Units: Family/66
Requested Amounts: \$750,000 State Apartment Incentive Loan (SAIL) \$1,375,000 National Housing Trust Fund (NHTF) \$1,179,529 Housing Credits (4% HC)	Development Category/Type: New Construction/Mid-Rise (4 Stories)

1. **Background/Present Situation**

- a) On November 14, 2022, Florida Housing Finance Corporation issued a Request for Applications (RFA) 2022-205 for SAIL Financing Of Affordable Multifamily Housing Developments To Be Used In Conjunction With Tax-Exempt Bond Financing And Non-Competitive Housing Credits.
- b) On January 27, 2023, the Board approved the final scores and recommendations for the RFA and directed staff to proceed with all necessary credit underwriting activities.
- c) On July 21, 2023, the Board approved the Final Order resolving all pending litigation pertaining to the RFA, allowing staff to proceed with all necessary credit underwriting activities. Staff issued an invitation to enter credit underwriting to the Applicant on July 27, 2023. The acceptance was acknowledged on July 28, 2023, giving them a firm loan commitment issuance deadline of July 24, 2024.
- d) On October 12, 2023, staff received final credit underwriting report with a positive recommendation for funding ([Exhibit A](#)). Staff has reviewed this report and finds that the Development meets all requirements of the RFA.

2. **Recommendation**

- a) Approve the final credit underwriting report and direct staff to proceed with issuance of a firm commitment and closing activities.

MULTIFAMILY PROGRAMS

Consent

B. Request Approval of Credit Underwriting Report for Tranquility at Hope School Phase II (RFA 2021-206 / 2022-241H & RFA 2023-211 / 2023-247V)

Development Name: Tranquility at Hope School Phase II	Location: Jackson County
Applicant/Borrower: East Lake Florida 3, LLC	Set-Aside(s): 20% @ 50% AMI 80% @ 60% AMI 32 HOME Units
Developer/Principal: Timshel Hill Tide Developers, LLC / Eric Lipp; ELCD Development, LLC	Demographic/Number of Units: Family/32
Requested Amounts: \$5,500,000 Home Investment Partnerships Program (HOME) \$3,000,000 Viability Loan	Development Category/Type: New Construction/Garden Apartments

1. Background/Present Situation

- a) On December 15, 2021, Florida Housing Finance Corporation issued a Request for Applications (RFA) 2021-206 for HOME Financing for the Construction of Small, Rural Developments.
- b) On March 4, 2022, the Board approved the final scores and recommendations for the RFA and directed staff to proceed with all necessary credit underwriting activities. On March 9, 2022, staff issued an invitation to enter credit underwriting to the Applicant for HOME funds.
- c) On May 1, 2023, Florida Housing Finance Corporation issued RFA 2023-211 for Construction Inflation Response Viability Funding (Viability Loan) to assist competitive projects in the development pipeline experiencing cost increases related to market inflation. Viability Loan funding is intended to fill the funding gap experienced due to increased construction costs.
- d) On June 9, 2023, the Board approved the final scores and recommendations for RFA 2023-211 and directed staff to proceed with all necessary credit underwriting activities. Staff issued a notice of preliminary award to the Applicant on June 14, 2023. The acceptance was acknowledged on June 14, 2023.
- e) On October 12, 2023, staff received final credit underwriting report with a positive recommendation for funding ([Exhibit B](#)). Staff has reviewed this report and finds that the Development meets all requirements of the RFA's.

2. Recommendation

- a) Approve the final credit underwriting report and direct staff to proceed with issuance of a firm commitment and closing activities.

MULTIFAMILY PROGRAMS

Consent

C. Request Approval of Credit Underwriting Report for Lofts at Bahama Village (RFA 2022-208 / 2022-265CS / 2023-265CS & RFA 2023-211 / 2023-232V)

Development Name: Lofts at Bahama Village	Location: Monroe County
Applicant/Borrower: Bahama Village Community, Ltd.	Set-Asides: 10% @ 25% AMI (SAIL, ELI & 9% HC) 40% @ 60% AMI (SAIL & 9% HC) 50% above 60% AMI and up to 120% AMI (Workforce)
Developer/Principal: TVC Development, Inc./James R. Hoover	Demographic/Number of Residents: Workforce/98 units
Requested Amounts: \$5,520,000 State Apartment Incentive Loan (SAIL) \$4,300,000 Viability Loan \$1,800,000 Housing Credits (9% HC)	Development Category/Type: New Construction/Garden Apartments

1. Background/Present Situation:

- a) On March 7, 2022, Florida Housing Finance Corporation issued a Request for Applications (RFA) 2022-208 for SAIL and Housing Credit Financing for the Construction of Workforce Housing in Monroe County.
- b) On April 29, 2022, the Board approved the final scores and recommendations for the RFA and directed staff to proceed with all necessary credit underwriting activities.
- c) On May 2, 2022, staff issued an invitation to enter credit underwriting to the Applicant, which states that the firm loan commitment must be issued within 12 months of the acceptance to enter credit underwriting. The acceptance was acknowledged on May 3, 2022, giving them a firm loan commitment issuance deadline of May 3, 2023. Per the RFA, Applicants may request one (1) extension of up to 6 months to secure a firm loan commitment.
- d) On April 28, 2023, the Board approved a firm loan issuance commitment deadline extension from May 3, 2023, to November 3, 2023.
- e) On May 1, 2023, Florida Housing Finance Corporation issued RFA 2023-211 for Construction Inflation Response Viability Funding (Viability Loan) to assist competitive projects in the development pipeline experiencing cost increases related to market inflation. Viability Loan funding is intended to fill the funding gap experienced due to increased construction costs.
- f) On June 9, 2023, the Board approved the final scores and recommendations for RFA 2023-211 and directed staff to proceed with all necessary credit underwriting activities. Staff issued a notice of preliminary award to the Applicant on June 14, 2023. The acceptance was acknowledged on June 14, 2023.
- g) On October 11, 2023, staff received final credit underwriting report with a positive recommendation for funding ([Exhibit C](#)). Staff has reviewed this report and finds that the Development meets all requirements of the RFA's.

MULTIFAMILY PROGRAMS

Consent

2. **Recommendation:**

- a) Approve the final credit underwriting report and direct staff to proceed with issuance of a firm commitment and closing activities.

MULTIFAMILY PROGRAMS

Consent

D. Request Approval of the Credit Underwriting Report for 52 at Park (RFA 2023-211 / 2023-254V / 2021-556C)

Development Name: 52 at Park	Location: Orange County
Applicant/Borrower: Parkwood Plaza Apartments, Ltd.	Set-Asides: 100% @ 60% AMI (4% HC)
Developers/Principals: Parkwood Plaza Developer LLC/Russell Condas	Demographic/Number of Units: Family/300 units
Requested Amounts: \$4,300,000 Viability Loan \$4,518,159 Housing Credits (4% HC)	Development Category/Type: New Construction/Garden Apartments

1. **Background/Present Situation:**

- a) On January 31, 2022, the Applicant submitted a Non-Competitive Application package requesting tax-exempt MMRB in the amount of \$43,400,000 and Non-Competitive Housing Credits in the amount of \$3,757,113. Subsequently, a Rule Waiver was approved to allow the Applicant to withdraw from Florida Housing-Issued MMRB and to instead use local bonds.
- b) On April 20, 2022, staff issued an invitation to enter credit underwriting to the Applicant. The acceptance was acknowledged on April 20, 2022.
- c) On May 1, 2023, Florida Housing Finance Corporation issued a Request for Applications (RFA) 2023-211 for Construction Inflation Response Viability Funding (Viability Loan) to assist competitive projects in the development pipeline experiencing cost increases related to market inflation. Viability Loan funding is intended to fill the funding gap experienced due to increased construction costs.
- d) On June 9, 2023, the Board approved the final scores and recommendations for RFA 2023-211 and directed staff to proceed with all necessary credit underwriting activities. Staff issued a notice of preliminary award to the Applicant on June 14, 2023. The acceptance was acknowledged on June 14, 2023.
- e) On July 21, 2023, the Board approved a Petition for Waiver of Rule 67-21.003(11), F.A.C. (5/18/2021) to allow the Applicant to withdraw from Florida Housing-Issued Bonds and instead use Orange County Housing Finance Authority issued Bonds without also withdrawing from RFA 2023-211 and the 4% Non-Competitive Housing Credits, thereby preserving Florida Housing's limited Bond Allocation.
- f) On October 12, 2023, staff received final credit underwriting report with a positive recommendation for funding ([Exhibit D](#)). Staff has reviewed this report and finds that the Development meets all requirements of the RFA's.

2. **Recommendation:**

- a) Approve the final credit underwriting report and direct staff to proceed with issuance of a firm commitment and closing activities.

MULTIFAMILY PROGRAMS

Consent

E. Request Approval of Credit Underwriting Update Letter for Pembroke Tower II (RFA 2019-116 / 2020-382SN / 2019-548C & RFA 2023-211 / 2023-249V)

Development Name: Pembroke Tower II	Location: Broward County
Applicant/Borrower: SP Broward, LLC	Set-Asides: 14 Units @ 30% AMI (SAIL, ELI & 4% HC) 46 Units @ 60% AMI (SAIL & 4% HC) 14 Units @ 70% AMI (SAIL & 4% HC) 14 Units @ 80% AMI (SAIL & 4% HC) 4 Units @ 22% (NHTF)
Developers/Principals: Southport Development Inc./J. David Page	Demographic/Number of Units: Elderly/88 units
Requested Amounts: \$2,000,000 State Apartment Incentive Loan (SAIL) \$600,000 Extremely Low Income (ELI) \$1,041,200 National Housing Trust Fund (NHTF) \$4,300,000 Viability Loan \$2,113,829 Housing Credits (4% HC)	Development Category/Type: New Construction/Mid-Rise, 5-6 stories

1. Background/Present Situation:

- a) On November 6, 2019, Florida Housing issued a Request for Applications (RFA) 2019-116 for SAIL Financing of Affordable Multifamily Housing Developments to be Used in Conjunction with Tax-Exempt Bond Financing and Non-Competitive Housing Credits. On June 18, 2021, the Board approved the final credit underwriting report with a positive recommendation for funding and directed staff to proceed with closing activities. On December 23, 2021, the SAIL, ELI, NHTF and 4% HC funding closed.
- b) On May 1, 2023, Florida Housing Finance Corporation issued a Request for Applications (RFA) 2023-211 for Construction Inflation Response Viability Funding (Viability Loan) to assist competitive projects in the development pipeline experiencing cost increases related to market inflation. Viability Loan funding is intended to fill the funding gap experienced due to increased construction costs.
- c) On June 9, 2023, the Board approved the final scores and recommendations for RFA 2023-211 and directed staff to proceed with all necessary credit underwriting activities. Staff issued a notice of preliminary award to the Applicant on June 14, 2023. The acceptance was acknowledged on June 15, 2023.
- d) On October 12, 2023, staff received a credit underwriting update letter with a positive recommendation for Viability Loan funding and increase to existing first mortgage construction loan ([Exhibit E](#)). Staff has reviewed this report and finds that the Development meets all requirements of the RFA's.

MULTIFAMILY PROGRAMS

Consent

2. **Recommendation:**

- a) Approve the credit underwriting update letter and direct staff to proceed with issuance of an updated firm commitment and closing activities.

MULTIFAMILY PROGRAMS

Consent

F. Request Approval of CHIRP ITP Waiver for Loan Closing Deadline, and RFA Waiver for Applicant Entity Change and Developer Entity Change for The Village of Casa Familia (RFA 2019-107 / 2019-422CGN / 2021-325CGN / 2022-279CGN) and (RFA 2021-211 / 2022-230V / 2022 CHIRP ITP)

Development Name: The Village of Casa Familia	Location: Miami-Dade County
Applicant/Borrower: The Village of Casa Familia, Ltd.	Set-Asides: 15% @ 28% AMI (Grant & 9% HC) 71% @ 60% AMI (Grant & 9% HC) 10 Units @ 30% AMI (NHTF)
Developer/Principal: Casa Familia Developer, LLC /Howard D. Cohen	Demographic/Number of Units: Persons with Developmental Disabilities/59 units
Requested Amounts: \$4,000,000 Grant \$2,000,000 Viability Loan \$2,950,000 Construction Housing Inflation Response Program (CHIRP) National Housing Trust Fund (NHTF) \$1,500,000 Housing Credits (9% HC)	Development Category/Type: New Construction/Garden Apartments

1. Background/Present Situation

- a) On February 26, 2019, Florida Housing Finance Corporation issued a Request for Applications (RFA) 2019-107 for Financing for the Development of Housing for Persons with A Disabling Condition or Developmental Disabilities. On May 10, 2019, the Board approved the final scores and recommendations for the RFA and directed staff to proceed with all necessary credit underwriting activities. On May 20, 2019, staff issued an invitation to the Applicant to enter credit underwriting which states that the firm loan commitment must be issued within 12 months of the acceptance to enter credit underwriting.
- b) Subsequently Florida Housing executed a Carryover Allocation Agreement on December 26, 2019 giving the Applicant a credit underwriting deadline of September 30, 2020. On October 13, 2020 staff extended the HC 10% test which also extended the credit underwriting deadline to March 31, 2021. On March 29, 2021 staff extended the deadlines again which extended the credit underwriting deadline to September 30, 2021. At the June 18, 2021 Board meeting the Board approved a Rule waiver for a credit exchange for Village of Casa Familia. Florida Housing executed a 2021 Carryover Allocation Agreement on June 25, 2021 which reset the credit underwriting deadline to March 31, 2022. Subsequently staff granted an extension to the credit underwriting deadline to September 30, 2022.
- c) On October 12, 2021, Florida Housing Finance Corporation issued a Request for Application (RFA) for Development Viability Loan Funding (Viability Loan) to assist Applicants that have received a recent award since 2017 but have not yet started construction or rehabilitation of their proposed Development and are experiencing a financing gap for their Active Award. On December 10, 2021, the Board approved the final scores and recommendations for RFA 2021-211 and directed staff to proceed with all necessary credit underwriting activities. On December 15, 2021, a Notice of Preliminary Award was issued to the Applicant. The acceptance was acknowledged on December 16, 2021.

MULTIFAMILY PROGRAMS

Consent

- d) On May 9, 2022, Florida Housing issued the 2022 Construction Housing Inflation Response Program (CHIRP) Invitation to Participate (ITP). Staff received a CHIRP ITP Application from the Applicant on June 18, 2022 requesting NHTF funds. The CHIRP amount was sized and approved during the credit underwriting process.
- e) On December 9, 2022, the Board approved a second Petition for Variance from Florida Administrative Code Rule 67-48.002(96) and the 2018 QAP (the "Petition") to waive the timing requirements found in the 2018 QAP and allow a credit exchange to be approved before the fourth calendar quarter of 2023 which also extended the credit underwriting deadline to September 30, 2023. On January 27, 2023, the Board approved the final credit underwriting report with a positive recommendation for funding. On January 30, 2023, staff issued a firm commitment to the Applicant.
- f) On October 5, 2023, staff received a request from the Applicant to change the organizational structure of the Applicant and Developer ([Exhibit F](#)). Regarding the Applicant Entity change, The Village at Casa Familia, Ltd., Applicant entity will change from a co-GP structure to a single general partner. Casa Familia GP, LLC (0.01%) will replace Co-GP's, APC Casa Familia, LLC (0.0049%) and Casa Familia Housing GP, LLC (0.0051%). Both Members will be move to the second principal disclosure level. Per the RFA, the Applicant entity shall be the borrowing entity and cannot be changed in any way (materially or non-materially) until after loan closing. Therefore, the change to the Applicant entity requires an RFA Waiver. Regarding the Developer Entity change, Casa Familia Housing Developer, LLC will replace Casa Familia, Inc. as a member of the Developer and will be a wholly owned subsidiary of Casa Familia, Inc. Per the RFA, the Principals of each Developer identified in the Application, including all co-Developers, may be changed only by written request of an Applicant to Corporation staff and approval of the Board after the Applicant has been invited to enter credit underwriting. In addition, any allowable replacement of an experienced Principal of a Developer entity must meet the experience requirements that were met by the original Principal. The changes are a requirement of the equity investor, Truist Bank. Staff has reviewed these requests and finds that the Development meets all other requirements of the RFA.
- g) On September 29, 2023, staff received a request from the Borrower requesting a waiver of the CHIRP deadline to close on the loan and Limited Partnership Agreement from October 27, 2023 to December 15, 2023 ([Exhibit G](#)). After substantial delays caused by concerns raised by HUD, the Borrower received guidance from HUD that allows all parties to proceed towards a closing. Since the previous extension, the development team has been actively engaging with several funding parties to complete the underwriting process. They have recently secured additional State funding of \$3,050,000 that they are in process of finalizing with the Department of Commerce. Additionally, they are waiting on approval of their General Obligation Bond document from the Board of County Commission which is anticipated to be completed in September 2023. Moreover, additional time is needed to receive HUD approval on the project-based voucher subsidy layering review. Staff has reviewed this request and finds that the development meets all other applicable requirements of the RFA's and the CHIRP ITP.
- h) Per the CHIRP ITP, Applicants must close on the limited partnership agreement and, if applicable, Corporation funding and construction funding by the earlier of the existing closing deadlines for the Active Award (excluding Rule extension

MULTIFAMILY PROGRAMS

Consent

requests that require Board approval) or January 31, 2023. On August 5, 2022, the Board approved a Modification of the ITP, whereby the LPA closing deadline would be January 31, 2023; the "earlier of the existing closing deadline" would not be enforced. Additionally, the requirement for closing the loan by the "earlier of the existing closing deadline" will not be enforced, and the closing deadline requirement will be January 31, 2023 or March 10, 2023, as applicable. On January 27, 2023, the Board approved a Modification of the ITP, whereby the deadline for closing the LPA was extended to March 10, 2023. On March 10, 2023, the Board approved a Modification of the ITP, whereby the deadline for loan closing and the LPA was extended to April 28, 2023. On April 28, 2023, the Board approved waiving the CHIRP ITP loan closing deadline and the LPA closing deadline from April 28, 2023 to September 8, 2023. On September 8, 2023, the Board approved waiving the CHIRP ITP loan closing deadline and the LPA closing deadline from September 8, 2023 to October 27, 2023. Therefore, a waiver is required.

2. **Recommendation**

- a) Approve a waiver of the CHIRP ITP to waive the loan closing deadline from October 27, 2023 to December 15, 2023, and RFA waiver for Applicant Entity change and Developer Entity change.

MULTIFAMILY PROGRAMS

Consent

G. Request Approval of Applicant Entity Organizational Structure Changes for Pinnacle at La Cabana (RFA 2021-202/2022-131C/2023-264C / RFA2023-211/2023-233V)

Development Name: Pinnacle at La Cabana	Location: Broward County
Applicant/Borrower: Pinnacle at La Cabana, LLLP	Set-Asides: 10% @ 28% AMI 90% @ 60% AMI
Developer/Principal: Pinnacle Communities, LLC / David O. Deutch	Demographic/Number of Units: Elderly, Non-ALF/110
Requested Amounts: \$2,882,000 9% Housing Credits \$4,300,000 Viability Loan Funding	Development Category/Type: New Construction/Mid-Rise (5-6 Stories)

1. Background/Present Situation:

- a) Pinnacle at La Cabana, LLLP applied for and was awarded funding from Request for Applications (RFA) 2021-202 for Housing Credit Financing for Affordable Housing Developments Located in Broward, Duval, Hillsborough, Orange, Palm Beach, and Pinellas Counties. The funds are being utilized to finance the construction of a 110-unit Elderly, Non-ALF, development in Broward County. On January 28, 2022, staff issued an invitation to the Applicant to enter credit underwriting and subsequently executed a Carryover Allocation Agreement on July 21, 2022. The Applicant also applied for and was awarded funding from RFA 2023-211 for Construction Inflation Response Viability Funding. On June 14, 2023, a Notice of Preliminary Award was issued for viability loan funding and subsequently a new Carryover Allocation Agreement was executed on July 24, 2023.
- b) On April 28, 2023, the Board approved changes to the Applicant and Developer structures due to the unfortunate passing of one of the natural person principals.
- c) On September 8, 2023, the Board approved changes to the Applicant structure to allow the Development to be eligible to be exempt from ad-valorem taxes.
- d) On September 22, 2023, staff received a request to re-designate the current co-General Partner of the Applicant, PC-Cabana, LLC to a Class B Limited Partner. The letter and the current and proposed principal disclosures are attached as [Exhibit H](#).
- e) Regarding the Applicant structure changes, the RFA states that once the Carryover Allocation Agreement has been executed by all parties, (a) replacement of the Applicant or material change in the ownership structure of the named Applicant will require Board Approval prior to the change and (b) any non-material change in the ownership structure of the named Applicant will require Corporation approval prior to the change.
- f) First Housing Development Corporation reviewed the requested change and found that the change would not affect credit underwriting.
- g) Staff reviewed this request and finds the Development meets all other requirements of the RFA/Rule.

MULTIFAMILY PROGRAMS

Consent

2. **Recommendation:**
 - a) Approve the request to change the Applicant Structure as described above.

PREDEVELOPMENT LOAN PROGRAM (PLP)

Consent

VI. PREDEVELOPMENT LOAN PROGRAM (PLP)

A. Request Approval of PLP Loan for Caring and Sharing, Inc., a not-for-profit entity, for Charm Little Haiti (PLP 2023--004P-09).

DEVELOPMENT NAME (“Development”):	Charm Little Haiti
APPLICANT/DEVELOPER (“Developer”):	Caring and Sharing, Inc.
CO-DEVELOPER:	Yanis Development Group, LLC
NUMBER OF UNITS:	6 homeownership units
LOCATION (“County”):	Miami- Dade County
TYPE:	Family
MINIMUM SET ASIDE:	50% @ 80% AMI and 50% @ 120% AMI
PLP LOAN AMOUNT:	\$650,000
ADDITIONAL COMMENTS:	

1. Background:

- a) On March 24, 2023, staff received a PLP application for Charm Little Haiti with a loan request of \$650,000.
- b) On March 31, 2023, staff issued an Invitation to Participate in the PLP program to the Applicant.

2. Present Situation:

- a) On October 2, 2023, staff received a development plan and a letter ([Exhibit A](#)) from the assigned technical assistance provider recommending a PLP loan for \$650,000 to Caring and Sharing, Inc. Of this loan amount, \$284,000 is being requested for the site acquisition and will be subject to a review and positive recommendation from an assigned credit underwriter.
- b) Staff has reviewed the development plan and recommendation and believe that all budget items included in the loan request are PLP eligible.

3. Recommendation:

- a) Approve the PLP loan for Charm Little Haiti to Caring and Sharing, Inc. for \$650,000 and allow staff to commence with the loan closing process on the non-site acquisition costs and assign the site acquisition to a credit underwriter.

PREDEVELOPMENT LOAN PROGRAM (PLP)

Consent

B. Request Approval of PLP Loan for Affordably Lavish Foundation, Inc., a not-for-profit entity, for One Mission Lehigh Residences (PLP 2023--012P-09).

DEVELOPMENT NAME (“Development”):	One Mission Lehigh Residences
APPLICANT/DEVELOPER (“Developer”):	Affordably Lavish Foundation, Inc.
CO-DEVELOPER:	N/A
NUMBER OF UNITS:	7 homeownership units
LOCATION (“County”):	Lee
TYPE:	Family
MINIMUM SET ASIDE:	50% @ 80% AMI and 50% @ 120% AMI
PLP LOAN AMOUNT:	\$379,500
ADDITIONAL COMMENTS: N/A	

1. Background:

- a) On June 30, 2023, staff received a PLP application for One Mission Lehigh Residences with a loan request of \$379,500.
- b) On July 11, 2023, staff issued an Invitation to Participate in the PLP program to the Applicant.

2. Present Situation:

- a) On October 2, 2023, staff received a development plan and a letter ([Exhibit B](#)) from the assigned technical assistance provider recommending a PLP loan for \$379,500 to Affordably Lavish Foundation, Inc.
- b) Staff has reviewed the development plan and recommendation and believe that all budget items included in the loan request are PLP eligible.

3. Recommendation:

- a) Approve the PLP loan for One Mission Lehigh Residences to Affordably Lavish Foundation, Inc. for \$379,500 and allow staff to commence with the loan closing process.

PREDEVELOPMENT LOAN PROGRAM (PLP)

Consent

C. Request Approval of PLP Loan Increase for Hannibal Square CLT, Inc., a not-for-profit entity, for Cornerstone at Sixth (PLP 2018--005P-09).

DEVELOPMENT NAME (“Development”):	Cornerstone at Sixth
APPLICANT/DEVELOPER (“Developer”):	Hannibal Square CLT, Inc.
CO-DEVELOPER:	N/A
NUMBER OF UNITS:	24 Homeownership units
LOCATION (“County”):	Orange
TYPE:	Family
MINIMUM SET ASIDE:	50% @ 80% AMI and 50% @ 120% AMI
PLP LOAN AMOUNT:	\$614,000
ADDITIONAL COMMENTS: N/A	

1. Background:

- a) On November 2, 2018, the Board approved a PLP loan for Cornerstone at Sixth (originally known as 350 East Sixth) in the amount of \$614,000.
- b) On March 28, 2019, the Applicant closed on the PLP loan. Due to two Board approved extensions, the maturity date is March 28, 2024.

2. Present Situation:

- a) On October 2, 2023, staff received a revised development plan and a letter ([Exhibit C](#)) from the assigned technical assistance provider recommending an adjusted PLP loan for \$750,000 to Hannibal Square CLT, Inc.
- b) Staff has reviewed the development plan and recommendation and believe that all budget items included in the loan request are PLP eligible.

3. Recommendation:

- a) Approve the adjusted PLP loan for Cornerstone at Sixth to Hannibal Square CLT, Inc. to \$750,000 and allow staff to commence with the loan closing process.

PREDEVELOPMENT LOAN PROGRAM (PLP)

Consent

D. Request Approval of PLP Loan Maturity Extension for Saving Mercy Corporation, a not-for-profit entity, for Mercy Village (PLP 2018--001P-09).

DEVELOPMENT NAME (“Development”):	Mercy Village
APPLICANT/DEVELOPER (“Developer”):	Saving Mercy Corporation
CO-DEVELOPER:	N/A
NUMBER OF UNITS:	59 rental units
LOCATION (“County”):	Marion
TYPE:	Homeless
MINIMUM SET ASIDE:	20% @ 50% AMI
PLP LOAN AMOUNT:	\$500,000
ADDITIONAL COMMENTS: N/A	

1. Background:

- a) On July 27, 2018, the Board approved a PLP loan for Mercy Village in the amount of \$500,000.
- b) On November 20, 2019, the Applicant closed on the PLP loan. The original maturity date, November 20, 2022, was extended by the Board previously. The current maturity date is November 20, 2023.

2. Present Situation:

- a) On October 2, 2023, staff received a revised development plan and a letter ([Exhibit D](#)) from the assigned technical assistance provider recommending a second one-year extension to the maturity date.
- b) Staff has reviewed the development plan and recommendation and believe that all budget items included in the loan request are PLP eligible.

3. Recommendation:

- a) Approve the one-year maturity extension PLP loan for Mercy Village to Saving Mercy Corporation and allow staff to commence with the loan closing process.

SPECIAL ASSETS

Consent

VII. SPECIAL ASSETS

A. Request Approval of Transfer of Ownership and Assumption of the HOME loan for Teal Pointe Apartments (93HD-014/93I-097)

Development Name: Teal Pointe Apartments	Location: Miami-Dade County
Developer/Principal: Related ("Original Developer") JJR Apartments LLC (Current Borrower)	Set-Aside: HOME 50% @ 50%; 50% @ 80% HC 50% @ 50%; 50% @ 60% AMI LURA: 45 years EUA: 65 years
Number of Units: 45	Allocated Amount: HOME \$1,000,000 HC \$108,714
Demographics: Family	Servicer: First Housing Development Corporation

1. Background:

- a) During the 1993 funding cycle, Florida Housing awarded a \$1,000,000 HOME loan to Teal Pointe Associates, Ltd., a Florida limited company, (“Original Borrower”) for the development of a 45-unit apartment complex in Miami-Dade County, Florida. The HOME loan closed on December 21, 1993. The Development also received a Housing Credit allocation of \$108,714.
- b) In 2006, the Board approved a transfer of ownership when the development was sold by Teal Pointe Associates, Ltd. (The Related Group) to Teal Pointe Apartments, Inc. (The Jimenez Group) and the new owner assumed the HOME loan. The transaction also included the payoff of an existing first mortgage moving the HOME loan into first lien position. The acquisition of the Development was also supported by a second mortgage.
- c) On December 12, 2008, the Board approved renegotiation of the HOME loan to renew the principal at 1.5% interest for thirty years, with monthly amortization of principal and interest, and extension of the Land Use Restriction Agreement for an additional 30 years.
- d) In August of 2015, the Board approved a request for the transfer and sale of the development from Teal Pointe Apartments, Inc. to JJR Apartments LLC. The transfer was completed on September 8, 2015 with new Borrower assuming the HOME loan.

2. Present Situation:

- a) The Purchaser (151 SE 8th ST LLC), which is owned by Lewis Swezy, is requesting approval of the transfer of ownership from JJR Apartments, LLC, and the assumption of the HOME Loan Documents and ELIHA.
- b) Florida Housing received a positive recommendation from the credit underwriter First Housing ([Exhibit A](#)).

SPECIAL ASSETS

Consent

3. **Recommendation:**

- a) Staff recommends that the Board approve the transfer of ownership and assumption of the HOME loan documents and ELIHA, subject to the conditions provided in the credit underwriting report and direct staff to proceed with loan document modification activities, as needed.

SPECIAL ASSETS

Consent

B. Request Approval for Transfer of Restrictive Covenant for Inverness Community Land Trust (CLT05-04-1)

Development Name: Inverness Land Trust ("Development")	Location: Citrus County
Developer/Principal: Florida Low Income Housing Associates, Inc. Community Housing Partners Corporation (Borrower/Owner)	Set-Aside: 100% @ 65% LURA: 50
Number of Units: 10	Allocated Amount: \$1,549,000
Demographics: Homeownership	Servicer: Seltzer Management Group

1. Background:

- a) Community Housing Partners Corporation (CHP), and its affiliate Community Housing Partners Corporation of Florida, has ownership of Parcel 19E18S2712200 located at 2234 N Croft Rd in Inverness, FL This parcel was originally attached to Predevelopment Loan Program funding (PLP 05-069) with Florida Low Income Housing Associates and, as part of a 2011 restructuring of that loan, was placed into the C23-045 Inverness Community Land Trust (CLT05-04-1). In 2013, CHP acquired Florida Low Income Housing Associate's and paid the PLP loan balance in full, unaware that this parcel remained in the CLT restrictions. In 2022, Florida Housing approved the transfer of the Inverness Community Land Trust from CHP to Homes in Partnership (HIP). HIP is well positioned to steward the Inverness CLT and plans to develop that parcel for affordable housing but desires to do so outside of CLT05-04-1 restrictions.

2. Present Situation:

- a) CHP requests approval to remove Parcel 19E18S2712200 from the CLT05-04-1 Land Use Restriction Agreement and place it under a new separate LURA with the current PLP terms of 50% of constructed units restricted to 80% AMI and 50% of constructed units restricted to 120% AMI.

3. Recommendation:

- a) Staff recommends that the Board approve the transfer of the vacant land parcel from the CLT LURA to a separate FHFC LURA requiring affordable units with the current PLP terms of 50% of constructed units restricted to 80% AMI and 50% of constructed units restricted to 120% AMI, subject to further approvals by FHFC staff and counsel and direct staff to proceed with loan document modification activities, as needed.

Florida Housing Finance Corporation

Credit Underwriting Report

Holy Child

RFA 2022-206 (2023-168H)

HOME Financing to be Used in Certain Hurricane Ian Impacted Counties

Section A: Report Summary

Section B: HOME Loan Special and General Closing Conditions

Section C: Supporting Information and Schedules

Prepared by

First Housing Development Corporation of Florida

FINAL REPORT

October 11, 2023

Holy Child

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Section A
Report Summary

HOME CREDIT UNDERWRITING REPORT

Recommendation

First Housing Development Corporation of Florida (“First Housing”, “Servicer” or “FHDC”) recommends a \$6,994,000 HOME Loan be awarded to Holy Child (“Development”) for the construction and permanent financing of the Development.

DEVELOPMENT & SET-ASIDES

Development Name: Holy Child

RFA/Program Numbers: RFA 2022-206 / 2023-168H

Address: Chester Ave., SW of the intersection of Chester Ave. and E. Banana St.

City: Bowling Green Zip Code: 33834 County: Hardee County Size: Small

Development Category: New Construction Development Type: Single Family

Construction Type: Masonry

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

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

Hardee County

Bed Rooms	Bath Rooms	Units	Square Feet	AMI%	Low HOME Rents	High HOME Rents	Gross HC Rent	Utility Allow.	Net Restricted Rents	PBRA Contr Rents	Applicant Rents	Appraiser Rents	CU Rents	Annual Rental Income
3	2.0	1	1,320	50%	\$ 835			\$187	\$ 648		\$ 648	\$ 648	\$ 648	\$ 7,776
3	2.0	3	1,320	60%		\$ 1,052		\$187	\$ 865		\$ 865	\$ 865	\$ 865	\$ 31,140
4	2.0	4	1,485	50%	\$ 931			\$202	\$ 729		\$ 729	\$ 729	\$ 729	\$ 34,992
4	2.0	17	1,485	60%		\$ 1,154		\$202	\$ 952		\$ 952	\$ 952	\$ 952	\$ 194,208
		25	36,465											\$ 268,116

HOME Subsidy Limits for all Counties:

Four (4) Three-Bedroom units at \$259,284 = \$1,037,136
 Twenty-One (21) Four-Bedroom units at \$284,612 = \$5,976,852
 Total = \$7,013,988

The Applicant has not submitted a Tenant Selection Plan at this time and FHFC approval is a condition to closing.

HOME CREDIT UNDERWRITING REPORT

Buildings: Residential - 25 Non-Residential - 1
 Parking: Parking Spaces - 39 Accessible Spaces - 1

Set Asides:	Program	% of Units	# of Units	% AMI	Term (Years)
	HOME Assisted Units	20%	5	50%	50
	HOME Assisted Units	80%	20	60%	50

Absorption Rate 15 units per month for 1.7 months.

Occupancy Rate at Stabilization: Physical Occupancy 94.00% Economic Occupancy 92.00%
 Occupancy Comments N/A - New Construction

DDA: Yes QCT: No Multi-Phase Boost: N/A QAP Boost: No
 Site Acreage: 10.00 Density: 2.5000 Flood Zone Designation: X
 Zoning: R-1 (Single-Family Residential) Flood Insurance Required?: No

According to the Plan and Cost Analysis (“PCA”) performed by Moran Construction Consultants, LLC (“Moran”), there are 14 off-street parking spaces, including one accessible space, for the clubhouse. In addition, each unit will be provided with a driveway.

DEVELOPMENT TEAM	
Applicant/Borrower:	Holy Child Housing, Inc. % Ownership
Construction Completion	
Guarantor(s):	
CC Guarantor 1:	Holy Child Housing, Inc.
CC Guarantor 2:	NDA Developer, LLC ("NDA Developer")
CC Guarantor 3:	Eric C. Miller
CC Guarantor 4:	National Development of America, Inc. ("NDA Inc")
CC Guarantor 5:	Holy Child Developer, Inc. ("Holy Child Developer")
Operating Deficit	
Guarantor(s):	
OD Guarantor 1:	Holy Child Housing, Inc.
OD Guarantor 2:	NDA Developer
OD Guarantor 3:	Eric C. Miller
OD Guarantor 4:	NDA Inc
OD Guarantor 5:	Holy Child Developer
Developer:	NDA Developer
Co-Developer:	Holy Child Developer
General Contractor 1:	Marmer Construction, Inc. ("Marmer")
Management Company:	NDC Asset Management, LLC ("NDC")
Architect:	PDS Architecture, Inc.
Market Study Provider:	Novogradac & Company LLP ("Novogradac")
Appraiser:	Novogradac

HOME CREDIT UNDERWRITING REPORT

PERMANENT FINANCING INFORMATION		
	1st Source	2nd Source
Lien Position	First	Second
Lender/Grantor	Centennial Bank ("Centennial")	FHFC - HOME
Amount	\$1,000,000	\$6,994,000
Underwritten Interest Rate	7.14%	0.00%
All In Interest Rate	7.14%	0.00%
Loan Term	7.92	20
Amortization	35	0
Market Rate/Market Financing LTV	21%	167%
Restricted Market Financing LTV	38%	307%
Loan to Cost - Cumulative	11%	91%
Debt Service Coverage	1.19	1.00
Operating Deficit & Debt Service Reserves	\$87,863	
# of Months covered by the Reserves	4.2	

The Debt Service Coverage (“DSC”) ratio for the first mortgage and HOME Loan reflects a ratio lower than 1.10 to 1.00. Per rule 67-48, the minimum DSC ratio shall be 1.10x for the HOME Loan, including all superior mortgages. However, per Rule 67-48, if the applicant defers 35% of its Developer Fee following the last disbursement of all permanent sources of funding identified in the final credit underwriting report and when the primary expected source of repayment has been identified as projected cash flow, the minimum DSC shall be 1.00x for the HOME Loan, including all superior mortgages. The Applicant will be required to defer at least 35% of its Developer Fee as the HOME Loan DSC is 1.00x.

HOME CREDIT UNDERWRITING REPORT

Deferred Developer Fee	\$787,885
As-Is Land Value	\$230,000
Market Rent/Market Financing Stabilized Value	\$4,800,000
Rent Restricted Market Financing Stabilized Value	\$2,600,000
Projected Net Operating Income (NOI) - Year 1	\$92,830
Projected Net Operating Income (NOI) - 15 Year	\$97,661
Year 15 Pro Forma Income Escalation Rate	2.00%
Year 15 Pro Forma Expense Escalation Rate	3.00%

CONSTRUCTION/PERMANENT SOURCES:				
Source	Lender	Construction	Permanent	Perm Loan/Unit
Regulated Mortgage Lender	Centennial	\$1,000,000	\$1,000,000	\$40,000
FHFC - HOME	FHFC - HOME	\$6,994,000	\$6,994,000	\$279,760
Deferred Developer Fee	NDA Developer/Holy Child Developer	\$787,885	\$787,885	\$31,515
TOTAL		\$8,781,885	\$8,781,885	\$351,275

Credit Underwriter: First Housing

Date of Final CUR: _____

TDC PU Limitation at Application: \$377,500 TDC PU Limitation at Credit Underwriting: \$392,200

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

HOME CREDIT UNDERWRITING REPORT

Changes from the Application:

COMPARISON CRITERIA	YES	NO
Does the level of experience of the current team equal or exceed that of the team described in the Application?	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?	N/A	
HOME ONLY: If points were given for match funds, is the match percentage the same as or greater than that indicated in the Application?	N/A	
HC ONLY: Is the rate of syndication the same as or greater than that shown in the Application?	N/A	
Is the Development in all other material respects the same as presented in the Application?		5.

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

1. Since the Application, the Applicant submitted a request on September 20, 2023 to change from a For-Profit to a Non-Profit. FHFC staff approved the change on September 27, 2023. There was no change to the name or organizational structure. Please refer to Other Considerations for additional information.

HOME CREDIT UNDERWRITING REPORT

2. At Application, it was anticipated that Centennial would provide a construction to permanent loan in the amount of \$950,000. Centennial is now providing a construction to permanent loan in an amount not to exceed \$1,200,000.
3. Since the Application, the Applicant submitted a request on September 18, 2023 to change their resident programs from After School Program for Children and Adult Literacy to Employment Assistance Program and Homeownership Opportunity Program. FHFC staff approval of these changes to their resident programs is a condition to closing.
4. The Total Development Costs (“TDC”) increased by \$522,260 from \$8,259,625 to \$8,781,885 or 6.32% since the Application. This increase is due primarily to an increase in construction costs.
5. The Applicant has indicated that they intend to submit a request to change their legal description from Application. At this time, a request has not been sent to FHFC. Receipt of request letter and FHFC staff approval of the change to their legal description is a condition to closing.

The above changes have no substantial material impact to the HOME recommendation for this Development.

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

According to the FHFC Asset Management Noncompliance Report, dated May 24, 2023, the Development Team has the following noncompliance item(s) not in the correction period:

- Casa San Juan Bosco – 1) Failure to meet Uniform Physical Condition Standards (“UPCS”) for buildings. 2) Failure to meet UPCS for Site.
- Casa San Juan Bosco II - 1) Failure to meet UPCS for buildings. 2) Failure to meet UPCS for Site.

According to the FHFC Past Due Report, dated September 18, 2023, the Development Team has the following items listed on the Past Due report.

- St. Peter Claver Place – Past due semi-annual Funding Lender Fee of \$27,650.

Closing of the loan is conditioned upon verification that any outstanding past due, and/or noncompliance items noted at the time closing, have been satisfied.

HOME CREDIT UNDERWRITING REPORT

Strengths:

1. The Principals, Co-Developers, General Contractor, and the Management Company are experienced in affordable multifamily housing.
2. The Principals have sufficient experience and substantial financial resources to construct and operate the proposed Development.

Other Considerations:

1. Per the RFA, if the Applicant applies as a Non-Profit entity and meets the requirements to be considered a Non-Profit for purposes of this RFA, it must remain a Non-Profit entity and the Non-Profit entity must (i) receive at least 25 percent of the Developer's fee; and (ii) contractually ensure that it substantially and materially participates in the management and operation of the Development throughout the Compliance Period. The Co-Developer entity that is receiving at least 25% of the Developer fee is Holy Child Developer, and not the Applicant. FHFC approval of Holy Child Developer as the Co-Developer to receive 25% of the Developer Fee, rather than the Applicant, is a condition to closing.

Mitigating Factors:

1. Holy Child Developer is also a Not-for-Profit Corporation and has the same board as the Applicant.

RFA/Waivers Request:

1. None

Additional Information:

1. Based on the TDC per unit limitations in effect as of the 4/1/22 FHFC Telephonic Board meeting, Florida Housing has set the TDC for RFA 2022-206, exclusive of land costs and Operating Deficit Reserves ("ODR"), to no more than \$392,200 per unit for a new Enhanced Structural Systems Construction ("ESSC"), garden-style development, located in Hardee County. The Development TDC per unit before land and ODR reserves is \$339,761 .
2. The Applicant is required to provide evidence demonstrating that the Development is consistent with the applicable Consolidated Plan. Receipt of this certification is a condition to closing.

HOME CREDIT UNDERWRITING REPORT

3. The Applicant is required to provide a certification executed by the contractor for compliance with debarment and suspension regulations. Receipt of this certification is a condition to closing.
4. The Applicant is required to comply with the HUD environmental requirements as provided in 24 CFR Part 92 and 24 CFR Part 58. Receipt of the environmental review confirming compliance is a condition to closing.
5. First Housing reviewed a Term Sheet from Centennial, dated July 25, 2023, which includes an interest rate adjustment every five years.
6. First Housing reviewed a Schedule of Real Estate Owned, for the Diocese of Venice, including 17 properties, for a total valuation of \$27,432,440.
7. First Housing reviewed a Market study, dated August 21, 2023, which indicated a Capture Rate of 3.5% for all units. The Capture Rate for the Low HOME units is 0.9%, but the Capture Rate for the High HOME units is 24.6%.

HOME CREDIT UNDERWRITING REPORT

Recommendation:

First Housing recommends HOME Funds in the amount of \$6,994,000 be awarded to the Development for its new construction and permanent financing.

These recommendations are based upon the assumptions detailed in the Report Summary (Section A) and Supporting Information and Schedules (Section C). In addition, these recommendations are subject to the HOME Loan Special and General Closing Conditions (Section B). **This recommendation is only valid for six months from the date of the report.**

The reader is cautioned to refer to these sections for complete information.

Prepared by:

Thomas Wright

Thomas Wright
Credit Underwriter

Reviewed by:

Ed Busansky

Ed Busansky
Senior Vice President

HOME CREDIT UNDERWRITING REPORT

Overview

Construction Financing Sources:

Construction Sources	Lender	Application	Revised Applicant	Underwriter	Construction Interest Rate	Annual Construction Debt Service
Regulated Mortgage Lender	Centennial	\$950,000	\$1,200,000	\$1,000,000	7.14%	\$71,400
FHFC - HOME	FHFC - HOME	\$6,994,000	\$6,999,000	\$6,994,000	0.00%	\$0
Deferred Developer Fee	NDA Developer/Holy Child Developer	\$1,070,000	\$667,668	\$787,885	N/A	N/A
Total		\$9,014,000	\$8,866,668	\$8,781,885		\$71,400

First Mortgage:

First Housing reviewed a Term Sheet from Centennial, dated July 25, 2023, to provide a first mortgage construction to permanent financing, in an amount not to exceed \$1,200,000. The loan will be interest only for the first 24 months. The interest rate will be fixed at the 5-year U.S. Treasury Rate (“5-year Treasury”), adjusted every five years, plus a spread of 2.75%, with a floor of 5.5%. First Housing used the 5-year Treasury of 4.39% (as of September 8, 2023), plus the spread of 2.75%, for an all-in rate of 7.14%. First Housing has reduced the first mortgage in order to maintain a 1.00x DSC on the HOME Loan.

Florida Housing HOME Loan:

First Housing reviewed an invitation to enter credit underwriting, dated June 12, 2023 from FHFC with a preliminary HOME Loan in the amount of \$6,994,000.

The HOME Loan is non-amortizing with an interest rate of 0% per annum over the life of the loan for a total term of 20 years, of which 2 years is for the construction/stabilization period and 18 years is for the permanent period. The principal will be due at maturity. Annual payments of all applicable fees will be required.

Deferred Developer Fee:

To balance the sources and uses of funds during construction, the Developer is required to defer \$787,885 or approximately 67.25% of the total Developer Fee of \$1,171,589.

HOME CREDIT UNDERWRITING REPORT

Permanent Financing Sources:

Permanent Sources	Lender	Application	Revised Applicant	Underwriter	Term Yrs.	Amort. Yrs.	Interest Rate	Annual Debt Service
Regulated Mortgage Lender	Centennial	\$950,000	\$1,200,000	\$1,000,000	7.92	35	7.14%	\$77,844
FHFC - HOME	FHFC - HOME	\$6,994,000	\$6,999,000	\$6,994,000	20	0	0.00%	\$0
Deferred Developer Fee	NDA Developer/Holy Child Developer	\$1,070,000	\$667,668	\$787,885	N/A	N/A	N/A	N/A
Total		\$9,014,000	\$8,866,668	\$8,781,885				\$77,844

First Mortgage:

First Housing reviewed a Term Sheet from Centennial, dated July 25, 2023, to provide a first mortgage construction to permanent financing in an amount not to exceed \$1,200,000. The interest rate during construction and permanent period will be fixed at the 5-year U.S. Treasury Rate (“5-year Treasury”), plus a spread of 2.75%, adjusted every five years, with a floor of 5.5%. The permanent loan term will be 95 months, or approximately 7 years and 11 months (7.92 years). First Housing used the 5-year Treasury of 4.39% (as of September 8, 2023), plus the spread of 2.75%, for an all-in rate of 7.14%. First Housing has reduced the first mortgage in order to maintain a 1.00x DSC on the HOME Loan.

FHFC HOME Loan:

First Housing reviewed an invitation to enter credit underwriting, dated June 12, 2023 from FHFC with a preliminary HOME Loan in the amount of \$6,994,000.

The HOME Loan is non-amortizing with an interest rate of 0% per annum over the life of the loan for a total term of 20 years, of which 2 years is for the construction/stabilization period and 18 years is for the permanent period. The principal will be due at maturity. Annual payments of all applicable fees will be required.

The HOME Loan will have an annual compliance monitoring fee comprised of a base fee of \$183 per month plus an additional fee per set-aside unit of \$11.24 per year, subject to a minimum of \$286 per month, and subject to a maximum annual increase of 3% of the prior year’s fee. Additionally, an annual permanent loan servicing fee, based on 25 basis points of the outstanding loan amount, with a minimum monthly fee of \$236 and a maximum monthly fee of \$936 will apply.

Deferred Developer Fee:

To balance the sources and uses of funds during the permanent period, the Developer is required to defer \$787,885 or approximately 67.25% of the total Developer Fee of \$1,171,589.

HOME CREDIT UNDERWRITING REPORT

Uses of Funds

CONSTRUCTION COSTS:	Applicant Costs	Revised Applicant Costs	Underwriters Total Costs - CUR	Cost Per Unit	HOME Ineligible Costs - CUR
New Rental Units	\$5,180,000	\$5,060,500	\$5,060,500	\$202,420	\$176,942
Site Work	\$0	\$276,300	\$276,300	\$11,052	\$0
Constr. Contr. Costs subject to GC Fee	\$5,180,000	\$5,336,800	\$5,336,800	\$213,472	\$176,942
General Conditions	\$0	\$320,208	\$320,208	\$12,808	\$0
Overhead	\$0	\$106,736	\$106,736	\$4,269	\$0
Profit	\$725,000	\$320,208	\$320,208	\$12,808	\$0
General Liability Insurance	\$0	\$24,015	\$24,015	\$961	\$0
Payment and Performance Bonds	\$0	\$61,079	\$61,079	\$2,443	\$0
Total Construction Contract/Costs	\$5,905,000	\$6,169,046	\$6,169,046	\$246,762	\$176,942
Hard Cost Contingency	\$295,250	\$308,453	\$308,452	\$12,338	\$308,452
FF&E paid outside Constr. Contr.	\$0	\$25,000	\$25,000	\$1,000	\$25,000
Total Construction Costs:	\$6,200,250	\$6,502,499	\$6,502,498	\$260,100	\$510,395

Notes to the Construction Costs:

1. The Applicant has provided an executed construction contract, dated August 14, 2023, in the amount of \$6,169,046. This is a Guaranteed Maximum Price (“GMP”) Agreement between Holy Child Housing, Inc. (“Owner”) and Marmer Construction, Inc. The contract specifies substantial completion not later than 425 days from the date of commencement of the work. A minimum of 10% retainage holdback on all construction draws until the Development is 50% complete, and 0% retainage thereafter is required (if approved by Lender shall be reduced to 0%). No retainage is to be held on premiums paid for insurance or payment and performance bonds. The contract provides for compliance with the Federal Labor Standards and Wage Determination requirements pursuant to the Davis-Bacon Act and the Section 3 Clause requirements of the Housing and Urban Development Act of 1968.
2. The GC Fees are within the maximum 14% of hard costs allowed by the RFA and Rule Chapter 67-48, excluding Payment and Performance Bonds (“P&P Bond”) and GC Insurance, as this is typically outside of the contract.
3. The GC has budgeted for a P&P Bond to secure the construction contract.
4. First Housing has estimated ineligible New Rental Units costs of \$176,942 for the construction of the clubhouse building, based on Developer estimates.

HOME CREDIT UNDERWRITING REPORT

5. The GC Contract includes the following allowances, which account for 1.67% of the GMP. Moran believes that the allowances are reasonable for this Development.

Entrance Signage	\$10,000
Building Signage	\$2,000
Mailboxes	\$5,000
Landscape & Irrigation	\$115,000
Site Electric & Conduits	\$15,000
Total	\$147,000

6. The Hard Cost Contingency has been calculated at 5% of total construction contract, per the RFA and Rule Chapter 67-48.

GENERAL DEVELOPMENT COSTS:	Applicant Costs	Revised Applicant Costs	Underwriters Total Costs - CUR	Cost Per Unit	HOME Ineligible Costs - CUR
Accounting Fees	\$15,000	\$15,000	\$15,000	\$600	\$0
Appraisal	\$10,000	\$10,000	\$4,750	\$190	\$0
Architect's Fee - Site/Building Design	\$52,000	\$39,000	\$39,000	\$1,560	\$0
Architect's Fee - Supervision	\$26,000	\$19,500	\$19,500	\$780	\$0
Building Permits	\$65,000	\$65,000	\$65,000	\$2,600	\$0
Builder's Risk Insurance	\$25,000	\$25,000	\$25,000	\$1,000	\$0
Engineering Fees	\$90,000	\$90,000	\$90,000	\$3,600	\$0
Environmental Report	\$15,000	\$15,000	\$15,000	\$600	\$15,000
FHFC Administrative Fees	\$5,000	\$5,000	\$0	\$0	\$0
FHFC Application Fee	\$3,000	\$3,000	\$3,000	\$120	\$3,000
FHFC Credit Underwriting Fee	\$15,000	\$15,000	\$15,360	\$614	\$15,360
FHFC Compliance Fee	\$30,000	\$30,000	\$0	\$0	\$0
Impact Fee	\$0	\$130,000	\$130,000	\$5,200	\$0
Lender Inspection Fees / Const Admin	\$25,000	\$25,000	\$25,000	\$1,000	\$0
Green Building Cert. (LEED, FGBC, NAHB)	\$25,000	\$25,000	\$25,000	\$1,000	\$0
Insurance	\$26,000	\$26,000	\$26,000	\$1,040	\$0
Legal Fees - Organizational Costs	\$75,000	\$75,000	\$75,000	\$3,000	\$0
Market Study	\$10,000	\$10,000	\$4,750	\$190	\$0
Marketing and Advertising	\$5,000	\$5,000	\$5,000	\$200	\$5,000
Plan and Cost Review Analysis	\$0	\$0	\$5,850	\$234	\$0
Soil Test	\$10,000	\$10,000	\$10,000	\$400	\$0
Survey	\$20,000	\$20,000	\$20,000	\$800	\$0
Title Insurance and Recording Fees	\$50,000	\$50,000	\$50,000	\$2,000	\$0
Utility Connection Fees	\$26,000	\$26,000	\$26,000	\$1,040	\$0
Soft Cost Contingency	\$31,000	\$15,000	\$34,710	\$1,388	\$34,710
Total General Development Costs:	\$654,000	\$748,500	\$728,920	\$29,157	\$73,070

Notes to the General Development Costs:

1. General Development Costs are the Applicant's updated estimates, which appear reasonable.

HOME CREDIT UNDERWRITING REPORT

2. The Credit Underwriter has utilized actual costs for: Appraisal, Market Study, Plan and Cost Analysis (“PCA”), and the appropriate FHFC fees.
3. FHFC compliance fees are not included in the above chart as they are paid annually by the Applicant.
4. A NGBS Professional Services Proposal from Community Development Reimagined, LLC, dated June 27, 2023, was received for NGBS certification.
5. The Soft Cost Contingency line item has been revised to equal 5% of the General Development Costs, less the contingency, which is the maximum allowed for new construction developments per the RFA and Rule Chapter 67-48.

FINANCIAL COSTS:	Applicant Costs	Revised Applicant Costs	Underwriters Total Costs - CUR	Cost Per Unit	HOME Ineligible Costs - CUR
Construction Loan Origination Fee	\$11,875	\$18,000	\$12,500	\$500	\$0
Construction Loan Interest	\$114,000	\$117,000	\$66,640	\$2,666	\$0
Permanent Loan Application Fee	\$0	\$11,875	\$11,875	\$475	\$0
Permanent Loan Origination Fee	\$9,500	\$0	\$0	\$0	\$0
Total Financial Costs:	\$135,375	\$146,875	\$91,015	\$3,641	\$0
Dev. Costs before Acq., Dev. Fee & Reserves	\$6,989,625	\$7,397,874	\$7,322,433	\$292,897	\$583,465

Notes to the Financial Costs:

1. The Construction Loan Interest of \$66,640 is based on an interest rate of 7.14%, a 20-month term, including 14 months for substantial completion, six months for absorption, and an average outstanding loan balance of 56%.
2. The Construction Loan Origination Fee is based on the Term Sheet from Centennial, dated July 25, 2023, at 1.25% of the construction loan amount of \$1,000,000.
3. The Permanent Loan Application Fee is based on Applicant projections.

NON-LAND ACQUISITION COSTS	Applicant Costs	Revised Applicant Costs	Underwriters Total Costs - CUR	Cost Per Unit	HOME Ineligible Costs - CUR
Total Non-Land Acquisition Costs:	\$0	\$0	\$0	\$0	\$0

Notes to the Non-Land Acquisition Costs:

1. As this is new construction, there are no non-land acquisition costs.

HOME CREDIT UNDERWRITING REPORT

DEVELOPER FEE ON NON-ACQUISITION COSTS	Applicant Costs	Revised Applicant Costs	Underwriters Total Costs - CUR	Cost Per Unit	HOME Ineligible Costs - CUR
Developer Fee - Unapportioned	\$1,070,000	\$1,183,283	\$1,171,589	\$46,864	\$0
Total Other Development Costs:	\$1,070,000	\$1,183,283	\$1,171,589	\$46,864	\$0

Notes to the Developer Fee on Non-Acquisition Costs:

- The Developer Fee is 16% of the Total Development Cost before Developer Fee, Land and Operating Deficit Reserves, which is allowed by the RFA and Rule Chapter 67-48.

LAND ACQUISITION COSTS	Applicant Costs	Revised Applicant Costs	Underwriters Total Costs - CUR	Cost Per Unit	HOME Ineligible Costs - CUR
Land	\$200,000	\$200,000	\$200,000	\$8,000	\$0
Total Acquisition Costs:	\$200,000	\$200,000	\$200,000	\$8,000	\$0

Notes to Acquisition Costs:

- First Housing reviewed a Contract for Sale of Real Estate, dated December 19, 2022, between Frank J. Dewane, as Bishop of the Diocese of Venice (“Seller”) and Holy Child Housing, Inc. (“Buyer”). The purchase price is \$200,000 with a closing date of July 31, 2025, and a six-month extension option.
- First Housing reviewed an Appraisal, dated August 21, 2023, prepared by Novogradac which indicates the as is value of the underlying land in the fee simple interest, as of July 10, 2023 is \$230,000, which supports the purchase price.

RESERVE ACCOUNTS	Applicant Costs	Revised Applicant Costs	Underwriters Total Costs - CUR	Cost Per Unit	HOME Ineligible Costs - CUR
Operating Deficit Reserve (Lender)	\$0	\$87,863	\$87,863	\$3,515	\$0
Total Reserve Accounts:	\$0	\$87,863	\$87,863	\$3,515	\$0

Notes to Reserve Accounts:

- Based on the Term Sheet from Centennial Bank, dated July 25, 2023, an ODR will be required, equal to six months of total operating costs with principal and interest payments. First Housing has estimated an ODR of \$87,863 in accordance with Developer projections.

HOME CREDIT UNDERWRITING REPORT

TOTAL DEVELOPMENT COSTS	Applicant Costs	Revised Applicant Costs	Underwriters Total Costs - CUR	Cost Per Unit	HOME Ineligible Costs - CUR
TOTAL DEVELOPMENT COSTS:	\$8,259,625	\$8,869,020	\$8,781,885	\$351,275	\$583,465

Notes to Total Development Costs:

1. The Total Development Costs increased by \$522,260 from \$8,259,625 to \$8,781,885 or 6.32% since the Application. This increase is due primarily to an increase in construction costs.

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Operating Pro Forma – Holy Child

FINANCIAL COSTS:		Year 1	Year 1 Per Unit
OPERATING PRO FORMA			
INCOME:	Gross Potential Rental Income	\$268,116	\$10,725
	Other Income		
	Ancillary Income	\$3,750	\$150
	Gross Potential Income	\$271,866	\$10,875
	Less:		
	Physical Vac. Loss Percentage: 6.00%	\$16,312	\$652
Collection Loss Percentage: 2.00%	\$5,437	\$217	
Total Effective Gross Income	\$250,117	\$10,005	
EXPENSES:	Fixed:		
	Real Estate Taxes	\$0	\$0
	Insurance	\$42,500	\$1,700
	Variable:		
	Management Fee Percentage: 6.00%	\$15,007	\$600
	General and Administrative	\$13,125	\$525
	Payroll Expenses	\$37,180	\$1,487
	Utilities	\$5,000	\$200
	Marketing and Advertising	\$625	\$25
	Maintenance and Repairs/Pest Control	\$22,100	\$884
	Grounds Maintenance and Landscaping	\$13,000	\$520
	Contract Services	\$1,250	\$50
	Reserve for Replacements	\$7,500	\$300
	Total Expenses	\$157,287	\$6,291
Net Operating Income	\$92,830	\$3,713	
Debt Service Payments			
First Mortgage - Centennial	\$77,844	\$3,114	
Second Mortgage - FHFC	\$0	\$0	
First Mortgage Fees - Centennial	\$0	\$0	
Second Mortgage Fees - FHFC	\$14,664	\$587	
Total Debt Service Payments	\$92,508	\$3,700	
Cash Flow after Debt Service	\$322	\$13	
Debt Service Coverage Ratios			
DSC - First Mortgage plus Fees	1.19x		
DSC - Second Mortgage plus Fees	1.00x		
DSC - All Mortgages and Fees	1.00x		
Financial Ratios			
Operating Expense Ratio	62.89%		
Break-even Economic Occupancy Ratio (all debt)	92.36%		

Notes to the Operating Pro Forma and Ratios:

1. This Development will be utilizing HOME funds that will impose rent restrictions. The Applicant committed to set aside 20% of the HOME-Assisted Units (5 units) at or below 50% Area Median Income (“AMI”) and 80% of the HOME-Assisted Units (20 units) at or below 60% AMI. The 50% Low HOME and 60% High HOME rents are based on the 2023 rents published on Florida Housing’s website for Hardee County less utility allowances. Below is the rent roll for the Development:

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Hardee County

Bed Rooms	Bath Rooms	Units	Square Feet	AMI%	Low HOME Rents	High HOME Rents	Gross HC Rent	Utility Allow.	Net Restricted Rents	PBRA Contr Rents	Applicant Rents	Appraiser Rents	CU Rents	Annual Rental Income
3	2.0	1	1,320	50%	\$ 835			\$187	\$ 648		\$ 648	\$ 648	\$ 648	\$ 7,776
3	2.0	3	1,320	60%		\$ 1,052		\$187	\$ 865		\$ 865	\$ 865	\$ 865	\$ 31,140
4	2.0	4	1,485	50%	\$ 931			\$202	\$ 729		\$ 729	\$ 729	\$ 729	\$ 34,992
4	2.0	17	1,485	60%		\$ 1,154		\$202	\$ 952		\$ 952	\$ 952	\$ 952	\$ 194,208
		25	36,465											\$ 268,116

2. The utility allowances are based on an estimate from Matern Professional Engineering, Inc., dated July 25, 2023. The Utility Allowance Study was approved by FHFC on August 23, 2023, for credit underwriting purposes only.
3. The Appraisal uses a vacancy and collection loss rate of 5%. First Housing has used a vacancy and collection loss rate of 8% to be more conservative.
4. Ancillary Income is comprised of revenue from late rent fees, damages and cleaning fees.
5. Based upon operating data from comparable properties, third-party reports (Appraisal and Market Study) and the Credit Underwriter's independent due diligence, First Housing represents that, in its professional opinion, estimates for Rental Income, Vacancy, Other Income, and Operating Expenses fall within a band of reasonableness.
6. The Applicant is a Florida Non-Profit Corporation; therefore First Housing estimated no Real Estate Taxes.
7. The Applicant has submitted a draft management agreement which reflects a monthly management fee of 6% of total gross monthly collections received during the month. First Housing has included a management fee of 6%.
8. The landlord will be responsible for common area utility expenses and trash removal. The residents will be responsible for water/sewer and electricity expenses. The Appraisal estimated utilities at \$200 per unit.
9. Replacement Reserves are \$300 per unit per year, as required by Rule Chapter 67-48.
10. Refer to Exhibit 1, Page 1 for a 15-Year Pro Forma, which reflects rental income increasing at an annual rate of 2%, and expenses increasing at an annual rate of 3%.
11. The Debt Service Coverage ("DSC") ratio for the first mortgage and HOME Loan reflects a ratio lower than 1.10 to 1.00. Per Rule 67-48, the minimum DSC ratio shall

HOME CREDIT UNDERWRITING REPORT

be 1.10x for the HOME Loan, including all superior mortgages. However, per Rule 67-48, if the applicant defers 35% of its Developer Fee following the last disbursement of all permanent sources of funding identified in the final credit underwriting report and when the primary expected source of repayment has been identified as projected cash flow, the minimum DSC shall be 1.00x for the HOME Loan, including all superior mortgages. The Applicant will be required to defer at least 35% of its Developer Fee as the HOME Loan DSC is 1.00x.

Section B

HOME Loan Special and General Closing Conditions

Special Conditions

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

1. The permanent loan amount approved at closing cannot be increased without approval from FHFC.
2. Receipt and satisfactory review of executed Management Agreement and Management Plan.
3. Receipt and satisfactory review of updated financial statements for Guarantors dated within 90 days of closing.
4. Receipt of a certification evidencing that the Development is consistent with the applicable Consolidated Plan.
5. Receipt of a certification executed by the contractor for compliance with debarment and suspension regulations.
6. 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).
7. Receipt and satisfactory review of the Final signed, sealed “approved for construction” plans and specifications by the Construction Consultant and the Servicer.
8. Firm loan commitment from Centennial which indicates first mortgage loan terms that are consistent with this report.
9. Receipt and Satisfactory review of a Reliance Letter for the Phase I report prepared by Universal Engineering Sciences (“UES”), dated June 7, 2023
10. Receipt of an executed Development Services Agreement which provides for a minimum of 25% of the Developer Fee to Holy Child Developer, Inc. and FHFC staff approval of Holy Child Developer Inc. as the Co-Developer to receive 25% of the Developer Fee, rather than the Applicant.
11. Approval of Tenant Selection Plan by FHFC staff.

HOME CREDIT UNDERWRITING REPORT

12. Receipt and satisfactory review of verification letter by a Geotechnical Engineer, confirming all recommendations contained in the Report of Geotechnical Exploration, dated June 30, 2023, prepared by Universal Engineering Sciences (“UES”), are followed.
13. Receipt and satisfactory review of Soils Test providing foundation recommendations for the Development.
14. Executed Florida Housing Fair Housing, Section 504 and ADA Design Certification Forms 121, 126 and 128.
15. Required number of Fully Accessible Units and Audio/Visual Impaired Units must be met.
16. FHFC staff approval of the change to the Applicant’s resident programs.
17. Receipt of request letter from the Applicant and FHFC staff approval of the change to the Applicant’s legal description.
18. Receipt and satisfactory review of bank statements or verification of deposit (“VOD”) for National Development of America, Inc.
19. Receipt of the environmental review confirming compliance with the HUD environmental requirements as provided in 24 CFR Part 92 and 24 CFR Part 58.
20. Addendum to, or updated GC Contract removing references to “Exhibit B”.
21. The Debt Service Coverage (“DSC”) ratio for the first mortgage and HOME Loan reflects a ratio lower than 1.10 to 1.00. Per rule 67-48, the minimum DSC ratio shall be 1.10x for the HOME Loan, including all superior mortgages. However, per Rule 67-48, if the applicant defers 35% of its Developer Fee following the last disbursement of all permanent sources of funding identified in the final credit underwriting report and when the primary expected source of repayment has been identified as projected cash flow, the minimum DSC shall be 1.00x for the HOME Loan, including all superior mortgages. The Applicant will be required to defer at least 35% of its Developer Fee as the HOME Loan DSC is 1.00x.
22. Satisfactory completion of a Davis-Bacon Federal Labor Standards and Section 3 pre-construction conference.
23. Receipt and satisfactory review of Final PCA.

24. 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 First Housing **at least two weeks prior to loan closing**. Failure to submit and to receive approval of these items within this time frame may result in postponement of the closing date:

1. Borrower is to comply with any recommendations noted in the PCA, as prepared by Moran.
2. On Solid Ground, LLC, or other construction inspector acceptable to FHFC, is to act as construction inspector during the construction phase.
3. 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 Developer has achieved 100% lien free completion and retainage has been released, the Post-Construction Period Developer Fee may be funded. Post-Construction Period Developer Fee is the remaining portion of Developer Fee less Deferred Developer Fee listed in the Sources and Uses for the permanent period, as calculated by the Servicer.

4. Signed and sealed survey, dated within 90 days of loan 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.
5. All building permits and any other necessary approvals and permits (e.g., final site plan approval, Department of Environmental Protection, Army Corps of Engineers, the Water Management District, Department of Transportation, etc.) or 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

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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.

6. The final "as permitted" (signed and sealed) site plans, building plans and specifications. The geotechnical report must be bound within the final plans and specification.
7. Final sources and uses of funds schedule itemized by source and line item, in a format and in amounts approved by the Servicer. A detailed calculation of the construction loan interest based upon the final draw schedule, documentation of the closing costs, and draft loan closing statement must also be provided. The sources and uses of funds schedule will be attached to the Loan Agreement as the approved Development budget.
8. A final construction draw schedule showing itemized sources and uses of funds for each monthly draw. HOME loan proceeds shall be disbursed during the construction phase in an amount per draw on a pro-rata basis with other financing, unless approved by the Credit Underwriter. The closing draw must include appropriate backup and ACH wiring instructions.
9. Evidence of insurance coverage pursuant to the RFA governing this proposed transaction and, as applicable, the FHFC Insurance Guide.
10. The General Contractor shall secure a payment and performance bond equal to 100 percent of the total construction cost listing FHFC as a co-obligee, whose terms do not adversely affect the Corporation's interest, issued in the name of the General Contractor, from a company rated at least "A-" by AMBest & Co., or a Corporation-approved alternate security for the General Contractor's performance such as a letter of credit at least "Baa3" by Moody's, or at least "BBB-" by Standard & Poor's or Fitch, or a financial rating of at least 175 by IDC Financial Publishing. The LOC must include "evergreen" language and be in a form satisfactory to Florida Housing, its Servicer and its Legal Counsel.
11. Architect, Construction Consultant, and Developer Certifications on forms provided by FHFC 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, if applicable.
12. At the end of the Compliance Period, any remaining balance of the ODR less amounts that may be permitted to be drawn (which includes Deferred Developer Fee, and reimbursements for authorized member/partner and guarantor loan(s) pursuant to the operating/partnership agreement), will be used to pay FHFC loan debt; if there is no FHFC loan debt on the proposed Development at the end of the Compliance Period, any remaining

balance shall be used to pay any outstanding FHFC fees. If any balance is remaining in the ODR after the payments above, the amount should be placed in a Replacement Reserve account for the Development. In no event shall the payments of amounts to the Applicant or the Developer from the Reserve Account cause the Developer Fee or General Contractor Fee to exceed the applicable percentage limitations provided for in the Rule. Any and all terms and conditions of the ODR must be acceptable to Florida Housing, its Servicer and its Legal Counsel.

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

14. At all times there will be undisbursed loan funds (collectively held by Florida Housing, the first mortgage 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.

This recommendation is contingent upon the review and approval by Florida Housing, and its legal counsel **at least two weeks prior to loan closing**. Failure to receive approval of these items, along with all other items listed on Florida Housing counsel's due diligence, within this time frame may result in postponement of the loan closing date.

1. Documentation of the legal formation and current authority to transact business in Florida for the Borrower, the general partner/principal(s)/manager(s) of the Borrower, the guarantor, 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.

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3. An acceptable updated Environmental Audit Report, together with a reliance letter to Florida Housing, prepared within 90 days of closing, unless otherwise approved by Florida Housing, and legal counsel, based upon the particular circumstances of the transaction. Borrower to comply with any and all recommendations and remediation restrictions noted in the Environmental Assessment(s) and Updates and the Environmental Review, if applicable.
4. Title insurance pro forma or commitment for title insurance with copies of all Schedule B exceptions, in the amount of the Loan(s) naming FHFC as the insured. All endorsements required by FHFC 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 Loan(s) have been satisfied.
6. Evidence of insurance coverage pursuant to the RFA governing this proposed transaction and, as applicable, the FHFC Insurance Guide.
7. Evidence of Flood Insurance coverage as applicable to the FHFC Insurance Guide.
8. Receipt of a legal opinion from the Borrower's Legal Counsel acceptable to Florida Housing addressing the following matters:
 - a. The legal existence and good standing of the Borrower and of any partnership or limited liability company that is the general partner of the Borrower (the "GP") and of any corporation or partnership that is the managing general partner of the GP, of any corporate guarantor and any manager.;
 - b. Authorization, execution, and delivery by the Borrower and the guarantor, of all Loan(s) documents;
 - c. The Loan(s) 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(s) 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 or Operating Agreement and;

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

Additional Conditions

This recommendation is also contingent upon satisfaction of the following additional conditions:

- 1. Compliance with all provisions of Sections 420.507 and 420.5089, Florida Statutes, Rule 67-48 F.A.C. (HOME), Rule Chapter 67-53 F.A.C., Rule Chapter 67-60 F.A.C., RFA 2022-206, HUD Rule 24 CFR Part 92, and any other State and federal requirements.
- 2. Closing of all the funding sources prior to, or simultaneously with, the HOME Loan.
- 3. Acceptance by the Borrower and execution of all documents evidencing and securing the HOME Loan in form and substance satisfactory to Florida Housing, including, but not limited to, the Promissory Note(s), the Loan Agreement(s), the Mortgage and Security Agreement(s), and the Land Use Restriction Agreement(s) and/or Extended Land Use Agreement(s).
- 4. Guarantors to provide the standard FHFC Construction Completion Guaranty, to be released upon lien-free completion, as approved by the Servicer.
- 5. For the HOME Loan, 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 1.15x debt service coverage on the combined permanent first mortgage, and HOME Loan 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 12 consecutive months, all as certified by an independent

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

6. Guarantors to provide the Standard FHFC Environmental Indemnity.
7. Guarantors to provide the Standard FHFC Guaranty of Recourse Obligations.
8. A Mortgagee Title Insurance policy naming Florida Housing as the insured in the amount of the Loan(s) is to be issued immediately after closing. Any exceptions to the title insurance policy must be acceptable to Florida Housing or its Legal Counsel. The form of the title policy must be approved prior to closing.
9. Property tax and hazard insurance escrow are to be established and maintained by the First Mortgagee Lender, Trustee, or the Servicer. In the event the reserve account is held by Florida Housing's Loan(s) servicing agent, the release funds shall be at Florida Housing's sole discretion.
10. Replacement Reserves in the amount of \$300 per unit per year will be required to be deposited on a monthly basis into a designated escrow account, to be maintained by the First Mortgagee or Florida Housing's Loan(s) servicing agent. However, Applicant has the option to prepay Replacement Reserves, as allowed per Rule Chapter 67-48 F.A.C., in the amount of \$7,500 (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 reserve shall be adjusted based on a capital needs assessment 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.
11. 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

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successful completion of construction and issuance of all certificates of occupancy. The GC contract indicates a minimum of 10% retainage holdback on all construction draws until the Development is 50% complete, and 0% retainage thereafter is required (if approved by Lender shall be reduced to 0%), which satisfies the RFA 2022-206 and Rule 67-48 minimum requirements. No retainage is to be held on premiums paid for insurance or payment and performance bonds.

12. Satisfactory completion of a pre-loan closing compliance audit conducted by FHFC or Servicer, if applicable.
13. Satisfactory resolution of any outstanding past due and/or noncompliance items.
14. Satisfactory evidence of compliance with the Davis Bacon Act and other applicable Federal Labor Standards during the construction of this Development. Evidence of compliance must be through satisfactory completion of a compliance audit by HUD and its authorized subcontractor.
15. HOME 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 HOME funds may be committed to a development before completion of the environmental review process and HUD approval of the environmental review and Request for Release of Funds.
16. Any other reasonable requirements of the Servicer, Florida Housing, or its Legal Counsel.

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15-Year Proforma

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		\$268,116	\$273,478	\$278,948	\$284,527	\$290,217	\$296,022	\$301,942	\$307,981	\$314,141	\$320,423	\$326,832	\$333,369	\$340,036	\$346,837	\$353,773	
Other Income																	
INCOME:	Ancillary Income	\$3,750	\$3,825	\$3,902	\$3,980	\$4,059	\$4,140	\$4,223	\$4,308	\$4,394	\$4,482	\$4,571	\$4,663	\$4,756	\$4,851	\$4,948	
	Gross Potential Income	\$271,866	\$277,303	\$282,849	\$288,506	\$294,277	\$300,162	\$306,165	\$312,289	\$318,534	\$324,905	\$331,403	\$338,031	\$344,792	\$351,688	\$358,721	
	Less:																
	Physical Vac. Loss Percentage: 6.00%	\$16,312	\$16,638	\$16,971	\$17,310	\$17,657	\$18,010	\$18,370	\$18,737	\$19,112	\$19,494	\$19,884	\$20,282	\$20,688	\$21,101	\$21,523	
	Collection Loss Percentage: 2.00%	\$5,437	\$5,546	\$5,657	\$5,770	\$5,886	\$6,003	\$6,123	\$6,246	\$6,371	\$6,498	\$6,628	\$6,761	\$6,896	\$7,034	\$7,174	
Total Effective Gross Income	\$250,117	\$255,119	\$260,221	\$265,426	\$270,734	\$276,149	\$281,672	\$287,305	\$293,052	\$298,913	\$304,891	\$310,989	\$317,208	\$323,553	\$330,024		
Fixed:																	
Insurance		\$42,500	\$43,775	\$45,088	\$46,441	\$47,834	\$49,269	\$50,747	\$52,270	\$53,838	\$55,453	\$57,116	\$58,830	\$60,595	\$62,413	\$64,285	
Variable:																	
EXPENSES:	Management Fee Percentage: 6.00%	\$15,007	\$15,307	\$15,613	\$15,926	\$16,244	\$16,569	\$16,900	\$17,238	\$17,583	\$17,935	\$18,293	\$18,659	\$19,033	\$19,413	\$19,801	
	General and Administrative	\$13,125	\$13,519	\$13,924	\$14,342	\$14,772	\$15,215	\$15,672	\$16,142	\$16,626	\$17,125	\$17,639	\$18,168	\$18,713	\$19,275	\$19,853	
	Payroll Expenses	\$37,180	\$38,295	\$39,444	\$40,628	\$41,846	\$43,102	\$44,395	\$45,727	\$47,099	\$48,511	\$49,967	\$51,466	\$53,010	\$54,600	\$56,238	
	Utilities	\$5,000	\$5,150	\$5,305	\$5,464	\$5,628	\$5,796	\$5,970	\$6,149	\$6,334	\$6,524	\$6,720	\$6,921	\$7,129	\$7,343	\$7,563	
	Marketing and Advertising	\$625	\$644	\$663	\$683	\$703	\$725	\$746	\$769	\$792	\$815	\$840	\$865	\$891	\$918	\$945	
	Maintenance and Repairs/Pest Control	\$22,100	\$22,763	\$23,446	\$24,149	\$24,874	\$25,620	\$26,389	\$27,180	\$27,996	\$28,835	\$29,701	\$30,592	\$31,509	\$32,455	\$33,428	
	Grounds Maintenance and Landscaping	\$13,000	\$13,390	\$13,792	\$14,205	\$14,632	\$15,071	\$15,523	\$15,988	\$16,468	\$16,962	\$17,471	\$17,995	\$18,535	\$19,091	\$19,664	
	Contract Services	\$1,250	\$1,288	\$1,326	\$1,366	\$1,407	\$1,449	\$1,493	\$1,537	\$1,583	\$1,631	\$1,680	\$1,730	\$1,782	\$1,836	\$1,891	
	Reserve for Replacements	\$7,500	\$7,500	\$7,500	\$7,500	\$7,500	\$7,500	\$7,500	\$7,500	\$7,500	\$7,500	\$7,500	\$7,725	\$7,957	\$8,195	\$8,441	\$8,695
	Total Expenses	\$157,287	\$161,631	\$166,101	\$170,703	\$175,440	\$180,316	\$185,335	\$190,501	\$195,818	\$201,292	\$207,152	\$213,183	\$219,392	\$225,783	\$232,363	
Net Operating Income	\$92,830	\$93,489	\$94,120	\$94,723	\$95,294	\$95,833	\$96,337	\$96,805	\$97,233	\$97,621	\$97,739	\$97,806	\$97,816	\$97,769	\$97,661		
Debt Service Payments																	
First Mortgage - Centennial		\$77,844	\$77,844	\$77,844	\$77,844	\$77,844	\$77,844	\$77,844	\$77,844	\$77,844	\$77,844	\$77,844	\$77,844	\$77,844	\$77,844	\$77,844	
Second Mortgage - FHFC		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
First Mortgage Fees - Centennial		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Second Mortgage Fees - FHFC		\$14,664	\$14,767	\$14,873	\$14,982	\$15,095	\$15,211	\$15,330	\$15,453	\$15,580	\$15,710	\$15,844	\$15,983	\$16,125	\$16,272	\$16,423	
Total Debt Service Payments		\$92,508	\$92,611	\$92,717	\$92,826	\$92,938	\$93,054	\$93,174	\$93,297	\$93,423	\$93,554	\$93,688	\$93,826	\$93,969	\$94,116	\$94,267	
Cash Flow after Debt Service		\$322	\$878	\$1,403	\$1,897	\$2,356	\$2,779	\$3,164	\$3,508	\$3,810	\$4,067	\$4,051	\$3,979	\$3,848	\$3,653	\$3,394	
Debt Service Coverage Ratios																	
DSC - First Mortgage plus Fees		1.19	1.20	1.21	1.22	1.22	1.23	1.24	1.24	1.25	1.25	1.26	1.26	1.26	1.26	1.25	
DSC - Second Mortgage plus Fees		1.00	1.01	1.02	1.02	1.03	1.03	1.03	1.04	1.04	1.04	1.04	1.04	1.04	1.04	1.04	
DSC - All Mortgages and Fees		1.00	1.01	1.02	1.02	1.03	1.03	1.03	1.04	1.04	1.04	1.04	1.04	1.04	1.04	1.04	
Financial Ratios																	
Operating Expense Ratio		62.89%	63.35%	63.83%	64.31%	64.80%	65.30%	65.80%	66.31%	66.82%	67.34%	67.94%	68.55%	69.16%	69.78%	70.41%	
Break-even Economic Occupancy Ratio (all debt)		92.36%	92.16%	91.98%	91.82%	91.68%	91.55%	91.45%	91.36%	91.28%	91.23%	91.26%	91.30%	91.36%	91.44%	91.53%	

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HOLY CHILD / HOME RFA 2022-206 (2023-168H)
DESCRIPTION OF FEATURES AND AMENITIES

A. The Development will consist of:

25 Single Family Homes located in 25 residential buildings

Unit Mix:

Twenty-One (21) three bedroom / two bath units

Four (4) four bedroom / 2 bath units;

25 Total Units

B. The Development is to be constructed in accordance with the final plans and specifications approved by the appropriate city or county building or planning department or equivalent agency, and approved as reflected in the Pre-Construction Analysis prepared for Florida Housing or its Servicer, unless a change has been approved in writing by Florida Housing or its Servicer. The Development will conform to requirements of local, state & federal laws, rules, regulations, ordinances, orders and codes, Florida Accessibility Code for Building Construction as adopted pursuant to Section 553.503, Florida Statutes, The Fair Housing Act as implemented by 24 CFR 100, Section 504 of the Rehabilitation Act of 1973, and Titles II and III of the Americans with Disabilities Act of 1990 as implemented by 28 CFR 35, incorporating the most recent amendments, regulations and rules. All of the accessible units must be equally distributed among different unit sizes and Development types and must be dispersed on all accessible routes throughout the Development.

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

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

Federal and state law and building code regulations requires that programs, activities, and facilities be readily accessible to and usable by persons with disabilities. Florida

Housing requires that the design, construction, or alteration of its financed Developments be in compliance with federal and state accessibility requirements. When more than one law and accessibility standard applies, the Applicant shall comply with the standard (2010 ADA Standards, Section 504, Fair Housing Act, or Florida Building Code, Accessibility) which affords the greater level of accessibility for the residents and visitors. Areas required to be made accessible to mobility-impaired residents and their visitors, including those in wheelchairs, shall include, but not be limited to, accessible routes and entrances, paths of travel, primary function areas, parking, trash bins, mail and package receiving areas for residents, pool and other amenities, including paths of travel to amenities and laundry rooms, including washers and dryers.

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 and pest control throughout the entire Compliance Period;
3. Window covering for each window and glass door inside each unit;
4. Cable or satellite TV hook-up in each unit and, if the Development offers cable or satellite TV service to the residents, the price cannot exceed the market rate for service of similar quality available to the Development's residents from a primary provider of cable or satellite TV;
5. Washer and dryer hook ups in each of the Development's units or an on-site laundry facility for resident use. If the proposed Development will have an on-site laundry facility, the following requirements must be met:
 - There must be a minimum of one (1) Energy Star certified washer and one (1) Energy Star certified or commercial grade dryer per every 15 units. To determine the required number of washers and dryers for the on-site laundry facility; divide the total number of the Development's units by 15, and then round the equation's total up to the nearest whole number;
 - At least one washing machine and one dryer shall be front loading that meets the accessibility standards of Section 504;
 - If the proposed Development consists of Scattered Sites, the laundry facility shall be located on each of the Scattered Sites, or no more than 1/16 mile from the Scattered Site with the most units, or a combination of both.
6. At least two full bathrooms in all 3 bedroom or larger units;
7. Bathtub with shower in at least one bathroom in at least 90 percent of the non-Elderly units;

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8. A full-size range and oven in all units.
 - a. The Development must provide the following Accessibility, Universal Design and Visitability 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.

D. In addition to the 5 percent mobility requirement outlined above, all Family Demographic Developments must provide reinforced walls for future installation of horizontal grab bars in place around each tub/shower and toilet, or a Corporation-approved alternative approach for grab bar installation. The installation of the grab bars must meet or exceed the 2010 ADA Standards for Accessible Design.

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 and toilet, 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.

E. Green Building Features required in all Developments:

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

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

4. Energy Star certified dishwasher;
5. Energy Star certified ventilation fan in all bathrooms;
6. Water heater minimum efficiency specifications:
 - Residential Electric:
 - Up to 55 gallons = .95 EF or .92 UEF; or
 - More than 55 gallons = Energy Star certified; or
 - Tankless = 0.97 EF and Max GPM of ≥ 2.5 over a 77° rise or 0.87 UEF and GPM of ≥ 2.9 over a 67° rise;
 - Residential Gas (storage or tankless/instantaneous): Energy Star certified,
 - Commercial Gas Water Heater: Energy Star certified;
7. Energy Star certified ceiling fans with lighting fixtures in bedrooms;
8. 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.

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

F. The Development will provide the following Resident Services:

1. Adult Literacy – The Applicant or its Management Company must make available, at no cost to the resident, literacy tutor(s) who will provide weekly literacy lessons to residents in private space on-site. Various literacy programming can be offered that strengthens participants’ reading, writing skills, and comprehension, but at a minimum, these must include English proficiency and basic reading education. Training must be held between the hours of 8:00 a.m. and 7:00 p.m. and electronic media, if used, must be used in conjunction with live instruction. If the Development consists of Scattered Sites, this resident program must be provided on the Scattered

Site with the most units.

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 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.

HOME CREDIT UNDERWRITING REPORT

DEVELOPMENT

NAME: Holy Child
DATE: October 11, 2023

In accordance with the applicable Program Rule(s), the applicant is required to submit the information required to evaluate, complete, and determine its sufficiency in satisfying the requirements for Credit Underwriting to the Credit Underwriter in accordance with the schedule established by the Florida Housing Finance Corporation ("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 time frame. Unsatisfactory items, if any, are noted below in the "Issues and Concerns" section of the Executive Summary.

FINAL REVIEW	STATUS	NOTE
REQUIRED ITEMS:	Satis. / Unsatis.	
1. The development's final "as submitted for permitting" plans and specifications. Note: Final "signed, sealed, and approved for construction" plans and specifications will be required thirty days before closing.	Unsatis.	1.
2. Final site plan and/or status of site plan approval.	Satis.	
3. Permit Status.	UnSatis.	2.
4. Pre-construction analysis ("PCA"). a. No construction costs exceeding 20% is subcontracted to any one entity with the exception of a subcontractor contracted to deliver the building shell of a building of at least 5 stories which may not have more than 31% of the construction cost in a subcontract. b. No construction costs is subcontracted to any entity that has common ownership or is an affiliate of the general contractor of the developer.	Satis. Satis. Satis.	
5. Survey.	Unsatis.	3.
6. Complete, thorough soil test reports.	Unsatis.	4.
7. Full or self-contained appraisal as defined by the Uniform Standards of Professional Appraisal Practice.	Satis.	
8. Market Study separate from the Appraisal.	Satis.	
9. Environmental Site Assessment – Phase I and/or the Phase II if applicable (If Phase I and/or II disclosed environmental problems requiring remediation, a plan, including time frame and cost, for the remediation is required). If the report is not dated within one year of the application date, an update from the assessor must be provided indicating the current environmental status.	Satis.	
10. Audited financial statements for the most recent fiscal year ended or acceptable alternative as stated in Rule for credit enhancers, applicant, general partner, principals, guarantors and general contractor.	Satis.	
11. Resumes and experience of applicant, general contractor and management agent. Confirmed active status on Sunbiz for Applicant, Developer, and GC entities.	Satis.	
12. Credit authorizations; verifications of deposits and mortgage loans.	Satis.	
13. Management Agreement and Management Plan.	Unsatis.	5.

HOME CREDIT UNDERWRITING REPORT

14. Firm commitment from the credit enhancer or private placement purchaser, if any.	N/A	
15. Firm commitment letter from the syndicator, if any.	N/A	
16. Firm commitment letter(s) for any other financing sources.	Satis.	6.
17. Updated sources and uses of funds.	Satis.	
18. Draft construction draw schedule showing sources of funds during each month of the construction and lease-up period.	Satis.	
19. Fifteen-year income, expense, and occupancy projection.	Satis.	
20. Executed general construction contract with "not to exceed" costs.	Satis.	
21. HC ONLY: 15% of the total equity to be provided prior to or simultaneously with the closing of the construction financing.	N/A	
22. Any additional items required by the credit underwriter.	Satis.	
23. Receipt of executed Florida Housing Fair Housing, Section 504 and ADA Design Certification Forms 121, 126, and 128.	Unatis.	7.
24. If the owner has a HAP Contract or ACC with HUD, then receipt of HUD approval for an owner-adopted preference or limited preference specifically for individuals or families who are referred by a designated Referral Agency serving the county where the Development is located.	N/A	
25. Receipt of Tenant Eligibility and Selection Plan	Unsatis.	8.
26. Receipt of GC Certification	Satis.	
27. Reliance for FHDC as agent for FHFC is include in all applicable third party reports: Appraisal, Market Study, PCA, CNA, and Phase I.	Unsatis.	9.

NOTES AND DEVELOPER RESPONSES:

Notes:

1. Receipt and satisfactory review of the Development’s final “as submitted for permitting” plans and specifications is a condition for closing.
2. At this time, building permits are not available and is a condition to closing.
3. First Housing has not received a survey including the flood zone designation certified to FHFC and is a condition to closing.
4. Receipt and satisfactory review of verification letter by Geotechnical Engineer confirming all recommendations contained in the Report of Geotechnical Exploration, dated June 30, 2023, are followed. Receipt and satisfactory review of Soil Test providing foundation recommendations for the Development is a condition to closing.
5. Receipt and satisfactory review of an executed management agreement and management plan is a condition to closing.

HOME CREDIT UNDERWRITING REPORT

6. A firm loan commitment from Centennial which indicates first mortgage loan terms that are consistent with this report is a condition to closing.
7. Receipt of executed Florida Housing Fair Housing, Section 504 and ADA Design Certification Forms 121, 126, and 128 are a condition to closing.
8. Receipt and satisfactory review of FHFC approved Tenant Selection Plan.
9. Reliance Letter for the Phase I ESA has not been provided to First Housing at this time. Receipt of the Reliance Letter is a condition to closing.



September 18, 2023

Florida Housing Finance Corporation
C/O Ms. Sarah Garner
227 Bronough Street, Suite 500
Tallahassee, Florida 32301

Via email: Sarah.Garner@floridahousing.org; and
Via: Procorem WorkCenter Documents Upload

Re: **Changes from Application Request – Applicant Entity Structure**
FHFC Application Reference: Hermosa NFTM 41, LLC
Development: Hermosa North Fort Myers
RFA: 2022-201, **Application #:** 2023-040C

Mr. Kennedy:

On behalf of Hermosa NFTM 41, LLC, a Florida limited liability company (the “Applicant,” or “we”), and in connection with application #2023-040C for the development of the community to be known as Hermosa North Fort Myers (the “Project”), we respectfully request approval from the Staff and Board of Florida Housing Finance Corporation (the “Corporation”) for changes from the application, as specifically described below.

Applicant Entity

Applicant is hereby requesting Corporation approval to change the Applicant entity from “Hermosa NFTM 41, LLC”, a limited liability company, to “Hermosa NFTM 41, Ltd.”, a limited partnership. It is intended that the Project qualify for the “Homes for the Aged” ad valorem tax exemption under Florida Statutes Section 196.1975, which statute requires a limited partnership to own the Project. The current language in the statute requires a nonprofit to own the general partner interest directly; rather than through a subsidy of a nonprofit.

Further, we request to add a new partner, DDER NFTM 41 SLP, LLC (“DDER”). DDER brings a successful track record of affordable housing development, operational experience and added capacity. Along with Michael Allan of Revital NFTM 41, LLC, the DDER principals will personally guarantee the Project’s debt and equity. Accordingly, we request approval of:

- Removal of RNP NFTM 41, LLC (“RNP”), a current member of Applicant;
- Addition of two RNP affiliated entities;
 - Rivers Edge North, Inc., a nonprofit, as general partner of new Applicant; and
 - REN NFTM 41, LLC, as special limited partner of new Applicant.
- Addition of DDER NFTM 41 SLP, LLC, as a special limited partner of new Applicant;



- Revital NFTM 41, LLC (a Member and Manager of the original Applicant), as special limited partner; and
- Revital Communities, LLC (originally the Initial Investment Member), as the “Investor Limited Partner”, until replaced by the equity investor partner

Attached hereto for the Corporation’s review and approval are:

- Current Principal Disclosure form for Applicant; and
- Proposed Principal Disclosure form for Applicant.

We sincerely appreciate the time and consideration of staff and are available to answer any questions or comments you may have.

Sincerely,

HERMOSA NFTM 41, LLC, a Florida limited liability company

By: REVITAL NFTM 41, LLC, a Florida limited liability company,
its Manager

By: REVITAL COMMUNITIES, LLC, a Florida limited liability company,
its Manager

By:  _____
Michael Allan, Manager

cc: Marcus Goodson, Lee County Housing Authority (*via email*)
Steve Auger, Birdsong Housing Partners (*via email*)
Melanie Greenwood, Birdsong Housing Partners (*via email*)
9hc@floridahousing.org, Florida Housing Finance Corp. (*via email*)
Thomas Wright, First Housing (*via email*)

Principal Disclosures for the Applicant

APPROVED for HOUSING CREDITS
FHFC Advance Review
Received 12.14.22; Approved 12.15.22

Current

Select the organizational structure for the Applicant entity:

The Applicant is a: Limited Liability Company

Provide the name of the Applicant Limited Liability Company:

Hermosa NFTM 41, LLC

% Ownership input features will not be made available until invitation to credit underwriting

First Principal Disclosure Level:

[Click here for Assistance with Completing the Entries for the First Level Principal Disclosure for the Applicant](#)

First Level Entity #	Select Type of Principal of Applicant	Enter Name of First Level Principal	Select organizational structure of First Level Principal identified	% Ownership of Applicant
1.	<u>Manager</u>	<u>Revital NFTM 41, LLC</u>	<u>Limited Liability Company</u>	<u>0.0000%</u>
2.	<u>Non-Investor Member</u>	<u>Revital NFTM 41, LLC</u>	<u>Limited Liability Company</u>	<u>0.0085%</u>
3.	<u>Non-Investor Member</u>	<u>RNP NFTM 41, LLC</u>	<u>Limited Liability Company</u>	<u>0.0015%</u>
4.	<u>Investor Member</u>	<u>Revital Communities, LLC</u>	<u>Limited Liability Company</u>	<u>99.9900%</u>

Second Principal Disclosure Level:

Hermosa NFTM 41, LLC

[Click here for Assistance with Completing the Entries for the Second Level Principal Disclosure for the Applicant](#)

Select the corresponding First Level Principal Entity # from above for which the Second Level Principal is being identified

Second Level Entity #	Select the type of Principal being associated with the corresponding First Level Principal Entity	Enter Name of Second Level Principal	Select organizational structure of Second Level Principal identified	Second Level Principal % Ownership of First Level Principal
<u>1. (Revital NFTM 41, LLC)</u>	<u>1.A. Managing Member</u>	<u>Revital Communities, LLC</u>	<u>Limited Liability Company</u>	<u>100.0000%</u>
<u>2. (Revital NFTM 41, LLC)</u>	<u>2.A. Managing Member</u>	<u>Revital Communities, LLC</u>	<u>Limited Liability Company</u>	<u>100.0000%</u>
<u>3. (RNP NFTM 41, LLC)</u>	<u>3.A. Sole Member</u>	<u>River North Properties, Inc.</u>	<u>Non-Profit Corporation</u>	<u>100.0000%</u>

Third Principal Disclosure Level:

Hermosa NFTM 41, LLC

[Click here for Assistance with Completing the Entries for the Third Level Principal Disclosure for the Applicant](#)

Select the corresponding Second Level Principal Entity # from above for which the Third Level Principal is being identified

Third Level Entity #	Select the type of Principal being associated with the corresponding Second Level Principal Entity	Enter Name of Third Level Principal who must be either a Natural Person or a Trust	The organizational structure of Third Level Principal identified Must be either a Natural Person or a Trust	3rd Level Principal % Ownership of 2nd Level Principal
<u>1.A. (Revital Communities, LLC)</u>	<u>1.A.(1) Managing Member</u>	<u>Michael Allan</u>	<u>Natural Person</u>	<u>95.0000%</u>
<u>1.A. (Revital Communities, LLC)</u>	<u>1.A.(2) Member</u>	<u>Beth Allan</u>	<u>Natural Person</u>	<u>5.0000%</u>
<u>2.A. (Revital Communities, LLC)</u>	<u>2.A.(1) Managing Member</u>	<u>Michael Allan</u>	<u>Natural Person</u>	<u>95.0000%</u>
<u>2.A. (Revital Communities, LLC)</u>	<u>2.A.(2) Member</u>	<u>Beth Allan</u>	<u>Natural Person</u>	<u>5.0000%</u>
<u>3.A. (River North Properties, Inc.)</u>	<u>3.A.(1) Executive Director</u>	<u>Marcus Goodson</u>	<u>Natural Person</u>	<u>0.0000%</u>
<u>3.A. (River North Properties, Inc.)</u>	<u>3.A.(2) Officer/Director</u>	<u>Marcus Goodson</u>	<u>Natural Person</u>	<u>0.0000%</u>
<u>3.A. (River North Properties, Inc.)</u>	<u>3.A.(3) Officer/Director</u>	<u>Christine M. Sardina</u>	<u>Natural Person</u>	<u>0.0000%</u>
<u>3.A. (River North Properties, Inc.)</u>	<u>3.A.(4) Officer/Director</u>	<u>Robert Norris</u>	<u>Natural Person</u>	<u>0.0000%</u>
<u>3.A. (River North Properties, Inc.)</u>	<u>3.A.(5) Officer/Director</u>	<u>Robert Ortiz</u>	<u>Natural Person</u>	<u>0.0000%</u>

Principal Disclosures for the Applicant

Proposed

Select the organizational structure for the Applicant entity:

The Applicant is a: Limited Partnership

Provide the name of the Applicant Limited Partnership:

Hermosa NFTM 41, Ltd.

% Ownership input features will not be made available until invitation to credit underwriting

First Principal Disclosure Level:

[Click here for Assistance with Completing the Entries for the First Level Principal Disclosure for the Applicant](#)

First Level Entity #	Select Type of Principal of Applicant	Enter Name of First Level Principal	Select organizational structure of First Level Principal identified	% Ownership of Applicant
1.	General Partner	Rivers Edge North, Inc.	Non-Profit Corporation	0.0001%
2.	Non-Investor LP	REN NFTM 41, LLC	Limited Liability Company	0.0014%
3.	Non-Investor LP	DDER NFTM 41 SLP, LLC	Limited Liability Company	0.0043%
4.	Non-Investor LP	ReVital NFTM 41, LLC	Limited Liability Company	0.0043%
5.	Investor LP	ReVital Communities, LLC	Limited Liability Company	99.9900%
6.	<Select an option>		<Select an option>	

Second Principal Disclosure Level:

Hermosa NFTM 41, Ltd.

[Click here for Assistance with Completing the Entries for the Second Level Principal Disclosure for the Applicant](#)

Select the corresponding First Level Principal Entity # from above for which the Second Level Principal is being identified

Second Level Entity #	Select the type of Principal being associated with the corresponding First Level Principal Entity	Enter Name of Second Level Principal	Select organizational structure of Second Level Principal identified	Second Level Principal % Ownership of First Level Principal
<u>1. (Rivers Edge North, Inc.)</u>	1.A. Executive Director	<u>Goodson, Marcus D.</u>	<u>Natural Person</u>	<u>0.0000%</u>
<u>1. (Rivers Edge North, Inc.)</u>	1.B. Officer/Director	<u>Goodson, Marcus D.</u>	<u>Natural Person</u>	<u>0.0000%</u>
<u>1. (Rivers Edge North, Inc.)</u>	1.C. Officer/Director	<u>Ortiz, Robert</u>	<u>Natural Person</u>	<u>0.0000%</u>
<u>1. (Rivers Edge North, Inc.)</u>	1.D. Officer/Director	<u>Sardina, Christine M.</u>	<u>Natural Person</u>	<u>0.0000%</u>
<u>1. (Rivers Edge North, Inc.)</u>	1.E. Officer/Director	<u>Norris, Robert</u>	<u>Natural Person</u>	<u>0.0000%</u>
<u>2. (REN NFTM 41, LLC)</u>	2.A. Sole Member	<u>Rivers Edge North, Inc.</u>	<u>Non-Profit Corporation</u>	<u>100.0000%</u>
<u>3. (DDER NFTM 41 SLP, LLC)</u>	3.A. Manager	<u>DDER Holdings, LLC</u>	<u>Limited Liability Company</u>	<u>100.0000%</u>
<u>3. (DDER NFTM 41 SLP, LLC)</u>	3.B. Member	<u>DDER Holdings, LLC</u>	<u>Limited Liability Company</u>	<u>100.0000%</u>
<u>4. (ReVital NFTM 41, LLC)</u>	4.A. Manager	<u>ReVital Communities, LLC</u>	<u>Limited Liability Company</u>	<u>100.0000%</u>
<u>4. (ReVital NFTM 41, LLC)</u>	4.B. Member	<u>ReVital Communities, LLC</u>	<u>Limited Liability Company</u>	<u>100.0000%</u>
<u><Select a #></u>	<u><Select an option></u>		<u><Select an option></u>	

Third Principal Disclosure Level:

Hermosa NFTM 41, Ltd.

[Click here for Assistance with Completing the Entries for the Third Level Principal Disclosure for the Applicant](#)

Select the corresponding Second Level Principal Entity # from above for which the Third Level Principal is being identified

Third Level Entity #	Select the type of Principal being associated with the corresponding Second Level Principal Entity	Enter Name of Third Level Principal who must be either a Natural Person or a Trust	The organizational structure of Third Level Principal identified Must be either a Natural Person or a Trust	3rd Level Principal % Ownership of 2nd Level Principal
<u>2.A. (Rivers Edge North, Inc.)</u>	2.A.(1) Executive Director	<u>Goodson, Marcus D.</u>	<u>Natural Person</u>	<u>0.0000%</u>
<u>2.A. (Rivers Edge North, Inc.)</u>	2.A.(2) Officer/Director	<u>Goodson, Marcus D.</u>	<u>Natural Person</u>	<u>0.0000%</u>
<u>2.A. (Rivers Edge North, Inc.)</u>	2.A.(3) Officer/Director	<u>Ortiz, Robert</u>	<u>Natural Person</u>	<u>0.0000%</u>
<u>2.A. (Rivers Edge North, Inc.)</u>	2.A.(4) Officer/Director	<u>Sardina, Christine M.</u>	<u>Natural Person</u>	<u>0.0000%</u>
<u>2.A. (Rivers Edge North, Inc.)</u>	2.A.(5) Officer/Director	<u>Norris, Robert</u>	<u>Natural Person</u>	<u>0.0000%</u>
<u>3.A. (DDER Holdings, LLC)</u>	3.A.(1) Manager	<u>Sanchez, Domingo</u>	<u>Natural Person</u>	<u>0.0000%</u>
<u>3.A. (DDER Holdings, LLC)</u>	3.A.(2) Manager	<u>Godwin, Robert H.</u>	<u>Natural Person</u>	<u>0.0000%</u>
<u>3.A. (DDER Holdings, LLC)</u>	3.A.(3) Manager	<u>Lowery, Deion R.</u>	<u>Natural Person</u>	<u>0.0000%</u>
<u>3.A. (DDER Holdings, LLC)</u>	3.A.(4) Manager	<u>Haddock, Edward E., Jr.</u>	<u>Natural Person</u>	<u>0.0000%</u>
<u>3.A. (DDER Holdings, LLC)</u>	3.A.(5) Member	<u>Sanchez, Domingo</u>	<u>Natural Person</u>	<u>25.0000%</u>
<u>3.A. (DDER Holdings, LLC)</u>	3.A.(6) Member	<u>Godwin, Robert H.</u>	<u>Natural Person</u>	<u>25.0000%</u>
<u>3.A. (DDER Holdings, LLC)</u>	3.A.(7) Member	<u>Lowery, Deion R.</u>	<u>Natural Person</u>	<u>25.0000%</u>
<u>3.A. (DDER Holdings, LLC)</u>	3.A.(8) Member	<u>Haddock, Edward E., Jr.</u>	<u>Natural Person</u>	<u>25.0000%</u>
<u>3.B. (DDER Holdings, LLC)</u>	3.B.(1) Manager	<u>Sanchez, Domingo</u>	<u>Natural Person</u>	<u>0.0000%</u>
<u>3.B. (DDER Holdings, LLC)</u>	3.B.(2) Manager	<u>Godwin, Robert H.</u>	<u>Natural Person</u>	<u>0.0000%</u>
<u>3.B. (DDER Holdings, LLC)</u>	3.B.(3) Manager	<u>Lowery, Deion R.</u>	<u>Natural Person</u>	<u>0.0000%</u>
<u>3.B. (DDER Holdings, LLC)</u>	3.B.(4) Manager	<u>Haddock, Edward E., Jr.</u>	<u>Natural Person</u>	<u>0.0000%</u>
<u>3.B. (DDER Holdings, LLC)</u>	3.B.(5) Member	<u>Sanchez, Domingo</u>	<u>Natural Person</u>	<u>25.0000%</u>
<u>3.B. (DDER Holdings, LLC)</u>	3.B.(6) Member	<u>Godwin, Robert H.</u>	<u>Natural Person</u>	<u>25.0000%</u>
<u>3.B. (DDER Holdings, LLC)</u>	3.B.(7) Member	<u>Lowery, Deion R.</u>	<u>Natural Person</u>	<u>25.0000%</u>
<u>3.B. (DDER Holdings, LLC)</u>	3.B.(8) Member	<u>Haddock, Edward E., Jr.</u>	<u>Natural Person</u>	<u>25.0000%</u>
<u>4.A. (ReVital Communities, LLC)</u>	4.A.(1) Manager	<u>Allan, Michael</u>	<u>Natural Person</u>	<u>0.0000%</u>
<u>4.A. (ReVital Communities, LLC)</u>	4.A.(2) Member	<u>Allan, Michael</u>	<u>Natural Person</u>	<u>95.0000%</u>

Principal Disclosures for the Applicant

<u>4.A. (ReVital Communities, LLC)</u>	<u>4.A.(3)</u>	<u>Member</u>	<u>Allan, Beth</u>	<u>Natural Person</u>	<u>5.0000%</u>
<u>4.B. (ReVital Communities, LLC)</u>	<u>4.B.(1)</u>	<u>Manager</u>	<u>Allan, Michael</u>	<u>Natural Person</u>	<u>0.0000%</u>
<u>4.B. (ReVital Communities, LLC)</u>	<u>4.B.(2)</u>	<u>Member</u>	<u>Allan, Michael</u>	<u>Natural Person</u>	<u>95.0000%</u>
<u>4.B. (ReVital Communities, LLC)</u>	<u>4.B.(3)</u>	<u>Member</u>	<u>Allan, Beth</u>	<u>Natural Person</u>	<u>5.0000%</u>
<u><Select a #></u>		<u><Select an option></u>		<u><Select an option></u>	

STATE OF FLORIDA
FLORIDA HOUSING FINANCE CORPORATION

CASE NO. _____

CROSS CREEK GARDENS
AT QUINCY, LLC, a Florida
limited liability company,

Petitioner,

FHFC CASE NO. _____
Application No. 2022-247H
RFA 2021-206

FLORIDA HOUSING FINANCE
CORPORATION,

Respondent.

_____ /



AMENDED PETITION FOR WAIVER OF RULE 67-48.0072(21)(b), F.A.C. (05/18/2021)

Pursuant to Section 120.542, Florida Statutes, and Rule 28-104.002, Florida Administrative Code (“F.A.C.”), Petitioner Cross Creek Gardens at Quincy, LLC, submits this Petition to Respondent Florida Housing Finance Corporation (“Florida Housing”) for a waiver of Rule 67-48.0072 (21)(b), F.A.C. (the “Rule”) in effect at the time the Petitioner submitted its Application 2022-247H (the “Application”) in response to Florida Housing’s Request for Applications 2021-206 HOME Financing for the Construction of Small, Rural Developments (the “RFA”). Under the Rule, a firm loan commitment must be issued within 12 months of Petitioner’s acceptance to enter credit underwriting. Because Petitioner experienced significant delays beyond its control, Petitioner seeks a Rule waiver so that it may obtain another 6-month extension of this firm loan commitment deadline. In support of its Petition, the Petitioner states as follows:

A. THE PETITIONER

1. The name, address, telephone and facsimile numbers, and email address for Petitioner and its qualified representative are:

Terri Murray
Neighborhood Renaissance, Inc.
510 24th Street
West Palm Beach, FL 33407
Phone: (561)832-6776 ext 102
Fax: N/A
Email: tmurray@neighborhoodrenaissance.org

2. The name, address, telephone and facsimile numbers, and email address for Petitioner's attorney are:

Brian J. McDonough
Stearns Weaver Miller Weissler Alhadeff
& Sitterson
150 West Flagler Street
Suite 2200
Miami, FL 33130
bmcdonough@stearnsweaver.com
Tel: (305) 789-3350
Fax: (305) 789-3395

Bridget Smitha
Stearns Weaver Miller Weissler Alhadeff
& Sitterson
106 East College Avenue, Suite 700
Tallahassee, FL 32301
bsmitha@stearnsweaver.com
Direct: 850-329-4852
Fax: 850-329-4844

B. THE DEVELOPMENT AND ITS FINANCING

3. The following information pertains to the development underlying Petitioner's Application (the "Development"):

- Development Name: Cross Creek Gardens at Quincy
- Development Address: South Springs Road, approximately 1,500 feet west of the intersection of Pat Thomas Parkway and South Springs Road
- County: Gadsden
- Developer: ACRUVA Community Developers, LLC; Neighborhood Renaissance, Inc.

- Number of Units: 34¹ Enhanced Structural Systems Construction units
- Type: New Construction/Garden Apartments
- Set Asides: 20% at 50% AMI; 80% at 60% AMI
- Demographics: Family
- Funding: \$6,000,000 HOME

4. On March 31, 2022, Petitioner accepted an invitation to enter credit underwriting dated March 29, 2022. Thus, Petitioner had a deadline of March 31, 2023 to complete the firm loan commitment process. Although the Rule provides that the firm loan commitment must be issued within twelve months of acceptance to enter credit underwriting, it also provides that Petitioner may request one extension of up to six months. Petitioner exercised this right and Florida Housing's Board approved the extension request on March 10, 2023 to extend the deadline to October 2, 2023. Petitioner paid the extension fee required by the Rule.

5. Petitioner now seeks an additional 6-month extension to and including April 2, 2024.

C. WAIVER IS PERMANENT

6. The requested waiver is permanent in nature.

D. RULE FROM WHICH WAIVER IS SOUGHT

7. Petitioner requests a waiver from the Rule, which provides:

(21) Information required by the Credit Underwriter shall be provided as follows:

(b) For SAIL, EHCL, and HOME, unless stated otherwise in a competitive solicitation, the firm loan commitment must be issued within twelve (12) months of the Applicant's acceptance to enter credit underwriting. Unless an extension is

¹ On June 1, 2023, Petitioner submitted a written request to Florida Housing's Managing Director of Homeowner Programs to increase the total number of units to 36 pursuant to Rule 67-48.004(3)(i), F.A.C. This request is currently pending Florida Housing approval.

approved by the Corporation in writing, failure to achieve issuance of a firm loan commitment by the specified deadline shall result in withdrawal of the preliminary commitment. Applicants may request one (1) extension of up to six (6) months to secure a firm loan commitment. All extension requests must be submitted in writing to the program administrator and contain the specific reasons for requesting the extension and shall detail the time frame to achieve a firm loan commitment. In determining whether to grant an extension, the Corporation shall consider the facts and circumstances of the Applicant's request, inclusive of the responsiveness of the Development team and its ability to deliver the Development timely. The Corporation shall charge a non-refundable extension fee of one (1) percent of each loan amount if the request to extend the credit underwriting and firm loan commitment process beyond the initial twelve (12) month deadline is approved. If an approved extension is utilized, Applicants must pay the extension fee not later than seven (7) Calendar Days after the original twelve (12) month deadline. If, by the end of the extension period, the Applicant has not received a firm loan commitment, then the preliminary commitment shall be withdrawn.

See Rule 67-48.072(21)(b), F.A.C. (05/18/2021).

E. STATUTES IMPLEMENTED BY THE RULE

8. The Rule implements, among other sections of the Florida Housing Finance Corporation Act (the "Act"),² Section 420.5087 (State Apartment Incentive Loan Program); Section 420.5089 (HOME Investment Partnership Program and HOME Investment Partnership Fund); and Section 420.5099 (allocation of the low-income housing tax credit).

F. JUSTIFICATION FOR THE REQUESTED WAIVER

9. Under Section 120.542(1), Fla. Stat., and Chapter 28-104, F.A.C., Florida Housing has the authority to grant waivers to its rule requirements when strict application of these rules would lead to unreasonable, unfair, and unintended consequences in particular instances. Waivers must be granted when: (1) the person who is subject to the rule demonstrates

² The Florida Housing Finance Corporation Act is set forth in Sections 420.501 through 420.517 of the Florida Statutes.

that the application of the rule would create a substantial hardship or violate principles of fairness, and (2) the purpose of the underlying statute has been or will be achieved by other means by the person. § 120.542(2), Fla. Stat.

10. Because Petitioner was previously granted a six-month extension of the firm loan commitment deadline, the requested extension may not be granted without a waiver of the Rule and RFA.

11. Petitioner is requesting an extension of the firm loan commitment process deadline from October 2, 2023 to April 2, 2024.

12. The need for the requested extension was created by circumstances beyond Petitioner's control. Specifically, the construction costs for the Development's preliminary design, as estimated by the General Contractor, identified a funding gap created by inflation and substantially increased construction costs. Because the Development was not eligible for CHIRP funding, Petitioner restructured the Development to add 4% low-income housing tax credits with tax-exempt bonds and applied for viability loan funding to close the gap. Identifying and working to secure these additional funding sources lengthened the development timeline. While Petitioner has worked diligently on this structure, it has taken more time than anticipated.

13. These delays and interruption of the development timeline prevent finalization of the Credit Underwriting Report prior to October 2, 2023. Rule 67-48.0072(21)(a), F.A.C., prohibits Florida Housing from issuing a firm loan commitment until after approval of the Credit Underwriter's recommendation for funding by the Board. Thus, Petitioner does not believe it will be able to complete the firm loan commitment process before the October 2, 2023 deadline.

14. The requested waiver will not prejudice Petitioner, the Development, any other party that applied to receive HOME financing in the RFA, or Florida Housing. A denial of the

Petition, however, would: (a) result in substantial economic hardship to Petitioner, as it has incurred significant costs to date in an effort to ensure that the Development proceeds to completion; (b) deprive Gadsden County of essential affordable rental units set aside for families, who desperately need that housing, as well as other amenities and services that the Development will offer; and (c) violate principles of fairness³. *See* § 120.542(2), F.S.

15. If this Petition is not granted, the preliminary commitment will be withdrawn and the Development will not be constructed. As a result, Gadsden County will have less affordable housing units available for families in need, and the related economic development will not occur. Granting the waiver will ensure the availability of HOME financing that will otherwise be lost as a result of the delays.

16. As discussed herein, Petitioner is requesting a second extension of the deadline for completion of the firm loan commitment process from October 2, 2023 to April 2, 2024, which request requires a waiver of the Rule.

17. The requested waiver will ensure the availability of HOME financing which will otherwise be lost as a consequence of the delays described herein.

18. The foregoing facts demonstrate the hardship and other circumstances that justify Petitioner's request for a Rule waiver.

19. Controlling statutes and Florida Housing's Rules are designed to allow the flexibility necessary to provide relief from requirements when strict application, in particular

³“Substantial hardship” means a demonstrated economic, technological, legal or other type of hardship to the person requesting the variance or waiver. “Principles of Fairness” are violated when literal application of a rule affects a particular person in a manner significantly different from the way it affects other similarly situated persons who are subject to the rule. Section 120.542(2), Florida Statutes.

circumstances, would lead to unreasonable, unfair, or unintended results. As demonstrated above, the requested waiver serves the purposes of Section 420.5087 and the Act, as a whole, because one of their primary goals is to facilitate the availability of decent, safe and sanitary housing in the State of Florida to low-income persons and households. Further, by granting the requested waiver, Florida Housing would recognize principles of fundamental fairness in the development of affordable rental housing.

20. Should Florida Housing require additional information, a representative of Petitioner is available to answer questions and to provide all information necessary for consideration of this Petition.

G. ACTION REQUESTED

21. Petitioner requests the following:
- a. That Florida Housing grant Petitioner a waiver from the requirements of Rule 67-48.0072(21)(b), Florida Administrative Code, and extend the deadline for completing the firm loan commitment process from October 2, 2023 to April 2, 2024;
 - b. That Florida Housing grant the Petition and all the relief requested therein; and
 - c. That Florida Housing grant such further relief as may be deemed appropriate.

Respectfully submitted,

STEARNS WEAVER MILLER WEISSLER
ALHADEFF & SITTERSON, P.A.

Counsel for Petitioner

150 West Flagler Street, Suite 150

Miami, Florida 33131

Tel: (305) 789-3350

Fax: (305) 789-3395

E-mail: bmcdonough@swmwas.com

/s Brian J. McDonough
BRIAN J. MCDONOUGH, ESQ.

CERTIFICATE OF SERVICE

The original Petition is being served by electronic transmission for filing with the Corporation Clerk for the Florida Housing Finance Corporation, CorporationClerk@floridahousing.org, with a copy served by U.S. Mail to the Joint Administrative Procedures Committee, 680 Pepper Building, 111 W. Madison Street, Tallahassee, Florida 32399-1400, this 13th day of September, 2023.

/s Brian J. McDonough
Brian J. McDonough, Esq.

STATE OF FLORIDA
FLORIDA HOUSING FINANCE CORPORATION

RECEIVED

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FLORIDA HOUSING
FINANCE CORPORATION

Osprey Sound Apartments, L.P.,
a Florida limited partnership,

Petitioner,

FHFC CASE NO. 2023-077VW
Application No. 2021-107B/2023-258V

FLORIDA HOUSING FINANCE
CORPORATION,

Respondent.

_____ /

PETITION FOR WAIVER OF RULE 67-21.003(8)(h), F.A.C. (5/18/21)

Osprey Sound Apartments, L.P. (the “Petitioner”) by and through its undersigned counsel, hereby petitions Respondent, Florida Housing Finance Corporation (“Florida Housing”), for a waiver of Rule 67-21.003(8)(h), Florida Administrative Code (“F.A.C.”) effective May 18, 2021 (the “Rule”), which prohibits decreasing the total number of units identified in the application. After Petitioner submitted Application No. 2021-107B (the “Application”) on January 6, 2022, several events occurred outside of Petitioner’s control causing construction costs to increase by approximately 20% and interest rates to nearly double. Because the estimated per unit cost has increased to nearly \$200,000 per unit, it is no longer possible for Petitioner to construct 294 units of affordable housing within a single phase. Additionally, Petitioner is under time constraints related to deadlines for wetland permits and the expiration of entitlement approvals. Accordingly, Petitioner must divide the project into two phases, which requires decreasing the number of units in the Application. If this Petition is granted, and Petitioner is able to limit the Application to the first phase of development, Petitioner will return approximately \$19.62 million in Multifamily Mortgage Revenue Volume Cap, thus preserving Florida Housing’s bond allocation to fund additional projects. If the

Petition is denied, it is unlikely that any affordable housing units will ever be constructed on the parcel due to new and more stringent wetlands regulations. In support, Petitioner states as follows:

A. THE PETITIONER

1. The address, telephone, facsimile numbers and e-mail address for Petitioner and its qualified representative are:

Jonathan Gruskin
Ulysses Development Group LLC
210 University Blvd, Suite 460
Denver, CO 80206
Phone: 303-489-7187
Fax: n/a
Email: yoni.gruskin@ulyssesdevelopment.com

2. The address, telephone and facsimile number and e-mail address of Petitioner's counsel are:

Brian J. McDonough, Esq.
Stearns Weaver Miller Weissler Alhadeff &
Sitterson, P.A.
150 West Flagler Street
Suite 2200
Miami, Florida 33130
Telephone: 305-789-3350
Fax: 305-789-3395
Email: Bmcdonough@stearnsweaver.com

Bridget Smitha
Stearns Weaver Miller Weissler Alhadeff &
Sitterson, P.A.
106 East College Avenue, Suite 700
Tallahassee, FL 32301
Telephone: 850-329-4852
Fax: 850-329-4844
Email: BSmitha@stearnsweaver.com

B. DEVELOPMENT BACKGROUND

3. The following information pertains to the development underlying Petitioner's Application:

- Development Name: Osprey Sound Apartments
- Development Address: 1401 Duskin Avenue, Orlando, FL 32839
- County: Orange
- Developer: Osprey Sound Developer, LLC

- Number of Units: 294 newly constructed units were identified in the Application, but Petitioner respectfully requests approval to decrease this amount to 100 units for the first phase of construction.
- Type: Mid-Rise 5 to 6-stories
- Set Asides: in the Application, Petitioner identified a set aside of 100% at or below 60% AMI; by letter dated August 17, 2023, Petitioner submitted a formal request to change the minimum set-aside commitment from 40% at 60% AMI to the income averaging election of 30% at or below 50% AMI, 52% at or below 60% AMI, and 18% at or below 70% AMI.
- Demographics: Elderly Non-ALF
- Funding: \$42,000,000 Corporation-issued Multifamily Mortgage Revenue Bond; \$3,651,500 4% Non-Competitive Housing Credits (annual amount); \$4,300,000 Viability Loan Funding

C. WAIVER IS PERMANENT

4. The waiver being sought is permanent in nature.

D. THE RULE FROM WHICH WAIVER IS REQUESTED

5. Petitioner requests a waiver of Rule 67-21.003(8)(h), F.A.C., effective May 18,

2021, which provides in pertinent part:

(8) Notwithstanding any other provision of these rules, there are certain items that must be included in the Application and cannot be revised, corrected or supplemented after the Application is deemed complete. Those items are as follows:

**

(h) Total number of units; notwithstanding the foregoing, the total number of units may be increased after the Applicant has been invited to enter Credit Underwriting, subject to written request of an Applicant to Corporation staff and approval of the Corporation. With regard to said approval, the Corporation shall consider the facts and circumstances, inclusive of each Applicant's request, in evaluating whether the changes made are prejudicial to the Development or to the market to be served by the Development;

Id.

E. STATUTES IMPLEMENTED BY THE RULE.

6. Rule 67-21.003(8)(h), F.A.C., implements, among other sections of the Florida Housing Finance Corporation Act (the “Act”):

- Section 420.502, Legislative findings.
- Section 420.507, Powers of the corporation.
- Section 420.508, Special powers; multifamily and single-family projects.
- Section 420.509, Revenue bonds.
- Section 420.5099, Allocation of the low-income housing tax credit.

7. Per Section 420.5099(1)-(2), Florida Housing acts as the State’s housing credit agency and is authorized to establish procedures for allocating and distributing low-income housing tax credits.

F. JUSTIFICATION FOR GRANTING WAIVER OF THE RULE.

8. Petitioner submitted its Application on January 6, 2022 and Florida Housing staff issued an invitation to enter credit underwriting to Petitioner dated February 16, 2022.¹

9. Petitioner subsequently obtained a Development site and worked diligently to obtain entitlement approvals and wetlands impact permits. While the Development site comprises 15 acres, only eight of those acres are able to be developed due to wetlands. Because the Development will result in minor, isolated class III wetland impacts on the northern part of the Development site, Petitioner was required to obtain certain governmental approvals. Specifically, these wetland impacts have been approved via wetland impact permits issued by the Orange County Environmental Protection Division (“OCEPD”),² the South Florida Water

¹ On May 16, 2023, Petitioner also submitted application 2023-258V in response to RFA 2023-211, Construction Inflation Viability Loan Funding. On June 14, 2023, Petitioner received a Notice of Preliminary Award from Florida Housing related to RFA 2023-211.

² The limits of wetlands and surface waters delineated on the approved survey are only binding for a period of five years from the date of OCEPD Conservation Area Determination CAD-21-

Management District (“SFWMD”)³ and the Florida Department of Environmental Protection (“FDEP”).⁴ Unfortunately, those permits will begin to expire December 22, 2025 (a deadline that cannot be extended or renewed), necessitating that Petitioner commence construction and complete mass grading on the development site prior to the first permit expiration date in order to comply with the permits as issued. The state and local standards for wetland impacts and required mitigation have substantially changed since the time the wetland permits were issued. If Petitioner is unable to meet the December 22, 2025 deadline, it would be required to submit new wetland permit applications, which would be subject to new standards at both the state and local levels, resulting in a further reduction of the developable area on the subject site, potentially eliminating the ability to develop housing on the parcel. New applications for wetland permits would also further delay the delivery of affordable housing units to the community, as a result of the required review periods of OCEPD, SFWMD and FDEP.

05-105 issuance (*i.e.*, August 3, 2021) provided physical conditions on the property do not change so as to alter the boundaries of surface waters or wetlands during that period. The limitations of this permit condition cannot be modified to allow for a longer duration without a complete reassessment of the limits of surface waters and wetlands occurring on the project, which could increase the wetlands, change the wetland Classification, or otherwise prevent development on the property. OCEPD Conservation Area Impact Permit CAI-21-10-065 allows 0.63 acre of direct impacts of Class III wetlands and 0.04 acre of secondary wetland impacts and expires January 24, 2027. Special Condition 2 states that construction must be completed within five years from issuance unless extended in writing, which extension could expand the wetlands limits, change the wetland Classification, etc.

³ SFWMD Environmental Resource Permit 48-106023-P/Application 211019-31901 allows 0.628 acre of direct impacts of Class III wetlands and 0.04 acre of secondary wetland impacts. The permit expires February 28, 2027. Because a formal determination has not been issued for this project, if the permit needs to be extended, the SFWMD could re-evaluate the wetland delineation and expand the wetland limits.

⁴ FDEP State 404 General Permit 0411390-001-SFG allows 0.122 acre of direct wetlands impacts and 0.04 acre of secondary wetland impacts. The permit expires December 22, 2025 and cannot be extended or renewed.

10. Petitioner must also begin construction before its entitlement approvals expire. The Orange County Board of County Commissioners approved a Future Land Use Map Amendment for the project, changing the project's designation from MDR (*i.e.*, medium density residential) to HDR – senior housing (*i.e.*, high density residential – senior housing) on January 25, 2022. In addition, the Orange County Board of Zoning Adjustment approved zoning variances for height, parking ratio, and parking space size requirements for the proposed project on April 26, 2022. If building permits are not issued within five years (*i.e.*, by April 26, 2027), the approval will become null and void. If the approval is nullified, Petitioner would have to redesign the Development, which would trigger new wetlands permitting that, for the reasons discussed above, would likely prevent any development on the site.

11. Petitioner reflected 294 units in the Application, which was achievable at that time. However, in the more than 20 months that subsequently elapsed, construction costs have increased by approximately 20%⁵ and both the construction and permanent loan interest rates have approximately doubled.⁶ Coupled with the \$4.3 million cap on the Viability Loan Funding,⁷ it is no longer financially feasible for Petitioner to construct 294 units within a single phase.

⁵ At the time the Application was submitted (*i.e.*, January 6, 2022), Petitioner budgeted for \$162,875 per unit. However, by the time of Petitioner's RFA 2023-211 application (*i.e.*, May 17, 2023), construction costs increased by 19.74% such that each unit is estimated to now cost \$195,029.

⁶ The Permanent Loan Interest Rate Index (10-year Treasury) increased by 99.16% between Petitioner's initial Application (at which time it was 1.792%) and Petitioner's RFA 2023-211 application (at which time it rose to 3.569%). Similarly, for that same period, the Construction Loan Interest Rate Index (One Month Secured Overnight Financing Rate) increased by 96.33% (*i.e.*, from 2.450% to 4.810%).

⁷ This cap had the unintended consequence of making larger projects less feasible because the same amount of money would be divided amongst a greater number of units. Specifically, the maximum funding award under RFA 2023-211 of \$4,300,000 amounts to only \$14,626 per unit

12. Due to prevailing market conditions and availability of gap financing/funding sources, Petitioner found it necessary to break the project into two phases of development. Petitioner determined that limiting the first phase to 100 units would maximize the available funding on a per-unit basis and make the Development viable.

13. If this Petition is granted, and Petitioner is able to decrease the total number of units in the Application for the first phase to 100 units, no prejudice would occur. Petitioner's bond request will be reduced from \$42 million to \$22.38 million, thereby returning \$19.62 million of bonds to Florida Housing for use in relation to other projects. Moreover, if the Petition is granted, developer will seek to maximize the total units of affordable housing delivered between the two phases of development, subject to funding availability and obtaining necessary governmental approvals.⁸ Upon completing the wetlands mitigation work for the first phase, the permits will be satisfied, the expiration deadline will be removed, and the second phase can proceed without being subject to the more stringent wetlands regulations.

14. In contrast, if the Petition is denied, the wetland permits deadlines and entitlement approvals will likely expire before construction can begin. For the reasons set forth above, this would likely result in no affordable housing units being constructed on the site by anyone, not just Petitioner. Orange County has expressed support not only for the Development, but for the location as well since it will promote urban infill. Indeed, the Orange County Housing and Community Services Division has issued an Affordable Housing Certification to the

for a 294-unit project. However, for a smaller 100-unit project, the same award of \$4,300,000 amounts to \$43,000 per unit; *i.e.*, nearly three times more per unit.

⁸ Because Petitioner's mission is driven by affordable housing, Petitioner is committed to developing both phases of the site as affordable housing, even if the Application is decreased to 100 units. In fact, if requested, Petitioner would record a restrictive covenant on the property necessitating that Petitioner construct all units on the property, including all future phases of development, subject to income restrictions of at least 40% at or below 60% average median income.

Development, making the Development eligible for abatement of certain development impact fees and expedited permit review. The County may also contribute gap funding.⁹

15. Under Section 120.542(1), Fla. Stat., and Chapter 28-104, F.A.C., Florida Housing has the authority to grant waivers to its rule requirements when strict application of the rules would lead to unreasonable, unfair and unintended consequences, in particular instances. Waivers shall be granted when the person who is subject to the rule demonstrates that the application of the rule would: (1) create a substantial hardship or, violate principles of fairness,¹⁰ and (2) the purpose of the underlying statute has been or will be achieved by other means by the person. § 120.542(2), Fla. Stat.

16. If the Rule is imposed, Petitioner will suffer the substantial and unnecessary economic and operational hardship described above.

17. As discussed above, Petitioner meets the standards for granting the requested waiver. The requested waiver will ensure that 294 affordable housing units will eventually be made available for the target population in Orange County, Florida. Granting the waiver will serve the purposes of the Rule and the Act, because one of the Act's primary purposes is to facilitate the availability of decent, safe and sanitary housing in the State. Denying the waiver would deny Orange County these much-needed affordable housing units.

⁹ Petitioner is applying for Orange County's Affordable Housing Trust Funds (the only other available funding source) and anticipates a contribution of \$7-8 million.

¹⁰ "Substantial hardship" means a demonstrated economic, technological, legal, or other type of hardship to the person requesting the variance or waiver. For purposes of this section, "principles of fairness" are violated when the literal application of a rule affects a particular person in a manner significantly different from the way it affects other similarly situated persons who are subject to the rule. § 120.542(2), Fla. Stat.

G. ACTION REQUESTED

18. For the reasons set forth herein, Petitioner respectfully requests Florida Housing: (i) grant the requested permanent waiver of the Rule such that Petitioner may decrease the total units identified in the Application; (ii) grant this Petition and all of the relief requested herein; and (iii) grant such further relief as it may deem appropriate.

Respectfully submitted,

STEARNS WEAVER MILLER WEISSLER
ALHADEFF & SITTERSON, P.A.
150 West Flagler Street, 22nd Floor
Miami, Florida 33131
Tel: (305) 789-3350
Fax: (305) 789-3395
E-mail: bmcdonough@stearnsweaver.com

Counsel for Petitioner

By: /s/ Brian J. McDonough
BRIAN J. MCDONOUGH, ESQ.

CERTIFICATE OF SERVICE

This Petition is being served by electronic transmission for filing with the Clerk for the Florida Housing Finance Corporation, CorporationClerk@FloridaHousing.org, with a copy served by U.S. Mail on the Joint Administrative Procedures Committee, 680 Pepper Building, 111 W. Madison Street, Tallahassee, Florida 32399-1400, this 25th day of September, 2023.

By: /s/ Brian J. McDonough
Brian J. McDonough, Esq.

STATE OF FLORIDA
FLORIDA HOUSING FINANCE CORPORATION

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FLORIDA HOUSING
FINANCE CORPORATION

SILVER LAKES VILLAGE VOA
AFFORDABLE HOUSING, LP,

CASE NO. 2023-078VW

Petitioner,

vs.

FHFC APPLICATION: 2021-189E
REQUEST FOR APPLICATIONS: 2020-101

FLORIDA HOUSING FINANCE
CORPORATION,

Respondent.

PETITION FOR WAIVER OF RULE 67-48.0072(26) F.A.C. (6/23/20)

Petitioner Silver Lakes Village VOA Affordable Housing, LP.,¹ a Florida limited partnership (the “Petitioner”), by and through its undersigned counsel, hereby petitions Respondent, Florida Housing Finance Corporation (“Florida Housing”), for a waiver of Rule 67-48.0072(26), Florida Administrative Code (“F.A.C.”) (June 23, 2020) so that it may extend the Elderly Housing Community Loan (“EHCL”) closing deadline of October 31, 2023. Petitioner experienced a series of delays beyond its control, primarily related to Hurricane Ian and interactions with the U.S. Department of Housing and Urban Development (“HUD”), as outlined in more detail below. Accordingly, Petitioner is requesting an additional six-month extension of the loan closing deadline. In support, Petitioner states as follows:

1. THE PETITIONER

The address, telephone, facsimile numbers and e-mail address for Petitioner and its qualified representative are:

¹ On August 2, 2021, Florida Housing staff received Petitioner’s request to change the applicant/Petitioner’s name from Orlando Volunteers of America Elderly Housing, Inc., to Silver Lakes Village VOA Affordable Housing, LP. Florida Housing’s Board approved the name change at its September 10, 2021 meeting.

Silver Lakes Village VOA Affordable Housing, LP
Volunteers of America National Services
Attention: Kimberly Black King
1660 Duke Street
Alexandria, VA 22314
Telephone: (703)341-5081
Facsimile: N/A
E-Mail: kking3@voa.org

The address, telephone number, facsimile number, and e-mail address of Petitioner's counsel are:

Brian J. McDonough, Esq.
Stearns Weaver Miller Weissler Alhadeff &
Sitterson, P.A.
150 West Flagler Street
Suite 2200
Miami, Florida 33130
Telephone: 305-789-3350
Fax: 305-789-3395
Email: Bmcdonough@stearnsweaver.com

Bridget Smitha
Stearns Weaver Miller Weissler Alhadeff &
Sitterson, P.A.
106 East College Avenue, Suite 700
Tallahassee, FL 32301
Telephone: 850-329-4852
Fax: 850-329-4844
Email: BSmitha@stearnsweaver.com

2. DEVELOPMENT BACKGROUND

The following information pertains to the development (the "Development") underlying Petitioner's application:

- Development Name: Silver Lakes Village Apartments
- Development Address: 5102 Cinderlane Pkwy, FL 32808
- County: Orange
- Developer: Volunteers of America National Services
- Number of Units: 104
- Type: Garden Apartments/Rehabilitation
- Set Asides: 20% at or below 50% AMI and 80% at or below 60% AMI
- Demographics: Elderly
- Funding: \$750,000 Elderly Housing Community Loan (EHCL)

3. WAIVER IS PERMANENT

The waiver being sought is permanent in nature.

4. THE RULE FROM WHICH WAIVER IS REQUESTED

Petitioner seeks a waiver of Rule 67-48.0072(26), effective June 23, 2020, which provides:

For SAIL, EHCL, and HOME, unless stated otherwise in a competitive solicitation, these Corporation loans and other mortgage loans related to the Development must close within 120 Calendar Days of the date of the firm loan commitment(s), unless the Development is a Tax-Exempt Bond-Financed Development which then the closing must occur within 180 Calendar Days of the firm loan commitment(s). Unless an extension is approved by the Board, failure to close the loan(s) by the specified deadline outlined above shall result in the firm loan commitment(s) being deemed void and the funds shall be de-obligated. **Applicants may request one (1) extension of the loan closing deadline outlined above for a term of up to 90 Calendar Days.** All extension requests must be submitted in writing to the program administrator and contain the specific reasons for requesting an extension and shall detail the time frame to close the loan. The Board shall consider the facts and circumstances of each Applicant's request, inclusive of the Applicant's ability to close within the extension term and any credit underwriting report, prior to determining whether to grant the requested extension. The Corporation shall charge an extension fee of one (1) percent of each Corporation loan amount if the Board approves the request to extend the loan closing deadline beyond the applicable 120 Calendar Day or 180 Calendar Day period outlined above. If an approved extension is utilized, Applicants must pay the extension fee not later than seven (7) Calendar Days after the original loan closing deadline. In the event the Corporation loan(s) does not close by the end of the extension period, the firm loan commitment(s) shall be deemed void and the funds shall be de-obligated.

Id. (emphasis added).

5. STATUTES IMPLEMENTED BY THE RULE

The Rule implements Section 420.5087 (State Apartment Incentive Loan Program), Section 420.5089 (HOME Investment Partnership Program; HOME Investment Partnership Fund), and Section 420.5099 (creating the Housing Credits Program) of the Florida Housing Finance Corporation Act (the "Act").²

² The Act is set forth in Sections 420.50 through 420.55 of the Florida Statutes.

6. JUSTIFICATION FOR GRANTING WAIVER OF THE RULE

- a. Florida Housing issued RFA 2020-101 (the “RFA”) on October 22, 2020.
- b. Petitioner timely submitted its Application No. 2021-189E in response to the RFA on November 18, 2020.
- c. On January 22, 2021, the Board approved the final scores and recommendations for the RFA and directed staff to proceed with all necessary credit underwriting activities.
- d. Florida Housing staff issued an invitation to enter credit underwriting to the Petitioner on January 26, 2021.
- e. Because Petitioner acknowledged the acceptance on February 2, 2021, the initial firm loan commitment issuance deadline was February 2, 2022.
- f. On November 3, 2021, Petitioner requested a six-month extension of the firm loan commitment deadline due to an unforeseen delay. The EHCL funds are part of a financing plan that includes 4% housing credits, as well as tax-exempt bonds issued by the Orange County Housing Finance Authority (“OCHFA”). While the OCHFA Board approved an Intent Resolution for the Development, OCHFA had already exhausted its bond allocation for 2021 and could not allocate its bonds to the project until early 2022, necessitating the request for the six-month extension. This request was approved by Florida Housing’s Board on January 21, 2022, thereby extending the deadlines from February 2, 2022 to August 2, 2022.
- g. Construction cost and interest rate increases forced Petitioner to make significant changes to the Development’s budget. As a result, the credit underwriting report could not be available in enough time for consideration at Florida Housing’s June 17,

- 2022 Board meeting. Because subsection (21)(a) of the Rule prevented Florida Housing from issuing the firm loan commitment until after the Credit Underwriter's recommendation for funding was approved by Florida Housing's Board, and the final credit underwriting report would not come before the Board prior to the firm loan commitment issuance deadline of August 2, 2022, Petitioner requested another extension via a petition for Rule waiver. On June 17, 2022, Florida Housing's Board granted that petition, extending the deadline for issuance of the firm loan commitment to February 2, 2023.
- h. The Rule provides that the EHCL must close within 120 Calendar Days of the date of the firm loan commitment (*i.e.*, within 120 days of February 2, 2023)
 - i. On June 22, 2023, as permitted under the Rule, Petitioner requested a 90-day extension of the loan closing deadline. On July 21, 2023, Florida Housing's Board approved this request, extending the deadline to and including October 31, 2023.
 - j. Unfortunately, Petitioner is in need of an additional six-month extension of the loan closing deadline.
 - k. Because Petitioner exercised the single extension allowed under the Rule, Petitioner must request via this Petition a waiver of the Rule to allow an additional extension.
 - l. The need for the additional extension was caused by forces beyond Petitioner's control.
 - m. The rehabilitation project experienced construction cost increases in part due to water infiltration from Hurricane Ian in the Fall of 2022. Subsequent to Hurricane Ian, the owner engaged a contractor, architect and structural engineer to perform several investigative penetrations to the exterior of the building to ascertain a more accurate

depiction of the rehabilitation needs, including any remediation measures needed to abate the water infiltration issues. The findings of this investigative study necessitated revisions to the scope of work for the project, and resulted in a material increase to the project's hard cost budget.

- n. Silver Lakes Village is also going through the Rental Assistance Demonstration (“RAD”) program for a Section 202 (*i.e.*, Housing for the Elderly) Project Rental Assistance Contract (“PRAC”) conversion process with HUD. After completing the investigative studies, which substantiated the need for material increases to the scope of work and hard cost budget, the Owner needed to pursue additional project subsidies. For the past 12 months, the Owner has been awaiting the publication of a RAD Supplemental Notice, which would govern the allocation of \$12 million in funding for RAD for PRAC conversions, appropriated by Congress. On July 27th, 2023, the Rental Assistance Demonstration – Supplemental Notice 4B (Notice H-2023-08 / PIH-2023-19) was released by HUD. The Notice was published in the Federal Register on August 21, 2023, effectuating the changes to the program and allowing PRAC owners going through the RAD conversion process to request supplemental rent subsidy increases. Given the extensive scope of work and projected hard costs for the rehabilitation of the Development, the project is eligible to receive an additional \$250 per unit per month in rental subsidy, which will help support the additional debt needed to close the financial gap and complete the entirety of the expanded scope of work necessary to stabilize and preserve the building. The requested extension will allow Petitioner to continue to work through these HUD

- processes for the construction close, including the submission and approval of the RAD Conversion Plan and supplemental rent subsidy increase.
- o. There have been additional delays as a result of the damages incurred from Hurricane Ian in October 2022. Subsequent to the Hurricane, Volunteers of America National Services (“VOANS”), the project owner, requested and successfully received an insurance claim payment to replace the roof of the building, and make repairs to the affected dwelling units. VOANS worked diligently with the insurance adjuster, the General Contractor to develop a scope of work within the approved insurance claim budget, as well as a Recovery Plan for the property that needed to be approved by HUD. The critical repairs to the roof are currently underway and will be complete by October 31st, 2023. HUD would not reapprove the PRAC for the property, until the actions required under Recovery Plan were satisfied.
 - p. Due to delays related to the foregoing, Petitioner does not believe it will be able to satisfy the current loan closing deadline.
 - q. Thus, Petitioner is in need of a Rule waiver to obtain a second extension of the loan closing deadline.
 - r. As set forth above, this request was not necessitated through any fault of Petitioner. Rather, Petitioner exercised due diligence in attempting to move the Development forward.
 - s. If the Petition is denied, the firm loan commitment will be deemed void and the funds will be de-obligated pursuant to the Rule. Because the Development cannot move forward without this funding source, and because significant remediation measures are needed as a result of Hurricane Ian, the denial would likely cause the elderly

- residents currently residing in the 104 affordable housing units to be displaced.
- t. This Petition should be granted, as opposed to de-obligating the award, because Orange County is currently experiencing a shortage of affordable housing units for the elderly. Granting the Petition will allow 104 affordable housing units to be rehabilitated and provide housing much faster than would reallocating the funding to a new development.
- u. Under Section 120.542(1), *Fla. Stat.*, and Chapter 28-104, F.A.C., Florida Housing has the authority to grant waivers to its rule requirements when strict application of the rules would lead to unreasonable, unfair and unintended consequences, in particular instances. Waivers shall be granted when the person who is subject to the rule demonstrates that the application of the rule would: (1) create a substantial hardship or, violate principles of fairness,³ and (2) the purpose of the underlying statute has been or will be achieved by other means by the person. *See* § 120.542(2), *Fla. Stat.*
- v. In this instance, Petitioner meets the standards for a waiver of the Rule. The requested waiver will not adversely impact the Development or Florida Housing and will ensure that 104 affordable housing units will be preserved and made available for the target population in Orange County, Florida. The strict application of the Rule would cause the funds to be de-obligated. Further, the waiver will serve the purposes of the Act, because one of the Act's primary purposes is to facilitate the availability of

³ “Substantial hardship” means a demonstrated economic, technological, legal, or other type of hardship to the person requesting the variance or waiver. For purposes of this section, “principles of fairness” are violated when the literal application of a rule affects a particular person in a manner significantly different from the way it affects other similarly situated persons who are subject to the rule. *See* § 120.542(2), *Fla. Stat.*

decent, safe and sanitary housing in the State. By granting this waiver, Florida Housing would recognize the goal of increasing the supply of affordable housing through private investment in persons of low-income, and recognizing the economic realities and principles of fundamental fairness in developing affordable housing. *See* § 420.5099(2), Fla. Stat.

- w. The foregoing demonstrates the hardship and other circumstances justifying this Petition.
- x. Should Florida Housing require additional information, Petitioner is available to answer questions and to provide all information necessary for consideration of this Petition.

7. ACTION REQUESTED

For the reasons set forth herein, Petitioner respectfully requests Florida Housing: (i) grant the requested waiver to extend the loan closing deadline an additional six months (*i.e.*, through and including April 30, 2024); (ii) grant this Petition and all of the relief requested herein; and (iii) grant such further relief as it may deem appropriate.

Respectfully submitted,

STEARNS WEAVER MILLER WEISSLER
ALHADEFF & SITTERSON, P.A.
150 West Flagler Street, 22nd Floor
Miami, Florida 33131
Tel: (305) 789-3350
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E-mail: bmcdonough@stearnsweaver.com

Counsel for Petitioner

By: /s/ Brian J. McDonough

BRIAN J. MCDONOUGH, ESQ.

CERTIFICATE OF SERVICE

This Petition is being served by electronic transmission for filing with the Clerk for the Florida Housing Finance Corporation, CorporationClerk@FloridaHousing.org, with a copy served by U.S. Mail on the Joint Administrative Procedures Committee, 680 Pepper Building, 111 W. Madison Street, Tallahassee, Florida 32399-1400, this 28th day of September, 2023.

By: /s/ Brian J. McDonough
Brian J. McDonough, Esq.

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FLORIDA HOUSING FINANCE CORPORATION

EVERGLADES VILLAGE PHASE 5.6, LLC,

FLORIDA HOUSING
FINANCE CORPORATION

Petitioner,

FHFC Cae # 2023-081VW
APPLICATION NO. 2022-237S

v.

FLORIDA HOUSING FINANCE
CORPORATION,

Respondent.

PETITION FOR WAIVER OF RULE 67-48.0072(21)(B) (5/18/21)

Petitioner, Everglades Village Phase 5.6, LLC, a Florida limited liability company (the "Petitioner") submits its petition to Respondent, Florida Housing Finance Corporation (the "Corporation"), for a waiver of Rule 67-48.0072(21)(b), F.A.C. (the "Rule") in effect at the time Petitioner submitted its application in response to the Corporation's Request for Applications 2022-104 (the "RFA"), to allow Petitioner an additional extension of the Firm Loan Commitment deadline for SAIL Funding allocated to Petitioner pursuant to the RFA. In support of this petition (the "Petition"), Petitioner states as follows:

A. Petitioner and the Development.

1. The name, address, telephone, and facsimile numbers for Petitioner and its qualified representative are:

Everglades Village Phase 5.6, LLC
c/o Rural Neighborhoods, Inc.
19308 SW 380th Street
Florida City, FL 33034
(305) 242-2142
SteveKirk@ruralneighborhoods.org

The name, address, telephone, and facsimile numbers of Petitioner's attorneys are:

Gary J. Cohen, Esq.
Shutts & Bowen LLP
200 S. Biscayne Blvd., Ste. 4100
Miami, FL 33131
Telephone: (305) 347-7308
Facsimile: (305) 347-7808
Email: gcohen@shutts.com

2. Pursuant to the RFA, Petitioner timely submitted its application for SAIL funding. See Application No. 2022-237S (the "Application"). Petitioner was preliminarily awarded Four Million Three Hundred Thousand Dollars (\$4,300,000.00) in SAIL funding under the RFA (the "SAIL Award"). Pursuant to the Rule, Applicant was required to complete credit underwriting and execute a SAIL firm commitment within twelve (12) months of the Applicant's acceptance to enter into credit underwriting. The invitation to credit underwriting was accepted on March 18, 2022, and, as such, the original firm commitment deadline was March 18, 2023.

3. On April 10, 2023, Petitioner requested approval of extension of the firm commitment deadline until September 17, 2023, which request was approved at the Corporation's April 28, 2023 Board meeting. Petitioner paid a one (1%) percent extension fee in connection with approval of the foregoing extension. For the reasons explained more fully below, the SAIL Award Firm Loan Commitment will not be issued by the September 17, 2023 deadline. Petitioner is requesting an extension of the Firm Loan Commitment issuance deadline until March 18, 2024.

4. On May 15, 2023, Petitioner timely submitted its application for Construction Inflation Response Viability Funding pursuant to RFA 2023-2011 ("Viability RFA"). See application No. 2023-240V. Petitioner received a Notice of Preliminary Award of \$1,000,000.00 of Viability funding under RFA 2023-211 on June 14, 2023. Petitioner accepted the award on June 21, 2023.

5. The SAIL Award is a critical part of the financing for the new construction of affordable family housing to be known as Everglades Village Phase 5.6, serving income qualifying farmworkers (the “Development”). The development is located in Miami-Dade County.

B. Rules from Which the Waiver is Sought.

6. The relevant portions of the Rules in effect at the time the SAIL funds were awarded for which this waiver is sought, provide as follows:

(b) Rule 67-48.0072 provides that “(21) Information required by the Credit Underwriter shall be provided as follows:

(b) For SAIL, EHCL, and SAIL, unless stated otherwise in a competitive solicitation, the firm loan commitment must be issued within twelve (12) months of the Applicant’s acceptance to enter credit underwriting. Unless an extension is approved by the Corporation in writing, failure to achieve credit underwriting report approval and issuance of a firm loan commitment by the specified deadline shall result in withdrawal of the preliminary commitment. Applicants may request one (1) extension of up to six (6) months to secure a firm loan commitment. All extension requests must be submitted in writing to the program administrator and contain the specific reasons for requesting the extension and shall detail the time frame to achieve a firm loan commitment. In determining whether to grant an extension, the Corporation shall consider the facts and circumstances of the Applicant’s request, inclusive of the responsiveness of the Development team and its ability to deliver the Development timely. The Corporation shall charge a non-refundable extension fee of one (1) percent of each loan amount if the request to extend the credit underwriting and firm loan commitment process beyond the initial twelve (12) month deadline is approved. If, by the end of the extension period, the Applicant has not received a firm loan commitment, then the preliminary commitment shall be withdrawn.” Rule 67-48.0072(21)(b), F.A.C. (2021).

C. Statute Implemented.

7. The Rule for which a waiver is requested is implementing, among other sections of the Florida Housing Finance Corporation Act (the “Act”), the statute that created the SAIL program. See § 420.5087, Florida Statutes (2021).

8. Pursuant to Chapter 120.542(1), Florida Statutes, “strict application of uniformly applicable rule requirements can lead to unreasonable, unfair, and unintended results in particular instances. The Legislature finds that it is appropriate in such cases to adopt a procedure for agencies to provide relief to persons subject to regulation.” Therefore, under Section 120.542(1), Florida Statutes and Chapter 28-104, F.A.C., the Corporation has the authority to grant waivers to its requirements when strict application of these requirements would lead to unreasonable, unfair, and unintended consequences in particular instances. Specifically, Section 120.542(2) states:

“Variances and waivers shall be granted when the person subject to the rule demonstrates that the purpose of the underlying statute will be or has been achieved by other means by the person and when application of a rule would create a substantial hardship or would violate principles of fairness. For purposes of this section, “substantial hardship” means a demonstrated economic, technological, legal, or other type of hardship to the person requesting the variance or waiver. For purposes of this section, “principles of fairness” are violated when the literal application of a rule affects a particular person in a manner significantly different from the way it affects other similarly situated persons who are subject to the rule.” Section 120.542(2), Florida Statutes.

9. In this instance, Petitioner meets the standards for a waiver.

D. Justification for Petitioner’s Requested Waiver

10. Petitioner was previously granted an extension to secure a firm loan commitment of the SAIL Award to September 18, 2023. Petitioner is requesting an additional extension of the deadline to secure a Firm Loan Commitment for the SAIL Award until March 18, 2024. This extension may not be granted without a waiver of the Rule. The reasons for this request are as set forth below.

11. Petitioner has made substantial progress towards closing of financing and commencement of construction of the Development. Petitioner has obtained a financial commitment for first mortgage construction and permanent financing, and has completed building

and civil engineering plans. Notwithstanding the foregoing, the Development stalled due to a series of interest rate increases to its construction and permanent loans that reduced the amount of available first mortgage financing, which in turn required Petitioner to seek additional financing sources.

12. In addition, initial negotiations with multiple general contractors resulted in a determination that budgeted construction costs were insufficient to meet construction labor and materials cost inflation. This situation was further exacerbated by the Development's small size.

13. In response to these difficulties, Petitioner submitted its application under RFA 2023-211 and received Board approval of a Viability award of \$1,000,000 on June 9, 2023, and accepted the award on June 14, 2023.

14. Given this sourcing of new capital, Petitioner has contracted with its engineering professional to update the civil plans and has prepared bid packages for prospective general and civil contractors. Petitioner anticipates selecting a general contractor in the fourth quarter of 2023 and submittal of requested credit underwriting information shortly thereafter.

15. The requested waiver will ensure the availability of SAIL funding which will otherwise be lost as a consequence of the fee payment described herein.

E. Conclusion

16. The facts set forth in Sections 10 through 14 of this Petition demonstrate the hardship and other circumstances which justify Petitioner's request for a Rule waiver. A denial of the Petition would (a) result in substantial economic hardship to Petitioner, as it has incurred substantial costs to date insuring that the Development proceeds to completion; (b) deprive Miami-Dade County of the provision of much needed affordable housing for farmworkers; and (c) violate principles of fairness. Section 120.52(2), Florida Statutes. As discussed above, the above-

described delays have been caused by circumstances outside Petitioner's control, and make it impossible to meet the September 18, 2023 deadline for issuance of a Firm Loan Commitment.

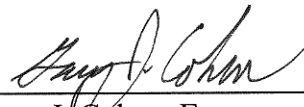
17. As demonstrated above, the requested waiver serves the purposes of Section 420.5087, Florida Statutes, and the Act, as a whole, because one of their primary goals is to facilitate the availability of decent, safe, and sanitary housing in the State of Florida to low income persons and households. Further, by granting the requested waiver, the Corporation would recognize principles of fundamental fairness in the development of affordable rental housing.

18. The waiver being sought is permanent in nature. Should the Corporation require additional information, a representative of Petitioner is available to answer questions and to provide all information necessary for consideration of this Petition.

WHEREFORE, Petitioner respectfully requests that the Corporation:

- A. Grant this Petition and all the relief requested therein;
- B. Grant a waiver of the Rule to allow for an additional extension of the deadline to secure a Firm Loan Commitment from September 18, 2023 to March 18, 2024, and not require that an additional extension fee be imposed;
- C. Award such further relief as may be deemed appropriate.

Respectfully submitted,



Gary J. Cohen, Esq.
Shutts & Bowen LLP
Counsel for Everglades Village Phase 5.6, LLC
200 S. Biscayne Blvd., Ste. 4100
Miami, FL 33131
Telephone: (305) 347-7308
Fax: (305) 347-7808
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CERTIFICATE OF SERVICE

The original Petition is being served by overnight delivery, with a copy served by electronic transmission for filing with the Corporation Clerk for the Florida Housing Finance Corporation, 227 North Bronough Street, Tallahassee, Florida 32301, with copies served by overnight delivery on the Joint Administrative Procedures Committee, 680 Pepper Building, 111 W. Madison Street, Tallahassee, Florida 32399-1400, this 29th day of September, 2023.



Gary J. Cohen, Esq.
Shutts & Bowen LLP
Counsel for Everglades Village Phase 5.6,
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FLORIDA HOUSING
FINANCE CORPORATION

STATE OF FLORIDA
FLORIDA HOUSING FINANCE CORPORATION

VINELAND FAMILY APARTMENTS, LTD.
a Florida limited partnership,

Petitioner,

FHFC CASE NO. 2023-080VW
Application No. 2021-110B

v.

FLORIDA HOUSING FINANCE
CORPORATION,

Respondent.

PETITION FOR WAIVER OF RULE 67-21.003(1)(b) (05/18/2021)
AND THE NON-COMPETITIVE APPLICATION INSTRUCTIONS (REV. 03-2021)
AND FOR BOARD APPROVAL PURSUANT TO RULE 67-21.003(8)(b) (05/18/21) AND
THE NON-COMPETITIVE APPLICATION INSTRUCTIONS (REV. 03-2021)

Petitioner Vineland Family Apartments, Ltd. (the “Petitioner”) by and through its undersigned counsel, hereby petitions Respondent, Florida Housing Finance Corporation (“Florida Housing”), for a waiver of the prohibition under Rule 67-21.003(1)(b), Florida Administrative Code (“F.A.C.”) (05/18/2021) (“Rule”) and the Non-Competitive Application Instructions (Rev. 03-2021) (“NCA”) against changing the principals of the Applicant identified in the Application prior to Multifamily Mortgage Revenue Bond (“MMRB”) loan closing. Petitioner must update its structure now, as opposed to waiting until after MMRB loan closing because the 2023 tax returns must reflect the ownership entity structure that will in fact operate the Development. Because the change is requested prior to the MMRB Loan closing, Petitioner respectfully requests a waiver of the Rule and NCA Instructions so that the original organizational chart, attached as Exhibit A, may be revised to reflect the structure depicted in Exhibit B. For similar reasons, Petitioner seeks Board approval pursuant to Rule 67-21.003(8)(b) (05/18/21) and the NCA to change principals of the Developer. *Compare* Exhibit C (Current

Developer Organizational Structure) with Exhibit D (Proposed Developer Organizational Structure).

In support, Petitioner states as follows:

A. THE PETITIONER.

1. The address, telephone, facsimile numbers and e-mail address for Petitioner and its qualified representative are:

Russell Condas
Lincoln Avenue Capital
401 Wilshire Blvd, 11th Floor
Santa Monica, CA 90401
Telephone: 424-222-8392
Fax: N/A
Email: rcondas@lincolnavecap.com

2. The address, telephone, and facsimile number and e-mail address of Petitioner's counsel is:

Brian J. McDonough
Stearns Weaver Miller Weissler Alhadeff
& Sitterson
150 West Flagler Street
Suite 2200
Miami, FL 33130
bmcdonough@stearnsweaver.com
Tel: (305) 789-3350
Fax: (305) 789-3395

Bridget Smitha
Stearns Weaver Miller Weissler Alhadeff
& Sitterson
106 East College Avenue, Suite 700
Tallahassee, FL 32301
bsmitha@stearnsweaver.com
Direct: 850-329-4852
Fax: 850-329-4844

B. WAIVER IS PERMANENT.

3. The waiver being sought is permanent in nature.

C. DEVELOPMENT BACKGROUND.

4. The following information pertains to the development underlying this petition (the "Development"):

- Development Name: The Salix on Vine
- Development Address: 2200 Old Vineland Road, Kissimmee, FL 34746

- County: Osceola
- Developer: Vineland Family Developer LLC
- Number of Units: 252 new construction
- Type: Garden
- Set Asides: 100% of units at 60% AMI or lower
- Demographics: Family
- Funding: \$50,000,000 MMRB; an annual 4% HC allocation of \$4,771,299; and Construction Inflation Response Viability Funding in the amount of \$4,300,000

D. THE RULE AND NCA PROVISIONS FROM WHICH WAIVER IS REQUESTED.

5. To change Petitioner's principals before the MMRB loan closing, Petitioner requests a waiver of Rule 67-21.003(1)(b), F.A.C. (05/18/21) which provides in pertinent part:

(1) Applicants shall apply for MMRB, Non-Competitive HC, or a combination of MMRB and Non-Competitive HC as set forth below. For purposes of this subsection only, the term NC Award shall refer to MMRB, Non-Competitive HC, or a combination of MMRB and Non-Competitive HC, and funding from the following Corporation programs will not be considered to be other Corporation funding: Predevelopment Loan Program (PLP) and Elderly Housing Community Loan (EHCL) Program.

(b) If the NC Award will not be in conjunction with other Corporation funding made available through the competitive solicitation funding process outlined in rule Chapter 67-60, F.A.C., the Applicant shall utilize the Non-Competitive Application Package in effect at the time the Applicant submits the Application. The Non-Competitive Application Package or NCA (Rev. 03-2021) is adopted and incorporated herein by reference and consists of the forms and instructions available, without charge, on the Corporation's website under the Multifamily Programs link labeled Non-Competitive Programs or from <http://www.flrules.org/Gateway/reference.asp?No=Ref-13093>, which shall be completed and submitted to the Corporation in accordance with this rule chapter.

This Rule incorporates by reference the NCA Package (Rev. 03-2021). The NCA Package includes the following requirement at Part A.6.b.(2):

(2) For Applicants requesting MMRB, with or without Non-Competitive Housing Credits:

The Applicant entity shall be the recipient of the Non-Competitive Housing Credits and the borrowing entity for the MMRB Loan and the ownership structure of the Applicant entity as set forth in the Principal Disclosure Form **cannot be changed in any way** (materially or non-materially) **until after the MMRB Loan closing**. After loan closing, (a) any material change in the ownership structure of the named Applicant will require review and approval of the Credit Underwriter, as well as Board approval prior to the change, and (b) any non-material change in the ownership structure of the named Applicant will require review and approval of the Corporation, as well as Board approval prior to the change. The Applicant must comply with Principal disclosure requirements outlined in Rule Chapter 67-21, F.A.C. for the duration of the Compliance Period. Changes to the ownership structure of the Applicant entity (material or non-material) prior to the loan closing or without Board approval after the loan closing shall result in disqualification from receiving funding and shall be deemed a material misrepresentation. Changes prior to loan closing to the officers or directors of a Public Housing Authority, officers or directors of a Non-Profit entity, or the limited partner of an investor limited partnership or an investor member of a limited liability company owning the syndicating interest therein will not result in disqualification, however, the Corporation must be notified of the change. Changes to the officers or directors of a Non-Profit entity shall require Corporation approval.

Id. at Part A. 6. b. (2) (emphasis added).

6. Petitioner is requesting the foregoing waiver so that it may amend its organizational structure from the current chart attached as Exhibit A to the proposed chart attached as Exhibit B.

E. RULE AND NCA PROVISIONS PURSUANT TO WHICH BOARD APPROVAL IS SOUGHT.

7. To change the Developer's principals, Petitioner seeks Board approval pursuant to Rule 67-21.003(8)(b) (05/18/21), which provides:

(8) Notwithstanding any other provision of these rules, there are certain items that must be included in the Application and cannot be revised, corrected or supplemented after the Application is deemed complete. Those items are as follows:

(b) Principals of each Developer, including all co-Developers; notwithstanding the foregoing, the **Principals of the Developer(s) may be changed** only by written request of an Applicant to Corporation staff and

approval of the Board after the Applicant has been invited to enter Credit Underwriting. With regard to said approval, the Board shall consider the facts and circumstances of each Applicant's request, inclusive of validity and consistency of Application documentation. Principals of a Public Housing Authority or officers and/or directors of a non-profit entity may be changed only by written request of an Applicant to Corporation staff and approval of the Corporation after the Applicant has been invited to enter Credit Underwriting. Any allowable replacement of a Principal that was identified as the experienced Developer in a competitive solicitation must meet the experience requirements met by the original Principal;

Id. (emphasis added).

8. Petitioner also seeks Board approval pursuant to Part A.6.c. of the NCA, which similarly provides:

The Principals of each Developer identified in the Application, including all co-Developers, **may be changed** only by written request of an Applicant to Corporation staff and **approval of the Board** after the Applicant has been invited to enter Credit Underwriting. Principals of a Public Housing Authority or officers and/or directors of a non-profit entity may be changed only by written request of an Applicant to Corporation staff and approval of the Corporation after the Applicant has been invited to enter Credit Underwriting.

Id. (emphasis added).

F. STATUTES IMPLEMENTED BY THE RULE.

9. The Rule implements, among other sections of the Florida Housing Finance Corporation Act (the "Act"):

- Section 420.502, Legislative findings.
- Section 420.503, Definitions.
- Section 420.507, Powers of the corporation.
- Section 420.508, Special powers; multifamily and single-family projects.
- Section 420.509, Revenue bonds.
- Section 420.5099, Allocation of the low-income housing tax credit.

10. Per Section 420.5099(1),(2), Florida Housing acts as the State's housing credit agency and is authorized to establish procedures for allocating and distributing low-income housing tax credits.

G. JUSTIFICATION FOR GRANTING WAIVER OF THE RULE AND NCA INSTRUCTIONS.

11. Petitioner submitted non-competitive application number 2021-110B (the "Application") for the Development on January 6, 2022, and was invited to enter into credit underwriting by Florida Housing on February 23, 2022.

12. In the 21 months that have elapsed since Petitioner submitted the Application, two of Petitioner's principals determined that they needed to change the organizational structure for estate planning and other purposes (*e.g.*, the interests currently held individually by Jeremy S. Bronfman and Eli M. Bronfman through their limited liability companies would instead be held by their trusts). The change must occur now, rather than waiting until after MMRB Loan closing because the 2023 tax returns must reflect the ownership entity structure that will in fact operate the Development. If this request for waiver is denied, it will create an immense administrative burden upon each principal becoming deceased as his interest will have to pass through probate rather than be governed by his trust. If the Petition is granted, the natural person trustees and beneficiaries will be the same natural person principals identified in the Application. Neither FHFC nor the Development would be prejudiced by the addition of these passive trusts. Additionally, the limited partner identified in the Application served as a placeholder entity only and the true investor limited partner must be included in the structure at the resyndication closing. Accordingly, the change must occur now, as opposed to waiting until after the MMRB loan closing.

13. As a result, Petitioner is requesting a waiver such that:

- At the first level: Vineland Family Partner LLC (00.009% Class B limited Partner - 90% economics and residual) and LAC TC Partners Holdings LLC (99.99% Limited Partner) would be removed and replaced with a placeholder¹ (99.99% Limited Partner²) prior to closing. Vineland Family GP LLC would remain the General Partner,³ but its interest would increase from 0.001% to 0.01% (economics and residual would remain 10%).
- At the second level: Although Vineland Family Partner LLC would be removed at the first level, many⁴ of its members (*i.e.*, its principals disclosed at the second level) would be transferred to become members of Vineland Family GP LLC. Specifically, SJB Management LLC would be removed as the sole member of Vineland Family GP LLC and replaced with Schore Lincoln Holdings, LLC (1.716% Class B Member); Condas Lincoln Holdings FL, LLC (4.250% Class B Member); and Fitzgerald Equity LLC (15% Class B Member), each of which were disclosed in the Application. The only new member that was not named in the application would be 60 Edgewood Lane II LLC (79.034% Class A Member). The manager, Jeremy S. Bronfman, was disclosed in the Application.
- At the third level: the following entities disclosed in the Application would appear: Jeremy S. Bronfman (as the manager of 60 Edgewood Lane II LLC), Matthew Bronfman Family EMBT (as the 20% member of 60 Edgewood Lane II LLC), Neal Schore (as the sole managing member of Schore Lincoln Holdings, LLC), Russell Condas (as the sole managing member of Condas Lincoln Holdings FL, LLC) and Jordan Richter (as the sole managing member of Fitzgerald Equity LLC). The following entities that were not identified in the Application would also appear at the third level if the Petition is granted: Jeremy Bronfman 2014 Revocable Trust (as the 48% member of 60 Edgewood Lane II LLC), EB 2022 Revocable Trust (as the 32% member of 60 Edgewood Lane II LLC).
- At the fourth level: the following natural persons identified in the Application would appear: Jeremy Bronfman (as the sole trustee and beneficiary of the Jeremy

¹ A special purpose entity is being created by an affiliate entity of Truist Bank for this transaction.

² Pursuant to the NCA Instructions, “Changes prior to loan closing to the officers or directors of a Public Housing Authority, officers or directors of a Non-Profit entity, or the **limited partner of an investor limited partnership** or an investor member of a limited liability company owning the syndicating interest therein will not result in disqualification, however, the Corporation must be notified of the change.” *See* NCA Instruction, Part A. 6. b. (2) (emphasis added).

³ Essentially, Petitioner would combine the General Partner and the Class B Limited Partner, and the stakeholders’ interests in the initial Class B Limited Partner would be captured in the General Partner.

⁴ While ENB Family LLC would be removed from the current structure, its sole managing member (Eli M. Bronfman) would remain a natural person principal in the proposed organizational structure.

Bronfman 2014 Revocable Trust), Eli Bronfman (as the sole trustee and beneficiary of the EB 2022 Revocable Trust), and the principals of the Matthew Bronfman Family EMBT, beginning with the beneficiaries: Matthew Bronfman, Jeremy Bronfman, Eli Bronfman, Gabriela Bronfman, Sadie Bronfman, Sasha Bronfman, Tess Bronfman, Ezekiel Bronfman, Coby Bronfman, and followed by the trustees: Matthew Bronfman, Almog Geva, Mayo Shattuck, and Edgar Bronfman, Jr.

Compare Exhibit A to Exhibit B.

14. Upon information and belief, the purpose of the NCA Instructions prohibiting changes to Petitioner's structure prior to the MMRB loan closing is to ensure full and fair consideration by Florida Housing of all persons that might exert control over the Development. Here, the natural persons exerting control over the Development were disclosed in the Application.⁵ The changes sought are only to: the names of the entities through which those natural persons will act; and the beneficiaries of a trust (who are family members of a natural person disclosed in the Application). The requested waiver should not, therefore, cause concern for Florida Housing. Since the same natural person principals disclosed in the Application will exert control over the Development, Florida Housing should have the same degree of comfort as if the structure were not changed. Accordingly, granting the Petition should not impact Florida Housing's confidence in the Development, Petitioner, or its principals.

15. Under Section 120.542(1), *Fla. Stat.*, and Chapter 28-104, F.A.C., Florida Housing has the authority to grant waivers to its rule requirements when strict application of the rules would lead to unreasonable, unfair and unintended consequences, in particular instances. Waivers shall be granted when the person who is subject to the rule demonstrates that the

⁵ Jeremy Bronfman, Eli Bronfman, Neal Schore, Russell Condas, and Jordan Richter were each identified as principals in the Application.

application of the rule would: (1) create a substantial hardship or, violate principles of fairness,⁶ and (2) the purpose of the underlying statute has been or will be achieved by other means by the person. § 120.542(2), Fla. Stat. (2019).

16. For the reasons set forth above, granting the requested waiver will prevent a substantial and unfair hardship from being imposed on Petitioner while still achieving the underlying purpose of the Rule.

17. For the foregoing reasons, Petitioner meets the standards for the requested waiver.

18. The requested waiver will not adversely impact the Development or Florida Housing.

H. JUSTIFICATION FOR GRANTING BOARD APPROVAL.

19. The Developer, Vineland Family Developer LLC, seeks Board approval to revise its organizational structure to insert two limited liability companies (Vineland Family Developer CF Member LLC, and Vineland Family Developer DDF Member LLC) at the first disclosure level. This would push many of the entities disclosed at the first level in the Application down to the second level in the proposed structure. *Compare* Exhibit C to Exhibit D. Specifically, the following original members of Vineland Family Developer LLC, would become members of both Vineland Family Developer CF Member LLC and Vineland Family Developer DDF Member LLC: Fitzgerald Equity LLC; Condas Lincoln Holdings, LLC; and Schore Lincoln Holdings, LLC.

⁶ "Substantial hardship" means a demonstrated economic, technological, legal, or other type of hardship to the person requesting the variance or waiver. For purposes of this section, "principles of fairness" are violated when the literal application of a rule affects a particular person in a manner significantly different from the way it affects other similarly situated persons who are subject to the rule. § 120.542(2), Fla. Stat.

20. If approved, two new entities would be added to the structure: JEB Developer LLC and LAC Guarantor Holdings LLC. Specifically, JEB Developer LLC would be added as a member to both entities identified at the first level (*i.e.*, Vineland Family Developer CF Member LLC, and Vineland Family Developer DDF Member LLC). Additionally, Vineland Family Developer DDF Member LLC would have as a member, LAC Guarantor Holdings LLC

21. Upon Board approval, 60 Lincoln Family II LLC would be removed from the structure.

22. The requested change is necessary to provide an additional layer of protection for the Developer as requested by certain principals, but will not impact the day-to-day operations of the Development, nor the natural persons having ultimate control.

23. The experience requirements met by the original principals identified in the Application would not be impacted by this request.

I. ACTION REQUESTED.

24. For the reasons set forth herein, Petitioner respectfully requests that: (i) Florida Housing grant the requested permanent waiver such that Petitioner may change its organizational structure to reflect the attached Exhibit B prior to the MMRB loan closing; (ii) grant this Petition and all of the relief requested herein; (iii) grant such further relief as it may deem appropriate; and (iv) the Board approve the requested change in the Developer's organizational structure to reflect the attached Exhibit D.

Respectfully submitted,

STEARNS WEAVER MILLER WEISSLER
ALHADEFF & SITTERSON, P.A.
150 West Flagler Street, 22nd Floor
Miami, Florida 33131
Tel: (305) 789-3350
Fax: (305) 789-3395
E-mail: bmcdonough@stearnsweaver.com

Counsel for Petitioner

By: /s/ Brian J. McDonough
BRIAN J. MCDONOUGH, ESQ.

CERTIFICATE OF SERVICE

This Petition is being served by electronic transmission for filing with the Clerk for the Florida Housing Finance Corporation, CorporationClerk@FloridaHousing.org, with copies served by U.S. Mail on the Joint Administrative Procedures Committee, 680 Pepper Building, 111 W. Madison Street, Tallahassee, Florida 32399-1400, this 29th day of September, 2023.

By: /s/ Brian J. McDonough
Brian J. McDonough, Esq.

Exhibit A - Current Applicant Organizational Chart

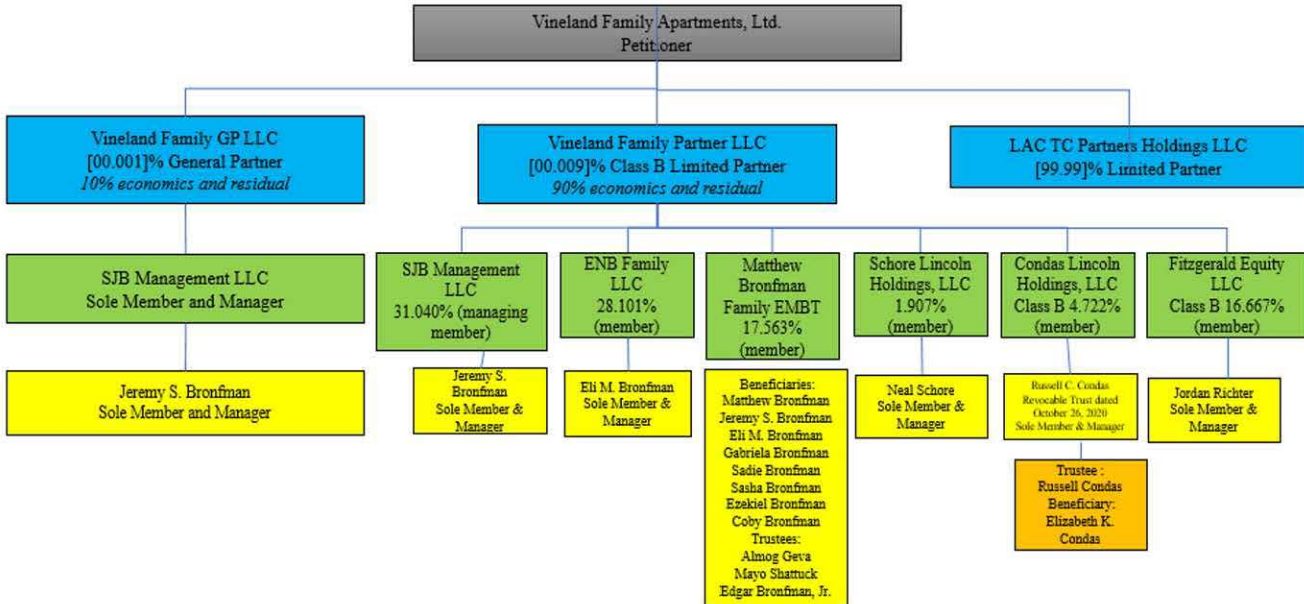


Exhibit B – Proposed Applicant Organizational Structure

Key:
1st Level = Blue
2nd Level = Green
3rd Level = Yellow
4th Level = Orange
5th Level = Red

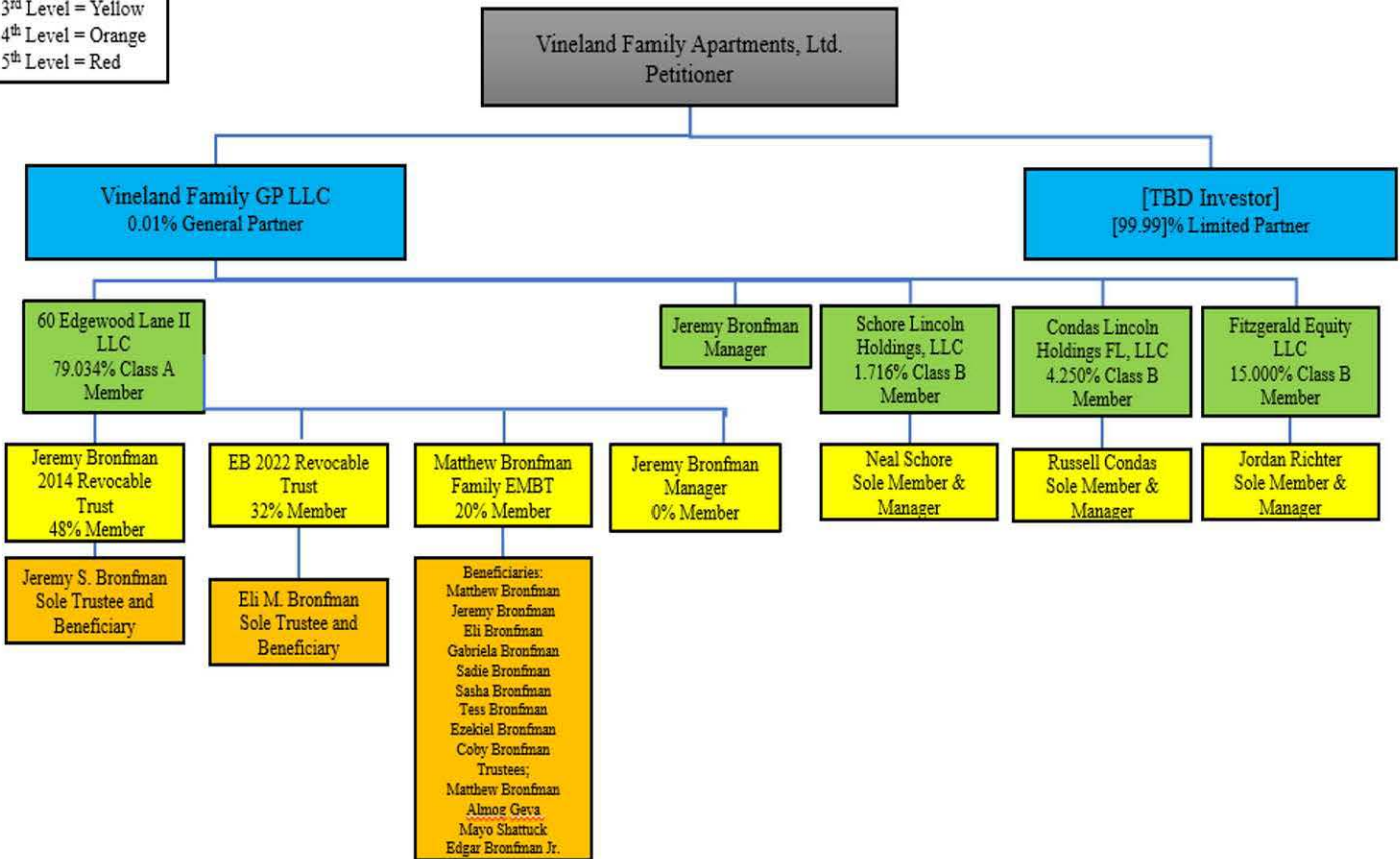


Exhibit C – Current Developer Organizational Structure

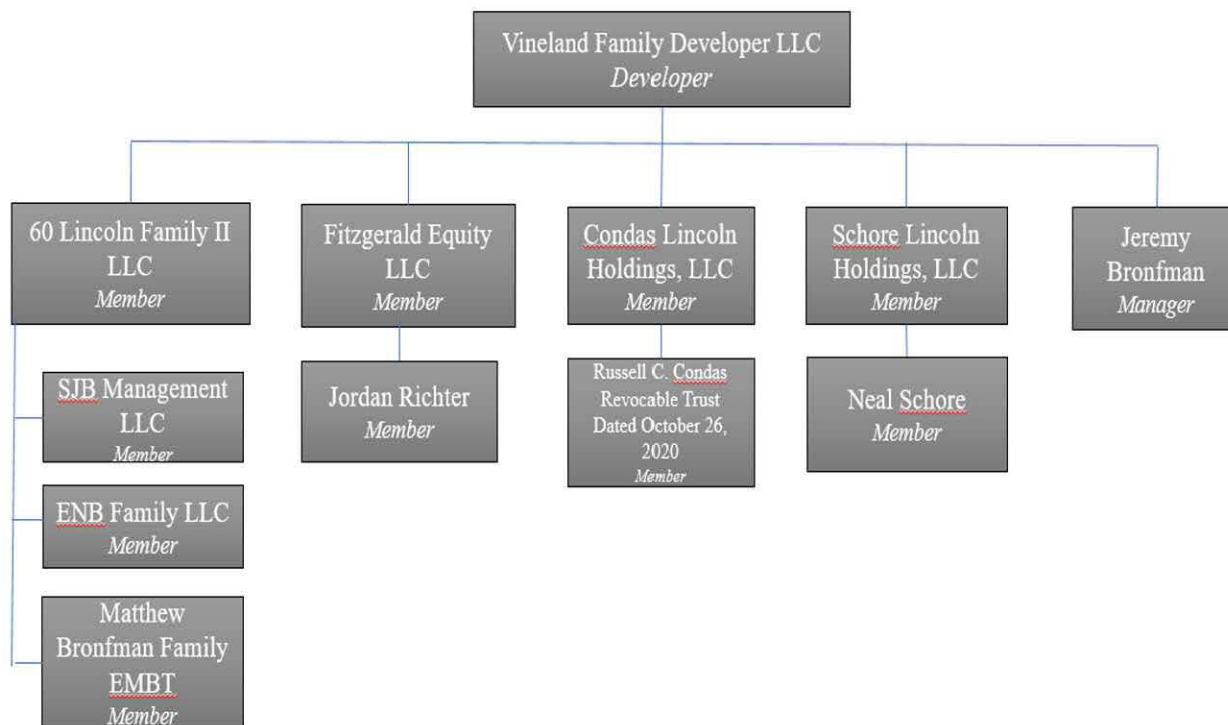
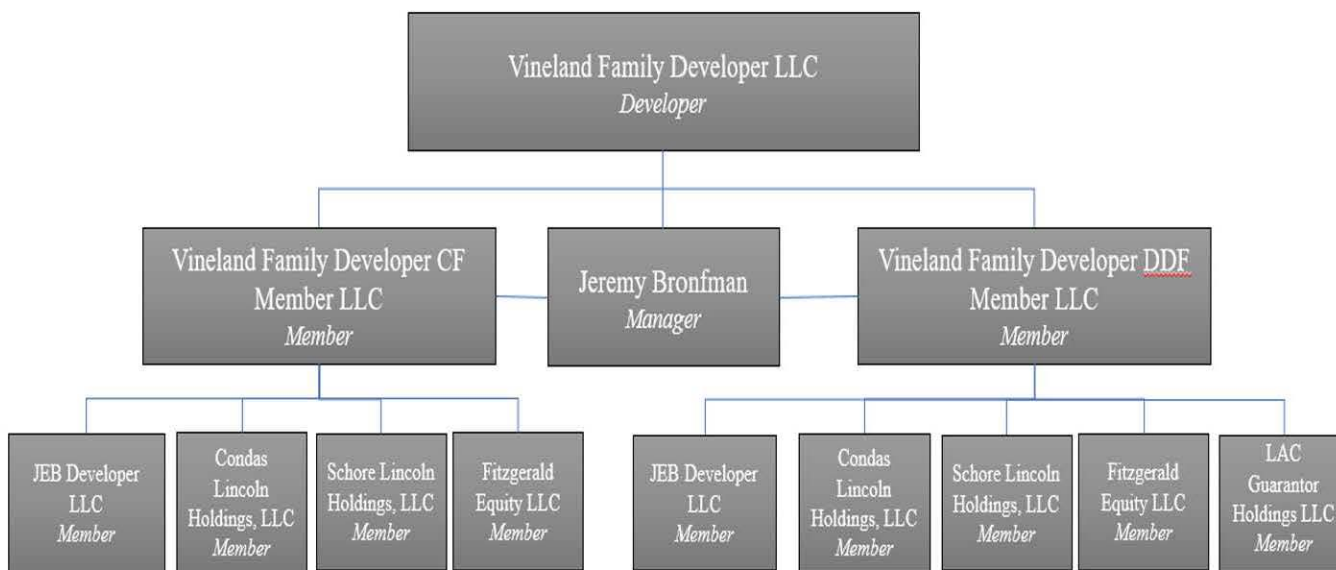


Exhibit D – Proposed Developer Organizational Structure



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STATE OF FLORIDA

FLORIDA HOUSING FINANCE CORPORATION

SEP 29 2023 1:17 PM

POLLYWOG CREEK MEWS, LLC

Petitioner,

FHFC Case # 2023-079VW

v.

APPLICATION NO. 2022-242H

FLORIDA HOUSING FINANCE
CORPORATION,

Respondent.

PETITION FOR WAIVER OF RULE 67-48.0072(21)(B)

Petitioner, Pollywog Creek Mews, LLC, a Florida limited liability company (the "Petitioner") submits its petition to Respondent, Florida Housing Finance Corporation (the "Corporation"), for a waiver of Rule 67-48.0072(21)(b), F.A.C. (the "Rule") in effect at the time Petitioner submitted its application in response to the Corporation's Request for Applications 2021-206 (the "RFA"), to allow Petitioner to extend the Firm Loan Commitment deadline for HOME Funding allocated to Petitioner pursuant to the RFA. In support of this petition (the "Petition"), Petitioner states as follows:

A. Petitioner and the Development.

1. The name, address, telephone, and facsimile numbers for Petitioner and its qualified representative are:

Pollywog Creek Mews, LLC
c/o Rural Neighborhoods, Inc.
19308 SW 380th Street
Florida City, FL 33034
(305) 242-2142
SteveKirk@ruralneighborhoods.org

The name, address, telephone, and facsimile numbers of Petitioner's attorneys are:

Gary J. Cohen, Esq.
Shutts & Bowen LLP
200 S. Biscayne Blvd., Ste. 4100
Miami, FL 33131
Telephone: (305) 347-7308
Facsimile: (305) 347-7808
Email: gcohen@shutts.com

2. Pursuant to the RFA, Petitioner timely submitted its application for HOME funding. See Application No. 2022-242H (the "Application"). Petitioner was preliminarily awarded Five Million Six Hundred Ninety Thousand Dollars (\$5,690,000.00) in HOME funding under the RFA (the "HOME Award"). Pursuant to the Rule, Applicant was required to complete credit underwriting and execute a HOME firm commitment within twelve (12) months of the date of the invitation to enter into credit underwriting. The invitation to credit underwriting was accepted on April 4, 2022, and, as such, the original firm commitment deadline was April 4, 2023.

3. On February 15, 2023, Petitioner requested approval of extension of the firm commitment deadline until October 4, 2023, which request was approved at the Corporation's March 10, 2023 Board meeting. Petitioner paid a one (1%) percent extension fee in connection with approval of the foregoing extension. For the reasons explained more fully below, the HOME Award Firm Loan Commitment will not be issued by the October 4, 2023 deadline. Petitioner is requesting an extension of the Firm Loan Commitment issuance deadline until June 4, 2024.

4. On May 15, 2023, Petitioner timely submitted its application for Construction Inflation Response Viability Funding pursuant to RFA 2023-2011 ("Viability RFA"). See application No. 2023-238V. Petitioner was preliminarily awarded \$2,475,000.00 of funding under the Viability RFA ("Viability Award") on June 9, 2023.

5. The HOME Award is a critical part of the financing for the new construction of affordable family housing to be known as Pollywog Creek Mews, serving income qualifying persons (the “Development”). The development is located in Hendry County.

B. Rules from Which the Waiver is Sought.

6. The relevant portions of the Rules in effect at the time the HOME funds were awarded for which this waiver is sought, provide as follows:

(b) Rule 67-48.0072 provides that “(21) Information required by the Credit Underwriter shall be provided as follows:

(b) For SAIL, EHCL, and HOME, unless stated otherwise in a competitive solicitation, the firm loan commitment must be issued within twelve (12) months of the Applicant’s acceptance to enter credit underwriting. Unless an extension is approved by the Corporation in writing, failure to achieve credit underwriting report approval and issuance of a firm loan commitment by the specified deadline shall result in withdrawal of the preliminary commitment. Applicants may request one (1) extension of up to six (6) months to secure a firm loan commitment. All extension requests must be submitted in writing to the program administrator and contain the specific reasons for requesting the extension and shall detail the time frame to achieve a firm loan commitment. In determining whether to grant an extension, the Corporation shall consider the facts and circumstances of the Applicant’s request, inclusive of the responsiveness of the Development team and its ability to deliver the Development timely. The Corporation shall charge a non-refundable extension fee of one (1) percent of each loan amount if the request to extend the credit underwriting and firm loan commitment process beyond the initial twelve (12) month deadline is approved. If, by the end of the extension period, the Applicant has not received a firm loan commitment, then the preliminary commitment shall be withdrawn.” Rule 67-48.0072(21)(b), F.A.C. (2021).

C. Statute Implemented.

7. The Rule for which a waiver is requested is implementing, among other sections of the Florida Housing Finance Corporation Act (the “Act”), the statute that created the HOME program. See § 420.5089, Florida Statutes (2021).

8. Pursuant to Chapter 120.542(1), Florida Statutes, “strict application of uniformly applicable rule requirements can lead to unreasonable, unfair, and unintended results in particular instances. The Legislature finds that it is appropriate in such cases to adopt a procedure for agencies to provide relief to persons subject to regulation.” Therefore, under Section 120.542(1), Florida Statutes and Chapter 28-104, F.A.C., the Corporation has the authority to grant waivers to its requirements when strict application of these requirements would lead to unreasonable, unfair, and unintended consequences in particular instances. Specifically, Section 120.542(2) states:

“Variances and waivers shall be granted when the person subject to the rule demonstrates that the purpose of the underlying statute will be or has been achieved by other means by the person and when application of a rule would create a substantial hardship or would violate principles of fairness. For purposes of this section, “substantial hardship” means a demonstrated economic, technological, legal, or other type of hardship to the person requesting the variance or waiver. For purposes of this section, “principles of fairness” are violated when the literal application of a rule affects a particular person in a manner significantly different from the way it affects other similarly situated persons who are subject to the rule.” Section 120.542(2), Florida Statutes.

9. In this instance, Petitioner meets the standards for a waiver.

D. Justification for Petitioner’s Requested Waiver

10. Petitioner was previously granted an extension to secure a firm loan commitment of the HOME Award to October 4, 2023. Petitioner is requesting an extension of the deadline to secure a Firm Loan Commitment for the HOME Award until June 4, 2024. This extension may not be granted without a waiver of the Rule. The reasons for this request are as set forth below.

11. Petitioner has made substantial progress towards closing of financing and commencement of construction of the Development. Petitioner has obtained a financial commitment for first mortgage construction and permanent financing, has completed building and civil engineering plans and has obtained permit approvals to construct the Development.

Notwithstanding the foregoing, the Development stalled due to a series of interest rate increases to its construction and permanent loans that reduced the amount of available first mortgage financing, which in turn required Petitioner to seek additional financing sources.

12. In addition, initial negotiations with multiple general contractors resulted in a determination that budgeted construction costs were insufficient to meet construction labor and materials cost inflation. This situation was further exacerbated by the fact that the Development's rural location negatively impacted the availability of general contractors and subcontractors.

13. In response to these difficulties, Petitioner submitted its application under the Viability RFA and received Board approval of a Viability Award of \$2,475,000 on June 9, 2023. In addition, Petitioner applied to Federal Home Loan Bank of Atlanta under the Affordable Housing Program and received an award of \$750,000 on August 15, 2023.

14. Given this sourcing of new capital, Petitioner has solicited and received bids from several general contractors and is currently evaluating their responsiveness regarding scope of work, required FHFC experience and potential value engineering. Petitioner anticipates selecting a general contractor in the fourth quarter of 2023 and submittal of requested credit underwriting information shortly thereafter.

15. The requested waiver will ensure the availability of HOME funding which will otherwise be lost as a consequence of the fee payment described herein.

E. Conclusion

16. The facts set forth in Sections 10 through 14 of this Petition demonstrate the hardship and other circumstances which justify Petitioner's request for a Rule waiver. A denial of the Petition would (a) result in substantial economic hardship to Petitioner, as it has incurred substantial costs to date insuring that the Development proceeds to completion; (b) deprive Hendry County and the City of LaBelle of the provision of much needed affordable housing; and (c) violate

principles of fairness. Section 120.52(2), Florida Statutes. As discussed above, the above-described delays have been caused by circumstances outside Petitioner's control, and make it impossible to meet the October 4, 2023 deadline for issuance of a Firm Loan Commitment.

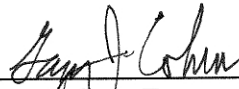
17. As demonstrated above, the requested waiver serves the purposes of Section 420.5089, Florida Statutes, and the Act, as a whole, because one of their primary goals is to facilitate the availability of decent, safe, and sanitary housing in the State of Florida to low income persons and households. Further, by granting the requested waiver, the Corporation would recognize principles of fundamental fairness in the development of affordable rental housing.

18. The waiver being sought is permanent in nature. Should the Corporation require additional information, a representative of Petitioner is available to answer questions and to provide all information necessary for consideration of this Petition.

WHEREFORE, Petitioner respectfully requests that the Corporation:

- A. Grant this Petition and all the relief requested therein;
- B. Grant a waiver of the Rule to extend the deadline to secure a Firm Loan Commitment from October 4, 2023 to June 4, 2024, and not require that an additional extension fee be imposed;
- C. Award such further relief as may be deemed appropriate.

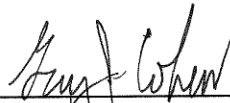
Respectfully submitted,



Gary J. Cohen, Esq.
Shutts & Bowen LLP
Counsel for Pollywog Creek Mews, LLC
200 S. Biscayne Blvd., Ste. 4100
Miami, FL 33131
Telephone: (305) 347-7308
Fax: (305) 347-7808
E-Mail: gcohen@shutts.com

CERTIFICATE OF SERVICE

The original Petition is being served by overnight delivery, with a copy served by electronic transmission for filing with the Corporation Clerk for the Florida Housing Finance Corporation, 227 North Bronough Street, Tallahassee, Florida 32301, with copies served by overnight delivery on the Joint Administrative Procedures Committee, 680 Pepper Building, 111 W. Madison Street, Tallahassee, Florida 32399-1400, this 29th day of September, 2023.



Gary J. Cohen, Esq.
Shutts & Bowen LLP
Counsel for Pollywog Creek Mews, LLC
200 S. Biscayne Blvd., Ste. 4100
Miami, FL 33131
Telephone: (305) 347-7308
Fax: (305) 347-7808
E-Mail: gcohen@shutts.com

STATE OF FLORIDA
FLORIDA HOUSING FINANCE CORPORATION

SANDCASTLES FOUNDATION, INC.
Petitioner.

2023-070VW
RFA 2021-206

v.

FLORIDA HOUSING FINANCE CORPORATION,
Respondent.

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FLORIDA HOUSING
FINANCE CORPORATION

AMENDED
PETITION FOR WAIVER OF RULE
67-48.0072(21)(b) FLORIDA ADMINISTRATIVE CODE

Pursuant to section 120.542, Florida Statutes, ("F.S.") and rule 28-104.002, Florida Administrative Code, ("F.A.C.") Petitioner, Sandcastles Foundation, Inc., ("Sandcastles" or "Petitioner"), a Florida not for profit corporation, submits this Amended Petition to Respondent, Florida Housing Finance Corporation ("Florida Housing") for a waiver of rule 67-48.0072(21)(b), F.A.C. (Effective 5/18/2021). Sandcastle applied (App.No.2022-244H) for HOME financing in response to *Request for Application 2021-206, HOME Financing for the Construction of Small, Rural Developments* (the "RFA"). The Petitioner seeks a waiver of rule 67-48.0072(21)(b), F.A.C. to allow for an extension of the Firm Loan Commitment Date for an additional 90 days.

In support Petitioner states as follows:

PETITIONER

1. The name, address, telephone number and email address of the Petitioner is, Sandcastle Foundation, Inc., Attn: Jessica Criss, 700 N. Wickham Rd., Ste 205, Melbourne, Florida 32935, Jess@sandcastlesfoundation.org, (386)-214-5562. For the purposes of this proceeding, the contact information for Petitioner shall be that of the undersigned counsel.

2. The name, address, telephone number, and email address for Petitioner's attorney Maureen McCarthy Daughton, Maureen McCarthy Daughton, LLC, 1400 Village Square Blvd., Ste 3-231, Tallahassee, Florida 32312; 850-345-8251; mdaughton@mmd-lawfirm.com.

BACKGROUND

3. On January 25, 2022, Petitioner applied in response to the RFA and requested \$5,544,000.00 in HOME funding (the "Application") for the construction of twenty-two (22) single family homes. The proposed development to be known as Sandcastle Manor is located in Macclenny, Baker County, Florida.

4. On March 4, 2022, the Florida Housing Finance Corporation Board (the "Board") approved Petitioner's application for funding, and on March 29, 2022, Petitioner was subsequently invited to enter credit underwriting and Florida Housing issued the preliminary commitment letter. In accordance with rule 67-48.0072(21), F.A.C., the credit underwriting process, including execution of the HOME written agreement had to be completed within twelve (12) months of the applicant's acceptance of the invitation into credit underwriting.

5. On February 6, 2023, Petitioner formally notified Florida Housing of its need to seek a 180-day extension of the Firm Loan Commitment deadline to October 5, 2023, due to site plan revisions requested by the City of Macclenny. The request was granted on April 11, 2023.

6. Currently, Petitioner is waiting on the St. Johns Water Management District (the "District") to issue a permit.¹ Without the Permit the Petitioner cannot submit its plans to the City of Macclenny for approval. Petitioner understands from representatives of the district that the review is in process.

RULE FOR WHICH WAIVER IS SOUGHT

¹ The proposed development is not being built within identified Wetlands however it is Wetlands adjacent and therefore a permit is required.

7. Petitioner requests a waiver of, or variance from, 67-48.0072(21)(b) F.A.C. This rule provide in relevant part, as follows:

(b) For SAIL, EHCL, and HOME, unless stated otherwise in a competitive solicitation, the firm loan commitment must be issued within twelve (12) months of the Applicant's acceptance to enter credit underwriting. Unless an extension is approved by the Corporation in writing, failure to achieve issuance of a firm loan commitment by the specified deadline shall result in withdrawal of the preliminary commitment. Applicants may request one (1) extension of up to six (6) months to secure a firm loan commitment. All extension requests must be submitted in writing to the program administrator and contain the specific reasons for requesting the extension and shall detail the time frame to achieve a firm loan commitment. In determining whether to grant an extension, the Corporation shall consider the facts and circumstances of the Applicant's request, inclusive of the responsiveness of the Development team and its ability to deliver the Development timely. The Corporation shall charge a non-refundable extension fee of one (1) percent of each loan amount if the request to extend the credit underwriting and firm loan commitment process beyond the initial twelve (12) month deadline is approved. If an approved extension is utilized, Applicants must pay the extension fee not later than seven (7) Calendar Days after the original twelve (12) month deadline. If, by the end of the extension period, the Applicant has not received a firm loan commitment, then the preliminary commitment shall be withdrawn.

(Eff. May 18, 2021)

8. Application of Rule 67-48.0072(21)(b), F.A.C., and the denial of this Petition will result in the withdrawal of the preliminary commitment Petitioner will not be able to move forward with the provision of these homes without the HOME funds.

9. This Petition should be granted because Baker County is in desperate need of affordable housing for families and granting this waiver will deliver these homes without undue delay.

STATUTES IMPLEMENTED BY RULE

10. The Rule implements, among other sections of the Florida Housing Finance Corporation Act (the "Act") the statute that designates the Corporation to administer the HOME program in accordance with the HOME Investment Partnership Program. See §420.5089, Florida Statutes.

JUSTIFICATION FOR REQUESTED WAIVER

11. Under Section 120.542(1), f.s. and Chapter 28-104, F.A.C., "Strict application of uniformly applicable rule requirements can lead to unreasonable, unfair, and unintended results in particular instances. The Legislature finds that it is appropriate in such cases to adopt a procedure for agencies to provide relief to persons subject to regulation." A waiver shall be granted when the person who is subject to the rule demonstrates that the application of the rule would: (1) create a substantial hardship² or would violate principles of fairness, and (2) the purpose of the underlying statute has been or will be achieved by other means by the person.

12. Because Petitioner was previously granted a six-month extension to secure the firm loan commitment a waiver of the rule is necessary for the second extension.

13. The need for the requested extension has been created by circumstances beyond the Petitioner's control. The Petitioner has been in close contact with the St. Johns River Water Management District and while the review of the facts surrounding the Permit application is in process, it is not yet complete. The Petitioner has been responsive to all requests for information and has not caused the delay.

14. There is no doubt that Baker County needs affordable housing and the extension requested will help to meet that need in a manner consistent with the requirements and purpose of the RFA.

15. The requested waiver will not adversely affect any party, including any other party that applied to receive an allocation of HOME funds in RFA 2021-206, or Florida Housing,

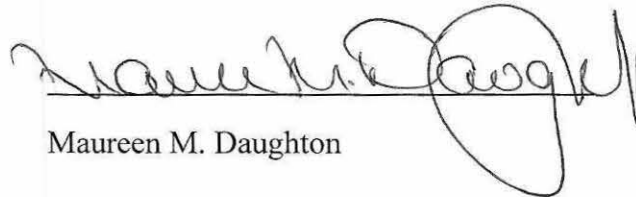
² A "substantial hardship" means a demonstrated economic, technological, legal, or other type of hardship to the person requesting the variance or waiver. The "principles of fairness" are violated when the literal application of a rule affects a particular person in a manner significantly different from the way it affects other similarly situated persons who are subject to the rule." § 120.542(2), f.s.

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that the foregoing Amended Petition was filed this 3rd day of October, 2023, by electronic mail to:

Florida Housing Finance Corporation,
Attn: Corporation Clerk
227 North Bronough Street, Ste 5000
Tallahassee, Florida 32301
CorporationClerk@floridahousing.org

Joint Administrative Procedures Committee
680 Peppers Building
111 W. Madison Street
Tallahassee, Florida 32399



Maureen M. Daughton

16. The Petitioner believes that a waiver will serve the purpose of Section 420.5089, f.s., and the Act that are implemented by Chapter 67-48 F.A.C., because one of the goals is for the proceeds of Corporation funding to be utilized to facilitate the availability of decent and safe housing in the State of Florida to low-income persons and households. The Act was passed to create inducements and opportunities for private and public investments in rental housing to increase the supply of affordable housing for low-income households. By granting this Petition, the Corporation would recognize the goal of increasing the supply of affordable housing units via the construction of new developments throughout Florida and will provide needed affordable housing units to Baker County.

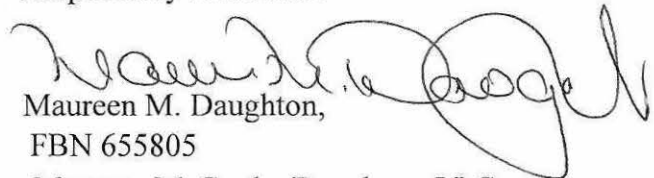
TYPE OF WAIVER

17. The waiver being sought is permanent in nature.

ACTION REQUESTED

18. For the above stated reasons, Sandcastles Foundation respectfully requests that the Florida Housing Board of Directors grant the requested Amended Waiver of rule 67-48.0072(21)(b), Florida Administrative Code.

Respectfully submitted.



Maureen M. Daughton,
FBN 655805

Maureen McCarthy Daughton, LLC
1400 Village Square Blvd.,
Ste 3-231
Tallahassee, Florida 32312.
mداughton@mmd-lawfirm.com
Counsel for Petitioner

**STATE OF FLORIDA
FLORIDA HOUSING FINANCE CORPORATION**

**FHFC CASE NO. 2023-082VW
APPLICATION NO. 2021-024VW**

ORLANDO LEASED HOUSING ASSOCIATES XI, LLLP,

Petitioner

vs.

FLORIDA HOUSING FINANCE
CORPORATION,

Respondent.

_____ /

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FLORIDA HOUSING
FINANCE CORPORATION

PETITION FOR WAIVER OF RULE 67-21.026(10) F.A.C. (2018)

ORLANDO LEASED HOUSING ASSOCIATES XI, LLLP, a Minnesota limited liability limited partnership authorized to conduct business in the State of Florida, (the “Petitioner”), by and through its undersigned counsel, hereby petitions the Florida Housing Finance Corporation (the “Corporation”) for a waiver or variance of Rule 67-21.026(10), Florida Administrative Code (“F.A.C”) (2018) (the “Rule”), which requires a guaranteed maximum price construction contract (a “GMP Contract”) for all of the rehabilitation work. This Petition is filed pursuant to Section 120.542, Florida Statutes, and Chapter 28-104, Florida Administrative Code. In support of its Petition, the Petitioner states:

A. THE PETITIONER

1. The address, telephone number, facsimile number and email address of the Petitioner are:

ORLANDO LEASED HOUSING ASSOCIATES XI, LLLP

2905 Northwest Blvd. Suite 150
Plymouth, Minnesota 55441
Attention: Owen Metz
Phone: (623) 265-6828
Email: ometz@dominiuminc.com

2. For purposes of this Petition, the address, telephone number, facsimile number and email address of Petitioner's counsel is:

Yisell Rodriguez, Esq.
Nelson Mullins Riley & Scarborough LLP
390 North Orange Avenue, Suite 1400
Orlando, Florida 32801
407-669-4290 (Phone)
407-425-8377 (Fax)
Email: yisell.rodriquez@nelsonmullins.com

B. THE DEVELOPMENT

3. On August 28, 2018, Petitioner submitted a Multifamily Revenue Bond Program Application to the Orange County Housing Finance Authority requesting \$34,000,000 in tax exempt bonds (the "Bonds"). Petitioner thereafter acquired Chapel Trace Apartments in order to rehabilitate it by utilizing the Bonds and 4% low-income housing tax credits ("Housing Credits"), to preserve and expand the affordable units at Chapel Trace Apartments. Petitioner will be using the Freddie Mac Tax Exempt Loan Program ("Freddie TEL") and the Bonds that were issued in the structure of a tax-exempt note in the maximum principal amount of \$25,610,000. Petitioner applied for Non-Competitive Housing Credits and requested an annual amount of \$1,674,341 in Housing Credits to assist in financing the rehabilitation of the 312-unit family development, known as Chapel Trace Apartments (the "Development"). One hundred percent of the units of the Development will be restricted to 60 percent AMI for 30 years.

C. WAIVER IS PERMANENT

4. The waiver being sought is permanent in nature.

D. THE RULE FROM WHICH WAIVER IS REQUESTED

5. Petitioner requests a waiver from Rule 67-21.026(10), F.A.C. (effective July 8, 2018), which provides in part:

Rule 67-21.026 HC Credit Underwriting Procedures.

“(10) The Corporation’s assigned Credit Underwriter shall require a guaranteed maximum price construction contract, acceptable to the Corporation, which may include change orders for changes in cost or changes in the scope of work, or both, if all parties agree, and shall order, at the Applicant’s sole expense, and review a pre-construction analysis for all new construction units or a physical needs assessment for rehabilitation units and review the Development’s costs.”

E. STATUTES IMPLEMENTED BY THE RULE

6. The Rule is implementing, among other sections of the Florida Housing Finance Corporation Act (the “Act”), the statute that designated the Corporation as the State of Florida’s housing credit agency and authorizes the Corporation to establish procedures for allocating and distributing low-income housing tax credits. See Fla. Stat. § 420.5099.

F. JUSTIFICATION FOR GRANTING THE WAIVER OF THE RULE

7. Petitioner is seeking a waiver from Rule 67-21.026(10), F.A.C. (2018), which requires the Petitioner to enter into a GMP Contract for the intended rehabilitation work for the Development that is acceptable to the Corporation. On April 8, 2019 Petitioner executed a GMP Contract with Legacy Construction Services, LLC (the “GC”) in which the guaranteed Contract Sum was not to exceed \$8,150,365. After the execution of the GMP Contract, unforeseen delays came about and a deduction change order became necessary in the amount of \$807,428.45, as evidenced by the Prepayment Contract dated December 27, 2019 (the “Prepayment Contract”).

To accommodate this change, the Prepayment Contract was made for the same scope of work at the same cost. The change order primarily involved hard construction costs, specifically related to Accessory Buildings, Recreational Amenities, Rehabilitation of Existing Common Areas, and Rehabilitation of Existing Rental Units. The Petitioner initially aimed to complete the rehabilitation by 2019. However, unforeseen weather-related delays extended the timeline, causing the completion to overlap with the emergence of COVID-19. This further delayed the project until mid-2020. This extended timeline meant that the rehabilitation wouldn't accrue sufficient construction costs to qualify for the anticipated tax credits for 2019, leading to a potential downward tax credit equity adjustment of \$411,706. To alleviate this financial strain on the Development, the Petitioner chose to prepay these costs directly instead of using their construction loan.

8. Petitioner paid the full amount of \$807,428.45 (the "Contract Amount"), the work was done in compliance with the Corporation's rules, and no cost savings were realized. The entire Contract Amount was spent on project costs which were included in the GC's Cost Certification (the "GCCC") of \$10,473,121, as detailed in the GCCC. However, the final payment application, specifically Payment Application #8, reflected a final disbursement of \$9,665,693.96. The difference between these two amounts is the Contract Amount, with slight differentiation due to rounding. As such, the entire Contract Amount was used for project costs and no cost savings were realized.

9. It is important to note that the Petitioner initially intended for all the work to be done under the GMP Contract, as all the work completed under the Prepayment Contract, including its corresponding costs, was initially encompassed within the GMP Contract. The GMP Contract underwent thorough credit underwriting, ensuring that both the work and costs

ultimately carried out under the Prepayment Contract were duly accounted for. Furthermore, the Rule explicitly permits change orders if all parties involved reach an agreement.

10. While the change order work was not performed under a GMP Contract, the Petitioner contracted with the GC and the Contract Amount was paid directly to the GC, as the GC coordinated the work to be done. Further, there are a number of mitigating factors that should nonetheless adequately assure the Corporation that the work was otherwise performed in accordance with the Corporation's rules. Specifically, (i) the change order work, on its own, is not of the type of work that would typically warrant entering a separate GMP contract and is customarily contracted directly by a purchaser in connection with the acquisition of a property; (ii) Petitioner (nor the general contractor under the GMP Contract or Developer) has no common ownership with, nor is it an affiliate of, the contractors hired to perform the change order work; (iii) Petitioner (nor the general contractor under the GMP Contract or Developer) has not directly performed any of the change order work, Petitioner representatives only oversee completion of the change order work by the hired contractors; (iv) the costs incurred for the change order work, which Petitioner bids out and oversees, do not exceed the subcontractor limitations imposed by the Corporation and have been evaluated by the plan and cost reviewer and have been deemed reasonable; and (v) Petitioner has provided a cost certification in accordance with the Corporation rules, with regards to the change order work as it was the same GC doing the change order work.

11. Under Section 120.542(1), Fla. Stat., and Chapter 28-104, F.A.C., the Corporation has the power and authority to grant waivers to its rule requirements when strict application of the rules would lead to unreasonable, unfair and unintended consequences in particular instances. A waiver shall be granted when the person who is subject to the rule demonstrates that the

application of the rule would: (1) create a substantial hardship¹ or violate principles of fairness, and (2) the purpose of the underlying statute has been or will be achieved by other means by the person. See § 120.542(2), Fla. Stat.

12. Here, Petitioner meets the requirements for a waiver or variance. The Prepayment Contract, while slightly deviating from the technical requirements of the Rule, nonetheless upholds the underlying intent. The work and costs covered by the Prepayment Contract were originally included within the GMP Contract, which underwent a comprehensive credit underwriting process. Therefore, while the Prepayment Contract may not align precisely with the Rule, it remains aligned with the fundamental purpose, as the work and costs were thoroughly evaluated during the credit underwriting process for the GMP Contract and no cost savings were realized in connection with the Prepayment Contract. The Corporation's failure to grant the waiver requested will result in a substantial hardship to Petitioner, as Petitioner will not be able to continue its application for and obtain 4% housing credits and, as such, rehabilitation of the Development will be halted. Specifically, the purpose of the Rule was for the Corporation to ensure the rehabilitation costs included in a petitioner's basis are reasonable and incurred in accordance with the Corporation's rules. However, strict application of the Rule would lead to the unintended result that a petitioner that incurred valid rehabilitation costs is unable to include them in its basis. Petitioner has provided assurances, as stated above, to the Corporation that the costs of the construction were reasonable and otherwise incurred in accordance with the Corporation's rules. Further, the requested variance will not adversely impact the Development

¹ "Substantial hardship" means a demonstrated economic, technological, legal or other type of hardship to the person requesting the variance or waiver. Further, "principles of fairness" are violated when the literal application of a rule affects a particular person in a manner significantly different from the way it affects other similarly situated persons who are subject to the rule. See Fla. Stat. § 120.542.

or Florida Housing and will ensure that 312 affordable family housing units will be preserved and made available for the target population in Orange County.

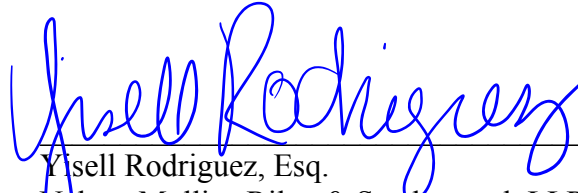
13. A waiver of this Rule will serve the purposes of Section 420.5099 and the Act that are implemented by Chapter 67-21 of the Florida Administrative Code, because one of the goals of the Corporation is to facilitate the availability of decent, safe and sanitary housing in the State of Florida to low-income persons and households. Denial of the waiver would deprive Orange County of essential and affordable housing units.

G. ACTION REQUESTED

14. For the reasons set forth herein, the Petitioner respectfully requests the Corporation (i) grant a waiver of, or variance from, Rule 67-21.026(10) which requires eligible rehabilitation work be performed under a GMP Contract; (ii) grant this Petition and all the relief requested herein; and (iii) grant such further relief as it may deem appropriate.

Respectfully submitted on the 3rd day of October, 2023.

Respectfully submitted,



Yisell Rodriguez, Esq.
Nelson Mullins Riley & Scarborough LLP
390 N. Orange Ave., Suite 1400
Orlando, Florida 32801
Telephone: (407) 669-4290
Email: yisell.rodriguez@nelsonmullins.com
COUNSEL FOR PETITIONER

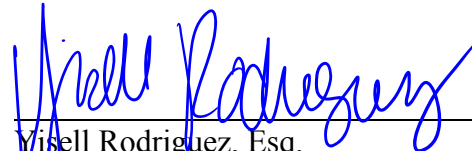
CERTIFICATE OF SERVICE

I HEREBY CERTIFY that the foregoing Petition was filed by electronic delivery to:

Florida Housing Finance Corporation,
Attn: Corporation Clerk
227 North Bronough Street, Suite 5000
Tallahassee, Florida 32301
CorporationClerk@floridahousing.org

Joint Administrative Procedures Committee
680 Pepper Building
111 W. Madison Street
Tallahassee, Florida 32399
Joint.admin.procedures@leg.state.fl.us

This 3rd day of October, 2023.



Wisell Rodriguez, Esq.
Fla. Bar No. 117915

RECEIVED

OCT 6 2023 10:31AM

**STATE OF FLORIDA
FLORIDA HOUSING FINANCE CORPORATION**

BEACON AT CREATIVE VILLAGE
PARTNERS, LTD.

Petitioner,

FHFC CASE NO. 2023-083VW
RFP Application No. 2022-122C

vs.

FLORIDA HOUSING FINANCE
CORPORATION,

Respondent.

**PETITION FOR WAIVER OF RULE 67-48.002(96) AND THE
2021 QUALIFIED ALLOCATION PLAN'S REQUIREMENT FOR
RETURNING HOUSING CREDIT ALLOCATIONS**

Beacon at Creative Village Partners, Ltd. ("Beacon"), submits this Petition to Florida Housing Finance Corporation ("Florida Housing") for a waiver of Florida Housing's Qualified Allocation Plan's prohibition against returning 2022 Housing Credit Allocation ("Housing Credits") prior to the third quarter of 2024. The return of these Housing Credits is required before Florida Housing may reserve an allocation of future Housing Credits that Beacon requests be immediately allocated. *See* Rule 67-48.002(96), Florida Administrative Code ("FAC") (2021) (the "Rules"), and 2021 Qualified Allocation Plan Section II(J) ("QAP"). Due to events outside of Beacon's control, Beacon cannot meet the "placed in service" and "10% test" deadlines as required by the Carryover Allocation Agreement entered into on November 18, 2022. In support of this Petition Beacon provides as follows:

1. Pursuant to Section 120.542, Florida Statutes ("F.S.") (2021) and Rules 28-104.001 through 28-104.006, F.A.C., Beacon requests a waiver of Rule 67-48.002(96), F.A.C. (2021), and

of Section II(J) of the 2021 QAP to allow the immediate return of its 2022 Housing Credit Allocation, and an immediate allocation of new Housing Credits (2023 or later).

2. The name, address, telephone and facsimile numbers for Beacon and its qualified representative are:

Beacon at Creative Village Partners, Ltd
335 N. Knowles Avenue, Suite 101
Winter Park, Florida, 32789
(407) 741-8500

3. The name, address, telephone and facsimile numbers of Beacon's attorneys are:

Michael P. Donaldson
Carlton Fields
Post Office Drawer 190
Tallahassee, FL 32302-0190
(850) 513-3613

4. Pursuant to RFA 2021-202, Beacon timely submitted its Application for competitive Housing Credits under the Low Income Housing Tax Credit program ("LIHTC Program" or "HC Program"). See. Application Number 2022-122C.

5. Equity raised from the allocated Housing Credits will be used for the construction of 85 residential units (76 of which will be low-income housing tax credit units) to be known as The Beacon at Creative Village (the "Development"). The Development will serve low-income y persons in the City of Orlando, Orange County, Florida.

6. Beacon's Application was selected for funding by Florida Housing, and Beacon was invited to credit underwriting. On May 9, 2022, Beacon accepted its invitation into Credit Underwriting and on May 25, 2022, Beacon provided the documentation required 21 days after accepting its invitation.

7. On May 9, 2022, Florida Housing issued the 2022 Construction Housing Inflation Response Program ("CHIRP") Invitation to Participant ("ITP"). On July 5, 2022, Beacon

submitted its response to the ITP requesting additional funding for its proposed Development. Beacon has met all CHIRP criteria to date by closing its LPA and timely submitting for permits.

8. The overall Beacon Development was planned to be completed in multiple phases with Development contemplated in this Petition being the initial phase (“Beacon I”). An Application for funding for the second phase or Beacon Phase II was submitted to Florida Housing on or about December 29, 2022, in response to RFP 2022-202. (“Beacon II”) A tentative award of funding for Beacon II was approved by the Florida Housing Board of Directors on January 27, 2023.

9. That tentative award of funding for Beacon II however was overturned by the Board on June 9, 2023, as a result of administrative litigation which challenged the initial funding decision of Florida Housing.

10. Pursuant to Rule 67-48.028(1), F.A.C. if an applicant cannot complete its Development by the end of the year in which the preliminary allocation of Housing Credits is issued, such applicant must enter into a "carryover allocation agreement" (“Agreement”) with Florida Housing by December 31 of the year in which the preliminary allocation is issued.

11. On November 18, 2022, Beacon and Florida Housing entered into the Agreement for the Beacon I Development. The Agreement may (under Section 42 of the Internal Revenue Code) allow the Applicant until the end of the second year following the year in which the carryover allocation is issued to place the Development in service. In the instant case Florida Housing mandated in the Agreement that the Beacon I Development be placed in service by December 31, 2024. The Agreement further requires satisfaction of a 10% test by May 31, 2023 (extended to November 18, 2023 upon Beacon’s request) (collectively, the “Deadlines”).

12. As explained more fully below, there is uncertainty as to whether the Development

of Beacon I will meet the Deadlines, and as such Beacon is requesting an exchange of Housing Credits in order to effectuate an extension of such Deadlines.

13. Since being preliminarily selected for funding and invited to Credit Underwriting, the Beacon I Development has been delayed to the extent that makes it clear that the Development will not be able to meet its December 31, 2024, placed in service or meet the 10% test by November 18, 2023. These delays are set forth below:

- a. Beacon commenced pre-development activities on Phase I upon receipt of its invitation to credit underwriting from Florida Housing. Beacon has been processing all necessary pre-development and development approvals diligently since that time.
 - b. In the second quarter of 2022, it became obvious due to the significant increase in construction costs encountered throughout the affordable housing industry that a budgetary gap existed that could not be bridged without further assistance from Florida Housing or local funding sources. The requested CHIRP funding has alleviated the budgetary gap issues.
 - c. In anticipation of the award of funding for Beacon II, final construction plans, documents and permitting associated with Beacon I were placed on hold. This was done to allow both Beacon I and II to be permitted simultaneously as a one tower high rise construction project which was the most efficient and cost effective way to obtain final approval. With the tentative award to Beacon II rescinded, based on litigation, Beacon now intends to continue permitting and construction of Beacon I.
 - d. Because of the design revisions and approvals required to build only Beacon I without Beacon II, the permitting approval process before the City of Orlando has been extended to June 30, 2024.
 - e. Additionally the land closing date has been extended until July 2024, to ensure that all approvals would be in place prior to closing.
 - f. The estimated completion date for the Development resulting from the delays will not fall within the above identified Deadlines.
14. At this time Beacon is proceeding with the design and permitting revisions for the

revised development plans to include only Beacon I. Beacon anticipates all permits will be issued by June 30 2024, prior to a land closing in July 2024. The land closing and pre-development expenses will be sufficient to meet the 10% test.

15. All financing sources are available and no other closings are necessary to start construction. Additionally no further public hearings are necessary in the approval process. All financing sources are available an no other closings are necessary to start construction. Construction is scheduled to commence July 2024, immediately after land closing.

16. The Beacon Development Team has prior experience with the City of Orlando Development approval process based on the completion of the Amelia Court Affordable Housing Development located directly across the street from the Beacon I Development site. The Amelia Court Development is a similar product to the proposed Beacon I Development.

17. Based on this prior experience the Beacon Team of professionals has a comfort and expectation that the Beacon I Development will proceed expeditiously. Additionally Beacon has the resources to proceed without reliance on obtaining any additional funding sources outside of its control.

18. Based on a tentative construction schedule the Beacon Development Team anticipates that construction will be completed as early as June 2025, well in advance of placed in service date authorized by this waiver request. (See Schedule Attached)

19. As a result of the delays listed above it will not be possible to meet the November 19, 2023, 10% test deadline, and places in jeopardy Beacon's ability to meet the December 31, 2024, placed in service deadline.

20. Beacon now seeks to return its 2022 Housing Credit allocation, rather than wait for the third calendar quarter of 2024 as required under the QAP, and obtain from the Corporation an

immediate allocation of new Housing Credits with a later required 10% test date and placed in service date.

21. The requested waiver and variance will not adversely affect the Beacon I Development. A denial of the Petition, however, would (a) result in substantial economic hardship to Beacon (b) deprive the City of the newly constructed rental units set aside for low-income and very low-income tenants, and (c) violate principles of fairness. Beacon has invested over \$500,000 to date in the Beacon I Development, and respectfully requests the relief sought herein in order to keep development of this badly needed new construction of affordable housing moving forward.

22. Section 42(m) of the Internal Revenue Code requires each state allocating agency to adopt an allocation plan for the allocation and distribution of federal low income housing tax credits. Florida Housing, as the allocating agency for the State of Florida, must distribute Housing Credits to applicants pursuant to its qualified allocation plan.

23. Florida Housing's 2022 Qualified Allocation Plan Section II(J) (incorporated by Rule 67-48.002(96), F.A.C. (2021)) provides that Housing Credits may be returned only after the second calendar quarter of the year in which a development is required to be placed in service:

... where a Development has not been placed in service by the date required pursuant to Section 42 of the IRC, or it is apparent that a Development will not be placed in service by the date required pursuant to Section 42 of the IRC, and the Applicant has returned its Housing Credit allocation after the end of the second calendar quarter of the year in which it was otherwise required to be placed in service pursuant to Section 42 of the IRC, the Corporation will reserve allocation in an amount not to exceed the amount of Housing Credits returned, and will issue a Carryover Allocation Agreement allocating such Housing Credits to the Applicant for either the current year or the year after the year in which the Development was otherwise required to be placed in service...."

QAP at Section II(J)

24. The applicable Rules for which waivers are requested are implementing, among other sections of the Florida Housing Finance Corporation Act (the "Act"),¹ the statute that created the Housing Credits Program. *See* § 4205099, F.S. (2022). The Act designates Florida Housing as the State of Florida's housing, credit agency within the meaning of Section 42(h)(8)(A) of the Internal Revenue Code of 1986. As the designated agency, Florida Housing is responsible for and is authorized to establish procedures for the allocation and distribution of low-income housing tax credits ("Allocation Procedures"). § 420.5099(1) and (2), F.S. (2022). Accordingly, the Rules subject to Beacon's waiver requests are implementing, among other sections of the Act, the statutory authorization for the Corporation's establishment of Allocation Procedures for the Housing Credit Program. § 420.5099(1) and (2), F.S. (2022).

25. The requested waivers will ensure the availability of Housing Credits which might otherwise be lost as a consequence of development delays described herein.

26. The facts set forth in Sections 6 through 19 of this Petition demonstrate the hardship and other circumstances which justify Beacon's request for Rule waiver.

27. As demonstrated above, the requested waiver serves the purposes of Section 420.5099, F.S. and the Act, as a whole, because one of their primary goals is to facilitate the availability of decent, safe and sanitary housing in the State of Florida to low-income persons and households by ensuring:

The maximum use of available tax credits in order to encourage development of low-income housing in the state, taking into consideration the timeliness of the application, the location of the proposed housing project, the relative need in the area for low-income housing and the availability

¹ The Florida Housing Finance Corporation Act is set forth in Sections 420.501 through 420.55 of the Florida Statutes (the "Act").

of such housing, the economic feasibility of the project, and the ability of the applicant to proceed to completion of the project in the calendar year for which the credit is sought.

§ 420.5099 (2), F.S. (2022).

28. Further, by granting the requested waiver Florida Housing would recognize principles of fundamental fairness in the development of affordable rental housing. In addition, grant of the requested waiver will permit the construction of much needed housing for low-income and very low-income tenants. Finally, grant of the request to waiver will enable Beacon to utilize (and not lose) its significant investment in predevelopment expenses that cannot be recouped if the requested waiver is not granted.

29. The requested waiver will not adversely impact the Development or Florida Housing.

30. The waiver being sought is permanent in nature.

31. Should Florida Housing require additional information, Beacon is available to answer questions and to provide all information necessary for consideration of its Petition for Waiver.

WHEREFORE, Beacon at Creative Village Partners, Ltd., respectfully requests that Florida Housing:

- A. Grant the Petition and all the relief requested herein;
- B. Waive the provisions of the Qualified Allocation Plan (incorporated by Rule 67-48.002(96), F.A.C. (2021) prohibiting Beacon from returning the Housing Credit Allocations prior to the third quarter of 2024;
- C. Allow the immediate return of Beacon's 2022 Housing Credit Allocation;
- D. Immediately allocate new Housing Credits to Beacon, with a later

placed in service date, in an amount equal to the amount of its 2022
Housing Credit Allocation; and

- E. Waive and or extend any remaining deadlines consistent with the
extension of the Housing Credit Allocation Deadlines;
- F. Award such further relief as may be deemed appropriate.

Respectfully submitted

Michael P. Donaldson

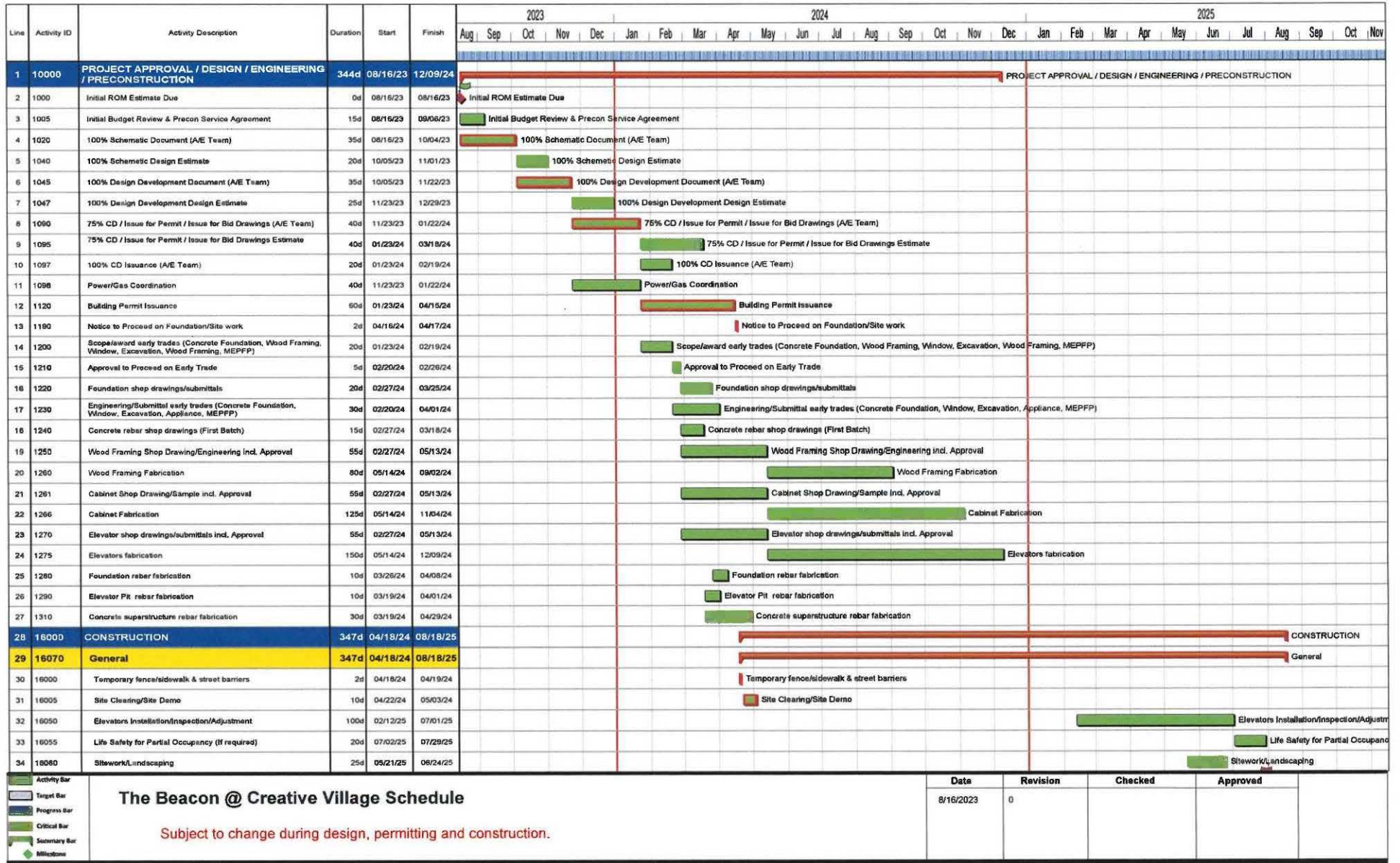
Michael P. Donaldson
Florida Bar No. 0802761
CARLTON, FIELDS
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Tallahassee, Florida 32302
Telephone: 850/224-1585
Facsimile: 850/222-0398

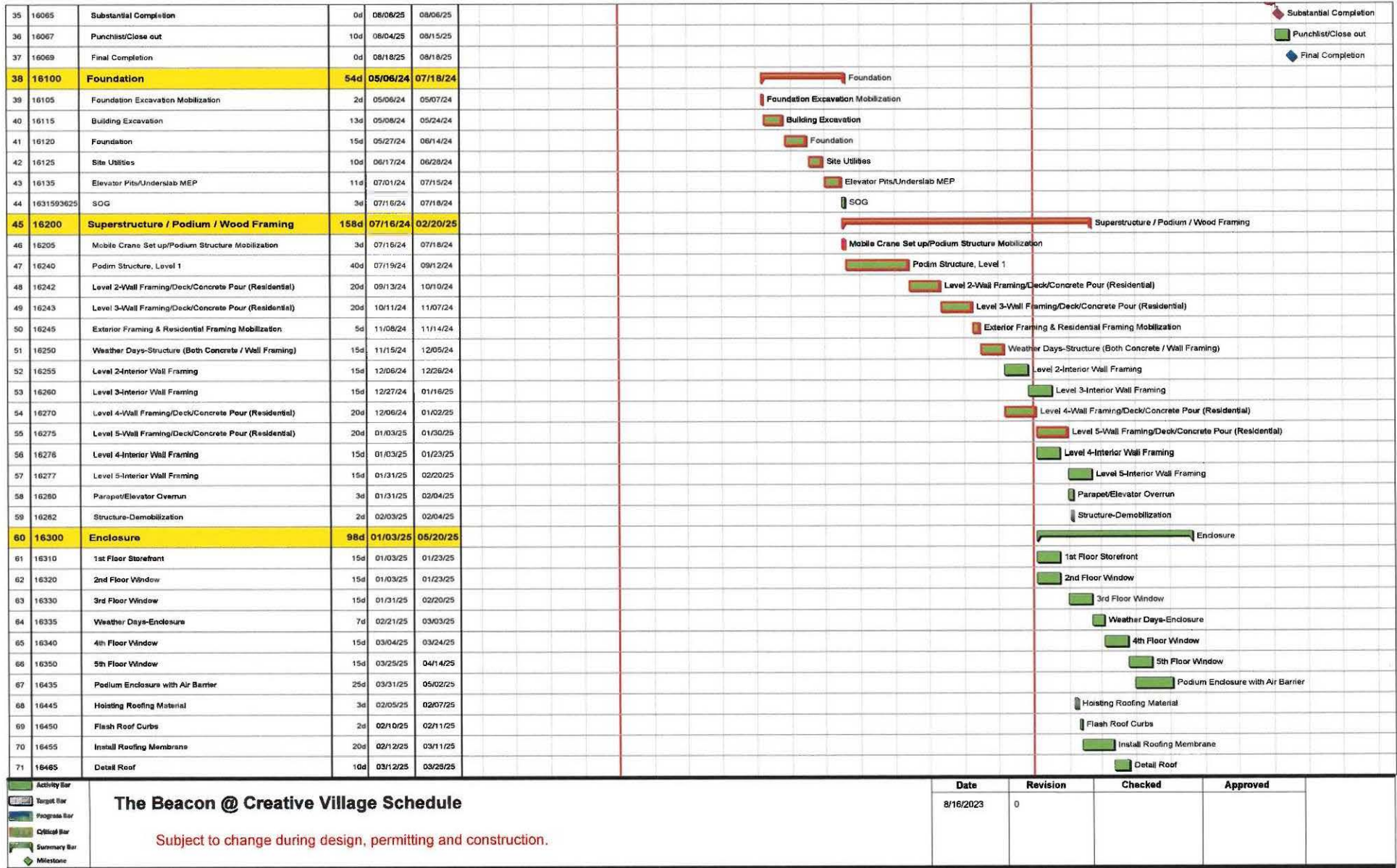
*Attorney for Beacon at Creative Village
Partners, Ltd.*

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that the foregoing Petition for Variance is being filed by electronic filing with the Corporation Clerk (CorporationClerk@floridahousing.org) for the Florida Housing Finance Corporation, and by electronic transmission to Ethan Katz, (Ethan.Katz@floridahousing.org) Florida Housing Finance Corporation, 227 North Bronough Street, Fifth Floor, Tallahassee, Florida 32301, 227 North Bronough Street, Fifth Floor, Tallahassee, Florida 32301, with copies served via electronic transmission on the Joint Administrative Procedures Committee, at (JAPC@leg.state.fl.us), 680 Pepper Building, 111 W. Madison Street, Tallahassee, Florida 32399-1400, this 6th day of October 2023.

/s/ Michael P. Donaldson
Michael P. Donaldson





The Beacon @ Creative Village Schedule

Subject to change during design, permitting and construction.

Date	Revision	Checked	Approved
8/16/2023	0		

Line	Activity ID	Activity Description	Duration	Start	Finish	Timeline (Aug 2023 - Nov 2025)																							
72	16505	Temp Roof for Elevator	5d	02/05/25	02/11/25	[Gantt bar: Temp Roof for Elevator]																							
73	16990	Air Barrier	25d	02/05/25	03/11/25	[Gantt bar: Air Barrier]																							
74	17000	Residential Floor Enclosure Finishes-North/East Elevation Finish	25d	03/12/25	04/15/25	[Gantt bar: Residential Floor Enclosure Finishes-North/East Elevation Finish]																							
75	17005	Residential Floor Enclosure Finishes-South/West Elevation Finish	25d	04/16/25	05/20/25	[Gantt bar: Residential Floor Enclosure Finishes-South/West Elevation Finish]																							
76	16400	MEPFP Rough in	65d	01/03/25	04/03/25	[Gantt bar: MEPFP Rough in]																							
77	16305	2nd Floor MEP Rough-in	15d	01/03/25	01/23/25	[Gantt bar: 2nd Floor MEP Rough-in]																							
78	16310	3rd Floor MEP Rough-in	15d	01/31/25	02/20/25	[Gantt bar: 3rd Floor MEP Rough-in]																							
79	16315	4th Floor MEP Rough-in	15d	02/21/25	03/13/25	[Gantt bar: 4th Floor MEP Rough-in]																							
80	16320	5th Floor MEP Rough-in	15d	03/14/25	04/03/25	[Gantt bar: 5th Floor MEP Rough-in]																							
81	16340	1st Floor MEP Rough-in	15d	01/24/25	02/13/25	[Gantt bar: 1st Floor MEP Rough-in]																							
82	16500	2nd floor buildout [Residential]	90d	01/17/25	05/22/25	[Gantt bar: 2nd floor buildout [Residential]]																							
83	16600	3rd floor buildout [Residential]	90d	02/14/25	06/19/25	[Gantt bar: 3rd floor buildout [Residential]]																							
84	16700	4th floor buildout [Residential]	88d	03/07/25	07/08/25	[Gantt bar: 4th floor buildout [Residential]]																							
85	18800	5th floor buildout [Residential]	93d	03/28/25	08/05/25	[Gantt bar: 5th floor buildout [Residential]]																							
86	1025	hollow metal entry frames	5d	03/26/25	04/03/25	[Gantt bar: hollow metal entry frames]																							
87	1030	in wall and ductwork MEP	10d	04/04/25	04/17/25	[Gantt bar: in wall and ductwork MEP]																							
88	1035	drywall	10d	04/18/25	05/01/25	[Gantt bar: drywall]																							
89	1040	tape and sand drywall	10d	05/02/25	05/15/25	[Gantt bar: tape and sand drywall]																							
90	1045	pre-hung frames and doors	8d	05/16/25	05/27/25	[Gantt bar: pre-hung frames and doors]																							
91	1050	prime paint walls and ceilings	8d	05/28/25	06/08/25	[Gantt bar: prime paint walls and ceilings]																							
92	1055	tile bathrooms	8d	06/08/25	06/18/25	[Gantt bar: tile bathrooms]																							
93	1060	cabinets	8d	06/19/25	06/30/25	[Gantt bar: cabinets]																							
94	1065	plumbing fixtures toilets showers	8d	06/19/25	06/30/25	[Gantt bar: plumbing fixtures toilets showers]																							
95	1070	Finish Flooring	12d	06/19/25	07/04/25	[Gantt bar: Finish Flooring]																							
96	1075	shower doors	10d	07/01/25	07/14/25	[Gantt bar: shower doors]																							
97	1085	bath accessories	8d	07/01/25	07/10/25	[Gantt bar: bath accessories]																							
98	1100	install counter tops	8d	07/01/25	07/10/25	[Gantt bar: install counter tops]																							
99	1102	plumbing fixtures	10d	07/11/25	07/24/25	[Gantt bar: plumbing fixtures]																							
100	1110	finish paint walls	8d	07/25/25	08/09/25	[Gantt bar: finish paint walls]																							
101	16900	1st Floor Buildout [Lobby Common Area & Retail White Box]	89d	02/14/25	06/18/25	[Gantt bar: 1st Floor Buildout [Lobby Common Area & Retail White Box]]																							

Symbols: Critical, Negative float, Start On, Finish By

Milestone Appearances

Diamond

- Activity Bar
- Target Bar
- Progress Bar
- Critical Bar
- Summary Bar
- Milestone

The Beacon @ Creative Village Schedule

Subject to change during design, permitting and construction.

Date	Revision	Checked	Approved
8/16/2023	0		

STATE OF FLORIDA
FLORIDA HOUSING FINANCE CORPORATION

RECEIVED

OCT 9 2023 11:02 AM

PARKWOOD PLAZA APARTMENTS, LTD.,
a Florida limited partnership,

Petitioner,

FHFC CASE NO. 2023-084VW
Application No. 2023-254V; 2021-112B;
2021-556C
RFA 2023-211

v.

FLORIDA HOUSING FINANCE
CORPORATION,

Respondent.

_____ /

PETITION FOR WAIVER OF RULE 67-21.003(1)(b) (05/18/2021)
AND THE NON-COMPETITIVE APPLICATION INSTRUCTIONS (REV. 03-2021)
AND FOR BOARD APPROVAL PURSUANT TO RULE 67-21.003(8)(b) (05/18/21) AND
THE NON-COMPETITIVE APPLICATION INSTRUCTIONS (REV. 03-2021)

Petitioner Parkwood Plaza Apartments, Ltd. (the “Petitioner”) by and through its undersigned counsel, hereby petitions Respondent, Florida Housing Finance Corporation (“Florida Housing”), for a waiver of the prohibition under Rule 67-21.003(1)(b), Florida Administrative Code (“F.A.C.”) (05/18/2021) (“Rule”) and the Non-Competitive Application Instructions (Rev. 03-2021) (“NCA”) against changing the principals of the Petitioner identified in the Application prior to issuance of the Preliminary Determination. Petitioner must update its structure now, as opposed to waiting until after issuance of the Preliminary Determination because the 2023 tax returns must reflect the ownership entity structure that will in fact operate the Development. Because the change is requested prior to issuance of the Preliminary Determination, Petitioner respectfully requests a waiver of the Rule and NCA Instructions so that the original organizational structure, attached as Exhibit A, may be revised to reflect the structure depicted in Exhibit B. For similar reasons, Petitioner seeks Board approval pursuant to Rule 67-

21.003(8)(b) (05/18/21) and the NCA to change principals of the Developer. *Compare* Exhibit C (Current Developer Organizational Structure) with Exhibit D (Proposed Developer Organizational Structure).

In support, Petitioner states as follows:

A. THE PETITIONER.

1. The address, telephone, facsimile numbers and e-mail address for Petitioner and its qualified representative are:

Parkwood Plaza Apartments, Ltd.
Attn: Russell Condas
Lincoln Avenue Capital
401 Wilshire Blvd. Suite 1070
Santa Monica, CA 90401
Telephone: (424)222-8258
rcondas@lincolnavicap.com

2. The address, telephone, and facsimile number and e-mail address of Petitioner's counsel is:

Brian J. McDonough
Stearns Weaver Miller Weissler Alhadeff
& Sitterson
150 West Flagler Street
Suite 2200
Miami, FL 33130
bmcdonough@stearnsweaver.com
Tel: (305) 789-3350
Fax: (305) 789-3395

Bridget Smitha
Stearns Weaver Miller Weissler Alhadeff
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B. WAIVER IS PERMANENT.

3. The waiver being sought is permanent in nature.

C. DEVELOPMENT BACKGROUND.

4. The following information pertains to the development underlying this petition (the "Development"):

- Development Name: 52 at Park

- Development Address: 3255 W Colonial Dr, Orlando, FL 32808
- County: Orange
- Developer: Parkwood Plaza Developer LLC
- Number of Units: 300 new construction
- Type: 6 three-story garden style buildings, 2 four-story midrise, and a standalone clubhouse¹
- Set Asides: 100% of units at 60% AMI or less
- Demographics: Family
- Funding: \$4,516,161 Non-Competitive HC (annual allocation); \$4,300,000 CIRVF; and \$55,500,000 OCHFA bonds

D. THE RULE AND NCA PROVISIONS FROM WHICH WAIVER IS REQUESTED.

5. To change Petitioner's principals before the Preliminary Determination, Petitioner requests a waiver of Rule 67-21.003(1)(b), F.A.C. (05/18/21) which provides in pertinent part:

(1) Applicants shall apply for MMRB, Non-Competitive HC, or a combination of MMRB and Non-Competitive HC as set forth below. For purposes of this subsection only, the term NC Award shall refer to MMRB, Non-Competitive HC, or a combination of MMRB and Non-Competitive HC, and funding from the following Corporation programs will not be considered to be other Corporation funding: Predevelopment Loan Program (PLP) and Elderly Housing Community Loan (EHCL) Program.

(b) If the NC Award will not be in conjunction with other Corporation funding made available through the competitive solicitation funding process outlined in rule Chapter 67-60, F.A.C., the Applicant shall utilize the Non-Competitive Application Package in effect at the time the Applicant submits the Application. The Non-Competitive Application Package or NCA (Rev. 03-2021) is adopted

¹ While the Application identified 10 buildings with 1 non-residential, Petitioner will be submitting a written request to make this change in accordance with Rule 67-48.004(3)(g), F.A.C. (7/6/22).

and incorporated herein by reference and consists of the forms and instructions available, without charge, on the Corporation's website under the Multifamily Programs link labeled Non-Competitive Programs or from <http://www.flrules.org/Gateway/reference.asp?No=Ref-13093>, which shall be completed and submitted to the Corporation in accordance with this rule chapter.

This Rule incorporates by reference the NCA Package (Rev. 03-2021). The NCA Package includes the following requirement at Part A.6.b.(1):

(1) For Applicants requesting Non-Competitive Housing Credits only:

The Applicant entity shall be the recipient of the Housing Credits and the ownership structure of the Applicant entity as set forth in the Principal Disclosure Form and **cannot be changed in any way** (materially or non-materially) **until after the Preliminary Determination is issued**. Once the Preliminary Determination has been issued, (a) any material change in the ownership structure of the named Applicant will require Board approval prior to the change, and (b) any non-material change in the ownership structure of the named Applicant will require Corporation approval prior to the change. The ownership structure of the Applicant entity may be changed without Corporation or Board approval after a Final Housing Credit Allocation Agreement has been approved and the IRS Forms 8609 have been issued; however, the Corporation must still be notified in writing of the change. The Applicant must comply with Principal disclosure requirements outlined in Rule Chapter 67-21, F.A.C. for the duration of the Compliance Period. Changes to the ownership structure of the Applicant entity prior to the issuance of the Preliminary Determination or without Board approval or Corporation approval, as applicable, prior to the approval of the Final Housing Credit Allocation and issuance of the IRS Forms 8609 shall result in a disqualification from receiving funding and shall be deemed a material misrepresentation. Changes prior to the issuance of the Preliminary Determination to the officers or directors of a Public Housing Authority, officers or directors of a Non-Profit entity, or the limited partner of an investor limited partnership or an investor member of a limited liability company owning the syndicating interest therein will not result in disqualification, however, the Corporation must be notified of the change. Changes to the officers or directors of a Non-Profit entity shall require Corporation approval.

Id. at Part A. 6. b. (1) (emphasis added).

6. Petitioner is requesting the foregoing waiver so that it may amend its organizational structure from the current structure attached as Exhibit A to the proposed structure attached as Exhibit B.

E. RULE AND NCA PROVISIONS PURSUANT TO WHICH BOARD APPROVAL IS SOUGHT.

7. To change the Developer's principals, Petitioner seeks Board approval pursuant to Rule 67-21.003(8)(b) (05/18/21), which provides:

(8) Notwithstanding any other provision of these rules, there are certain items that must be included in the Application and cannot be revised, corrected or supplemented after the Application is deemed complete. Those items are as follows:

(b) Principals of each Developer, including all co-Developers; notwithstanding the foregoing, the **Principals of the Developer(s) may be changed** only by written request of an Applicant to Corporation staff and **approval of the Board** after the Applicant has been invited to enter Credit Underwriting. With regard to said approval, the Board shall consider the facts and circumstances of each Applicant's request, inclusive of validity and consistency of Application documentation. Principals of a Public Housing Authority or officers and/or directors of a non-profit entity may be changed only by written request of an Applicant to Corporation staff and approval of the Corporation after the Applicant has been invited to enter Credit Underwriting. Any allowable replacement of a Principal that was identified as the experienced Developer in a competitive solicitation must meet the experience requirements met by the original Principal;

Id. (emphasis added).

8. Petitioner also seeks Board approval pursuant to Part A.6.c. of the NCA, which similarly provides:

The Principals of each Developer identified in the Application, including all co-Developers, **may be changed** only by written request of an Applicant to Corporation staff and **approval of the Board** after the Applicant has been invited to enter Credit Underwriting. Principals of a Public Housing Authority or officers and/or directors of a non-profit entity may be changed only by written request of an Applicant to Corporation staff and approval of the Corporation after the Applicant has been invited to enter Credit Underwriting.

Id. (emphasis added).

F. STATUTES IMPLEMENTED BY THE RULE.

9. The Rule implements, among other sections of the Florida Housing Finance Corporation Act (the "Act"):

- Section 420.502, Legislative findings.
- Section 420.503, Definitions.
- Section 420.507, Powers of the corporation.
- Section 420.508, Special powers; multifamily and single-family projects.
- Section 420.509, Revenue bonds.
- Section 420.5099, Allocation of the low-income housing tax credit.

10. Per Section 420.5099(1),(2), Florida Housing acts as the State's housing credit agency and is authorized to establish procedures for allocating and distributing low-income housing tax credits.

G. JUSTIFICATION FOR GRANTING WAIVER OF THE RULE AND NCA INSTRUCTIONS.

11. The Development was originally induced for bonds by the Orange County Housing Finance Authority ("OCHFA") in 2021.

12. Unfortunately, a 2022 allocation was not available for that region.

13. Petitioner applied for, and Florida Housing issued, Multifamily Mortgage Revenue Bond and 4% non-competitive housing credits in January of 2022. *See* Original Application Nos. 2021-112B and 2021-556C.

14. The Project was subsequently induced by Florida Housing upon approval of the execution of the Acknowledgement Resolution at the Board's April 29, 2022 meeting.

15. On May 17, 2023, Petitioner submitted application number 2023-254V in response to RFA 2023-211 (Construction Inflation Response Viability Funding).

16. After Petitioner received a Notice of Preliminary Award for Viability Funding, Petitioner was informed by OCHFA that sufficient bond capacity existed in the region and that OCHFA was able to secure a regional allocation for the Development.

17. Thus, Petitioner submitted a petition for rule waiver on July 5, 2023 such that it could withdraw from the Florida Housing-issued bonds (to instead utilize the OCHFA allocation) without withdrawing from the Non-Competitive 4% Housing Credits and CIRVF award. That Petition was granted at the July 21, 2023 Florida Housing Board meeting.

18. In the 20 months that have elapsed since Petitioner submitted the Application, two of Petitioner's principals determined that they needed to change the organizational structure for estate planning and other purposes (*e.g.*, the interests currently held individually by Jeremy S. Bronfman and Eli M. Bronfman through their limited liability companies would instead be held by their trusts). The change must occur now, rather than waiting until after issuance of the Preliminary Determination because the 2023 tax returns must reflect the ownership entity structure that will in fact operate the Development. If this request for waiver is denied, it will create an immense administrative burden upon each principal becoming deceased as his interest will have to pass through probate rather than be governed by his trust. If the Petition is granted, the natural person trustees and beneficiaries of the Jeremy Bronfman 2014 Revocable Trust² and the EB 2022 Revocable Trust will be the same natural person principals identified in the Application (*i.e.*, Jeremy Bronfman and Eli M Bronfman). Neither FHFC nor the Development would be prejudiced by the addition of these passive trusts. Additionally, the limited partner identified in the Application served as a placeholder entity only and the true investor limited partners must be included in the structure at the resyndication closing. Accordingly, the change must occur now, as opposed to waiting until after the Preliminary Determination issues.

² The Jeremy Bronfman 2015 Family Trust would add three family members that were not identified in the principal disclosures, but who will not exert any control over the Development.

19. Because the Preliminary Determination has not issued, a Rule waiver is necessary for Petitioner to make the change. If the Petition is approved, the following changes would occur:

- i) At Petitioner's first disclosure level, Petitioner seeks to remove LAC TC Partners Holdings II LLC (99.99% limited partner) and add Berkadia Housing Partnership XI 2022 LP, A Delaware limited partnership as the 98.99% limited partner and Riverside Manager, LLC, a New Jersey limited liability company, as the 0% special limited partner. The general partner interest of Parkwood Plaza GP LLC would change from 0.001% to 0.01% and the Class B limited partner interest of Parkwood Plaza Partner LLC would change from 0.009% to 1.000%.
- ii) At Petitioner's second level:
 - a) The sole member of Parkwood Plaza GP LLC would be changed from SJB Management LLC (100%) to Jeremy Bronfman 2014 Revocable Trust (100%). The manager of Parkwood Plaza GP LLC would be Jeremy Bronfman (0%).
 - b) The principals of Parkwood Plaza Partner LLC would change to remove SJB Management LLC (31.04%), ENB Family LLC (28.101%) and the Matthew Bronfman Family EMBT (17.563%); and to add JEB Acquisition Investments LLC, a Delaware limited liability company (79.034% class A member). Condas Lincoln Holdings, LLC (4.722%) would be changed to Condas Lincoln Holdings **FL**, LLC (4.250%). The class B membership interests of the remaining principals would change such that Schore Lincoln Holdings, LLC would decrease from 1.907% to 1.716%, and Fitzgerald Equity LLC would decrease from 16.667% to 15%. Jeremy Bronfman would serve as the manager (0%),

iii) at Petitioner's third level:

- a) The natural person principal of Parkwood Plaza GP LLC would remain Jeremy Bronfman (100%), but he would appear as the third level as the sole beneficiary and trustee of the Jeremy Bronfman 2014 Revocable Trust instead of the sole member and manager of SJB Management LLC.
- b) The principals of JEB Acquisition Investments LLC would be: Jeremy Bronfman (0% manager), Jeremy Bronfman 2015 Family Trust (60% member), and EB 2022 Revocable Trust (40% member).
- c) As previously disclosed, Neal Schore would act as sole member (100%) of Schore Lincoln Holdings, LLC and Jordan Richter would act as sole member (100%) of Fitzgerald Equity LLC. In addition to being the sole member, each would also serve as manager of their LLC.
- d) Russell Condas would be the sole member (100%) and manager of Condas Lincoln Holdings FL, LLC.³

iv) At Petitioner's fourth level:

- a) The trustee of the Jeremy Bronfman 2015 Family Trust would be Stephanie Beck Bronfman (0%) and the beneficiaries would be Sadie Bronfman (33.33%), Jack Bronfman (33.33%), and Beckett Bronfman (33.33%).
- b) The sole beneficiary (100%) and trustee (0%) of the EB 2022 Revocable Trust would be Eli M. Bronfman.

Compare Exhibit A to Exhibit B.

³ Previously, the membership interest was held by Condas Lincoln Holdings FL, LLC whose sole member was Russell C. Condas Revocable Trust Dated October 26, 2020.

20. Upon information and belief, the purpose of the NCA Instructions prohibiting changes to Petitioner's structure prior to issuance of the Preliminary Determination is to ensure full and fair consideration by Florida Housing of all persons that might exert control over the Development. Here, the natural persons exerting control over the Development were disclosed in the Application.⁴ The changes sought are essentially only to: the names of the entities through which those natural persons will act; and the beneficiaries of a trust (who are family members of a natural person disclosed in the Application). The requested waiver should not, therefore, cause concern for Florida Housing. Since the same natural person principals disclosed in the Application will exert control over the Development, Florida Housing should have the same degree of comfort as if the structure were not changed. Accordingly, granting the Petition should not impact Florida Housing's confidence in the Development, Petitioner, or its principals.

21. Under Section 120.542(1), *Fla. Stat.*, and Chapter 28-104, F.A.C., Florida Housing has the authority to grant waivers to its rule requirements when strict application of the rules would lead to unreasonable, unfair and unintended consequences, in particular instances. Waivers shall be granted when the person who is subject to the rule demonstrates that the application of the rule would: (1) create a substantial hardship or, violate principles of fairness,⁵ and (2) the purpose of the underlying statute has been or will be achieved by other means by the person. § 120.542(2), Fla. Stat. (2019).

⁴ Specifically, Jeremy Bronfman, Eli Bronfman, Neal Schore, Russell Condas, and Jordan Richter were each identified as principals in the Application.

⁵ "Substantial hardship" means a demonstrated economic, technological, legal, or other type of hardship to the person requesting the variance or waiver. For purposes of this section, "principles of fairness" are violated when the literal application of a rule affects a particular person in a manner significantly different from the way it affects other similarly situated persons who are subject to the rule. § 120.542(2), Fla. Stat.

22. For the reasons set forth above, granting the requested waiver will prevent a substantial and unfair hardship from being imposed on Petitioner while still achieving the underlying purpose of the Rule.

23. For the foregoing reasons, Petitioner meets the standards for the requested waiver.

24. The requested waiver will not adversely impact the Development or Florida Housing.

H. JUSTIFICATION FOR GRANTING BOARD APPROVAL.

25. The Developer, Parkwood Plaza Developer LLC, seeks Board approval to revise its organizational structure to insert two limited liability companies (Parkwood Plaza Developer CF Member LLC, and Parkwood Plaza Developer DDF Member LLC) at the first disclosure level. This would push many of the entities disclosed at the first level in the Application down to the second level in the proposed structure. *Compare* Exhibit C to Exhibit D. Specifically, the following original members of Parkwood Plaza Developer LLC, would become members of both Parkwood Plaza Developer CF Member LLC and Parkwood Plaza Developer DDF Member LLC: Fitzgerald Equity LLC; Condas Lincoln Holdings, LLC; and Schore Lincoln Holdings, LLC. Jeremy Bronfman would remain the manager of Parkwood Plaza Developer LLC.

26. If approved, two new entities would be added to the structure at the second level: JEB Developer LLC and LAC Guarantor Holdings LLC. Specifically, JEB Developer LLC would be added as a member to both entities identified at the first level (*i.e.*, Parkwood Plaza Developer CF Member LLC, and Parkwood Plaza Developer DDF Member LLC). Additionally, Parkwood Plaza Developer DDF Member LLC would have as a member, LAC Guarantor Holdings LLC. Jeremy Bronfman would serve as the manager of both Parkwood Plaza Developer CF Member LLC, and Parkwood Plaza Developer DDF Member LLC.

27. Upon Board approval, 60 Lincoln Family LLC would be removed from the structure.

28. The requested change is necessary to provide an additional layer of protection for the Developer as requested by certain principals, but will not impact the day-to-day operations of the Development, nor the natural persons having ultimate control.

29. The experience requirements met by the original principals identified in the Application would not be impacted by this request.

I. ACTION REQUESTED.

30. For the reasons set forth herein, Petitioner respectfully requests that: (i) Florida Housing grant the requested permanent waiver such that Petitioner may change its organizational structure to reflect the attached Exhibit B prior to issuance of the Preliminary Determination; (ii) grant this Petition and all of the relief requested herein; (iii) grant such further relief as it may deem appropriate; and (iv) the Board approve the requested change in the Developer's organizational structure to reflect the attached Exhibit D.

Respectfully submitted,

STEARNS WEAVER MILLER WEISSLER
ALHADEFF & SITTERSON, P.A.
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Miami, Florida 33131
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E-mail: bmcDonough@stearnsweaver.com

Counsel for Petitioner

By: /s/ Brian J. McDonough
BRIAN J. MCDONOUGH, ESQ.

CERTIFICATE OF SERVICE

This Petition is being served by electronic transmission for filing with the Clerk for the Florida Housing Finance Corporation, CorporationClerk@FloridaHousing.org, with copies served by U.S. Mail on the Joint Administrative Procedures Committee, 680 Pepper Building, 111 W. Madison Street, Tallahassee, Florida 32399-1400, this 9th day of October, 2023.

By: /s/ Brian J. McDonough
Brian J. McDonough, Esq.

Exhibit A – Petitioner’s Current Organizational Structure

Principal Disclosures for the Applicant

Select the organizational structure for the Applicant entity:

The Applicant is a: Limited Partnership

Provide the name of the Applicant Limited Partnership:

Parkwood Plaza Apartments, Ltd.

% Ownership input features will not be made available until invitation to credit underwriting

First Principal Disclosure Level:

[Click here for Assistance with Completing the Entries for the First Level Principal Disclosure for the Applicant](#)

First Level Entity #	Select Type of Principal of Applicant	Enter Name of First Level Principal	Select organizational structure of First Level Principal identified	% Ownership of Applicant
1.	General Partner	Parkwood Plaza GP LLC	Limited Liability Company	0.0010%
2.	Non-Investor LP	Parkwood Plaza Partner LLC	Limited Liability Company	0.0090%
3.	Investor LP	LAC TC Partners Holdings II LLC	Limited Liability Company	99.9900%

Second Principal Disclosure Level:

Parkwood Plaza Apartments, Ltd.

[Click here for Assistance with Completing the Entries for the Second Level Principal Disclosure for the Applicant](#)

Select the corresponding First Level Principal Entity # from above for which the Second Level Principal is being identified	Second Level Entity #	Select the type of Principal being associated with the corresponding First Level Principal Entity	Enter Name of Second Level Principal	Select organizational structure of Second Level Principal identified	Second Level Principal % Ownership of First Level Principal
1. (Parkwood Plaza GP LLC)	1.A.	Sole Member	SJB Management LLC	Limited Liability Company	100.0000%
2. (Parkwood Plaza Partner LL)	2.A.	Managing Member	SJB Management LLC	Limited Liability Company	31.0400%
2. (Parkwood Plaza Partner LL)	2.B.	Member	ENB Family LLC	Limited Liability Company	28.1010%
2. (Parkwood Plaza Partner LL)	2.C.	Member	Matthew Bronfman Family EMBT	Trust	17.5630%
2. (Parkwood Plaza Partner LL)	2.D.	Member	Schore Lincoln Holdings LLC	Limited Liability Company	1.9070%
2. (Parkwood Plaza Partner LL)	2.E.	Member	Condas Lincoln Holdings LLC	Limited Liability Company	4.7220%
2. (Parkwood Plaza Partner LL)	2.F.	Member	Fitzgerald Equity LLC	Limited Liability Company	16.6670%

Third Principal Disclosure Level:

Parkwood Plaza Apartments, Ltd.

[Click here for Assistance with Completing the Entries for the Third Level Principal Disclosure for the Applicant](#)

Select the corresponding Second Level Principal Entity # from above for which the Third Level Principal is being	Third Level Entity #	Select the type of Principal being associated with the corresponding Second Level Principal Entity	Enter Name of Third Level Principal who must be either a Natural Person or a Trust	The organizational structure of Third Level Principal identified Must be either a Natural Person	3rd Level Principal % Ownership of 2nd Level Principal
1.A. (SJB Management LLC)	1.A.(1)	Sole Member	Jeremy Bronfman	Natural Person	100.0000%
2.A. (SJB Management LLC)	2.A.(1)	Sole Member	Jeremy Bronfman	Natural Person	100.0000%
2.B. (ENB Family LLC)	2.B.(1)	Sole Member	Eli Bronfman	Natural Person	100.0000%
2.D. (Schore Lincoln Holdings LLC)	2.D.(1)	Sole Member	Neal Schore	Natural Person	100.0000%
2.E. (Condas Lincoln Holdings LLC)	2.E.(1)	Sole Member	Russell C. Condas Revocable Trust Dated October 25,	Trust	100.0000%
2.F. (Fitzgerald Equity LLC)	2.F.(1)	Sole Member	Jordan Richter	Natural Person	100.0000%
2.C. (Matthew Bronfman Family E)	2.C.(1)	Beneficiary	Matthew Bronfman	Natural Person	
2.C. (Matthew Bronfman Family E)	2.C.(2)	Beneficiary	Jeremy S. Bronfman	Natural Person	
2.C. (Matthew Bronfman Family E)	2.C.(3)	Beneficiary	Eli M. Bronfman	Natural Person	
2.C. (Matthew Bronfman Family E)	2.C.(4)	Beneficiary	Gabriela Bronfman	Natural Person	
2.C. (Matthew Bronfman Family E)	2.C.(5)	Beneficiary	Sadie Bronfman	Natural Person	
2.C. (Matthew Bronfman Family E)	2.C.(6)	Beneficiary	Sasha Bronfman	Natural Person	
2.C. (Matthew Bronfman Family E)	2.C.(7)	Beneficiary	Ezekiel Bronfman	Natural Person	
2.C. (Matthew Bronfman Family E)	2.C.(8)	Beneficiary	Coby Bronfman	Natural Person	
2.C. (Matthew Bronfman Family E)	2.C.(9)	Trustee	Almog Geva	Natural Person	
2.C. (Matthew Bronfman Family E)	2.C.(10)	Trustee	Mayo Shattuck	Natural Person	
2.C. (Matthew Bronfman Family E)	2.C.(11)	Trustee	Edgar Bronfman Jr.	Natural Person	

Fourth Principal Disclosure Level:

Parkwood Plaza Apartments, Ltd.

[Click here for Assistance with Completing the Entries for the Fourth Level Principal Disclosure for the Applicant](#)

Select the corresponding Third Level Principal Entity # from above for which the Fourth Level Principal is being identified	Select the type of Principal being associated with the corresponding Third Level Principal Entity	Enter Name of Fourth Level Principal who must be a Natural Person	The organizational structure of Fourth Level Principal identified Must Be a Natural Person	4th Level Principal % Ownership of 3rd Level Principal
2.E.(1) (Russell C. Condas Revocable Tru:	Trustee	Russell Condas	Natrual Person	100.0000%

Exhibit B – Petitioner’s Proposed Organizational Structure

Principal Disclosures for the Applicant

Select the organizational structure for the Applicant entity:

The Applicant is a: [<Select an option>](#)

Provide the name of the Applicant entity after selecting its organizational struture above.

% Ownership input features will not be made available until invitation to credit underwriting

[Parkwood Plaza Apartments, Ltd.](#)

First Principal Disclosure Level:

[Click here for Assistance with Completing the Entries for the First Level Principal Disclosure for the Applicant](#)

First Level Entity #	Select Type of Principal of Applicant	Enter Name of First Level Principal	Select organizational structure of First Level Principal identified	% Ownership of Applicant
1.	General Partner	Parkwood Plaza GP LLC	Limited Liability Company	0.0100%
2.	Non-Investor LP	Parkwood Plaza Partner LLC	Limited Liability Company	1.0000%
3.	Investor LP	Berkadia Housing Partnership XI 2022 LP	Limited Liability Company	98.9900%
4.	Investor LP	Riverside Manager, LLC	Limited Liability Company	0.0000%

Second Principal Disclosure Level:

Parkwood Plaza Apartments, Ltd.

[Click here for Assistance with Completing the Entries for the Second Level Principal Disclosure for the Applicant](#)

Select the corresponding First Level Principal Entity # from above for which the Second Level Principal is being identified	Second Level Entity #	Select the type of Principal being associated with the corresponding First Level Principal Entity	Enter Name of Second Level Principal	Select organizational structure of Second Level Principal identified	Second Level Principal % Ownership of First Level Principal
1. (Parkwood Plaza GP LLC)	1.A.	Sole Member	Jeremy Bronfman 2014 Revocable Trust	Trust	100.0000%
1. (Parkwood Plaza GP LLC)	1.B.	Manager	Jeremy Bronfman	Natural Person	0.0000%
2. (Parkwood Plaza Partner LL	2.A.	Member	JEB Acquisition Investments LLC	Limited Liability Company	79.0340%
2. (Parkwood Plaza Partner LL	2.B.	Member	Schore Lincoln Holdings, LLC	Limited Liability Company	1.7160%
2. (Parkwood Plaza Partner LL	2.C.	Member	Condas Lincoln Holdings FL, LLC	Limited Liability Company	4.2500%
2. (Parkwood Plaza Partner LL	2.D.	Member	Fitzgerald Equity LLC	Limited Liability Company	15.0000%
2. (Parkwood Plaza Partner LL	2.E.	Manager	Jeremy Bronfman	Natural Person	0.0000%

Third Principal Disclosure Level:

Parkwood Plaza Apartments, Ltd.

[Click here for Assistance with Completing the Entries for the Third Level Principal Disclosure for the Applicant](#)

Select the corresponding Second Level Principal Entity # from above for which the Third Level Principal is being	Third Level Entity #	Select the type of Principal being associated with the corresponding Second Level Principal Entity	Enter Name of Third Level Principal who must be either a Natural Person or a Trust	The organizational structure of Third Level Principal identified Must be either a Natural Person	3rd Level Principal % Ownership of 2nd Level Principal
1.A. (Jeremy Bronfman 2014 Revocable Trust)	1.A.(1)	Trustee	Jeremy Bronfman	Natural Person	0.0000%
1.A. (Jeremy Bronfman 2014 Revocable Trust)	1.A.(2)	Beneficiary	Jeremy Bronfman	Natural Person	100.0000%
2.A. (JEB Acquisition Investments LLC)	2.A.(1)	Member	Jeremy Bronfman 2015 Family Trust	Trust	60.0000%
2.A. (JEB Acquisition Investments LLC)	2.A.(2)	Member	EB 2022 Revocable Trust	Trust	40.0000%
2.A. (JEB Acquisition Investments LLC)	2.A.(3)	Manager	Jeremy Bronfman	Natural Person	0.0000%
2.B. (Schore Lincoln Holdings, LLC)	2.B.(1)	Sole Member	Neal Schore	Natural Person	100.0000%
2.B. (Schore Lincoln Holdings, LLC)	2.B.(2)	Manager	Neal Schore	Natural Person	0.0000%
2.C. (Condas Lincoln Holdings FL, LLC)	2.C.(1)	Sole Member	Russell Condas	Natural Person	100.0000%
2.C. (Condas Lincoln Holdings FL, LLC)	2.C.(2)	Manager	Russell Condas	Natural Person	0.0000%
2.D. (Fitzgerald Equity LLC)	2.D.(1)	Sole Member	Jordan Richter	Natural Person	100.0000%
2.D. (Fitzgerald Equity LLC)	2.D.(2)	Manager	Jordan Richter	Natural Person	0.0000%

Fourth Principal Disclosure Level:

Parkwood Plaza Apartments, Ltd.

[Click here for Assistance with Completing the Entries for the Fourth Level Principal Disclosure for the Applicant](#)

Select the corresponding Third Level Principal Entity # from above for which the Fourth Level Principal is being identified	Select the type of Principal being associated with the corresponding Third Level Principal Entity	Enter Name of Fourth Level Principal who must be a Natural Person	The organizational structure of Fourth Level Principal identified Must Be a Natural Person	4th Level Principal % Ownership of 3rd Level Principal
2.A.(1) (Jeremy Bronfman 2015 Family Tru	Trustee	Stephanie Beck Bronfman	Natrual Person	0.0000%
2.A.(1) (Jeremy Bronfman 2015 Family Tru	Beneficiary	Sadie Bronfman	Natrual Person	33.3300%
2.A.(1) (Jeremy Bronfman 2015 Family Tru	Beneficiary	Jack Bronfman	Natrual Person	33.3300%
2.A.(1) (Jeremy Bronfman 2015 Family Tru	Beneficiary	Beckett Bronfman	Natrual Person	33.3300%
2.A.(2) (EB 2022 Revocable Trust)	Trustee	Eli M. Bronfman	Natrual Person	0.0000%
2.A.(2) (EB 2022 Revocable Trust)	Beneficiary	Eli M. Bronfman	Natrual Person	100.0000%

Exhibit C – Current Developer Organizational Structure

Principal Disclosures for the Developer

How many Developers are part of this Application structure?

1

Select the organizational structure for the Developer entity:

The Developer is a: [Limited Liability Compan](#)

Provide the name of the Developer Limited Liability Company:

[Parkwood Plaza Developer LLC](#)

First Principal Disclosure Level:

Parkwood Plaza Developer LLC

[Click here for Assistance with Completing the Entries for the First Level Principal Disclosure for a Developer](#)

First Level Entity #	Select Type of Principal of Developer	Enter Name of First Level Principal	Select organizational structure of First Level Principal identified
1.	Member	60 Lincoln Family II LLC	Limited Liability Company
2.	Member	Fitzgerald Equity LLC	Limited Liability Company
3.	Member	Condas Lincoln Holdings, LLC	Limited Liability Company
4.	Member	Schore Lincoln Holdings, LLC	Limited Liability Company
5.	Manager	Jeremy Bronfman	Natural Person

Second Principal Disclosure Level:

Parkwood Plaza Developer LLC

[Click here for Assistance with Completing the Entries for the Second Level Principal Disclosure for a Developer](#)

Select the corresponding First Level Principal Entity # from above for which the Second Level Principal is being identified	Second Level Entity #	Select the type of Principal being associated with the corresponding First Level Principal Entity	Enter Name of Second Level Principal	Select organizational structure of Second Level Principal identified
1. (60 Lincoln Family II LLC)	1.A.	Member	SJB Management LLC	Limited Liability Company
1. (60 Lincoln Family II LLC)	1.B.	Member	ENB Family LLC	Limited Liability Company
1. (60 Lincoln Family II LLC)	1.C.	Member	Matthew Bronfman Family EMBT	Trust
2. (Fitzgerald Equity LLC)	2.A.	Sole Member	Jordan Richter	Natural Person
3. (Condas Lincoln Holdings,	3.A.	Member	Russell C Condas Revocable Trust dated October, 26 2	Trust
4. (Schore Lincoln Holdings, I	4.A.	Member	Neal Schore	Natural Person

Exhibit D – Proposed Developer Organizational Structure

Principal Disclosures for the Developer

How many Developers are part of this Application structure?

1

Select the organizational structure for the Developer entity:

The Developer is a: Limited Liability Compan

Provide the name of the Developer Limited Liability Company:

Parkwood Plaza Developer LLC

First Principal Disclosure Level:

Parkwood Plaza Developer LLC

[Click here for Assistance with Completing the Entries for the First Level Principal Disclosure for a Developer](#)

First Level Entity #	Select Type of Principal of Developer	Enter Name of First Level Principal	Select organizational structure of First Level Principal identified
1.	<u>Member</u>	<u>Parkwood Plaza Developer CF Member LLC</u>	<u>Limited Liability Company</u>
2.	<u>Member</u>	<u>Parkwood Plaza Developer DDF Member LLC</u>	<u>Limited Liability Company</u>
3.	<u>Manager</u>	<u>Jeremy Bronfman</u>	<u>Natural Person</u>

Second Principal Disclosure Level:

Parkwood Plaza Developer LLC

[Click here for Assistance with Completing the Entries for the Second Level Principal Disclosure for a Developer](#)

Select the corresponding First Level Principal Entity # from above for which the Second Level Principal is being identified	Second Level Entity #	Select the type of Principal being associated with the corresponding First Level Principal Entity	Enter Name of Second Level Principal	Select organizational structure of Second Level Principal identified
<u>1. (Parkwood Plaza Develop</u>	1.A.	<u>Member</u>	<u>JEB Developer LLC</u>	<u>Limited Liability Company</u>
<u>1. (Parkwood Plaza Develop</u>	1.B.	<u>Member</u>	<u>Condas Lincoln Holdings, LLC</u>	<u>Limited Liability Company</u>
<u>1. (Parkwood Plaza Develop</u>	1.C.	<u>Member</u>	<u>Schore Lincoln Holdings, LLC</u>	<u>Limited Liability Company</u>
<u>1. (Parkwood Plaza Develop</u>	1.D.	<u>Member</u>	<u>Fitzgerald Equity LLC</u>	<u>Limited Liability Company</u>
<u>1. (Parkwood Plaza Develop</u>	1.E.	<u>Manager</u>	<u>Jeremy Bronfman</u>	<u>Natural Person</u>
<u>2. (Parkwood Plaza Develop</u>	2.A.	<u>Member</u>	<u>JEB Developer LLC</u>	<u>Limited Liability Company</u>
<u>2. (Parkwood Plaza Develop</u>	2.B.	<u>Member</u>	<u>Condas Lincoln Holdings, LLC</u>	<u>Limited Liability Company</u>
<u>2. (Parkwood Plaza Develop</u>	2.C.	<u>Member</u>	<u>Schore Lincoln Holdings, LLC</u>	<u>Limited Liability Company</u>
<u>2. (Parkwood Plaza Develop</u>	2.D.	<u>Member</u>	<u>Fitzgerald Equity LLC</u>	<u>Limited Liability Company</u>
<u>2. (Parkwood Plaza Develop</u>	2.E.	<u>Member</u>	<u>LAC Guarantor Holdings LLC</u>	<u>Limited Liability Company</u>
<u>2. (Parkwood Plaza Develop</u>	2.F.	<u>Manager</u>	<u>Jeremy Bronfman</u>	<u>Natural Person</u>

STATE OF FLORIDA
FLORIDA HOUSING FINANCE CORPORATION

FHFC CASE NO. 2023-085VW
FHFC APPLICATION NO. 2022-512C

DOUGLAS GARDENS IV, LTD.

Petitioner

vs.

FLORIDA HOUSING FINANCE
CORPORATION,

Respondent.

RECEIVED

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FLORIDA HOUSING
FINANCE CORPORATION

PETITION FOR WAIVER OF RULE 67-21.003(8)(i)

DOUGLAS GARDENS IV, LTD., a Florida limited partnership, (the “Petitioner”), by and through its undersigned counsel, hereby petitions the Florida Housing Finance Corporation (the “Corporation”) for a waiver or variance from Rule 67-21.003(8)(i), Florida Administrative Code (“F.A.C”) (2022) (the “Rule”) to decrease the Total Set-Aside Percentage as stated in the Total Set-Aside Breakdown Chart for the Development (as defined below) provided in the Application (as defined below). This Petition is filed pursuant to Section 120.542, Florida Statutes, and Chapter 28-104, Florida Administrative Code. In support, Petitioner states as follows:

A. THE PETITIONER

1. The address, telephone number and facsimile number of the Petitioner is:

DOUGLAS GARDENS IV, LTD.
777 Brickell Avenue, Suite 1300
Miami, FL 33131
Telephone: (786) 257-2767
Attention: McDowell Housing Partners, LLC, c/o
Christopher L. Shear
Email: cshear@mcdhousing.com

2. For purposes of this petition, the address, telephone number, facsimile number, and email address of Petitioner’s counsel is:

Roman J. Petra, Esq.
Nelson Mullins Riley & Scarborough LLP
390 N. Orange Ave., Suite 1400
Orlando, Florida 32801
Telephone: (407) 669-4247
Facsimile: (407) 425-8377
Email: roman.petra@nelsonmullins.com

3. On December 2, 2022, Petitioner submitted a Non-Competitive Application (the “Application”) for 4 Percent Housing Credits (“4 Percent HC”) to finance the development of a 410-unit multifamily residential housing project in the city of Pembroke Pines, Broward County, Florida, to be commonly known as Douglas Gardens – Senior Health and Living (the “Development”) in combination with (i) a loan of \$77,000,000 Multifamily Housing Revenue Note issued by the Housing Finance Authority of Broward County, Florida and (ii) a loan of \$14,000,000 from Broward County, Florida.

B. THE RULE FROM WHICH WAIVER IS SOUGHT

4. Petitioner requests a waiver from Rule 67-21.003(8)(i), F.A.C. (2022), which provides:

67-21.003 – Application and Selection Process for Developments.

* * *

(8) Notwithstanding any other provision of these rules, **there are certain items that must be included in the Application and cannot be revised, corrected or supplemented after the Application is deemed complete. Those items are as follows:**

* * *

(i) **The Total Set-Aside Percentage as stated in the total set-aside breakdown chart for the program(s) applied for in the Set-Aside Commitment section of the Application;** notwithstanding the foregoing, the Total Set-Aside Percentage may be increased after the Applicant has been invited to enter Credit Underwriting, subject to written request of an Applicant to Corporation staff and approval of the Corporation. With regard to said approval, the Corporation shall consider the facts and circumstances, inclusive of each Applicant's request, in evaluating whether the changes made are prejudicial to the Development or to the market to be served by the Development;

(Emphasis added.)

C. STATUTES IMPLEMENTED BY THE RULE

5. The Rule is implementing, among other sections of the Florida Housing Finance Corporation Act, the statute that created the Housing Tax Credit Program and the Multifamily Mortgage Revenue Bonds Program. See §§ 420.509, 420.5099, Fla. Stat.

D. WAIVERS WILL SERVE THE UNDERLYING PURPOSE OF THE STATUTE

6. Petitioner requests waivers of, or variances from, the Rule to decrease the overall set-aside percentage for the Development provided in the Application.

7. Section 10(a) of the Application requires applicants to select a minimum set-aside commitment for a proposed development. In the Application, Petitioner selected the 40% of units at 60% Area Median Income (AMI) or lower commitment. Section 10(b) of the Application requires applicants to complete a breakdown chart identifying the set-aside commitments for units in a proposed development contingent on the election made by such applicant. When Petitioner completed the Application, it filled out the chart in Section 10(b)(1) for applicants committing to the minimum set-aside commitment of 20 percent of the total units at 50 percent of the Area Median Income or less, or 40 percent of the total units at 60 percent of the Area Median Income

(the "Total Set-Aside Breakdown Chart"). In the Total Set-Aside Breakdown Chart, Petitioner made a scrivener's error and inadvertently identified set-asides as (i) at or below 60% AMI for 95% of the units in the Development and (ii) at or below 30% AMI for 5% of the units in the Development, resulting in the Total Set-Aside Percentage equaling 100% (or all 410 units) in the Development.

8. Petitioner now seeks to revise the Development's Total Set-Aside Percentage provided in the Total Set-Aside Breakdown Chart to reduce the Total Set-Aside Percentage of the units in the Development from 100% to 95% of the units in the Development, and in connection therewith, reduce the percentage of units set as at or below 30% AMI to 0% such that all of the units (or 0 units) committed to be set aside in the Development (95%) shall be set aside At or below 60% AMI. In other words, the Petitioner requests the Total Set-Aside Percentage be reduced from 100% to 95%; and to change its set-aside commitments so that 390 units (or 95% of the units) in the Development be at 60% AMI or less and 20 units (5%) be at Market Rate.

9. The Petitioner has closed and drawn on a gap financing loan from Broward County that is vital to the Project's feasibility (the "Broward Loan"). A Declaration of Covenants and Restrictions executed in connection with the Broward Loan (the "Broward Covenant"), conflicts with a Total Set-Aside Percentage of 100% and, therefore, if the Petitioner's request to modify the non-competitive application is not granted, the Broward Loan would be subject to default and repayment thereby creating a material hardship for the Petitioner. If the Petitioner is required to repay the Broward Loan, Petitioner would suffer substantial economic hardship.

10. For clarification purposes, the Petitioner respectfully requests the following:
- a. Approval of waiver for a reduction to the Total Set-Aside Percentage from 100% to 95%; and

b. Approval for the set-aside commitments to reflect the following:

- i. 390 units (95%) at 60% AMI; and
- ii. 20 units (5%) at Market Rate.

11. Pursuant to Section 120.542(1), Fla. Stat., and Chapter 28-104, F.A.C., the Corporation has the power and authority to grant waivers or variances to its rule requirements when strict application of the rules would lead to unreasonable, unfair and unintended consequences in particular instances. A waiver or variance shall be granted when the person who is subject to the rule demonstrates that the application of the rule would: (1) create a substantial hardship¹ *or* violate principles of fairness, and (2) the purpose of the underlying statute has been or will be achieved by other means by the person. *See* § 120.542(2), Fla. Stat.

12. The Florida Housing Finance Corporation Act (Section 420.501, *et seq.*) was passed to encourage private and public investment in facilities for persons of low-income. The purposes of the State Apartment Incentive Loan Program, National Housing Trust Fund, Multifamily Mortgage Revenue Bonds Program, and Housing Tax Credit Program are to stimulate and prioritize initiatives to increase the supply of affordable housing. By granting the requested waivers, the Corporation would recognize the goal of providing persons of low-income with affordable housing through private investment. The requested waivers or variances will not adversely impact the Development or the Corporation or provide Petitioner with an unfair advantage, and will ensure that the affordable housing units of the Development will be preserved and made available for the target population in Broward County to obtain decent, safe, and sanitary

¹ “Substantial hardship” means a demonstrated economic, technological, legal or other type of hardship to the person requesting the variance or waiver. Further, “principles of fairness” are violated when the literal application of a rule affects a particular person in a manner significantly different from the way it affects other similarly situated persons who are subject to the rule. *See* Fla. Stat. § 120.542.

housing. Alternatively, strict application of the Rule will result in substantial economic hardship for Petitioner as it attempts to confront the pressures of rising interest rates, inflating construction costs, and direct competition with a neighboring development for identical income-level tenants, all of which will place the affordable housing units of the Development in jeopardy.

E. TYPE OF WAIVER

12. The waivers or variances being sought is permanent in nature.

F. ACTION REQUESTED

13. For the reasons set forth herein, Petitioner respectfully requests the Corporation (i) grant the requested waivers or variances of the Rule to reduce the Total Set-Aside Percentage for the Development listed in the Application, (ii) grant the Petition and all the relief requested herein, and (iii) grant such further relief as it may deem appropriate.

Respectfully submitted the 11th day of October, 2023.

Respectfully submitted,



Roman J. Petra, Esq.
Fla. Bar No. 450030
Nelson Mullins Riley & Scarborough LLP
390 N. Orange Ave., Suite 1400
Orlando, FL 32801
Telephone: (407) 669-4247
Facsimile: (407) 425-8377
Email: roman.petra@nelsonmullins.com
COUNSEL FOR PETITIONER

CERTIFICATE OF SERVICE

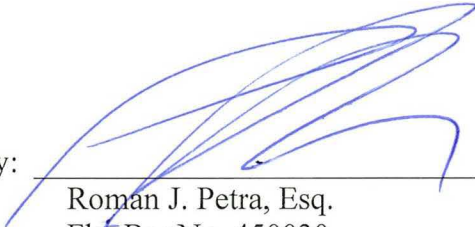
I HEREBY CERTIFY that the foregoing Petition was filed by electronic delivery to:

Florida Housing Finance Corporation,
Attn: Corporation Clerk
227 North Bronough Street, Suite 5000
Tallahassee, Florida 32301
CorporationClerk@floridahousing.org,

Joint Administrative Procedures Committee
680 Pepper Building
111 W. Madison Street
Tallahassee, Florida 32399
Joint.admin.procedures@leg.state.fl.us

The 11th day of October, 2023.

By: _____


Roman J. Petra, Esq.
Fla. Bar No. 450030

Florida Housing Finance Corporation

Credit Underwriting Report (“CUR”)

Naranja Grand II **RFA 2021-205 (2022-201BSN/2021-528C)** **RFA 2023-211 (2023-236V)**

**SAIL Financing of Affordable Multifamily Housing Developments to be Used in
Conjunction with Tax-Exempt Bond Financing and 4% Non-Competitive Housing
Credits**

Construction Inflation Response Viability Funding (“Viability”)

**Multifamily Mortgage Revenue Notes (“MMRN”), State Apartment Incentive
Loan (“SAIL”), Extremely Low-Income Loan (“ELI”), National Housing Trust Fund
Loan Program (“NHTF”), 4% Non-Competitive Housing Credits (“HC”) and
Viability Funding**

Section A: Report Summary

**Section B: MMRN, Viability, SAIL, ELI and NHTF Special and General Conditions and Housing
Credit Allocation Recommendation and Contingencies**

Section C: Supporting Information and Schedules

Prepared by

AmeriNat®

Final Report

October 12, 2023

Naranja Grand II

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Section A

Report Summary

Recommendation

AmeriNat® (“AmeriNat”) recommends Florida Housing Finance Corporation (“FHFC” or “Florida Housing”) issue MMRN in the amount of \$41,000,000, a Viability loan in the amount of \$7,600,000, a SAIL loan in the amount of \$5,000,000, an ELI loan in the amount of \$600,000, a NHTF loan in the amount of \$1,546,000 and an annual 4% HC allocation in the amount of \$3,524,617 to Naranja Grand II, LLC (“Applicant”) for the construction and permanent financing of Naranja Grand II (the proposed “Development”).

DEVELOPMENT & SET-ASIDES

Development Name: Naranja Grand II

RFA/Program Numbers: RFA 2021-205 / 2022-201BSN 2021-528C RFA 2023-211/2023-236V

Address: Waldin Drive, at the intersection of Waldin Drive and SW 147th Avenue

City: Leisure City Zip Code: 33032 County: Miami-Dade County Size: Large

Development Category: New Construction Development Type: High Rise

Construction Type: Masonry

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

Unit Composition:
of ELI Units: 27 ELI Units Are Restricted to 30% AMI, or less. Total # of units with PBRA? 0
of Link Units: 14 Are the Link Units Demographically Restricted? Yes # of NHTF Units: 5

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	12	690	30%			\$580	\$79	\$501		\$501	\$501	\$501	\$72,144
1	1.0	40	690	60%			\$1,161	\$79	\$1,082		\$1,082	\$1,082	\$1,082	\$519,360
1	1.0	36	690	70%			\$1,355	\$79	\$1,276		\$1,276	\$1,276	\$1,276	\$551,232
2	2.0	13	914	30%			\$696	\$90	\$606		\$606	\$606	\$606	\$94,536
2	2.0	43	914	60%			\$1,393	\$90	\$1,303		\$1,303	\$1,303	\$1,303	\$672,348
2	2.0	40	914	70%			\$1,625	\$90	\$1,535		\$1,535	\$1,535	\$1,535	\$736,800
3	2.0	2	1,175	30%			\$805	\$125	\$680		\$680	\$680	\$680	\$16,320
3	2.0	4	1,175	60%			\$1,610	\$125	\$1,485		\$1,485	\$1,485	\$1,485	\$71,280
3	2.0	5	1,175	70%			\$1,878	\$125	\$1,753		\$1,753	\$1,753	\$1,753	\$105,180
1	1.0	2	690	22%			\$425	\$79	\$346		\$346	\$346	\$346	\$8,304
2	2.0	2	914	22%			\$510	\$90	\$420		\$420	\$420	\$420	\$10,080
3	2.0	1	1,175	22%			\$590	\$125	\$465		\$465	\$465	\$465	\$5,580
		200	165,772											\$2,863,164

Please note that the average square footage size is shown for the rental units at the Development. The total square footage, per the Plan and Cost Review, is 165,741.

As required by Request for Application 2021-205 (“RFA”), Self-Sourced Applicants that Selected Average Income Test are required to set aside at least 5% of the total units (10 units) below 50% Area Median Income (“AMI”). In order to qualify for ELI Loan Funding, the Applicant must set aside units for ELI Households at or below 30% AMI, in addition to the 5% of the total units set aside below 50% AMI. The Applicant has committed to set aside an additional 8.50% of the total units (17 units) at or below 30%

AMI. In total, the Applicant will set aside 13.50% of the total units (27 units) at or below 30% AMI. Persons with Special Needs Set-Aside Commitment: All Self-Sourced Applicants that selected Average Income Test must commit to set aside 50% of all of the units (14 units) that are set aside below 50 percent AMI as Link units for Persons with Special Needs. In order to meet the commitment to set aside ELI units as Link units for Persons with Special Needs, the Applicant must develop and execute a Link Memorandum of Understanding (“MOU”) with at least one designated Special Needs Household Referral Agency (“Referral Agency”) serving the county and intended population where the Development will be located (Miami-Dade County) and rent units to households referred by the Referral Agency with which the MOU is executed. The fully executed MOU was approved by Florida Housing on August 9, 2023. The Persons with Special Needs set-aside requirements must be maintained through the entire 50-year Compliance Period.

NHTF Units Set-Aside Commitment: The proposed Development must set aside five (5) units as NHTF Link units targeted for Persons with Special Needs. These units are required to be set aside for residents earning at or below 22% of AMI and are in addition to the 50% requirement for ELI set-aside units. Therefore, the Development will have a total of nineteen (19) units targeted for Persons with Special Needs (ELI-14 units, NHTF-5 units). After 30 years, all of the NHTF Link units may convert to serve residents at or below 60% of AMI; however, the Persons with Special Needs set-aside commitment must be maintained throughout the entire 50-year Compliance Period. A Tenant Selection Plan, as required by RFA 2021-205, was approved by FHFC on July 31, 2023.

For the Average Income Test, Development’s must set aside a total of at least 80 percent of the Development’s total units at 80 percent AMI or less, but the Average AMI of the Qualifying Housing Credit Units cannot exceed 60 percent.

Per the RFA, Self-Sourced Applicants will retain the right to seek a qualified contract in accordance with Section 42 of the I.R.C., as amended and Rule Chapter 67-21 F.A.C. All Other Applicants will waive the right to seek a qualified contract. Additionally, if a Self-Sourced Applicant transfers ownership of the Development within the first 15 years of the Compliance Period, the new owner must waive the right to seek a qualified contract.

Note: Surtax funding requires 16% of the total units (32 units) to be set aside as ELI units.

MMRN, VIABILITY, SAIL, ELI, NHTF & HC CREDIT UNDERWRITING REPORT

AMERINAT

Buildings: Residential - 1 Non-Residential - 0
 Parking: Parking Spaces - 210 Accessible Spaces - 3

Set Asides:

Program	% of Units	# of Units	% AMI	Term (Years)
SAIL/ELI/HC	13.500%	27	30%	50
SAIL/HC	46.000%	92	60%	50
SAIL/HC	40.500%	81	70%	50
NHTF	2.500%	5	22%	50
MMRN	40.000%	80	60%	50
Surtax	13.500%	27	30%	30
Surtax	2.500%	5	22%	30

Absorption Rate 25 units per month for 8 months.

Occupancy Rate at Stabilization: Physical Occupancy 96.00% Economic Occupancy 95.00%
 Occupancy Comments Average overall vacancy rate for LHTC properties is 0.1%

DDA: No QCT: Yes Multi-Phase Boost: No QAP Boost: No
 Site Acreage: 3.94 Density: 51 units/acre Flood Zone Designation: X
 Zoning: R-M (Residential Modified) Flood Insurance Required?: No

DEVELOPMENT TEAM		
Applicant/Borrower:	Naranja Grand II, LLC	% Ownership
Member	Elite Equity Development, Inc.	0.0030%
Member	HTG Naranja Grand II Member, LLC	0.0070%
Manager	HTG Naranja Grand II Manager, LLC	0.0000%
Limited Partner	Raymond James Affordable Housing Investments, Inc. or its assigns	99.99%
Construction Completion Guarantor(s):		
CC Guarantor 1:	Naranja Grand II, LLC	
CC Guarantor 2:	Elite Equity Development, Inc.	
CC Guarantor 3:	HTG Naranja Grand II Member, LLC	
CC Guarantor 4:	HTG Naranja Grand II Manager, LLC	
CC Guarantor 5:	Naranja Grand II Developer, LLC	
CC Guarantor 6:	Roosevelt Bradley and Nicole Bradley	
CC Guarantor 7:	Matthew A. Rieger, Matthew A. Rieger Family Trust and MAR Family Partnership, Ltd.	
CC Guarantor 8:	Balogh Family Partnership, LLC and Randy Rieger, LLC	
Operating Deficit Guarantor(s):		
OD Guarantor 1:	Naranja Grand II, LLC	
OD Guarantor 2:	Elite Equity Development, Inc.	
OD Guarantor 3:	HTG Naranja Grand II Member, LLC	
OD Guarantor 4:	HTG Naranja Grand II Manager, LLC	
OD Guarantor 5:	Roosevelt Bradley and Nicole Bradley	
OD Guarantor 6:	Matthew A. Rieger, Matthew A. Rieger Family Trust and MAR Family Partnership, Ltd.	
OD Guarantor 7:	Balogh Family Partnership, LLC	
OD Guarantor 8:	Randy Rieger, LLC	
Note Purchaser	JPMorgan Chase Bank, NA	
Developer:	Naranja Grand II Developer, LLC	
Principal 1	HTG Florida Developer, LLC	
Principal 2	Elite Equity Development, Inc.	
General Contractor 1:	HTG Gomez Construction, LLC	
Management Company:	HTG Management, LLC	
Syndicator:	Raymond James Affordable Housing Investments, Inc. or its assigns	
Note Issuer:	Florida Housing Finance Corporation	
Architect:	Anillo, Toledo, Lopez, LLC	
Market Study Provider:	Novogradac & Company, LLP	
Appraiser:	Novogradac & Company, LLP	

PERMANENT FINANCING INFORMATION						
	1st Source	2nd Source	3rd Source	4th Source	5th Source	Other
Lien Position	1	2	2	3	4	5&6
Lender/Grantor	FHFC/Chase	FHFC-Viability	FHFC-SAIL	FHFC-ELI	FHFC-NHTF	Surtax/ Self Sourced
Amount	\$15,445,000	\$7,600,000	\$5,000,000	\$600,000	\$1,546,000	\$4,000,000/ \$2,500,000
Underwritten Interest Rate	5.75%	1.00%	1.00%	0.00%	0.00%	1.00%/6.00%
All In Interest Rate	5.75%	1.00%	1.00%	0.00%	0.00%	1.00%/6.00%
Loan Term	15	15	15	15	30	30/20
Amortization	35	0	0	0	0	0/0
Market Rate/Market Financing LTV	35%	52%	63%	64%	68%	77%/ 82%
Restricted Market Financing LTV	60%	90%	110%	112%	118%	134%/ 143%
Loan to Cost - Cumulative	21%	31%	38%	39%	41%	47%/ 50%
Loan to Cost - SAIL Only			6.80%			
Debt Service Coverage	1.25	1.15	1.10	1.09	1.09	1.06/1.06
Operating Deficit & Debt Service Reserves	\$867,164					
# of Months covered by the Reserves	3.8					

Deferred Developer Fee	\$4,964,397
As-Is Land Value	\$5,500,000
Market Rent/Market Financing Stabilized Value	\$44,700,000
Rent Restricted Market Financing Stabilized Value	\$25,600,000
Projected Net Operating Income (NOI) - Year 1	\$1,342,151
Projected Net Operating Income (NOI) - 15 Year	\$1,534,197
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	\$0.92
HC Annual Allocation - Initial Award	\$2,300,000
HC Annual Allocation - Qualified in CUR	\$3,524,617
HC Annual Allocation - Equity Letter of Interest	\$3,469,344

CONSTRUCTION/PERMANENT SOURCES:				
Source	Lender	Construction	Permanent	Perm Loan/Unit
FHFC - MMRN	FHFC/Chase	\$41,000,000	\$15,445,000	\$77,225
FHFC - Viability	FHFC	\$7,600,000	\$7,600,000	\$38,000
FHFC - SAIL	FHFC	\$1,790,340	\$5,000,000	\$25,000
FHFC - SAIL ELI	FHFC	\$600,000	\$600,000	\$3,000
FHFC - NHTF	FHFC	\$1,546,000	\$1,546,000	\$7,730
Local Government Subsidy	Surtax	\$4,000,000	\$4,000,000	\$20,000
Self-Sourced: Bond Financing	Housing Trust Group, LLC, or its affiliates & Elite Equity Development, Inc., or its affiliates	\$2,500,000	\$2,500,000	\$12,500
HC Equity	RJAH	\$9,574,433	\$31,914,773	\$159,574
Deferred Developer Fee	Developer	\$4,959,397	\$4,964,397	\$24,822
TOTAL		\$73,570,170	\$73,570,170	\$367,851

Credit Underwriter: AmeriNat Loan Services

Date of Final CUR: 10/12/2023

TDC PU Limitation at Application: \$379,700 TDC PU Limitation at Credit Underwriting: \$493,711

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

Changes from the Application:

COMPARISON CRITERIA	YES	NO
Does the level of experience of the current team equal or exceed that of the team described in the Application?	X	
Are all funding sources the same as shown in the Application?		1.
Are all local government recommendations/contributions still in place at the level described in the Application?	X	
Is the Development feasible with all amenities/features listed in the Application?	X	
Do the site plans/architectural drawings account for all amenities/features listed in the Application?	X	
Does the Applicant have site control at or above the level indicated in the Application?	X	
Does the Applicant have adequate zoning as indicated in the Application?	X	
Has the Development been evaluated for feasibility using the total length of set-aside committed to in the Application?	X	
Have the Development costs remained equal to or less than those listed in the Application?		2.
Is the Development feasible using the set-asides committed to in the Application?		3.
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?		4.
Is the Development in all other material respects the same as presented in the Application?		5-6

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

1. The Applicant applied for RFA 2023-211 Construction Inflation Response Viability Funding ("Viability") additional loan funding from FHFC, and the Application was accepted by FHFC on June 9, 2023. A preliminary Viability allocation of \$7,600,000 has been sized based on the requirements of the RFA.

The Applicant requested an increase in the MMRN amount by \$5,000,000 from \$36,000,000 to \$41,000,000, per a letter dated July 26, 2023. Florida Housing staff approved this request on August 8, 2023. The permanent loan amount has decreased from \$24,000,000 to \$15,445,000 for a difference of \$8,555,000.

Miami-Dade County will provide an additional Source in the form of a Surtax loan in the amount of \$4,000,000.

Since the time of Application, the Self-Sourced Funding providers have changed from Matthew A. Rieger to HTG Trust Group, LLC, or its affiliates, (\$1,250,000) and from Roosevelt Bradley to Elite Equity Development, Inc., or its affiliates, (\$1,250,000). The dollar amounts of the funding have remained the same.

2. Total Development Costs have increased from \$49,141,783 to \$73,570,170 for a difference of \$24,428,387 since the Application due to increases in Construction, General Development and Financial Costs, Developer Fee, and the inclusion of Reserve Accounts.
3. The Applicant submitted a request on July 11, 2023 to change the unit mix and set-asides. Florida Housing staff approved the following changes on August 1, 2023:

a) Unit Mix Change:

FROM:

Number of Bedrooms/Bathrooms per Unit	Number of Units Per Bedroom Type	Number of Units that are ELI Set-Aside Units
1 bedroom/1 bathroom	80	4
2 bedrooms/2 bathrooms	100	5
3 bedrooms/2 bathrooms	20	1
	200	10

TO:

Number of Bedrooms/Bathrooms per Unit	Number of Units Per Bedroom Type	Number of Units that are ELI Set-Aside Units
1 bedroom/1 bathroom	90	5
2 bedrooms/2 bathrooms	98	5
3 bedrooms/2 bathrooms	12	0
	200	10

b) Set-Aside Commitment Change:

FROM: Average Income Test

% Of Units	# Of Units	AMI Level
5.000%	10	30%
5.000%	10	40%
10.000%	20	50%
45.000%	90	60%
35.000%	70	70%
100.000%	200	

TO: Average Income Test

% Of Units	# Of Units	AMI Level
13.500%	27	30%
46.000%	92	60%
40.500%	81	70%
100.000%	200	

4. Since the time of Application, 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 \$21,387,900 to \$31,914,773 for a difference of \$10,526,873. The rate of syndication was reduced from \$0.93 per allocated tax credit dollar to \$0.92 per allocated tax credit dollar. The Development remains financially feasible as proposed.
5. The General Contractor has changed from Gomez Construction Company ("Gomez") to HTG Gomez Construction, LLC ("HTG Gomez"). Gomez provided its prior experience chart within the submission deadline stipulated in the Invitation to Credit Underwriting. HTG Gomez has also provided its prior experience chart.
6. Since the time of Application, the Applicant Entity Structure and Guarantors have changed. A letter from the Applicant requesting these changes and a revised Principal Disclosure form is a condition precedent to loan closing and listed in Section B, Special Conditions.

These changes have no substantial material impact to the MMRN, Viability, SAIL, ELI, NHTF, or HC recommendations for the Development.

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

- According to the May 24, 2023 Asset Management Noncompliance Report, the Development Team has no noncompliance items.
- According to the September 18, 2023 Florida Housing Past Due Report, the Development Team has no past due items.

This recommendation is subject to satisfactory resolution of any outstanding noncompliance items and/or past due items prior to or at the time of loan closing and the issuance of the Annual HC allocation recommendation herein.

Strengths:

1. The Development Team has demonstrated the ability to successfully develop and operate affordable multifamily rental communities using a variety of different subsidies.
2. Per the appraiser, Novogradac Company, LLP (“Novogradac”) the comparable properties to the Development have a vacancy rate of 0.1%. The performance of comparable properties indicates significant demand for affordable housing.

Other Considerations:

1. Based upon the estimates of the Operating Pro Forma, the amount of Deferred Developer Fee may not be paid back in 15 years. To the extent the Deferred Developer Fee is not paid by the end of year 15, the Guarantors shall be obligated to contribute to the Applicant an amount equal to the unpaid Deferred Developer Fee. As such, any risk associated with any tax credit recapture resulting from the nonpayment of any Developer Fee is assumed by the Guarantors. The Guarantors have sufficient financial capacity to make a loan to the partnership, if needed. Language documenting this payment should be present in the Limited Partnership Agreement, once drafted.

Issues and Concerns:

None.

Waiver Requests:

1. The Applicant petitioned for a waiver of Rule 67-48.0072(21)(b) F.A.C. to extend the firm loan commitment deadline from September 3, 2023 to March 3, 2024. The Rule waiver was approved at the September 8, 2023 FHFC Board meeting.
2. According to the RFA, the Corporation will review the limited partnership agreement or limited liability company operating agreement language on reserves for compliance with the RFA requirement. If the limited partnership agreement or limited liability company operating agreement does not specifically state that the parties will comply with the Corporation’s RFA requirements, the Corporation will require an amendment of the agreement and will not issue IRS form(s) 8609 until the amendment is executed and provided to the Corporation. The RFA includes language restricting the disposition of any funds remaining in any operating deficit reserve(s) after the term of the reserve’s original purpose has terminated or is near termination. The RFA also requires the Corporation to review the limited partnership agreement or limited liability company operating agreement language on reserves for compliance with the RFA requirement. While Florida Housing will continue to require the Applicant to adhere to all requirements in the RFA including the restrictions on the disposition of any funds in an operating deficit reserve account, Florida Housing will not monitor the limited partnership agreement or limited liability company operating agreement language for compliance with these requirements, as this would require analysis of a legal contract.

This deviation in process was included as an Information Item in the April 29, 2022 FHFC Board Meeting.

Special Conditions:

1. Completion of the HUD Section 3 pre-construction conference is a condition precedent to loan closing and listed in Section B, Special Conditions.
2. The Development shall meet the Section 3 requirements of the Housing and Urban Development Act of 1968 as amended (12 U.S.C. 1701 u and 24CFR Part 135) is a condition precedent to loan closing and listed in Section B, Special Conditions.
3. Satisfactory receipt of the Affirmative Fair Housing Marketing Plan is a condition precedent to loan closing and listed in Section B, Special Conditions.
4. A letter from the Applicant requesting changes to the Applicant Entity Structure and Guarantors and a revised Principal Disclosure form is a condition precedent to loan closing and listed in Section B, Special Conditions.

Additional Information:

1. In accordance with RFA 2021-205, 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, High-Rise-ESSC), inclusive of a \$7,500/unit add-on for using tax-exempt bonds and a 8.00% weighted average upward escalation adjustment applied to the base \$449,640 per unit allowable ratified at the April 1, 2022 Telephonic FHFC Board meeting, is \$493,711.20 per unit. The TDC as underwritten equals \$353,140.03 which is less than the maximum TDC per unit.

Recommendation:

AmeriNat recommends an issue MMRN in the amount of \$41,000,000, a Viability loan in the amount of \$7,600,000, a SAIL loan in the amount of \$5,000,000, an ELI Loan in the amount of \$600,000, a NHTF loan in the amount of \$1,546,000 and an annual 4% HC allocation in the amount of \$3,524,617 to the Applicant for the construction and permanent financing of the Development.

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

Prepared by:



Kimberly A. Thorne
Senior Credit Underwriter

Reviewed by:



Kyle Kuenn
Multifamily Chief Credit Underwriter

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/Chase	\$36,000,000	\$41,000,000	\$41,000,000	8.32%	\$5,474,270
FHFC - Viability	FHFC	\$0	\$7,600,000	\$7,600,000	1.00%	\$0
FHFC - SAIL	FHFC	\$5,000,000	\$5,000,000	\$1,790,340	1.00%	\$0
FHFC - SAIL ELI	FHFC	\$600,000	\$600,000	\$600,000	0.00%	\$0
FHFC - NHTF	FHFC	\$0	\$1,546,000	\$1,546,000	0.00%	\$0
Local Government Subsidy	Surtax	\$0	\$4,000,000	\$4,000,000	1.00%	\$0
Self-Sourced: Bond Financing	Housing Trust Group, LLC, or its affiliates & Elite Equity Development, Inc., or its affiliates	\$2,500,000	\$2,500,000	\$2,500,000	6.00%	\$0
HC Equity	RJAH	\$10,693,950	\$6,382,955	\$9,574,433		
Deferred Developer Fee	Developer	\$5,000,000	\$4,708,912	\$4,959,397		
Total :		\$59,793,950	\$73,337,867	\$73,570,170		\$5,474,270

Proposed MMRN:

The Applicant applied for \$36,000,000 in tax-exempt Notes to be issued by FHFC; the Applicant requested an increase in the MMRN amount to \$41,000,000 per a letter dated July 26, 2023 and was approved by FHFC staff on August 8, 2023. AmeriNat has underwritten the Notes in the total amount of \$41,000,000.

The Applicant provided a letter of intent “LOI” dated July 27, 2023, whereby JPMorgan Chase Bank, NA (“Chase”) will provide a tax-exempt bond facility in the amount of \$41,000,000 to fund a construction loan to the Applicant. The loan is interest-only during the construction period with payments due monthly. The tax-exempt interest rate will be based on the one-month Secured Overnight Financing Rate (“SOFR”) (currently 5.10%) (floor of 3.00%), plus 200 basis points (“bps”) and a 22-bps cushion for an interest rate of 7.32% (per the LOI). AmeriNat included a 1.00% cushion for rate volatility for an all in interest rate of 8.32%. The interest only period is for up to 24-months, with a one-time six-month extension with a fee of 25 bps of the sum of the loan balance and the amount remaining of the original commitment. The annual Issuer Fee of 24 bps and the annual Fiscal Agent of \$4,500 have been included in the “Uses of Funds” section of this report. A loan origination fee of 1.00% will be due at loan closing.

Proposed Viability Loan:

AmeriNat reviewed a Notice of Preliminary Award from Florida Housing, dated June 14, 2023, with a preliminary Viability Loan in the amount of \$7,600,000. Based on the sizing parameters in RFA 2023-211, AmeriNat has sized the Viability Loan in the amount of \$7,600,000.

The Viability Loan is non-amortizing with an interest rate of 1.00% over the life of the loan with annual payments based upon available cash flow. The Viability Loan will have a total term of 17.5 years including a 30-month construction/stabilization period, with a 15-year permanent period. As required by the first mortgage lender and permitted by RFA 2023-211, the Viability Loan will be coterminous with the first mortgage. Annual payments of all applicable fees will be required. Any unpaid interest will be deferred

until cash flow is available. However, at the maturity of the Viability Loan, all principal and unpaid interest will be due. Viability loan proceeds shall be disbursed during the construction phase in an amount per construction draw which does not exceed the ratio of the Viability loan to Total Development Costs, unless approved by the credit underwriter.

Proposed SAIL Loan:

The Applicant applied to Florida Housing for a \$5,000,000 SAIL Program loan under RFA 2021-205 for the construction/permanent financing of the Development. It is estimated that \$1,790,340 will be utilized during the construction phase. The SAIL loan will have a total term of 17.5 years including a 30-month construction/stabilization period, with a 15-year permanent period. As required by the First Mortgage Lender and permitted by Rule 67-48, the SAIL loan will be coterminous with the first mortgage. The SAIL loan shall be non-amortizing with a 1.00% interest rate over the life of the loan with annual payments based upon available cash flow. Any unpaid interest will be deferred until cash flow is available. However, at maturity of the SAIL loan, all principal and accrued interest will be due. Annual payments of all applicable fees will be required. SAIL loan proceeds shall be disbursed during the construction phase in an amount per construction draw which does not exceed the ratio of the SAIL loan to Total Development Costs, unless approved by the credit underwriter.

Proposed SAIL ELI Loan:

The Applicant requested an ELI loan of \$600,000 for the construction financing of the Development. The ELI loan shall be non-amortizing with a 0% interest rate over the life of the loan with principal forgivable at maturity provided the units are targeted to ELI Households for the first 15 years of the 50-year Compliance Period. The Persons with Special Needs set-aside requirement must be maintained throughout the entire 50-year Compliance Period. The ELI loan total term will be 17.5 years including a 30-month construction/stabilization period, with a 15-year permanent period. As required by the First Mortgage Lender and permitted by RFA 2021-205, the ELI Loan will be coterminous with the first mortgage. SAIL ELI loan proceeds shall be disbursed during the construction phase in an amount per construction draw which does not exceed the ratio of the SAIL loan to Total Development Costs, unless approved by the credit underwriter.

Proposed FHFC – NHTF Loan:

The Applicant requested a NHTF loan of \$1,546,000 for the construction/permanent financing of the Development. The NHTF loan shall be a non-amortizing loan with an interest rate of 0.00% per annum for a total term of 30 years including a 30-month construction/stabilization period. The principal of the loan will be forgiven at maturity provided the units for which the NHTF loan amount is awarded are targeted as NHTF Link units for the first 30 years of the 50-year Compliance Period. The NHTF loan funding will subsidize additional deep targeted units for Persons with Special Needs (NHTF Link units) at 22% of AMI. After 30 years, all of the NHTF Link units (5 units) may convert to serve residents at or below 60% of AMI; however, the Persons with Special Needs set-aside commitments must be maintained throughout the entire 50-year Compliance Period. NHTF loan proceeds shall be disbursed during the construction phase in an amount per construction draw which does not exceed the ratio of the NHTF loan to Total Development Costs, unless approved by the credit underwriter.

Proposed Surtax:

An LOI dated July 22, 2022 was provided whereby Miami-Dade County will provide up to \$4,000,000 in Surtax/SHIP program funds to the Development. A letter dated February 23, 2023 was provided extending the Surtax loan closing date to September 30, 2023. Resolution #R-660-23, approved on July 6, 2023 by Miami-Dade County Board of County Commissioners, granted an 18-months extension to close. The terms of the Surtax loan provide for a 0.00% interest rate during construction, years 1-2, and 1.00% interest only payments from Development cash flow years 3-17, with another 0.50% interest rate with principal and interest from Development cash flow years 18-30 (principal deferred for initial 17 years). The permanent term is 30-years. Full principal is due at maturity.

Proposed Self-Sourced Funds:

For underwriting purposes, the self-sourced loans are combined into one line item in the above chart. However, the loans will be \$1,250,000 each, for a total of \$2,500,000, as follows. The Development meets RFA 2021-205 requirement whereby the Self-Sourced permanent financing must be in an amount that is at least half of the Applicant's eligible SAIL request amount or \$1,000,000, whichever or greater.

- The Applicant provided an LOI dated July 26, 2023, whereby Housing Trust Group, LLC, or its affiliates, will provide \$1,250,000 to the Development. Terms include 6.00% simple interest per annum (computed on the basis of actual days elapsed over the period of a 365-day year) on the outstanding amount actually received by the Borrower. The entire unpaid principal amount, along with accrued interest, shall be due and payable in full on the date that is 20-years after conversion of the construction loan to its permanent loan.
- The Applicant provided an LOI dated July 26, 2023, whereby Elite Equity Development, Inc., or its affiliates, will provide \$1,250,000 to the Development. Terms include 6.00% simple interest per annum (computed on the basis of actual days elapsed over the period of a 365-day year) on the outstanding amount actually received by the Borrower. The entire unpaid principal amount, along with accrued interest, shall be due and payable in full on the date that is 20-years after conversion of the construction loan to its permanent loan.

The Self-Sourced Financing will be funded at closing of the SAIL Loan via escrow account controlled by the SAIL Loan Servicer and will be dispersed pro rata along with SAIL funding. The Self-Sourced Financing must be subordinate to the SAIL Loan; no principal may be paid on the Self-Sourced Financing prior to the payoff of the SAIL Loan and surtax loan in full. Any payment of Self-Sourced Financing interest will be made subordinate to SAIL Loan interest payments. Additionally, the Self-Sourced Financing must remain as a source in the Development for a minimum of 15 years and may not be repaid to the Applicant from any funding source, including development cash flow per the RFA.

Additional Construction Sources of Funds:

The Applicant provided an LOI dated July 21, 2023 from Raymond James Affordable Housing Investments, Inc. ("RJAHI") that outlines the terms and conditions of the purchase of the HC. RJAHI will provide a net equity investment of \$31,914,773 in exchange for a 99.99% limited partnership ownership interest. The HC allocation will be syndicated at a rate of approximately \$0.92 per \$1.00 of delivered tax credits. An initial HC equity installment of \$4,787,216 will be available at construction loan closing, which satisfies the 15% RFA requirement. Additional installments include \$1,595,739 paid at 50% construction

completion and \$3,191,478 paid at 98% construction completion, which yields a total of \$9,574,433 in HC equity available during construction.

Deferred Developer Fee:

The Applicant will be required to defer \$4,959,397 or 46.03% of the total developer fee during the construction phase.

Permanent Financing Sources:

Source	Lender	Applicant's Total	Applicant's Revised Total	Underwriter's Total	Interest Rate	Amortization Years	Term Years	Annual Debt Service
FHFC - MMRN	FHFC/Chase	\$24,000,000	\$16,051,000	\$15,445,000	5.75%	35	15	\$1,025,858
FHFC - Viability	FHFC	\$0	\$7,600,000	\$7,600,000	1.00%	0	15	\$76,000
FHFC - SAIL	FHFC	\$5,000,000	\$5,000,000	\$5,000,000	1.00%	0	15	\$50,000
FHFC - SAIL ELI	FHFC	\$600,000	\$600,000	\$600,000	0.00%	0	15	\$0
FHFC - NHTF	FHFC	\$0	\$1,546,000	\$1,546,000	0.00%	0	30	\$0
Local Government Subsidy	Surtax	\$0	\$4,000,000	\$4,000,000	1.00%	0	30	\$40,000
Self-Sourced: Bond Financing	Housing Trust Group, LLC, or its affiliates & Elite Equity Development, Inc., or its affiliates	\$2,500,000	\$2,500,000	\$2,500,000	6.00%	0	20	\$0
HC Equity	RJAH	\$21,387,900	\$31,914,773	\$31,914,773				
Deferred Developer Fee	Developer	\$5,000,000	\$4,211,966	\$4,964,397				
Total :		\$58,487,900	\$73,423,739	\$73,570,170				\$1,191,858

Proposed MMRN:

The \$41,000,000 construction loan will be paid down with equity and loan proceeds at conversion. The Applicant provided a LOI dated July 27, 2023, whereby Chase will provide a tax-exempt bond facility in the amount of \$15,445,000 for the permanent loan. The permanent loan conversion is subject to (1) a 1.20x debt service coverage ratio ("DSC"); 1.15x all-in DSC including all hard debt loans requiring debt service payment, with commercial income excluded from the DSC analysis; 2) 90% economic and physical occupancy for 90 days; and 3) a 10-year pro forma forecast showing annual DSC of 1.20x or greater, or the permanent loan amount may be resized at 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 \$15,445,000.

The loan will have a term of 15 years with a 35-year amortization. Principal and interest payments will be due after permanent loan conversion which will be locked at construction loan closing after the 24-month construction period, which may be extended for six months. The interest rate will be based on the 10-year SOFR Swap Rate (currently 3.75%), plus 200 basis points ("bps") for an all in interest rate of 5.75%. A loan origination fee of 1.00% will be due at loan closing.

The Permanent Loan will mature fifteen (15) years following conversion to the permanent financing. 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 Chase 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 Chase, 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, Chase 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 \$236, and an hourly fee of \$198 for extraordinary services; Compliance Monitoring Fees based on \$183 per month plus an additional fee per set-aside unit of \$11.24, subject to a minimum monthly fee of \$286; 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.

Proposed Viability Loan:

AmeriNat reviewed a Notice of Preliminary Award from Florida Housing, dated June 14, 2023, with a preliminary Viability Loan in the amount of \$7,600,000. Based on the sizing parameters in RFA 2023-211, AmeriNat has sized the Viability Loan in the amount of \$7,600,000.

The Viability Loan is non-amortizing with an interest rate of 1.00% over the life of the loan with annual payments based upon available cash flow. The Viability Loan will have a total term of 17.5 years including a 30-month construction/stabilization period, with a 15-year permanent period. As required by the first mortgage lender and permitted by RFA 2023-211, the Viability Loan will be coterminous with the first mortgage. Annual payments of all applicable fees will be required. Any unpaid interest will be deferred until cash flow is available. However, at the maturity of the Viability Loan, all principal and unpaid interest will be due.

Fees include an annual Permanent Loan Servicing Fee of 25 bps of the outstanding loan amount up to a maximum of \$936 per month, subject to a minimum of \$236 per month.

Proposed SAIL Loan:

The Applicant applied to Florida Housing for a \$5,000,000 SAIL Program loan under RFA 2021-205 for the construction/permanent financing of the Development. The SAIL loan will have a total term of 17.5 years including a 30-month construction/stabilization period, with a 15-year permanent period. As required by the First Mortgage Lender and permitted by Rule 67-48, the SAIL Loan will be coterminous with the first mortgage. The SAIL loan shall be non-amortizing with a 1.00% interest rate over the life of the loan with annual payments based upon available cash flow. Any unpaid interest will be deferred until cash flow is available. However, at maturity of the SAIL loan, all principal and accrued interest will be due. Annual payments of all applicable fees will be required.

Annual payments of all applicable fees will be required. Fees include an annual Permanent Loan Servicing Fee of 25 bps on the outstanding loan amount, with a maximum of \$986 per month, subject to a minimum of \$236 per month and an annual Compliance Monitoring Multiple Program Fee of \$1,023.

Proposed SAIL ELI Loan:

The Applicant requested an ELI loan of \$600,000 for the construction financing of the Development. The ELI loan shall be non-amortizing with a 0% interest rate over the life of the loan with principal forgivable at maturity provided the units are targeted to ELI Households for the first 15 years of the 50-year Compliance Period. The Persons with Special Needs set-aside requirement must be maintained

throughout the entire 50-year Compliance Period. The ELI loan total term will be 17.5 years including a 30-month construction/stabilization period, with a 15-year permanent period. As required by the First Mortgage Lender and permitted by RFA 2021-205, the ELI Loan will be coterminous with the first mortgage.

Annual payments of all applicable fees will be required. Fees include an annual Permanent Loan Servicing Fee of 25 bps of the outstanding loan amount, with a maximum of \$986 per month, subject to a minimum of \$236 per month and an annual Compliance Monitoring Multiple Program Fee of \$1,023.

Proposed FHFC – NHTF Loan:

The Applicant requested a NHTF loan of \$1,546,000 for the construction/permanent financing of the Development. The NHTF loan shall be a non-amortizing loan with an interest rate of 0.00% per annum for a total term of 30 years including a 30-month construction/stabilization period. The principal of the loan will be forgiven at maturity provided the units for which the NHTF loan amount is awarded are targeted as NHTF Link units for the first 30 years of the 50-year Compliance Period. The NHTF loan funding will subsidize additional deep targeted units for Persons with Special Needs (NHTF Link units) at 22% of AMI. After 30 years, all of the NHTF Link units (5 units) may convert to serve residents at or below 60% of AMI; however, the Persons with Special Needs set-aside commitments must be maintained throughout the entire 50-year Compliance Period.

Fees include an annual Permanent Loan Servicing Fee of 25 bps of the outstanding loan amount up to a maximum of \$986 per month, subject to a minimum of \$236 per month and an annual Compliance Monitoring Multiple Program Fee of \$1,023.

Proposed Surtax:

An LOI dated July 22, 2022 was provided whereby Miami-Dade County will provide up to \$4,000,000 in Surtax/SHIP program funds to the Development. A letter dated February 23, 2023 was provided extending the Surtax loan closing date to September 30, 2023. Resolution #R-660-23, approved on July 6, 2023 by Miami-Dade County Board of County Commissioners, granted an 18-months extension to close. The terms of the Surtax loan provide for a 0.00% interest rate during construction, years 1-2, and 1.00% interest only payments from Development cash flow years 3-17, with another 0.50% interest rate with principal and interest from Development cash flow years 18-30 (principal deferred for initial 17 years). The permanent term is 30-years. Full principal is due at maturity.

Proposed Self-Sourced Funds:

For underwriting purposes, the self-sourced loans are combined into one line item in the above chart. However, the loans will be \$1,250,000, for a total of \$2,500,000, each as follows. The Development meets RFA 2021-205 requirement whereby the Self-Sourced permanent financing must be in an amount that is at least half of the Applicant's eligible SAIL request amount or \$1,000,000, whichever or greater.

- The Applicant provided an LOI dated July 26, 2023, whereby Housing Trust Group, LLC, or its affiliates, will provide \$1,250,000 to the Development. Terms include 6.00% simple interest per annum (computed on the basis of actual days elapsed over the period of a 365-day year) on the outstanding amount actually received by the Borrower. The entire unpaid principal amount, along with accrued

interest, shall be due and payable in full on the date that is 20-years after conversion of the construction loan to its permanent loan.

- The Applicant provided an LOI dated July 26, 2023, whereby Elite Equity Development, Inc., or its affiliates, will provide \$1,250,000 to the Development. Terms include 6.00% simple interest per annum (computed on the basis of actual days elapsed over the period of a 365-day year) on the outstanding amount actually received by the Borrower. The entire unpaid principal amount, along with accrued interest, shall be due and payable in full on the date that is 20-years after conversion of the construction loan to its permanent loan.

The Self-Sourced Financing will be funded at closing of the SAIL Loan via escrow account controlled by the SAIL Loan Servicer and will be dispersed pro rata along with SAIL funding. The Self-Sourced Financing must be subordinate to the SAIL Loan; no principal may be paid on the Self-Sourced Financing prior to the payoff of the SAIL Loan and surtax loan in full. Any payment of Self-Sourced Financing interest will be made subordinate to SAIL Loan interest payments. Additionally, the Self-Sourced Financing must remain as a source in the Development for a minimum of 15 years and may not be repaid to the Applicant from any funding source, including development cash flow per the RFA.

Additional Permanent Sources of Funds:

According to the LOI dated July 21, 2023, RJAHI will purchase a 99.99% interest in the limited partnership at loan closing at a syndication rate of \$0.92 per dollar of HC for a total net HC equity investment of \$31,914,773 to be paid as follows:

Capital Contributions	Amount	Percent of Total	Due upon
1st Installment	\$4,787,216	15.00%	Paid prior to or simultaneously with closing
2nd Installment	\$1,595,739	5.00%	Paid at 50% construction completion
3rd Installment	\$3,191,478	10.00%	Paid at 98% construction completion
4th Installment	\$22,340,340	70.00%	Paid at Stabilizaiton and receipt of 8609s
Total:	\$31,914,773	100%	

Annual Credits Per Syndication Agreement	\$3,469,344
Total Credits Per Syndication Agreement	\$34,693,440
Calculated HC Rate:	\$0.92
Limited Partner Ownership Percentage	99.99%
Proceeds During Construction	\$9,574,433

Deferred Developer Fee

The Applicant will be required to permanently defer \$4,964,397 or 46.08%, of the total Developer Fee, which meets the Viability 30% requirement.

As previously stated with regard to possible tax credit recapture, the fee cannot be paid back within 15-years based on available cash flow. In the event that the Partnership has not timely paid all or part of the amounts due, the GP shall contribute to the Partnership the remainder of any unpaid principal amount of the Development 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 thereunder. As such, any risk associated with any tax credit recapture resulting from the non-payment of any Developer Fee is assumed by the General Partner. The principals of the GP and Developer have sufficient financial capacity to make a loan to the partnership, if needed.

Uses of Funds

CONSTRUCTION COSTS:	Applicant Costs	Revised Applicant Costs	Underwriters Total Costs - CUR	Cost Per Unit	HC Ineligible Costs - CUR
	New Rental Units	\$27,948,840	\$39,327,747	\$34,783,439	\$173,917
Recreational Amenities	\$300,000	\$0	\$368,650	\$1,843	\$0
Site Work	\$0	\$0	\$3,480,700	\$17,404	\$0
Furniture, Fixture, & Equipment	\$0	\$0	\$694,958	\$3,475	\$393,277
Constr. Contr. Costs subject to GC Fee	\$28,248,840	\$39,327,747	\$39,327,747	\$196,639	\$393,277
General Conditions	\$0	\$2,359,665	\$2,359,665	\$11,798	\$0
Overhead	\$0	\$786,555	\$786,554	\$3,933	\$0
Profit	\$3,912,838	\$2,359,665	\$2,359,665	\$11,798	\$0
General Liability Insurance	\$115,506	\$358,669	\$358,669	\$1,793	\$0
Payment and Performance Bonds	\$222,310	\$448,336	\$448,336	\$2,242	\$0
Total Construction Contract/Costs	\$32,499,494	\$45,640,637	\$45,640,636	\$228,203	\$393,277
Hard Cost Contingency	\$1,609,975	\$2,282,032	\$2,282,031	\$11,410	\$0
FF&E paid outside Constr. Contr.	\$0	\$550,000	\$550,000	\$2,750	\$0
Total Construction Costs:	\$34,109,469	\$48,472,669	\$48,472,667	\$242,363	\$393,277

Notes to Actual 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 \$45,640,636.94 (the "Construction Contract"), dated July 5, 2023, has been provided between the Applicant and HTG Gomez Construction, LLC. The Construction Contract indicates substantial completion shall be achieved no later than 599 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 0% retainage thereafter.
2. A 5% hard cost contingency was utilized by AmeriNat and is the maximum permitted by RFA 2021-205 and Rule Chapters 67-48 and 67-21.
3. General Contractor's Fee (consisting of general requirements, overhead, and profit) is based upon the schedule of values attached to the Construction Contract and does not exceed 14.00% of allowable hard costs as per RFA 2021-205 and Rule Chapters 67-48 and 67-21 and is calculated excluding General Liability Insurance and Payment and Performance Bonds.
4. The General Contractor will secure a Payment and Performance Bond to secure the Construction Contract. The cost is included in the Schedule of Values.
5. Furniture, Fixture & Equipment included in the Construction Contract contains \$393,277 for washers and dryers to be provided at the Development, which are income producing. Therefore, the cost to purchase the washers and dryers is ineligible.
6. FF&E outside of the Construction Contract includes all office and common area furniture/décor, and fitness equipment.
7. On Solid Ground, LLC ("OSG") provided a Plan and Cost Review ("PCR"), dated August 3, 2023, on the Development. The cost of the project is \$45,640,636.94 for a unit cost of \$208,953, excluding the cost of sitework and special construction. OSG stated the overall costs appear in the acceptable range as

compared to similar type developments. The comparable developments' cost per unit were between \$186,637/unit to \$210,840/unit. The construction schedule indicates completion in 599 calendar days. OSG stated the construction duration appears to be appropriate for the Development.

OSG noted a total of \$774,450 in the allowances and finds the allowances are reasonable for the project. The allowances are as follows:

\$ 10,000	ALTA Survey
\$ 50,000	Code & Building Signage
\$ 36,000	Summer Kitchen
\$ 263,450	Plumbing Fixtures
\$ 275,000	Access Control
<u>\$ 140,000</u>	BDA System
<u>\$ 774,450</u>	

GENERAL DEVELOPMENT COSTS:	Applicant Costs	Revised Applicant Costs	Underwriters Total Costs - CUR	Cost Per Unit	HC Ineligible Costs - CUR
	Accounting Fees	\$40,000	\$40,000	\$40,000	\$200
Appraisal	\$10,000	\$10,000	\$6,000	\$30	\$0
Architect's and Planning Fees	\$527,000	\$410,000	\$410,000	\$2,050	\$0
Architect's Fee - Landscape	\$0	\$20,000	\$20,000	\$100	\$0
Architect's Fee - Supervision	\$90,000	\$60,000	\$60,000	\$300	\$0
Building Permits	\$240,000	\$391,600	\$391,600	\$1,958	\$0
Builder's Risk Insurance	\$279,487	\$589,916	\$589,916	\$2,950	\$0
Engineering Fees	\$100,000	\$80,750	\$80,750	\$404	\$0
Environmental Report	\$10,000	\$10,000	\$10,000	\$50	\$0
FHFC Administrative Fees	\$207,000	\$309,649	\$317,254	\$1,586	\$317,254
FHFC Application Fee	\$4,000	\$4,000	\$3,500	\$18	\$3,500
FHFC Credit Underwriting Fee	\$21,845	\$41,589	\$36,443	\$182	\$36,443
Impact Fee	\$350,000	\$1,565,580	\$315,373	\$1,577	\$0
Lender Inspection Fees / Const Admin	\$60,000	\$75,000	\$75,000	\$375	\$0
Green Building Cert. (LEED, FGBC, NAHB)	\$25,000	\$36,700	\$36,700	\$184	\$0
Insurance	\$212,698	\$380,000	\$380,000	\$1,900	\$0
Legal Fees - Organizational Costs	\$250,000	\$350,000	\$350,000	\$1,750	\$50,000
Market Study	\$10,000	\$10,000	\$5,500	\$28	\$5,500
Marketing and Advertising	\$100,000	\$25,000	\$25,000	\$125	\$25,000
Plan and Cost Review Analysis	\$0	\$3,600	\$3,600	\$18	\$0
Property Taxes	\$0	\$72,272	\$72,272	\$361	\$0
Soil Test	\$10,000	\$10,000	\$10,000	\$50	\$0
Survey	\$25,000	\$25,000	\$25,000	\$125	\$0
Title Insurance and Recording Fees	\$200,859	\$293,352	\$293,352	\$1,467	\$47,367
Traffic Study	\$0	\$10,000	\$10,000	\$50	\$0
Utility Connection Fees	\$420,000	\$250,000	\$250,000	\$1,250	\$0
Soft Cost Contingency	\$159,000	\$259,468	\$193,138	\$966	\$0
Other: Organization Costs	\$0	\$10,000	\$10,000	\$50	\$10,000
Other: Site Preparation Costs	\$0	\$35,500	\$35,500	\$178	\$35,500
Total General Development Costs:	\$3,351,889	\$5,378,976	\$4,055,898	\$20,279	\$540,564

Notes to the General Development Costs:

1. FHFC Administrative Fee is based upon a fee of 9.00% of the annual HC allocation recommendation made herein.

MMRN, VIABILITY, SAIL, ELI, NHTF & HC CREDIT UNDERWRITING REPORT

AMERINAT

2. FHFC Credit Underwriting Fee includes the MMRN Credit Underwriting Fee (\$16,009), multiple program fees for SAIL/ELI, NHTF and 4% HC (\$4,996 each), Viability Credit Underwriting Fee (\$5,146) and a \$300 credit reporting fee.
3. Building Permit Fees are estimates provided by the Application based on \$1,958 per unit.
4. Impact Fees are reflected as the gross number on the Impact Fees line in the budget, with the portion to be refunded reflected as a subset of Developer Fee. See below.
5. Lender Inspection Fees / Construction Admin costs are based on proposals for building envelope, threshold, and materials testing and inspections provided by the Applicant, site inspections by OSG, and construction loan administration for draw processing.
6. AmeriNat received a Consultant Agreement, dated June 6, 2023 between the Applicant and Abney + Abney Green Solutions to perform National Green Building Standard (“NGBS”) Certification on the Development.
7. A soft cost contingency of 5% has been underwritten, which is consistent with underwriting standards and may be utilized by the Applicant in the event soft costs exceed these estimates as permitted by RFA 2021-205 and Rule Chapters 67-48 and 67-21.
8. The remaining general development costs appear reasonable.

FINANCIAL COSTS:	Applicant Costs	Revised Applicant Costs	Underwriters Total Costs - CUR	Cost Per Unit	HC Ineligible Costs - CUR
Construction Loan Commitment Fee	\$255,000	\$410,000	\$410,000	\$2,050	\$0
Construction Loan Closing Costs	\$68,000	\$82,000	\$82,000	\$410	\$0
Construction Loan Interest	\$1,190,261	\$4,003,770	\$5,474,270	\$27,371	825,121
Permanent Loan Commitment Fee	\$240,000	\$160,510	\$154,500	\$773	\$154,500
Permanent Loan Closing Costs	\$25,000	\$25,000	\$25,000	\$125	\$25,000
FHFC Note Fiscal Agent Fee	\$0	\$9,000	\$9,000	\$45	\$9,000
FHFC Note Cost of Issuance	\$713,000	\$410,000	\$420,898	\$2,104	\$420,898
SAIL Commitment Fee	\$0	\$126,000	\$50,000	\$250	\$50,000
SAIL-ELI Commitment Fee	\$0	\$6,000	\$6,000	\$30	\$6,000
Misc Loan Underwriting Fee	\$0	\$8,750	\$8,750	\$44	\$8,750
Misc Loan Origination Fee	\$0	\$40,000	\$40,000	\$200	\$40,000
Legal Fees - Financing Costs	\$0	\$200,000	\$200,000	\$1,000	\$0
Placement Agent/Underwriter Fee	\$0	\$40,000	\$40,000	\$200	\$40,000
Initial TEFRA Fee	\$0	\$1,000	\$1,000	\$5	\$1,000
Other: Syndication Fees	\$0	\$60,000	\$60,000	\$300	\$60,000
Other: FHFC Extension Fees	\$0	\$71,460	\$71,460	\$357	\$0
Other: FHFC Note Issuer Fee	\$0	\$196,800	\$196,800	\$984	\$196,800
Other: Viability Commitment Fee	\$0	\$76,000	\$76,000	\$380	\$76,000
Total Financial Costs:	\$2,491,261	\$5,926,290	\$7,325,678	\$36,628	\$1,913,069
Dev. Costs before Acq., Dev. Fee & Reserves	\$39,952,619	\$59,777,935	\$59,854,243	\$299,271	\$2,846,910

Notes to the Financial Costs

1. Financial costs were derived from the representations illustrated in the LOI’s for equity and construction and permanent financing and appear reasonable to AmeriNat.

2. An interest reserve for the Construction Loan is supported by the Construction Loan terms illustrated in the LOI provided by Chase, the duration of construction referenced in the Construction Contract and the resultant calculation completed by AmeriNat through the use of a construction draw schedule provided by the Applicant.
3. Construction Loan Commitment Fee is based on 1.00% of the loan amount per the Chase LOI.
4. Permanent Loan Commitment Fee is based on 1.00% of the loan amount per the Chase LOI.
5. FHFC Extension Fee includes a firm loan commitment issuance deadline extension fee of \$71,460, which is 1% of the SAIL, ELI and NHTF loan amounts.
6. The Viability, SAIL and ELI Commitment Fees represent 1.00% of each respective loan amount as required in the RFAs and Rule 67-48.
7. FHFC Note Cost of Issuance includes fees and expenses of the Issuer, Real Estate Counsel closing costs for MMRN, Viability, SAIL, ELI, and NHTF Loans, Note Counsel, Disclosure Counsel and other fees.
8. Miscellaneous Loan Fees are attributed to the Surtax loan, which includes the credit underwriting fee and a 1.00% commitment fee.
9. The FHFC Note Fiscal Agent Fee represents two years of the annual Fiscal Agent fee of \$4,500.
10. The FHFC Issuer Fee is based on two years of the annual Issuer Fee of 24 bps during construction (2 years).
11. The remaining Financial Costs appear reasonable.

DEVELOPER FEE ON NON-ACQUISITION COSTS	Applicant Costs	Revised Applicant Costs	Underwriters Total Costs - CUR	Cost Per Unit	HC Ineligible Costs - CUR
	Developer Fee - Unapportioned	\$7,189,164	\$10,749,768	\$9,523,556	\$47,618
Other: Impact Fee Waiver	\$0	\$0	\$1,250,207	\$6,251	\$0
Total Other Development Costs:	\$7,189,164	\$10,749,768	\$10,773,763	\$53,869	\$0

Notes to the Other Development Costs:

1. The total Developer Fee does not exceed 18.00% of the Total Development Costs exclusive of Land Costs and Reserves, which is permitted by RFA 2021-205 and Rule Chapters 67-48 and 67-21.
2. The anticipated portion of Impact Fees to be refunded to the Applicant is reflected as a subset of Developer Fee.

LAND ACQUISITION COSTS	Applicant Costs	Revised Applicant Costs	Underwriters Total Costs - CUR	Cost Per Unit	HC Ineligible Costs - CUR
	Land Acquisition Cost	\$2,000,000	\$2,000,000	\$2,000,000	\$10,000
Total Acquisition Costs:	\$2,000,000	\$2,000,000	\$2,000,000	\$10,000	\$2,000,000

Notes to Land Acquisition Costs:

1. AmeriNat received and reviewed a Ground Lease (the “Lease”) between the Elite Equity Development, Inc. (“Landlord”) and Elite Naranja Grand, Inc. (“Tenant”) dated August 18, 2021. The term of the Lease is 75-years from the closing of construction financing. The Lease stipulated a capital lease payment of \$2,000,000 with 50% of the payment due at the time of the closing of the construction loan of the first phase, with the remainder to be paid at the time of the closing of the first phase permanent loan.
2. A Sublease Agreement was provided, dated September 28, 2021, between Elite Naranja Grand, Inc. (“Sublessor”) and the Applicant (“Sublessee”). The Sublessor will sublease to the Sublessee the property described in Exhibit B of the Sublease (3.94 acres) on the same terms and conditions set forth in the Master Lease. The capital lease payment totals \$2,000,000 with 50% of the payment due at the time of the construction loan closing and the remainder 50% is due at the time of the permanent loan closing.
3. An Appraisal performed by Novogradac & Company, LLP dated July 26, 2023 identifies an “as is” market value of the vacant land at \$5,500,000.

RESERVE ACCOUNTS	Applicant Costs	Revised Applicant Costs	Underwriters Total Costs - CUR	Cost Per Unit	HC Ineligible Costs - CUR
Operating Deficit Reserve (Syndicator)	\$0	\$867,164	\$867,164	\$4,336	\$867,164
Reserves - Start-Up/Lease-up Expenses	\$0	\$75,000	\$75,000	\$375	\$75,000
Total Reserve Accounts:	\$0	\$942,164	\$942,164	\$4,711	\$942,164

Notes to Reserve Accounts:

1. Operating Deficit Reserve (“ODR”) is approximately four months of debt service. At the end of the compliance period, any remaining balance of the ODR less amounts that may be permitted to be drawn (which includes Deferred Developer Fee and reimbursements for authorized member/partner and guarantor loan(s) pursuant to the operating/partnership agreement), will be used to pay FHFC loan debt; if there is no FHFC loan debt on the proposed Development at the end of the compliance period, any remaining balance shall be used to pay any outstanding FHFC fees. If any balance is remaining in the ODR after the payments above, the amount should be placed in a Replacement Reserve account for the Development. In no event shall the payments of amounts to the Applicant or the Developer from the Reserve Account cause the Developer Fee or General Contractor Fee to exceed the applicable percentage limitations provided for in the RFA and Rule Chapters 67-48 and 67-21. Any and all terms and conditions of the ODR must be acceptable to Florida Housing, its Servicer and its Legal Counsel.

In exchange for receiving funding from the Corporation, the Corporation reserves the authority to restrict the disposition of any funds remaining in any operating deficit reserve(s) after the term of the reserve’s original purpose has terminated or is near termination. Authorized disposition uses are limited to payments towards any outstanding loan balances of the Development funded from the Corporation, any outstanding Corporation fees, any unpaid costs incurred in the completion of the Development (i.e., deferred Developer Fee), the Development’s capital replacement reserve account (provided, however, that any operating deficit reserve funds deposited to the replacement reserve account will not replace, negate, or otherwise be considered an advance payment or pre-funding of the Applicant’s obligation to periodically fund the replacement reserve account), the reimbursement of any loan(s) provided by a partner, member or guarantor as set forth in the Applicant’s

organizational agreement (i.e., operating or limited partnership agreement). The actual direction of the disposition is at the Applicant’s discretion so long as it is an option permitted by the Corporation. In no event, shall the payment of amounts to the Applicant or the Developer from any operating deficit reserve established for the Development cause the Developer Fee or General Contractor fee to exceed the applicable percentage limitations provided for in this RFA and Rule Chapters 67-48 and 67-21.

TOTAL DEVELOPMENT COSTS	Applicant Costs	Revised Applicant Costs	Underwriters Total Costs - CUR	Cost Per Unit	HC Ineligible Costs - CUR
TOTAL DEVELOPMENT COSTS:	\$49,141,783	\$73,469,867	\$73,570,170	\$367,851	\$5,789,074

Notes to Total Development Costs:

1. Total Development Costs have increased from \$49,141,783 to \$73,570,170 for a difference of \$24,428,387 since the Application due to increases in Construction, General Development and Financial Costs, Developer Fee, and the inclusion of Reserve Accounts.
2. In accordance with RFA 2021-205, 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, High-Rise-ESSC), inclusive of a \$7,500/unit add-on for using tax-exempt bonds and a 8.00% weighted average upward escalation adjustment applied to the base \$449,640 per unit allowable ratified at the April 1, 2022 Telephonic FHFC Board meeting, is \$493,711.20 per unit. The TDC as underwritten equals \$353,140.03 which is less than the maximum TDC per unit.
3. The combined total of the SAIL loan amount of \$5,000,000 and ELI loan amount of \$600,000 equates to \$5,600,000 or 7.61% of Total Development Costs. This is in accordance with RFA 2021-205, which states the combined total of the SAIL and the ELI loans shall be in an amount not to exceed 35% of the Total Development Costs.
4. Per RFA 2021-205, Self-Sourced Applicants are limited to a maximum SAIL loan request limit of \$30,000 per unit. The SAIL loan amount of \$5,000,000 equates to \$5,000 per unit and meets this requirement.
5. Per RFA 2023-211, the maximum Viability loan amount cannot exceed \$38,000 per unit. The Viability loan amount of \$7,600,000 equates to \$38,000 per unit and meets this requirement.

OPERATING PRO FORMA

FINANCIAL COSTS:		Year 1	Year 1 Per Unit
OPERATING PRO FORMA			
INCOME:	Gross Potential Rental Income	\$2,863,164	\$14,316
	Other Income		\$0
	Miscellaneous	\$18,000	\$90
	Washer/Dryer Rentals	\$86,000	\$430
	Gross Potential Income	\$2,967,164	\$14,836
	Less:		
	Physical Vac. Loss Percentage: 4.00%	\$118,687	\$593
	Collection Loss Percentage: 1.00%	\$29,672	\$148
Total Effective Gross Income	\$2,818,806	\$14,094	
EXPENSES:	Fixed:		
	Real Estate Taxes	\$254,315	\$1,272
	Insurance	\$380,000	\$1,900
	Variable:		
	Management Fee Percentage: 5.00%	\$140,940	\$705
	General and Administrative	\$85,000	\$425
	Payroll Expenses	\$266,400	\$1,332
	Utilities	\$120,000	\$600
	Maintenance and Repairs/Pest Control	\$170,000	\$850
	Reserve for Replacements	\$60,000	\$300
Total Expenses	\$1,476,655	\$7,383	
Net Operating Income	\$1,342,151	\$6,711	
Debt Service Payments			
First Mortgage - FHFC/Chase/Notes	\$1,025,858	\$5,129	
Second Mortgage - FHFC Viability	\$76,000	\$380	
Third Mortgage - FHFC SAIL	\$50,000	\$250	
Fourth Mortgage - FHFC SAIL ELI	\$0	\$0	
Fifth Mortgage - FHFC NHTF	\$0	\$0	
All Other Mortgages - Surtax + Self Sourced	\$40,000	\$200	
First Mortgage Fees - FHFC/Chase/Notes	\$49,564	\$248	
Second Mortgage Fees - FHFC Viability	\$11,232	\$56	
Third Mortgage Fees - FHFC SAIL	\$12,255	\$61	
Fourth Mortgage Fees - FHFC SAIL ELI	\$3,855	\$19	
Fifth Mortgage Fees - FHFC NHTF	\$4,888	\$24	
All Other Mortgages Fees - Surtax + Self Sourced	\$0	\$0	
Total Debt Service Payments	\$1,273,653	\$6,368	
Cash Flow after Debt Service	\$68,498	\$342	
Debt Service Coverage Ratios			
DSC - First Mortgage plus Fees	1.25x		
DSC - Second Mortgage plus Fees	1.15x		
DSC - Third Mortgage plus Fees	1.10x		
DSC - Fourth Mortgage plus Fee	1.09x		
DSC - Fifth Mortgage plus Fees	1.09x		
DSC - All Mortgages and Fees	1.05x		
Financial Ratios			
Operating Expense Ratio	52.39%		
Break-even Economic Occupancy Ratio (all debt)	92.94%		

Notes to the Operating Pro forma and Ratios:

- MMRN does not impose rent restrictions; however, this Development will be utilizing Housing Credits in conjunction with SAIL, ELI and NHTF which will impose rent restrictions. Under the MMRN program, the Development will set aside 40% of the total units (80 units) at or below 60% of the Area Median Income (“AMI”). Under the SAIL, ELI and HC programs, the Development will set aside 13.500% of the total units (27 units) at or below 30% of AMI, 46.000% of the total units (92 units) at or below 60% of AMI, and 40.500% of the total units (81 units) at or below 70% AMI. Under the NHTF program, the Development will set aside 2.500% of the total units (5 units) at or below 22% of AMI. Overall, the maximum Housing Credit rents for 2023 published on FHFC’s website for the Development are achievable and confirmed by the appraiser. The utility allowance calculations are from Miami-Dade County Public Housing and Community Development, effective January 1, 2023.

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

Miami-Dade County/Miami-Miami Beach-Kendall HMFA

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	12	690	30%			\$580	\$79	\$501		\$501	\$501	\$501	\$72,144
1	1.0	40	690	60%			\$1,161	\$79	\$1,082		\$1,082	\$1,082	\$1,082	\$519,360
1	1.0	36	690	70%			\$1,355	\$79	\$1,276		\$1,276	\$1,276	\$1,276	\$551,232
2	2.0	13	914	30%			\$696	\$90	\$606		\$606	\$606	\$606	\$94,536
2	2.0	43	914	60%			\$1,393	\$90	\$1,303		\$1,303	\$1,303	\$1,303	\$672,348
2	2.0	40	914	70%			\$1,625	\$90	\$1,535		\$1,535	\$1,535	\$1,535	\$736,800
3	2.0	2	1,175	30%			\$805	\$125	\$680		\$680	\$680	\$680	\$16,320
3	2.0	4	1,175	60%			\$1,610	\$125	\$1,485		\$1,485	\$1,485	\$1,485	\$71,280
3	2.0	5	1,175	70%			\$1,878	\$125	\$1,753		\$1,753	\$1,753	\$1,753	\$105,180
1	1.0	2	690	22%			\$425	\$79	\$346		\$346	\$346	\$346	\$8,304
2	2.0	2	914	22%			\$510	\$90	\$420		\$420	\$420	\$420	\$10,080
3	2.0	1	1,175	22%			\$590	\$125	\$465		\$465	\$465	\$465	\$5,580
		200	165,772											\$2,863,164

- A 5.00% total economic vacancy rate (4.00% physical and 1.00% collection loss) was concluded by the appraisal and was relied upon by AmeriNat for underwriting purposes.
- Miscellaneous Income is comprised of income related to multifamily operations in the form of vending income, late charges, pet deposits, or forfeited security deposits.
- The Development will provide washers/dryers to the tenants with an option to lease at \$55 per month. Novogradac estimated a 65% utilization rate and rounded it to \$430 per unit.
- Real Estate Taxes are estimated at \$1,272 per unit at an assessed value of \$74,608 per unit.
- The insurance expense was reconciled based on restricted rate comparables and the Developer’s pro forma. Novogradac concluded with an expense of \$1,900 per unit or \$380,000 per year.
- The Appraiser concluded a management fee of 5.00%, which is reflected in the Management Agreement, and utilized by AmeriNat.

8. Replacement Reserves are budgeted at \$300 per unit per year, which is consistent with the RFA and Rule Chapters 67-48 and 67-21 minimum requirement.
9. The MMRN loan has an annual Permanent Loan Servicing Fee based on 2.3 basis points of the outstanding Note balance, subject to a minimum monthly fee of \$236. The annual MMRN Compliance Monitoring Fee is based on \$183 per month and an additional fee per set-aside unit of \$11.24, subject to a minimum monthly fee of \$286. The Fiscal Agent Fee is included in First Mortgage Fees and is estimated at \$4,500 annually, as well as an Issuer Fee of 24 basis points of the outstanding Note balance.
10. The Viability Loan has an annual Permanent Loan Servicing Fee based on 25 basis points of the outstanding loan amount, with a maximum of \$936 per month, subject to a minimum of \$236 per month.
11. The SAIL Loan has an annual Permanent Loan Servicing Fee based on 25 basis points of the outstanding loan amount, with a minimum monthly fee of \$236 and a maximum monthly fee of \$936, and an hourly fee of \$198 for extraordinary services. The annual Multiple Program Compliance Monitoring Fee is \$1,023.
12. The ELI Loan has an annual Permanent Loan Servicing Fee based on 25 basis points of the outstanding loan amount, with a minimum monthly fee of \$236 and a maximum monthly fee of \$936, and an hourly fee of \$198 for extraordinary services. The annual Multiple Program Compliance Monitoring Fee is \$1,023.
13. The NHTF Loan has an annual Permanent Loan Servicing Fee based on 25 basis points of the outstanding loan amount, with a minimum monthly fee of \$236 and a maximum monthly fee of \$936, and an hourly fee of \$198 for extraordinary services. The annual Multiple Program Monitoring Fee is \$1,023.
14. Based upon an estimated Net Operating Income (“NOI”) of \$1,342,151 for the proposed Development’s initial year of stabilized operations; the first mortgage loan can be supported by operations at a 1.25x to 1.00 Debt Service Coverage (“DSC”), the second mortgage Viability loan and third mortgage SAIL loan can be supported by operations at a DSC of 1.10x to 1.00 including the first, second and third mortgages and fees. The Development meets the minimum 1.10x to 1.00 DSC requirement for all first and second mortgages for Housing Credits.
15. A 15-year Operating Pro forma attached hereto as Exhibit 1 reflects rental income increasing at an annual rate of 2% and expenses increasing at an annual rate of 3%.
16. The Break-even Economic Occupancy Ratio includes all debt; however, interest payments on the Viability, SAIL and Surtax loans are based on available cash flow. This ratio would improve to 87.35% if these interest payments were not included.

Section B

**MMRN, Viability, SAIL, ELI, and NHTF Loan Special and General Loan Closing
Conditions 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 loan closing. Failure to submit and to receive approval of these items within this time frame may result in postponement of the closing date of the loans.

1. Completion of the HUD Section 3 pre-construction conference.
2. The Development shall meet the Section 3 requirements of the Housing and Urban Development Act of 1968 as amended (12 U.S.C. 1701 u and 24CFR Part 135).
3. Satisfactory receipt of the Affirmative Fair Housing Marketing Plan.
4. A letter from the Applicant requesting changes to the Applicant Entity Structure and Guarantors and a revised Principal Disclosure form.

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 loan closing. Failure to submit and to receive approval of these items within this time frame may result in postponement of the closing date of the loans.

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

5. Construction Period Developer Fee shall be the 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.

6. At all times there will be undisbursed loan funds (collectively held by Florida Housing, the first lender and any other source) sufficient to complete the Development. If at any time there are not sufficient funds to complete the Development, the Borrower will be required to expend additional equity on Development costs or to deposit additional equity with Florida Housing which is sufficient (in Florida Housing's judgment) to complete the Development before additional loan funds are disbursed. This condition specifically includes escrowing at closing all equity necessary to complete construction or another alternative acceptable to Florida Housing in its sole discretion.
7. Evidence of insurance coverage pursuant to the Request for Application ("RFA") governing this proposed transaction and, as applicable, the FHFC Insurance Guide.
8. The General Contractor shall secure a payment and performance bond equal to 100 percent of the total construction cost listing FHFC as a co-obligee, whose terms do not adversely affect the Corporation's interest, issued in the name of the General Contractor, from a company rated at least "A-" by AMBest & Co., or a Corporation-approved alternate security for the General Contractor's performance such as a letter of credit issued by a financial institution with a senior long term (or equivalent) credit rating of at least "Baa3" by Moody's, or at least "BBB-" by Standard & Poor's or Fitch, or a financial rating of at least 175 by IDC Financial Publishing. The LOC must include "evergreen" language and be in a form satisfactory to Florida Housing, its Servicer and its Legal Counsel.
9. Architect, Construction Consultant, and Borrower certifications on forms provided by Florida Housing will be required for both design and as-built with respect to Section 504 of the Rehabilitation Act, Americans with Disabilities Act, and the Federal Fair Housing Act requirements, as applicable.
10. A copy of the Amended and Restated Operating Agreement ("OA") reflecting purchase of the HC under terms consistent with the assumptions contained within this Credit Underwriting Report. The OA shall be in a form and of financial substance satisfactory to Servicer, Florida Housing, and its Legal Counsel.
11. Payment of any outstanding arrearages to the Corporation, its legal counsel, Servicer or any agent or assignee of the Corporation for past due issues applicable to the development team (Applicant or Developer or Principal, Affiliate or Financial Beneficiary, as described in Rule Chapters 67-21.0025 (5) and 67-48.0075 (5) F.A.C., of an Applicant or a Developer).
12. Final "as permitted" (signed and sealed) site plans, building plans and specifications. The geotechnical report must be bound within the final plans and specifications.

13. Satisfactory resolution of any outstanding past due and/or noncompliance items.
14. At the end of the compliance period, any remaining balance of the ODR less amounts that may be permitted to be drawn (which includes Deferred Developer Fee and reimbursements for authorized member/partner and guarantor loan(s) pursuant to the operating/partnership agreement), will be used to pay FHFC loan debt; if there is no FHFC loan debt on the proposed Development at the end of the compliance period, any remaining balance shall be used to pay any outstanding FHFC fees. If any balance is remaining in the ODR after the payments above, the amount should be placed in a Replacement Reserve account for the Development. In no event shall the payments of amounts to the Applicant or the Developer from the Reserve Account cause the Developer Fee or General Contractor Fee to exceed the applicable percentage limitations provided for in Rule Chapters 67-48 and 67-21. Any and all terms and conditions of the ODR must be acceptable to Florida Housing, its Servicer and its legal counsel.
15. 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.

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 Viability, SAIL, ELI, & NHTF loan closing date. For competitive Note sales, these items must be reviewed and approved prior to issuance of the Notice of Note 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, Viability, SAIL, ELI, & NHTF loan closing, unless otherwise approved by Florida Housing, and Legal Counsel, based upon the particular circumstances of the transaction. Borrower is to comply with any and all recommendations noted in the updated Environmental Audit Report(s) and all other environmental reports related to the property, as deemed appropriate by Florida Housing in its sole discretion.

4. Title insurance pro-forma or commitment for title insurance with copies of all Schedule B exceptions, in the amount of the MMRN, Viability, SAIL, ELI, & NHTF loans naming Florida Housing as the insured. All endorsements required by Florida Housing shall be provided.
5. Florida Housing and its Legal Counsel shall review and approve all other lenders closing documents and the limited partnership or other applicable agreement. Florida Housing shall be satisfied in its sole discretion that all legal and program requirements for the loans have been satisfied.
6. 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 SAIL, ELI, & NHTF loans.
10. UCC Searches for the Borrower, its partnerships, as requested by counsel.
11. Any other reasonable conditions established by Florida Housing and its Legal Counsel.

Additional Conditions

This recommendation is also contingent upon the following additional conditions:

1. Compliance with all applicable provisions of 420.507, 420.5087 and 420.509, Florida Statutes, Rule Chapter 67-21 F.A.C, Rule Chapter 67-48 F.A.C., Rule Chapter 67-53, F.A.C., Rule Chapter 67-60, F.A.C., Section 42 I.R.C., RFA 2021-205, RFA 2023-211 and any other applicable State and Federal requirements.
2. Acceptance by the Borrower and execution of all documents evidencing and securing the MMRN, Viability, SAIL, ELI, & NHTF 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), Extended Low Income Housing 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 Viability Loan, Guarantors are to provide the standard FHFC Operating Deficit Guaranty. If requested in writing by the Applicant, Servicer will consider a recommendation to release the Operating Deficit Guaranty if all conditions are met including achievement of a 1.15 Debt Service Coverage on the combined permanent First Mortgage MMRN and 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 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. For the SAIL Loan, Guarantors are to provide the standard FHFC Operating Deficit Guaranty. If requested in writing by the Applicant, Servicer will consider a recommendation to release the Operating Deficit Guaranty if all conditions are met including achievement of a 1.15 Debt Service Coverage on the combined permanent First Mortgage MMRN, Viability and SAIL Loans 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 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.

7. If applicable, receipt and satisfactory review of Financial Statements from all Guarantors dated within 90 days of Real Estate Closing.
8. Guarantors are to provide the standard Florida Housing Construction Completion Guaranty; to be released upon lien-free completion as approved by the Servicer.
9. Guarantors are to provide the standard Florida Housing Environmental Indemnity Guaranty.
10. Guarantors are to provide the standard Florida Housing Guaranty of Recourse Obligations.
11. Closing of all funding sources simultaneous with or prior to closing of the MMRN, Viability, SAIL, ELI, & NHTF loans.
12. A mortgagee title insurance policy naming Florida Housing as the insured in the amount of the MMRN, Viability, SAIL, ELI, & NHTF 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.
13. 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.
14. 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 RFA and Rules 67-21 and 67-48, in the amount of \$60,000 (one-half the required Replacement Reserves for Years 1 and 2), in order to meet the applicable DSC loan requirements. Applicant can waive this election, if at closing of the loan(s) the required DSC is met without the need to exercise the option. It is currently estimated that Replacement Reserves will be funded from Operations in the amount of \$300 per unit per year for Years 1 and 2, followed by \$300 per unit per year thereafter. New construction developments shall not be allowed to draw during the first five (5) years or until the establishment of a minimum balance equal to the accumulation of five (5) years of replacement reserves per unit. The initial replacement reserve will have limitations on the ability to be drawn. The amount established as a replacement reserve shall be adjusted based on a capital needs assessment ("CNA") to be received by the Corporation or its servicers, prepared by an independent third party and acceptable to the Corporation and its servicers at the time the CNA is required. Beginning no later than the 10th year after the first residential building receives a certificate of occupancy, a temporary certificate of occupancy, or is placed in service, whichever is earlier ("Initial Replacement Reserve Date"). A subsequent CNA is required no later than the 15th year after the Initial Replacement Reserve Date and subsequent assessments are required every five years thereafter.

15. On Solid Ground will act as Florida Housing's inspector during the construction period.
16. A minimum of 10% retainage holdback on all construction draws until the Development is 50% complete and 0% retainage thereafter is required per the Construction Contract. Retainage will not be released until successful completion of construction and issuance of all certificates of occupancy which satisfies RFA 2021-205 and Rules 67-21 and 67-48 minimum requirement.
17. Satisfactory completion of a pre-loan closing compliance audit conducted by Florida Housing or Servicer, if applicable.
18. 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 \$3,524,617 for the construction and permanent financing of Naranja Grand II. 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 within this timeframe may result in forfeiture of the HC allocation:

1. Closing of all funding sources prior to or simultaneous with the MMRN, Viability, SAIL, ELI, & NHTF loans
2. On Solid Ground 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 items and/or noncompliance items.
6. Any other reasonable requirements of Florida Housing or its Servicer.

Exhibit 1
Naranja Grand II
15 Year Operating Pro forma

FINANCIAL COSTS:	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11	Year 12	Year 13	Year 14	Year 15
OPERATING PRO FORMA															
INCOME:															
Gross Potential Rental Income	\$2,863,164	\$2,920,427	\$2,978,836	\$3,038,413	\$3,099,181	\$3,161,164	\$3,224,388	\$3,288,875	\$3,354,653	\$3,421,746	\$3,490,181	\$3,559,985	\$3,631,184	\$3,703,808	\$3,777,884
Other Income															
Miscellaneous	\$18,000	\$18,360	\$18,727	\$19,102	\$19,484	\$19,873	\$20,271	\$20,676	\$21,090	\$21,512	\$21,942	\$22,381	\$22,828	\$23,285	\$23,751
Washer/Dryer Rentals	\$86,000	\$87,720	\$89,474	\$91,264	\$93,089	\$94,951	\$96,850	\$98,787	\$100,763	\$102,778	\$104,834	\$106,930	\$109,069	\$111,250	\$113,475
Gross Potential Income	\$2,967,164	\$3,026,507	\$3,087,037	\$3,148,778	\$3,211,754	\$3,275,989	\$3,341,509	\$3,408,339	\$3,476,506	\$3,546,036	\$3,616,956	\$3,689,295	\$3,763,081	\$3,838,343	\$3,915,110
Less:															
Physical Vac. Loss Percentage: 4.00%	\$118,687	\$121,060	\$123,482	\$125,951	\$128,470	\$131,040	\$133,660	\$136,334	\$139,060	\$141,841	\$144,678	\$147,572	\$150,523	\$153,534	\$156,604
Collection Loss Percentage: 1.00%	\$29,672	\$30,265	\$30,870	\$31,488	\$32,118	\$32,760	\$33,415	\$34,083	\$34,765	\$35,460	\$36,170	\$36,893	\$37,631	\$38,383	\$39,151
Total Effective Gross Income	\$2,818,806	\$2,875,182	\$2,932,686	\$2,991,339	\$3,051,166	\$3,112,189	\$3,174,433	\$3,237,922	\$3,302,680	\$3,368,734	\$3,436,109	\$3,504,831	\$3,574,927	\$3,646,426	\$3,719,354
EXPENSES:															
Fixed:															
Real Estate Taxes	\$254,315	\$261,944	\$269,803	\$277,897	\$286,234	\$294,821	\$303,665	\$312,775	\$322,159	\$331,823	\$341,778	\$352,031	\$362,592	\$373,470	\$384,674
Insurance	\$380,000	\$391,400	\$403,142	\$415,236	\$427,693	\$440,524	\$453,740	\$467,352	\$481,373	\$495,814	\$510,688	\$526,009	\$541,789	\$558,043	\$574,784
Variable:															
Management Fee Percentage: 5.00%	\$140,940	\$143,759	\$146,634	\$149,567	\$152,558	\$155,609	\$158,721	\$161,896	\$165,134	\$168,436	\$171,805	\$175,241	\$178,746	\$182,321	\$185,967
General and Administrative	\$85,000	\$87,550	\$90,177	\$92,882	\$95,668	\$98,538	\$101,494	\$104,539	\$107,675	\$110,906	\$114,233	\$117,660	\$121,190	\$124,825	\$128,570
Payroll Expenses	\$266,400	\$274,392	\$282,624	\$291,102	\$299,836	\$308,831	\$318,096	\$327,638	\$337,468	\$347,592	\$358,019	\$368,760	\$379,823	\$391,217	\$402,954
Utilities	\$120,000	\$123,600	\$127,308	\$131,127	\$135,061	\$139,113	\$143,286	\$147,585	\$152,012	\$156,573	\$161,270	\$166,108	\$171,091	\$176,224	\$181,511
Maintenance and Repairs/Pest Control	\$170,000	\$175,100	\$180,353	\$185,764	\$191,336	\$197,077	\$202,989	\$209,079	\$215,351	\$221,811	\$228,466	\$235,320	\$242,379	\$249,651	\$257,140
Reserve for Replacements	\$60,000	\$60,000	\$60,000	\$60,000	\$60,000	\$60,000	\$60,000	\$60,000	\$60,000	\$60,000	\$61,800	\$63,654	\$65,564	\$67,531	\$69,556
Total Expenses	\$1,476,655	\$1,517,745	\$1,560,040	\$1,603,575	\$1,648,386	\$1,694,512	\$1,741,992	\$1,790,864	\$1,841,171	\$1,892,955	\$1,948,059	\$2,004,783	\$2,063,174	\$2,123,282	\$2,185,157
Net Operating Income	\$1,342,151	\$1,357,437	\$1,372,646	\$1,387,764	\$1,402,780	\$1,417,677	\$1,432,441	\$1,447,058	\$1,461,509	\$1,475,779	\$1,488,049	\$1,500,048	\$1,511,753	\$1,523,144	\$1,534,197
Debt Service Payments															
First Mortgage - FHFC/Chase/Notes	\$1,025,858	\$1,025,858	\$1,025,858	\$1,025,858	\$1,025,858	\$1,025,858	\$1,025,858	\$1,025,858	\$1,025,858	\$1,025,858	\$1,025,858	\$1,025,858	\$1,025,858	\$1,025,858	\$1,025,858
Second Mortgage - FHFC Viability	\$76,000	\$76,000	\$76,000	\$76,000	\$76,000	\$76,000	\$76,000	\$76,000	\$76,000	\$76,000	\$76,000	\$76,000	\$76,000	\$76,000	\$76,000
Third Mortgage - FHFC SAIL	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000
Fourth Mortgage - FHFC SAIL ELI	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Fifth Mortgage - FHFC NHTF	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
All Other Mortgages - Surtax + Self Sourced	\$40,000	\$40,000	\$40,000	\$40,000	\$40,000	\$40,000	\$40,000	\$40,000	\$40,000	\$40,000	\$40,000	\$40,000	\$40,000	\$40,000	\$40,000
First Mortgage Fees - FHFC/Chase/Notes	\$49,564	\$49,326	\$49,069	\$48,793	\$48,497	\$48,179	\$47,838	\$47,472	\$47,080	\$46,660	\$46,211	\$45,730	\$45,215	\$44,665	\$44,076
Second Mortgage Fees - FHFC Viability	\$11,232	\$11,232	\$11,232	\$11,232	\$11,232	\$11,232	\$11,232	\$11,232	\$11,232	\$11,232	\$11,232	\$11,232	\$11,232	\$11,232	\$11,232
Third Mortgage Fees - FHFC SAIL	\$12,255	\$12,255	\$12,255	\$12,255	\$12,255	\$12,255	\$12,255	\$12,255	\$12,255	\$12,255	\$12,255	\$12,255	\$12,255	\$12,255	\$12,255
Fourth Mortgage Fees - FHFC SAIL ELI	\$3,855	\$3,855	\$3,855	\$3,855	\$3,855	\$3,855	\$3,855	\$3,855	\$3,855	\$3,855	\$3,855	\$3,855	\$3,855	\$3,855	\$3,855
Fifth Mortgage Fees - FHFC NHTF	\$4,888	\$4,888	\$4,888	\$4,888	\$4,888	\$4,888	\$4,888	\$4,888	\$4,888	\$4,888	\$4,888	\$4,888	\$4,888	\$4,888	\$4,888
All Other Mortgages Fees - Surtax + Self Sourced	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Debt Service Payments	\$1,273,653	\$1,273,414	\$1,273,157	\$1,272,881	\$1,272,585	\$1,272,267	\$1,271,926	\$1,271,560	\$1,271,169	\$1,270,749	\$1,270,299	\$1,269,818	\$1,269,303	\$1,268,753	\$1,268,165
Cash Flow after Debt Service	\$68,498	\$84,023	\$99,488	\$114,883	\$130,194	\$145,410	\$160,515	\$175,497	\$190,340	\$205,030	\$217,750	\$230,229	\$242,450	\$254,391	\$266,033
Debt Service Coverage Ratios															
DSC - First Mortgage plus Fees	1.25x	1.26x	1.28x	1.29x	1.31x	1.32x	1.33x	1.35x	1.36x	1.38x	1.39x	1.40x	1.41x	1.42x	1.43x
DSC - Second Mortgage plus Fees	1.15x	1.17x	1.18x	1.19x	1.21x	1.22x	1.23x	1.25x	1.26x	1.27x	1.28x	1.29x	1.31x	1.32x	1.33x
DSC - Third Mortgage plus Fees	1.10x	1.11x	1.12x	1.13x	1.15x	1.16x	1.17x	1.18x	1.20x	1.21x	1.22x	1.23x	1.24x	1.25x	1.26x
DSC - Fourth Mortgage plus Fee	1.09x	1.10x	1.12x	1.13x	1.14x	1.16x	1.17x	1.18x	1.19x	1.20x	1.21x	1.22x	1.23x	1.24x	1.25x
DSC - Fifth Mortgage plus Fees	1.09x	1.10x	1.11x	1.13x	1.14x	1.15x	1.16x	1.17x	1.19x	1.20x	1.21x	1.22x	1.23x	1.24x	1.25x
DSC - All Mortgages and Fees	1.05x	1.07x	1.08x	1.09x	1.10x	1.11x	1.13x	1.14x	1.15x	1.16x	1.17x	1.18x	1.19x	1.20x	1.21x
Financial Ratios															
Operating Expense Ratio	52.39%	52.79%	53.19%	53.61%	54.02%	54.45%	54.88%	55.31%	55.75%	56.19%	56.69%	57.20%	57.71%	58.23%	58.75%
Break-even Economic Occupancy Ratio (all debt)	92.94%	92.47%	92.03%	91.60%	91.20%	90.81%	90.45%	90.10%	89.77%	89.47%	89.23%	89.01%	88.81%	88.62%	88.45%

Naranja Grand II
RFA 2021-205 (2022-201BSN/2021-258C)
RFA 2023-211 (2023-236V)
DESCRIPTION OF FEATURES AND AMENITIES

A. The Development will consist of:

200 Units located in 1 High-Rise residential building

Unit Mix:

Ninety (90) one bedroom/one bath units:

Ninety-eight (98) two bedroom/two bath units;

Twelve (12) three bedroom/two bath units;

200 Total Units

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

The Development must meet all federal requirements and state building code requirements, including the following, incorporating the most recent amendments, regulations, and rules: The Federal Fair Housing Act as implemented by 24 CFR 100, Florida Accessibility Code for Building Construction as adopted pursuant to Section 553.503, F.S., Section 504 of the Rehabilitation Act of 1973, and Titles II and III of the Americans with Disabilities Act ("ADA") of 1990 as implemented by 28 CFR 35.

All Developments must meet accessibility standards of Section 504. Section 504 accessibility standards require a minimum of 5 percent of the total dwelling units, but not fewer than one unit, to be accessible for individuals with mobility impairments. An additional 2 percent of the total units, but not fewer than one unit, must be accessible for persons with hearing or vision impairments. All of the accessible units must be equally distributed among different unit sizes and Development types and must be dispersed on all accessible routes throughout the Development.

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. Washer and dryer hook ups in each of the Development's units or an on-site laundry facility for resident use. If the proposed Development will have an on-site laundry facility, the following requirements must be met:
 - There must be a minimum of one (1) Energy Star certified washer and one (1) Energy Star certified or commercial grade dryer per every 15 units. To determine the required number of washers and dryers for the on-site laundry facility; divide the total number of the Developments' units by 15, and then round the equation's total up to the nearest whole number;
 - At least one washing machine and one dryer shall be front loading that meets the accessibility standards of Section 504;
 - If the proposed Development consists of Scattered Sites, the laundry facility shall be located on each of the Scattered Sites, or no more than 1/16 mile from the Scattered Site with the most units, or a combination of both.
7. At least two full bathrooms in all 3 bedroom or larger new construction units;
8. Bathtub with shower in at least one bathroom in at least 90% of the new construction non-Elderly units;
9. Family Demographic Developments must provide a full-size range and oven in all units.

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

Federal and state law and building code regulations requires that programs, activities, and facilities be readily accessible to and usable by persons with disabilities. Florida Housing requires that the design, construction, or alteration of its financed Developments be in compliance with federal and state accessibility requirements. When more than one law and accessibility standard applies, the Applicant shall comply with the standard (2010 ADA Standards, Section 504, Fair Housing Act, or Florida Building Code, Accessibility) which affords the greater level of accessibility for the residents and visitors. Areas required to be made accessible to mobility-impaired residents and their visitors, including those in wheelchairs, shall include, but not be limited to, accessible routes and entrances, paths of travel, primary function areas, parking, trash bins, mail and package receiving areas for residents, pool and other amenities, including paths of travel to amenities and laundry rooms, including washers and dryers.

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

1. Primary entrance doors on an accessible route shall have a threshold with no more than a ½-inch rise;
2. All door handles on primary entrance door and interior doors must have lever handles;

3. Lever handles on all bathroom faucets and kitchen sink faucets;
4. Mid-point on light switches and thermostats shall not be more than 48 inches above finished floor level; and
5. Cabinet drawer handles and cabinet door handles in bathroom and kitchen shall be lever or D-pull type that operate easily using a single closed fist.

- F.** In addition to the 5 percent mobility requirement outlined above, all Family Demographic Developments must provide reinforced walls for future installation of horizontal grab bars in place around each tub/shower and toilet, or a Corporation-approved alternative approach for grab bar installation. The installation of the grab bars must meet or exceed the 2010 ADA Standards for Accessible Design.

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 and toilet, 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.

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

All new construction units and, as applicable, all common areas must have the features listed below and all rehabilitation units are expected to have all of the following required Green Building features unless found to be not appropriate or feasible within the scope of the rehabilitation work utilizing a capital needs assessment as further explained in Exhibit F of the RFA:

- a. Low or No-VOC paint for all interior walls (Low-VOC means 50 grams per liter or less for flat; 150 grams per liter or less for non-flat paint);
- b. Low-flow water fixtures in bathrooms – WaterSense labeled products or the following specifications:
 - i. Toilets: 1.28 gallons/flush or less,
 - ii. Urinals: 0.5 gallons/flush,
 - iii. Lavatory Faucets: 1.5 gallons/minute or less at 60 psi flow rate,
 - iv. Showerheads: 2.0 gallons/minute or less at 80 psi flow rate;
- c. Energy Star certified refrigerator;
- d. Energy Star certified dishwasher;
- e. Energy Star certified ventilation fan in all bathrooms;
- f. Water heater minimum efficiency specifications:

- Residential Electric:
 - i. Up to 55 gallons = 0.95 EF or 0.92 UEF; or
 - ii. More than 55 gallons = Energy Star certified; or
 - iii. Tankless = 0.97 EF and Max GPM of ≥ 2.5 over a 77° rise or 0.87 UEF and GPM of ≥ 2.9 over a 67° rise;
 - Residential Gas (storage or tankless/instantaneous): Energy Star certified
 - Commercial Gas Water Heater: Energy Star certified;
- g. Energy Star certified ceiling fans with lighting fixtures in bedrooms;
- h. Air Conditioning (in-unit or commercial):
- i. Air-Source Heat Pumps – Energy Star certified:
 - a. ≥ 8.5 HSPF/ ≥ 15 SEER/ ≥ 12.5 EER for split systems
 - b. ≥ 8.2 HSPF/ ≥ 15 SEER/ ≥ 12 EER for single package equipment including gas/electric package units
 - ii. Central Air Conditioners – Energy Star certified:
 - a. ≥ 15 SEER/ ≥ 12.5 EER* for split systems
 - b. ≥ 15 SEER/ ≥ 12 EER* for single package equipment including gas/electric package units.
- NOTE: Window air conditioners and portable air conditioners are not allowed. Package Terminal Air Conditioners (PTACs) / Package Terminal Heat Pumps (PTHPs) are allowed in studio and 1 bedroom units;

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

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

_____ Florida Green Building Coalition (FGBC); or

 X ICC 700 National Green Building Standard (NGBS); or

_____ Enterprise Green Communities.

H. Applicants who select the Family Demographic must provide at least three Resident Programs:

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

1. Financial Management Program

The Applicant or its Management Company shall provide a series of classes to provide residents training in various aspects of personal financial management. Classes must be held at least quarterly, consisting of at least two hours of training per quarter, and must be conducted by parties that are qualified to provide training regarding the respective

topic area. If the Development consists of Scattered Sites, the Resident Program must be held on the Scattered Site with the most units. Residents residing at the other sites of a Scattered Site Development must be offered transportation, at no cost to them, to the classes. The topic areas must include, but not be limited to:

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

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

2. Employment Assistance Program

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

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

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

3. Adult Literacy

The Applicant or its Management Company must make available, at no cost to the resident, literacy tutor(s) who will provide weekly literacy lessons to residents in private space on-site. Various literacy programming can be offered that strengthens participants' reading, writing skills, and comprehension, but at a minimum, these must include English proficiency and basic reading education.

Training must be held between the hours of 8:00 a.m. and 7:00 p.m. and electronic media, if used, must be used in conjunction with live instruction. If the Development consists of Scattered Sites, this resident program must be provided on the Scattered Site with the most units.

HC Allocation Calculation

Section I – Qualified Basis Calculation

Total Development Cost	\$73,570,170
Less Land Costs	\$2,000,000
Less Other Ineligible Costs	\$3,789,074
Total Eligible Basis	\$67,781,096
Applicable Fraction	100%
DDA/QCT Basis Credit, if applicable	130%
Qualified Basis	\$88,115,425
Housing Credit Percentage (Federal allocation)	4.00%
Annual Housing Credit Allocation	\$3,524,617

Notes to the Eligible Basis Calculation:

1. “Other Ineligible Costs” include, *but are not limited to*, accounting fees, legal fees, market study, Florida Housing administrative, application, and underwriting fees, marketing/advertising fees, various fees associated with the MMRN, Viability, SAIL, ELI, and NHTF funding, a portion of construction loan interest, permanent loan related costs, cost of issuance related costs, land, washers/dryers, title insurance/recording, organizational costs, site prep and reserves.
2. The Development is 100% set-aside; therefore, the applicable fraction is 100%.
3. Per the Application, the Development is located in a QCT; therefore, a 130% basis credit was applied.
4. Per the FY 2021 Omnibus Consolidated Appropriations Act passed by Congress as of December 21, 2020, a permanent 4% minimum HC rate was established. For the purposes of this report, a HC percentage of 4.00% has therefore been applied.

Section II - Gap Calculation

Total Development Cost (including land and ineligible costs)	\$73,570,170
Less Mortgages	\$36,691,000
Equity Gap	\$36,879,170
HC Percentage to Investment Partnership	99.99%
HC Syndication Pricing	\$0.92
HC Required to meet Equity Gap	\$40,090,063
Annual HC Required	\$4,009,006

Notes to the Gap Calculation:

MMRN, VIABILITY, SAIL, ELI, NHTF & HC CREDIT UNDERWRITING REPORT

1. Mortgages include a first mortgage from Chase; second, third, fourth and fifth mortgages of Viability, SAIL, ELI, and NHTF funds to be provided by FHFC; a sixth mortgage to be provided by Miami-Dade County Surtax and seventh and eighth mortgages provided by Housing Trust Group, LLC, or its affiliates and Equity Development, Inc., or its affiliates.
2. The HC Syndication Pricing and Percentage to the Investment Partnership are based upon the LOI from RJAHI dated July 21, 2023. Please note that the actual HC Syndication Pricing is \$0.91999999990.

Section III - Summary

HC Per Qualified Basis	\$3,524,617
HC Per GAP Calculation	\$4,009,006
Annual HC Recommended	\$3,524,617
HC Proceeds Recommended	\$32,423,234

Notes to the Summary:

1. The Annual HC recommended is based upon the lesser of the Qualified Basis or Gap Calculation; therefore, the Qualified Basis Calculation amount applies.

Section IV – Tax Credit 50% Test

Total DEPRECIABLE Cost	\$67,781,096
Plus: Land Cost	\$2,000,000
Equals Aggregate Basis	\$69,781,096
Tax Exempt Note Amount	\$41,000,000
Tax Exempt Proceeds Used for Building and Land	\$41,000,000
Tax Exempt Proceeds as a Percentage of Aggregate Basis	58.76%

Notes to the Tax Credit 50% Test:

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

COMPLETENESS AND ISSUES CHECKLIST

DEVELOPMENT NAME: Naranja Grand II

DATE: October 12, 2023

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.	
1. The development's final "as submitted for permitting" plans and specifications. Note: Final "signed, sealed, and approved for construction" plans and specifications will be required thirty days before closing.	Satis.	
2. Final site plan and/or status of site plan approval.	Satis.	
3. Permit Status.	Satis.	
4. Pre-construction analysis ("PCA").	Satis.	
5. Survey.	Satis.	
6. Complete, thorough soil test reports.	Satis.	
7. Full or self-contained appraisal as defined by the Uniform Standards of Professional Appraisal Practice.	Satis.	
8. Market Study separate from the Appraisal.	Satis.	
9. Environmental Site Assessment – Phase I and/or the Phase II if applicable (If Phase I and/or II disclosed environmental problems requiring remediation, a plan, including time frame and cost, for the remediation is required). If the report is not dated within one year of the application date, an update from the assessor must be provided indicating the current environmental status.	Satis.	
10. Audited financial statements for the most recent fiscal year ended or acceptable alternative as stated in Rule for credit enhancers, applicant, general partner, principals, guarantors, and general contractor.	Satis.	
11. Resumes and experience of applicant, general contractor, and management agent.	Satis.	
12. Credit authorizations; verifications of deposits and mortgage loans.	Satis.	
13. Management Agreement and Management Plan.	Satis.	
14. Firm commitment from the credit enhancer or private placement purchaser, if any.	N/A	
15. Firm commitment letter from the syndicator, if any.	Satis.	
16. Firm commitment letter(s) for any other financing sources.	Satis.	
17. Updated sources and uses of funds.	Satis.	
18. Draft construction draw schedule showing sources of funds during each month of the construction and lease-up period.	Satis.	
19. Fifteen-year income, expense, and occupancy projection.	Satis.	

COMPLETENESS AND ISSUES CHECKLIST

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

NOTES AND DEVELOPER RESPONSES:

1. Completion of the HUD Section 3 pre-construction conference is a condition precedent to loan closing and listed in Section B, Special Conditions.
2. The Development shall meet the Section 3 requirements of the Housing and Urban Development Act of 1968 as amended (12 U.S.C. 1701 u and 24CFR Part 135) is a condition precedent to loan closing and listed in Section B, Special Conditions.
3. Satisfactory receipt of the Affirmative Fair Housing Marketing Plan is a condition precedent to loan closing and listed in Section B, Special Conditions.
4. A letter from the Applicant requesting changes to the Applicant Entity Structure and Guarantors and a revised Principal Disclosure form is a condition precedent to loan closing and listed in Section B, Special Conditions.

VIABILITY RECOMMENDATION

Viability Loan Sizing Parameters and Metrics

Select the Development	Naranja Grand II		
RFA of Active Award	RFA 2021-205		
Demographic Commitment	Family		
Total Number of Units	200		
Existing Competitive Active Awards:	Set-Aside Units		
9% HC Allocation	NA	NA	
SAIL	\$ 5,000,000	200	
ELI	\$ 600,000	10	
NHTF	\$ 1,546,000	5	
HOME	NA	NA	
Tax Exempt Bond Financing:			
If MMRB, how much is the Perm Amount?	\$ 15,445,000	200*	
Viability Funding Limits:			
Gross Per Development Limit	\$ 15,000,000		
Maximum Per Unit Limit	\$ 38,000		
Net Per Developmentg Limit (\$15,000,000, less \$7,146,000)	\$ 7,854,000		
Maximum Limit from PU Limit (200 units x \$38,000 PU)	\$ 7,600,000		
Lesser of Net Per Development or PU Limit	\$ 7,600,000		
Viability Loan Sizing Parameters			
a. Eligible Request Amount:			
Applicant's Request Amount	\$ 7,600,000	No	
Per Development/PU Limit	\$ 7,600,000	If so, how much should be deducted?	
Eligible Request Amount:	\$ 7,600,000		
b. Gap Analysis for Viability Sizing Purposes Only:			
Permanent Funding Sources:	DS w/ Fees	DSCR	NCF
Traditional First Mortgage	\$ 15,445,000.00	\$ 1,075,423	1.2480x \$ 266,728
Viability	\$ 7,600,000.00	\$ 87,232	1.1544x \$ 179,496
SAIL	\$ 5,000,000.00	\$ 62,255	1.0957x \$ 117,241
ELI	\$ 600,000.00	\$ 3,855	1.0923x \$ 113,386
NHTF	\$ 1,546,000.00	\$ 4,888	1.0879x \$ 108,498
PHCD - Surtax	\$ 4,000,000.00	\$ -	1.0879x \$ 108,498
Self Sourced	\$ 2,500,000.00	\$ -	1.0879x \$ 108,498
<additional source>	\$ -	\$ -	1.0879x \$ 108,498
<additional source>	\$ -	\$ -	1.0879x \$ 108,498
<additional source>	\$ -	\$ -	1.0879x \$ 108,498
HC Equity	\$ 31,914,773.00		
Deferred Developer Fee (46.08%)	\$ 4,964,397.00		
Total Sources	\$ 73,570,170.00	\$ 1,233,653	1.0879x \$ 108,498
Additional First Mortgage (Min 1st Sizing)	\$ -	\$ -	-
Additional First Mortgage (DCR Sizing)	\$ -	\$ -	-
Total Development Costs	\$73,570,170		
Maximum Developer Fee Percentage	18%		
Total Developer Fee	\$10,773,763		
Minimum 30% Deferred Developer Fee	\$ 3,232,128.90		

*Set-Asides for MMRB are expressed as the greater of MMRB Set-Asides or 4%HC Set-Asides for purposes of calculating Compliance Monitoring Fees on the MMRB loan.

Cash Flow Assumptions

Net Operating Income:	
Total Effective Gross Income in CUR Yr 1	\$2,818,806
Total Operating Expenses in CUR Yr 1	\$1,476,655
Net Operating Income in CUR Yr 1	\$ 1,342,150.80
Actual Traditional 1st Mortgage:	
Proposed Amount of Traditional 1st Mortgage	\$ 15,445,000.00
Traditional 1st Mtg Amortization (Years)	35.00
Traditional 1st Mtg Interest Rate	5.750%
Traditional 1st Mtg Mortgage Constant	6.64201%
Local HFA Bond Fees, if applicable	
Traditional 1st Mtg DSCR (w/ fees)	1.25x
Net Cash Flow (NCF) after 1st Mtg Debt Service	\$ 266,728.19
Debt Service (DS) on FHFC Subsidy Loans (w/ fees)	\$ 70,998.00
NCF after FHFC Subsidy Loans DS & Fees	\$ 195,730.19
RFA 2023-211 Minimum 1st Mortgage:	
Maximum 1st Mtg DSCR from Viability RFA	1.25x
Sized Debt Service from maximum DSCR	\$ 1,073,720.64
MMRB Fees to be included in Sized Debt Service	\$ 49,564.35
Sized Debt Service to be incorporated, net of fees	\$ 1,024,156.29
Mortgage Constant to be incorporated	6.64201%
Resulting minimum 1st Mtg	\$ 15,419,375.70
NCF after resulting minimum 1st Mtg	\$ 268,430.16
NCF after FHFC Subsidy Loans DS & Fees	\$ 197,432.16
Rule Chapter 67-48.0072(28)(g)2. Variables and Process:	
Total Vacancy & Collection Rate in CUR	5.000%
Revenue Growth Rate in CUR	2.000%
Operating Expense Growth Rate in CUR	3.000%
Amortization to be incorporated (Years)	35.00
Interest Rate to be incorporated	7.000%
Resulting Mortgage Constant for qualifying debt	7.66628%
Revenue Growth Rate to be incorporated	2.000%
Operating Expense Growth Rate to be incorporated	3.000%
Vacancy Rate to be incorporated	7.000%
Maximum DSCR for Year 1 NOI	1.50x
Maximum DSCR for Year 15 NOI	1.25x
Minimum NCF PU Year 1 (after 1st Mtg DS Only)	\$1,000
Net Operating Income Year 1	NA
Net Operating Income Year 15	NA
(a) Resulting Debt for Year 15 DSCR Limitations	NA
(b)(i) Resulting Debt for Year 1 DSCR Limitation	NA
(b)(ii) Resulting Debt for Year 1 NCS Limitation	NA
(b) Greater of (b)(i) or (b)(ii)	NA
Lesser of (a) or (b)	NA
Sized Minimum 1st Mortgage per Rule	NA
Resulting DSCR from Sized Minimum 1st Mortgage per Rule (using actual 1st mortgage debt structure)	NA

**FLORIDA HOUSING FINANCE CORPORATION
AUTHORIZATION RESOLUTION
NARANJA GRAND II**

RESOLUTION NO. _____

A RESOLUTION AUTHORIZING THE ISSUANCE OF A MULTIFAMILY MORTGAGE REVENUE NOTE, 2023 SERIES ___ [ONE OR MORE SERIES OR SUBSERIES TO BE DESIGNATED] (NARANJA GRAND II), OR SUCH OTHER DESIGNATION FOR EACH SERIES OR SUBSERIES AS SHALL BE DETERMINED, OF THE FLORIDA HOUSING FINANCE CORPORATION; PROVIDING FOR A MAXIMUM AGGREGATE PRINCIPAL AMOUNT OF SUCH NOTE; APPROVING THE PREPARATION, EXECUTION AND DELIVERY OF A FUNDING LOAN AGREEMENT AND ANY PROJECT OR BORROWER LOAN AGREEMENT OR FINANCING AGREEMENT RELATING TO SUCH NOTE; AUTHORIZING THE PURCHASE OF SUCH NOTE PURSUANT TO SUCH FUNDING LOAN AGREEMENT OR A NOTE PURCHASE AGREEMENT APPROVED BY FLORIDA HOUSING IN ACCORDANCE WITH THE TERMS HEREOF, AND A LOAN MADE PURSUANT TO ANY PROJECT OR BORROWER LOAN AGREEMENT OR FINANCING AGREEMENT TO THE BORROWER NAMED THEREIN; AUTHORIZING THE PREPARATION, EXECUTION AND DELIVERY OF ALL DOCUMENTS NECESSARY OR DESIRED IN CONNECTION WITH THE ISSUANCE AND SALE OF SUCH NOTE, INCLUDING, BUT NOT LIMITED TO, A PRIVATE PLACEMENT MEMORANDUM OR TRANSACTION SUMMARY; AUTHORIZING ALL ACTIONS NECESSARY FOR FINAL APPROVAL OF THE ISSUANCE AND SALE OF SUCH NOTE AND MAKING OTHER PROVISIONS IN CONNECTION THEREWITH; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, the Florida Housing Finance Corporation (“Florida Housing”) is a public corporation within the Department of Commerce of the State of Florida (the “State”) and a public body corporate and politic, duly organized under the Florida Housing Finance Corporation Act, Sections 420.501 *et seq.*, Florida Statutes, as amended (the “Act”), and is authorized by the Act to issue bonds, notes and other evidences of financial indebtedness from time to time to fulfill its

public purposes, which include the financing and refinancing of multifamily residential housing developments for rental to persons and families of low, moderate or middle income; and

WHEREAS, pursuant to the Act, Florida Housing has now determined to authorize the issuance of its Multifamily Mortgage Revenue Note, 2023 Series ___ [one or more series or subseries to be designated] (Naranja Grand II), or such other designation for each series or subseries as shall be determined by Florida Housing (collectively, the “Note”), as tax-exempt or taxable obligations, for the purpose of making a loan to Naranja Grand II, LLC, together with its predecessors, successors, assigns, affiliates and/or related entities (the “Borrower”), to finance the acquisition, construction and equipping of an approximately 200 unit multifamily residential rental development for persons of low, moderate and middle income, named Naranja Grand II, located in the Leisure City area of unincorporated Miami-Dade County, Florida (the “Property”); provided that the aggregate principal amount of the Note shall not exceed (a) \$41,000,000 or (b) such greater aggregate principal amount of the Note which at the time of issuance does not exceed an aggregate principal amount that would result in a debt service coverage ratio for the Note, as reflected in the Credit Underwriter Confirmation (as defined below) for the Property, of less than 1.00, subject to private activity bond allocation being made available for the tax-exempt Note and compliance with Section 147(f) of the Internal Revenue Code of 1986, as amended (the “Code”); and

WHEREAS, as required by the Act, the Board of Directors of Florida Housing (the “Board”) has made the following determinations with respect to the financing of the Property:

(1) A significant number of low, moderate or middle income persons in the State are subject to hardship finding or obtaining reasonably accessible decent, safe and sanitary residential housing; and

(2) Private enterprise, unaided, is not meeting and cannot reasonably be expected to meet the need for such residential housing; and

(3) The need for such residential housing will be alleviated by the financing of the Property; and

WHEREAS, Florida Housing desires to take all action necessary to give final approval to make moneys available for the financing of the Property and to issue the Note in compliance with the Act and other applicable provisions of law;

NOW THEREFORE, it is hereby ascertained, determined and resolved that:

1. The Property is given final approval for financing on the terms and conditions described in the Credit Underwriting Report presented to and approved by the Board on this date (the "Credit Underwriting Report"), with such deviations as the Executive Director of Florida Housing, in consultation with staff of Florida Housing and Special Counsel to Florida Housing, may approve. Execution of any loan agreement or financing agreement described below by an Authorized Signatory (as defined below) shall be conclusive evidence of such approval.

2. Florida Housing hereby authorizes the issuance and sale of the Note as tax-exempt or taxable "Bonds" (as such term is defined in and within the meaning of the Act), in such series or subseries as Florida Housing shall designate, in an aggregate principal amount of not to exceed (a) \$41,000,000 or (b) such greater aggregate principal amount of the Note which, at the time of issuance, does not exceed an aggregate principal amount that would result in a debt service

coverage ratio for the Note, as reflected in the Credit Underwriter Confirmation, of less than 1.00, subject to receipt of private activity bond allocation being made available for the tax-exempt Note and compliance with Section 147(f) of the Code. Subject to the immediately preceding sentence, the maximum amount of the Note that may be issued shall be determined by an Authorized Signatory after receipt of the Credit Underwriter Confirmation. Conclusive evidence of the approval of any such increased aggregate principal amount of the Note shall be established by a certificate of an Authorized Signatory reflecting such increased aggregate principal amount.

The “Credit Underwriter Confirmation” is the written confirmation, delivered prior to the issuance of the Note, from the Florida Housing Credit Underwriter with respect to the Property that, taking into account any increased aggregate principal amount of the Note, the conditions set forth in and the requirements of the Credit Underwriting Report presented to the Board at this meeting have been satisfied.

3. A funding loan agreement between Florida Housing and a corporate fiscal agent, or among Florida Housing, a corporate fiscal agent and the initial funding lender set forth therein, setting forth the terms and conditions of the Note is hereby authorized to be prepared and delivered, in such form as may be approved by any member of the Board, the Executive Director of Florida Housing, the Chief Financial Officer of Florida Housing, the Comptroller of Florida Housing, or any other person designated by separate resolution of the Board, or any person or persons acting in such capacities (collectively, or each individually, an “Authorized Signatory”), which form shall set forth as to the Note such maturities, interest rates and purchase price as shall be determined in accordance with the Act, including Section 420.509, Florida Statutes; the execution of such funding loan agreement by an Authorized Signatory, and the attestation thereof

by the Secretary or any Assistant Secretary of Florida Housing, is hereby authorized and the execution thereof by such persons shall be conclusive evidence of such approval.

4. Any project or borrower loan agreement or financing agreement between Florida Housing and the Borrower, or among Florida Housing, the Borrower and a corporate fiscal agent, setting forth the terms of the loan of the proceeds of the Note by Florida Housing to the Borrower (the “Loan”), and the payment and other obligations of the Borrower in respect of the Loan, including the note made by the Borrower to Florida Housing evidencing the Loan, is hereby authorized to be prepared and delivered in such form as may be approved by an Authorized Signatory; the execution of any such loan agreement or financing agreement by an Authorized Signatory, and the attestation thereof by the Secretary or any Assistant Secretary of Florida Housing, is hereby authorized, and the execution thereof by such persons shall be conclusive evidence of such approval.

5. A note purchase agreement or similar agreement among Florida Housing, the initial funding lender set forth therein (the “Initial Purchaser”), and the Borrower, setting forth the terms and conditions of the initial purchase of the Note from Florida Housing by the Initial Purchaser, is hereby authorized to be prepared and delivered in such form as may be approved by an Authorized Signatory; the execution of such note purchase agreement or similar agreement by an Authorized Signatory, and the attestation thereof by the Secretary or any Assistant Secretary of Florida Housing, is hereby authorized, and the execution thereof by such persons shall be conclusive evidence of such approval.

6. A private placement memorandum or transaction summary is hereby authorized to be prepared and delivered in connection with the sale of the Note, in such form as shall be

approved by an Authorized Signatory, and the execution of such private placement memorandum by an Authorized Signatory, or delivery of such transaction summary, shall be conclusive evidence of such approval; provided, however, that such approval shall not be construed to be a representation as to the accuracy, completeness or sufficiency of such document with respect to information not provided by Florida Housing.

7. The Note shall be sold in accordance with the requirements of the Act, including Section 420.509(12), Florida Statutes. In the event the Note shall be sold by a negotiated sale through a private placement pursuant to a note placement agreement or similar agreement, an Authorized Signatory is authorized to acknowledge and endorse such note placement agreement or similar agreement upon approval of the terms thereof by the staff of Florida Housing and Special Counsel to Florida Housing, and the execution and delivery of such note placement agreement or similar agreement by an Authorized Signatory shall be conclusive evidence of such approval.

8. An Authorized Signatory is authorized to cause to be prepared and to execute and deliver any additional documents necessary for the issuance of the Note, the making of the Loan, upon the approval of the terms of any credit enhancement, if applicable, and the security therefor, by the staff of Florida Housing and Special Counsel to Florida Housing. All other actions by Florida Housing necessary for final approval to finance the acquisition, construction and equipping of the Property, the issuance of the Note, the making of the Loan, upon the approval of the terms of any credit enhancement, if applicable, and the security therefor, in accordance with the requirements of the Credit Underwriting Report, are hereby authorized.

9. The principal of, premium, if any, and all interest on the Note shall be payable solely out of revenues and other amounts pledged therefor as described in the funding loan agreement for the Note. The Note does not constitute an obligation, either general or special, of the State or any of its units of local government and shall not be a debt of the State or of any unit of local government thereof, and neither the State nor any unit of local government thereof shall be liable thereon. Florida Housing does not have the power to pledge the credit, the revenues or the taxing power of the State or of any unit of local government thereof; neither the credit, the revenues nor the taxing power of the State or any unit of local government thereof shall be, or shall be deemed to be, pledged to the payment of the Note.

10. The Note may be executed either manually or by facsimile signature by any officer of Florida Housing.

11. The maximum amount of the Note authorized to be issued hereunder may not exceed the amount permitted in accordance with the applicable Rules of Florida Housing, and reflected in the Credit Underwriter Confirmation, and for which fiscal sufficiency has been determined in accordance with the Act, including Section 420.509(2), Florida Statutes.

12. All resolutions or parts of resolutions in conflict with this Resolution shall be and the same are hereby superseded and repealed to the extent of such conflict.

[Remainder of page intentionally left blank]

13. This Resolution shall take effect immediately upon adoption.

ADOPTED this 27th day of October, 2023.

(SEAL)

ATTEST:

FLORIDA HOUSING FINANCE
CORPORATION, a public corporation
and a public body corporate and politic
duly created and existing under the laws
of the State of Florida

Melissa Levy, Assistant Secretary
Florida Housing Finance Corporation's
Board of Directors

Mario Facella, Chair
Florida Housing Finance Corporation's
Board of Directors

STATE OF FLORIDA
COUNTY OF LEON

I hereby certify that the above and foregoing is a true and correct copy of a Resolution adopted at a duly noticed public meeting of the Florida Housing Finance Corporation, legally called and held on the 27th day of October, 2023, at which a quorum was present, all as will appear by reference to the original Resolution incorporated in the official records of the Florida Housing Finance Corporation.

Tim Kennedy, Multifamily
Loans and Bonds Director
Florida Housing Finance Corporation

STATE OF FLORIDA
COUNTY OF LEON

The foregoing instrument was acknowledged before me by means of physical presence or online notarization, this _____ day of _____, 2023 by Tim Kennedy, as Multifamily Loans and Bonds Director of the Florida Housing Finance Corporation, a public corporation and a public body corporate and politic duly created and existing under the laws of the State of Florida, on behalf of the corporation. He is personally known to me.

NOTARY SEAL

Notary Public

Name typed, printed or stamped

My Commission Expires: _____

FLORIDA HOUSING FINANCE CORPORATION
SALE RESOLUTION
NARANJA GRAND II

RESOLUTION NO. _____

A RESOLUTION AUTHORIZING AND APPROVING THE NEGOTIATED SALE THROUGH A PRIVATE PLACEMENT OF A MULTIFAMILY MORTGAGE REVENUE NOTE, 2023 SERIES ___ [ONE OR MORE SERIES OR SUBSERIES TO BE DESIGNATED] (NARANJA GRAND II), OR SUCH OTHER DESIGNATION FOR EACH SERIES OR SUBSERIES AS SHALL BE DETERMINED, OF THE FLORIDA HOUSING FINANCE CORPORATION; AUTHORIZING THE NEGOTIATION, EXECUTION AND DELIVERY OF A NOTE PLACEMENT AGREEMENT OR SIMILAR AGREEMENT, AND SUCH OTHER DOCUMENTS AS ARE NECESSARY FOR THE NEGOTIATED SALE THROUGH A PRIVATE PLACEMENT OF SUCH NOTE; AUTHORIZING THE EXECUTIVE DIRECTOR, CHIEF FINANCIAL OFFICER, COMPTROLLER, OR ANY MEMBER OF THE BOARD OF DIRECTORS OF THE FLORIDA HOUSING FINANCE CORPORATION, OR ANY OTHER AUTHORIZED SIGNATORY, TO TAKE ANY OTHER ACTIONS NECESSARY TO NEGOTIATE THE SALE OF SUCH NOTE THROUGH A PRIVATE PLACEMENT AND MAKING OTHER PROVISIONS IN CONNECTION THEREWITH; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, the Florida Housing Finance Corporation (“Florida Housing”) is a public corporation, created within the Department of Commerce of the State of Florida and a public body corporate and politic, duly organized under the Florida Housing Finance Corporation Act, Sections 420.501 *et seq.*, Florida Statutes, as amended (the “Act”), and is authorized by the Act to issue bonds, notes and other evidences of financial indebtedness from time to time to fulfill its public purposes, which include the financing and refinancing of multifamily residential housing developments for rental to persons or families of low, moderate or middle income; and

WHEREAS, Florida Housing adopted a resolution authorizing the issuance of its Multifamily Mortgage Revenue Note, 2023 Series ___ [one or more series or subseries to be

designated] (Naranja Grand II), or such other designation for each series or subseries as shall be determined by Florida Housing (collectively, the “Note”), as tax-exempt or taxable obligations, for the purpose of making funds available to finance the acquisition, construction and equipping of an approximately 200 unit multifamily residential rental development for persons of low, moderate and middle income, named Naranja Grand II, located in the Leisure City area of unincorporated Miami-Dade County, Florida; provided that the aggregate principal amount of the Note shall not exceed (a) \$41,000,000 or (b) such greater aggregate principal amount of the Note which, at the time of issuance, does not exceed an aggregate principal amount that would result in a debt service coverage ratio for the Note of less than 1.00 (subject to private activity bond allocation being made available for the tax-exempt Note and compliance with Section 147(f) of the Internal Revenue Code of 1986, as amended); and

WHEREAS, the Act authorizes Florida Housing to negotiate with the (i) purchaser or purchasers designated by Florida Housing for a negotiated sale or private placement of the Note with such purchaser or purchasers or (ii) placement agent or placement agents designated by Florida Housing for a negotiated sale or private placement of the Note through such placement agent or placement agents, in each case, if Florida Housing by official action at a public meeting determines that such negotiated sale or private placement of the Note is in the best interest of Florida Housing; and

WHEREAS, Florida Housing has reviewed the market conditions and trends affecting the negotiated sale through a private placement of the Note; and

WHEREAS, Florida Housing has received a recommendation from its independent registered municipal advisor relating to the method of sale of the Note and reviewed the relative

advantages of a negotiated sale of the Note through a private placement in light of current and anticipated market conditions; and

WHEREAS, the Board of Directors of Florida Housing (the “Board”) has considered the best interests of Florida Housing and the public; and

WHEREAS, the nature and structure of the Note renders the Note a candidate for a negotiated sale through a private placement; and

WHEREAS, based on the foregoing, the Board hereby finds that a negotiated sale of the Note through a private placement is in the public’s and Florida Housing’s best interest, based on current market conditions and the structure of the issue. Existing and projected market conditions and any lack of flexibility in the sale of the Note could be prejudicial to Florida Housing and to the public. Additionally, the structure of the issue and the current demand for these types of obligations support a negotiated sale of the Note through a private placement.

NOW, THEREFORE, the Board hereby ascertains, determines and resolves that:

1. A negotiated sale of the Note through a private placement is in the best interest of Florida Housing and the public for the reasons herein described.
2. The negotiated sale of the Note through a private placement is to be negotiated by Florida Housing with or through Stifel, Nicolaus & Company, Incorporated, or any other placement agent selected by Florida Housing (hereinafter referred to as the “Placement Agent”), and the initial funding lender to serve as the initial purchaser or holder of the Note (the “Initial Purchaser”).
3. The Note is to be generally described as follows:

Florida Housing Finance Corporation
Multifamily Mortgage Revenue Note, 2023 Series ___ [one or more series or
subseries to be designated] (Naranja Grand II)
[or such other designation for each series or subseries as shall be determined by
Florida Housing].

4. Florida Housing shall negotiate directly or through the Placement Agent with the Initial Purchaser and execute such documents as are necessary to sell the Note to the Initial Purchaser pursuant to this Resolution. Any member of the Board, the Executive Director of Florida Housing, the Chief Financial Officer of Florida Housing, the Comptroller of Florida Housing, or any other person designated by separate resolution of the Board (or any person or persons acting in such capacities) (collectively, or each individually, an “Authorized Signatory”) is authorized to negotiate the terms of a negotiated sale of the Note through a private placement and to execute and deliver a note placement agreement or similar agreement to facilitate such private placement (the “Note Placement Agreement”) upon approval of the terms of such agreement, and the execution and delivery of the Note Placement Agreement by an Authorized Signatory shall be conclusive evidence of such approval.

5. The authority to execute the Note Placement Agreement is predicated upon the Note Placement Agreement providing for an interest rate on the Note that would facilitate an interest rate on the mortgage not to exceed the lesser of ten percent (10%) and the maximum rate authorized under Florida law and would provide for a sale of the Note in conformance with the program documents.

6. An Authorized Signatory, the attorneys for Florida Housing and other consultants, agents, or employees thereof, are hereby authorized to execute all necessary documents and to take whatever action is necessary to finalize the issuance and negotiated sale of the Note through a

private placement pursuant to this Resolution and to provide for the use of the proceeds of the Note contemplated by this Resolution.

7. The award of the Note pursuant to the terms of this Resolution shall be final without any further action by Florida Housing.

8. All resolutions or parts of resolutions in conflict with this Resolution shall be and the same are hereby superseded and repealed to the extent of such conflict.

9. This Resolution shall take effect immediately upon adoption.

ADOPTED this 27th day of October, 2023.

(SEAL)

ATTEST:

FLORIDA HOUSING FINANCE
CORPORATION, a public corporation
and a public body corporate and politic
duly created and existing under the laws
of the State of Florida

Melissa Levy, Assistant Secretary
Florida Housing Finance Corporation's
Board of Directors

Mario Facella, Chair
Florida Housing Finance Corporation's
Board of Directors

STATE OF FLORIDA
COUNTY OF LEON

I hereby certify that the above and foregoing is a true and correct copy of a Resolution adopted at a duly noticed public meeting of the Florida Housing Finance Corporation, legally called and held on the 27th day of October, 2023, at which a quorum was present, all as will appear by reference to the original Resolution incorporated in the official records of the Florida Housing Finance Corporation.

Tim Kennedy, Multifamily
Loans and Bonds Director
Florida Housing Finance Corporation

STATE OF FLORIDA
COUNTY OF LEON

The foregoing instrument was acknowledged before me by means of physical presence or online notarization, this _____ day of _____, 2023 by Tim Kennedy, as Multifamily Loans and Bonds Director of the Florida Housing Finance Corporation, a public corporation and a public body corporate and politic duly created and existing under the laws of the State of Florida, on behalf of the corporation. He is personally known to me.

NOTARY SEAL

Notary Public

Name typed, printed or stamped

My Commission Expires: _____



Caine Mitter

Caine Mitter & Associates Incorporated
*** cainemitter.com

225 West 35th Street, Suite 900
New York, NY 10001
t 212 686 8820 | f 212 686 2155

October 3, 2023

Angie Sellers, Chief Financial Officer
Florida Housing Finance Corporation
227 North Bronough Street, Suite 5000
Tallahassee, Florida 32301-1329

Re: **Naranja Grand II, 2023 Multifamily Mortgage Revenue Notes Method of Sale Recommendation**

Dear Angie,

At the request of the staff of the Florida Housing Finance Corporation ("Florida Housing") and pursuant to our Contract for Independent Registered Municipal Advisor Services with Florida Housing, I have reviewed the Credit Underwriting Report dated as of August 15, 2023, relating to Naranja Grand II (the "Credit Underwriting Report"), and herein provide my recommendation for a negotiated private placement method of sale.

This recommendation is consistent with the procedures established for evaluating proposed multifamily transactions and is based upon the project information contained in the Credit Underwriting Report. The required factors considered in my evaluation of the proposed project are:

- Prevailing interest rates and financing costs for multifamily notes,
- The anticipated credit and security structure,
- The proposed financing and issue structure,
- The experience of the developer in financing affordable housing,
- Florida Housing's known programmatic objectives,
- Probable near term market conditions,
- The timing of the transaction, and
- Other information provided by Florida Housing staff and the working group for this transaction, as applicable

The Credit Underwriting Report outlines a plan of finance for affordable multifamily housing involving tax-exempt notes that are privately placed with a bank. The notes will bear interest at a variable rate during the construction phase and a fixed rate during the permanent phase.

The Credit Underwriting Report proposes a negotiated private placement to be an effective method of sale for the tax-exempt notes.

The following is a summary concerning this project and financing:

Project Name: Naranja Grand II

Construction Note Purchaser: JPMorgan Chase Bank, N.A.

Permanent Note Purchaser: JPMorgan Chase Bank, N.A.

Developer / Key Representative: Naranja Grand II, LLC / Matthew A. Rieger

Recommended Method of Sale: Negotiated private placement

Based on the structure of the bond issue and prevailing market conditions, a negotiated private placement will be an effective method of sale for the tax-exempt notes. Based on Florida Housing's experience with similar offerings, current market conditions, and other recent housing finance agency multifamily transactions, this method can be expected to achieve the borrower's objectives based on the facts presented.

Should there be any substantial changes in the market, the proposed credit structure, or development team, a further review of the above recommendation should be undertaken. It is expected, consistent with Chapter 67-21.0045 of Florida Administrative Code that a final term sheet for the project will be provided to Caine Mitter & Associates Incorporated at the appropriate time to allow for any required final recommendation if necessary. If you have any questions or require any discussion please feel free to contact me.

Sincerely,

Victor Chiang

Caine Mitter & Associates Incorporated

Victor Chiang
Vice President

cc: Tim Kennedy, Multifamily Loans & Bonds Director

RESOLUTION
of the
Board of Directors of
Florida Housing Finance Corporation
pertaining to
the Acknowledgement Resolution for
The Residences at Martin Manor

A RESOLUTION OF THE FLORIDA HOUSING FINANCE CORPORATION ESTABLISHING ITS INTENT TO REIMBURSE CERTAIN DEVELOPMENT COSTS INCURRED WITH THE PROCEEDS OF FUTURE TAX-EXEMPT FINANCING ON BEHALF OF DM REDEVELOPMENT, LTD., OR AN AFFILIATE THEREOF OR ANY ENTITY IN WHICH DM REDEVELOPMENT, LTD. IS A GENERAL PARTNER OR MANAGING MEMBER, RELATING TO A MULTIFAMILY RESIDENTIAL RENTAL DEVELOPMENT, SUBJECT TO THE SATISFACTION OF CERTAIN CONDITIONS PRECEDENT TO PROVIDING ANY TAX-EXEMPT FINANCING, MAKING CERTAIN FINDINGS AND AUTHORIZING THE DEVELOPMENT OF A PLAN OF FINANCING FOR OBTAINING NOT TO EXCEED \$26,400,000 IN TAX-EXEMPT FINANCING FOR THE DEVELOPMENT, AND PROVIDING FOR AN EFFECTIVE DATE.

NOW, THEREFORE, BE IT RESOLVED BY THE FLORIDA HOUSING FINANCE CORPORATION AS FOLLOWS:

Section 1. It is hereby found, ascertained, determined and resolved that:

- (a) There is a shortage of available, affordable rental housing in the State of Florida;
- (b) A significant number of low, moderate or middle income persons in the local government in which the development referred to herein is to be located, or in an area reasonably accessible thereto, are subject to hardship in finding adequate, safe, and sanitary housing;
- (c) This shortage of housing cannot be relieved except through the encouragement of investment by private enterprise. Private enterprise, unaided, is not meeting, and cannot reasonably be expected to meet, the need for such housing;
- (d) The financing, acquisition and construction of rental housing for low, moderate and middle income persons and families in the State of Florida constitutes a public purpose; and
- (e) An apartment community to be developed by DM Redevelopment, Ltd., or an affiliate thereof or any entity in which DM Redevelopment, Ltd. is a general partner or managing member (the "Developer"), on a site located in Palm Beach County, Florida, and known as The Residences at Martin Manor, is a multifamily residential

rental development, which will assist in alleviating the shortage of rental housing for low, moderate and middle income residents of the State of Florida.

Section 2. The Florida Housing Finance Corporation (“Florida Housing”) hereby authorizes its staff to negotiate and prepare a plan for financing, and to commence the structuring of a debt instrument or instruments, to provide up to \$26,400,000 in tax-exempt financing for a portion of the cost of acquiring, constructing and equipping approximately 95 residential rental units for the aforementioned development in order to provide apartment units to low, moderate or middle income persons and families in a qualifying multifamily residential rental development. Such plan for financing shall provide for the payment of such costs and expenditures from a mortgage loan account (or similarly named account).

Section 3. Florida Housing finds that the Developer has shown that this development is appropriate to the needs and circumstances of Palm Beach County, Florida and will make a significant contribution to alleviate the housing shortage.

Section 4. This Resolution is intended to and shall constitute a declaration of official intent of Florida Housing for the purposes of the Internal Revenue Code of 1986 and Section 1.150-2 of the United States Treasury Regulations in order to provide for the reimbursement of allowable project costs.

Section 5. This Resolution is also intended to and shall constitute an “Acknowledgment Resolution” as defined in Rule Chapter 67-21 of the Florida Administrative Code (the “Rule”), which means the official action taken by Florida Housing to reflect its intent to finance the proposed development provided that the requirements of Florida Housing, the terms of the MMRB Loan Commitment and the terms of the Credit Underwriting Report (as such terms are defined in the Rule) are met.

Section 6. The Developer has agreed to comply with all land use restrictions relating to tax-exempt financing, including, but not limited to, those promulgated pursuant to Section 142(d) of the Internal Revenue Code of 1986 and those committed to by the Developer in its 2023 Application filed with Florida Housing.

Section 7. This Resolution is not intended to be a binding commitment to finance or an obligation to finance the proposed development by Florida Housing through tax-exempt financing or in any other way. The tax-exempt financing is subject, in all respects, to (a) the approval by Florida Housing and its counsel, if applicable, of (i) all program documents and elements, (ii) the development plans, (iii) all necessary approvals from all governmental units having jurisdiction over the development, and (iv) the tax-exempt financing with respect to the acquisition, construction and equipping of the development, (b) the issuance and sale by Florida Housing of the tax-exempt debt instrument or instruments for the financing, and (c) the availability of private activity bond allocation.

Section 8. This Resolution shall take effect immediately upon its adoption.

ADOPTED THIS ____ day of _____, 2023.

(SEAL)

ATTEST:

FLORIDA HOUSING FINANCE
CORPORATION, a public corporation
and a public body corporate and politic
duly created and existing under the laws
of the State of Florida

Melissa Levy, Assistant Secretary, Florida
Housing Finance Corporation Board of
Directors

Mario Facella, Chair, Florida
Housing Finance Corporation Board of
Directors

STATE OF FLORIDA
COUNTY OF LEON

I hereby certify that the above and foregoing is a true and correct copy of a resolution adopted at a duly noticed public meeting of the Florida Housing Finance Corporation, legally called and held on the 27th day of October, 2023, at which a quorum was present, all as will appear by reference to the original Resolution incorporated in the official records of the Florida Housing Finance Corporation.

By: _____
Tim Kennedy, Multifamily Loans/Bonds
Director, Florida Housing Finance
Corporation

STATE OF FLORIDA
COUNTY OF LEON

The foregoing instrument was acknowledged before me by means of physical presence or online notarization, this __ day of _____, 2023 by Tim Kennedy, as Multifamily Loans and Bonds Director of the Florida Housing Finance Corporation, a public corporation and a public body corporate and politic duly created and existing under the laws of the State of Florida, on behalf of the corporation. He is personally known to me.

NOTARY SEAL

Notary Public

Name typed, printed or stamped

My Commission Expires: _____

RESOLUTION
of the
Board of Directors of
Florida Housing Finance Corporation
pertaining to
the Acknowledgement Resolution for
Bayside Breeze

A RESOLUTION OF THE FLORIDA HOUSING FINANCE CORPORATION ESTABLISHING ITS INTENT TO REIMBURSE CERTAIN DEVELOPMENT COSTS INCURRED WITH THE PROCEEDS OF FUTURE TAX-EXEMPT FINANCING ON BEHALF OF BAYSIDE BREEZE REDEVELOPMENT, LLLP, OR AN AFFILIATE THEREOF OR ANY ENTITY IN WHICH BAYSIDE BREEZE REDEVELOPMENT, LLLP IS A GENERAL PARTNER OR MANAGING MEMBER, RELATING TO A MULTIFAMILY RESIDENTIAL RENTAL DEVELOPMENT, SUBJECT TO THE SATISFACTION OF CERTAIN CONDITIONS PRECEDENT TO PROVIDING ANY TAX-EXEMPT FINANCING, MAKING CERTAIN FINDINGS AND AUTHORIZING THE DEVELOPMENT OF A PLAN OF FINANCING FOR OBTAINING NOT TO EXCEED \$19,800,000 IN TAX-EXEMPT FINANCING FOR THE DEVELOPMENT, AND PROVIDING FOR AN EFFECTIVE DATE.

NOW, THEREFORE, BE IT RESOLVED BY THE FLORIDA HOUSING FINANCE CORPORATION AS FOLLOWS:

Section 1. It is hereby found, ascertained, determined and resolved that:

(a) There is a shortage of available, affordable rental housing in the State of Florida;

(b) A significant number of low, moderate or middle income persons in the local government in which the development referred to herein is to be located, or in an area reasonably accessible thereto, are subject to hardship in finding adequate, safe, and sanitary housing;

(c) This shortage of housing cannot be relieved except through the encouragement of investment by private enterprise. Private enterprise, unaided, is not meeting, and cannot reasonably be expected to meet, the need for such housing;

(d) The financing, acquisition and construction of rental housing for low, moderate and middle income persons and families in the State of Florida constitutes a public purpose; and

(e) An apartment community to be developed by Bayside Breeze Redevelopment, LLLP, or an affiliate thereof or any entity in which Bayside Breeze Redevelopment, LLLP is a general partner or managing member (the "Developer"), on a site located in Okaloosa County, Florida, and known as Bayside Breeze, is a multifamily residential

rental development, which will assist in alleviating the shortage of rental housing for low, moderate and middle income residents of the State of Florida.

Section 2. The Florida Housing Finance Corporation (“Florida Housing”) hereby authorizes its staff to negotiate and prepare a plan for financing, and to commence the structuring of a debt instrument or instruments, to provide up to \$19,800,000 in tax-exempt financing for a portion of the cost of acquiring, constructing and equipping approximately 100 residential rental units for the aforementioned development in order to provide apartment units to low, moderate or middle income persons and families in a qualifying multifamily residential rental development. Such plan for financing shall provide for the payment of such costs and expenditures from a mortgage loan account (or similarly named account).

Section 3. Florida Housing finds that the Developer has shown that this development is appropriate to the needs and circumstances of Okaloosa County, Florida and will make a significant contribution to alleviate the housing shortage.

Section 4. This Resolution is intended to and shall constitute a declaration of official intent of Florida Housing for the purposes of the Internal Revenue Code of 1986 and Section 1.150-2 of the United States Treasury Regulations in order to provide for the reimbursement of allowable project costs.

Section 5. This Resolution is also intended to and shall constitute an “Acknowledgment Resolution” as defined in Rule Chapter 67-21 of the Florida Administrative Code (the “Rule”), which means the official action taken by Florida Housing to reflect its intent to finance the proposed development provided that the requirements of Florida Housing, the terms of the MMRB Loan Commitment and the terms of the Credit Underwriting Report (as such terms are defined in the Rule) are met.

Section 6. The Developer has agreed to comply with all land use restrictions relating to tax-exempt financing, including, but not limited to, those promulgated pursuant to Section 142(d) of the Internal Revenue Code of 1986 and those committed to by the Developer in its 2023 Application filed with Florida Housing.

Section 7. This Resolution is not intended to be a binding commitment to finance or an obligation to finance the proposed development by Florida Housing through tax-exempt financing or in any other way. The tax-exempt financing is subject, in all respects, to (a) the approval by Florida Housing and its counsel, if applicable, of (i) all program documents and elements, (ii) the development plans, (iii) all necessary approvals from all governmental units having jurisdiction over the development, and (iv) the tax-exempt financing with respect to the acquisition, construction and equipping of the development, (b) the issuance and sale by Florida Housing of the tax-exempt debt instrument or instruments for the financing, and (c) the availability of private activity bond allocation.

Section 8. This Resolution shall take effect immediately upon its adoption.

ADOPTED THIS ____ day of _____, 2023.

(SEAL)

ATTEST:

FLORIDA HOUSING FINANCE
CORPORATION, a public corporation
and a public body corporate and politic
duly created and existing under the laws
of the State of Florida

Melissa Levy, Assistant Secretary, Florida
Housing Finance Corporation Board of
Directors

Mario Facella, Chair, Florida
Housing Finance Corporation Board of
Directors

STATE OF FLORIDA
COUNTY OF LEON

I hereby certify that the above and foregoing is a true and correct copy of a resolution adopted at a duly noticed public meeting of the Florida Housing Finance Corporation, legally called and held on the 27th day of October, 2023, at which a quorum was present, all as will appear by reference to the original Resolution incorporated in the official records of the Florida Housing Finance Corporation.

By: _____
Tim Kennedy, Multifamily Loans/Bonds
Director, Florida Housing Finance
Corporation

STATE OF FLORIDA
COUNTY OF LEON

The foregoing instrument was acknowledged before me by means of physical presence or online notarization, this __ day of _____, 2023 by Tim Kennedy, as Multifamily Loans and Bonds Director of the Florida Housing Finance Corporation, a public corporation and a public body corporate and politic duly created and existing under the laws of the State of Florida, on behalf of the corporation. He is personally known to me.

NOTARY SEAL

Notary Public

Name typed, printed or stamped

My Commission Expires: _____

RESOLUTION
of the
Board of Directors of
Florida Housing Finance Corporation
pertaining to
the Acknowledgement Resolution for
The Enclave at Canopy Park

A RESOLUTION OF THE FLORIDA HOUSING FINANCE CORPORATION ESTABLISHING ITS INTENT TO REIMBURSE CERTAIN DEVELOPMENT COSTS INCURRED WITH THE PROCEEDS OF FUTURE TAX-EXEMPT FINANCING ON BEHALF OF THE ENCLAVE AT CANOPY PARTNERS, LLC, OR AN AFFILIATE THEREOF OR ANY ENTITY IN WHICH THE ENCLAVE AT CANOPY PARTNERS, LLC IS A GENERAL PARTNER OR MANAGING MEMBER, RELATING TO A MULTIFAMILY RESIDENTIAL RENTAL DEVELOPMENT, SUBJECT TO THE SATISFACTION OF CERTAIN CONDITIONS PRECEDENT TO PROVIDING ANY TAX-EXEMPT FINANCING, MAKING CERTAIN FINDINGS AND AUTHORIZING THE DEVELOPMENT OF A PLAN OF FINANCING FOR OBTAINING NOT TO EXCEED \$19,800,000 IN TAX-EXEMPT FINANCING FOR THE DEVELOPMENT, AND PROVIDING FOR AN EFFECTIVE DATE.

NOW, THEREFORE, BE IT RESOLVED BY THE FLORIDA HOUSING FINANCE CORPORATION AS FOLLOWS:

Section 1. It is hereby found, ascertained, determined and resolved that:

(a) There is a shortage of available, affordable rental housing in the State of Florida;

(b) A significant number of low, moderate or middle income persons in the local government in which the development referred to herein is to be located, or in an area reasonably accessible thereto, are subject to hardship in finding adequate, safe, and sanitary housing;

(c) This shortage of housing cannot be relieved except through the encouragement of investment by private enterprise. Private enterprise, unaided, is not meeting, and cannot reasonably be expected to meet, the need for such housing;

(d) The financing, acquisition and construction of rental housing for low, moderate and middle income persons and families in the State of Florida constitutes a public purpose; and

(e) An apartment community to be developed by The Enclave at Canopy Partners, LLC, or an affiliate thereof or any entity in which The Enclave at Canopy Partners, LLC is a general partner or managing member (the "Developer"), on a site located in Orange County, Florida, and known as The Enclave at Canopy Park, is a multifamily residential

rental development, which will assist in alleviating the shortage of rental housing for low, moderate and middle income residents of the State of Florida.

Section 2. The Florida Housing Finance Corporation (“Florida Housing”) hereby authorizes its staff to negotiate and prepare a plan for financing, and to commence the structuring of a debt instrument or instruments, to provide up to \$19,800,000 in tax-exempt financing for a portion of the cost of acquiring, constructing and equipping approximately 104 residential rental units for the aforementioned development in order to provide apartment units to low, moderate or middle income persons and families in a qualifying multifamily residential rental development. Such plan for financing shall provide for the payment of such costs and expenditures from a mortgage loan account (or similarly named account).

Section 3. Florida Housing finds that the Developer has shown that this development is appropriate to the needs and circumstances of Orange County, Florida and will make a significant contribution to alleviate the housing shortage.

Section 4. This Resolution is intended to and shall constitute a declaration of official intent of Florida Housing for the purposes of the Internal Revenue Code of 1986 and Section 1.150-2 of the United States Treasury Regulations in order to provide for the reimbursement of allowable project costs.

Section 5. This Resolution is also intended to and shall constitute an “Acknowledgment Resolution” as defined in Rule Chapter 67-21 of the Florida Administrative Code (the “Rule”), which means the official action taken by Florida Housing to reflect its intent to finance the proposed development provided that the requirements of Florida Housing, the terms of the MMRB Loan Commitment and the terms of the Credit Underwriting Report (as such terms are defined in the Rule) are met.

Section 6. The Developer has agreed to comply with all land use restrictions relating to tax-exempt financing, including, but not limited to, those promulgated pursuant to Section 142(d) of the Internal Revenue Code of 1986 and those committed to by the Developer in its 2023 Application filed with Florida Housing.

Section 7. This Resolution is not intended to be a binding commitment to finance or an obligation to finance the proposed development by Florida Housing through tax-exempt financing or in any other way. The tax-exempt financing is subject, in all respects, to (a) the approval by Florida Housing and its counsel, if applicable, of (i) all program documents and elements, (ii) the development plans, (iii) all necessary approvals from all governmental units having jurisdiction over the development, and (iv) the tax-exempt financing with respect to the acquisition, construction and equipping of the development, (b) the issuance and sale by Florida Housing of the tax-exempt debt instrument or instruments for the financing, and (c) the availability of private activity bond allocation.

Section 8. This Resolution shall take effect immediately upon its adoption.

ADOPTED THIS ____ day of _____, 2023.

(SEAL)

ATTEST:

FLORIDA HOUSING FINANCE
CORPORATION, a public corporation
and a public body corporate and politic
duly created and existing under the laws
of the State of Florida

Melissa Levy, Assistant Secretary, Florida
Housing Finance Corporation Board of
Directors

Mario Facella, Chair, Florida
Housing Finance Corporation Board of
Directors

STATE OF FLORIDA
COUNTY OF LEON

I hereby certify that the above and foregoing is a true and correct copy of a resolution adopted at a duly noticed public meeting of the Florida Housing Finance Corporation, legally called and held on the 27th day of October, 2023, at which a quorum was present, all as will appear by reference to the original Resolution incorporated in the official records of the Florida Housing Finance Corporation.

By: _____
Tim Kennedy, Multifamily Loans/Bonds
Director, Florida Housing Finance
Corporation

STATE OF FLORIDA
COUNTY OF LEON

The foregoing instrument was acknowledged before me by means of physical presence or online notarization, this __ day of _____, 2023 by Tim Kennedy, as Multifamily Loans and Bonds Director of the Florida Housing Finance Corporation, a public corporation and a public body corporate and politic duly created and existing under the laws of the State of Florida, on behalf of the corporation. He is personally known to me.

NOTARY SEAL

Notary Public

Name typed, printed or stamped

My Commission Expires: _____

RESOLUTION
of the
Board of Directors of
Florida Housing Finance Corporation
pertaining to
the Acknowledgement Resolution for
Town Oaks Apartments

A RESOLUTION OF THE FLORIDA HOUSING FINANCE CORPORATION ESTABLISHING ITS INTENT TO REIMBURSE CERTAIN DEVELOPMENT COSTS INCURRED WITH THE PROCEEDS OF FUTURE TAX-EXEMPT FINANCING ON BEHALF OF ECG TOWN OAKS, LP, OR AN AFFILIATE THEREOF OR ANY ENTITY IN WHICH ECG TOWN OAKS, LP IS A GENERAL PARTNER OR MANAGING MEMBER, RELATING TO A MULTIFAMILY RESIDENTIAL RENTAL DEVELOPMENT, SUBJECT TO THE SATISFACTION OF CERTAIN CONDITIONS PRECEDENT TO PROVIDING ANY TAX-EXEMPT FINANCING, MAKING CERTAIN FINDINGS AND AUTHORIZING THE DEVELOPMENT OF A PLAN OF FINANCING FOR OBTAINING NOT TO EXCEED \$14,300,000 IN TAX-EXEMPT FINANCING FOR THE DEVELOPMENT, AND PROVIDING FOR AN EFFECTIVE DATE.

NOW, THEREFORE, BE IT RESOLVED BY THE FLORIDA HOUSING FINANCE CORPORATION AS FOLLOWS:

Section 1. It is hereby found, ascertained, determined and resolved that:

- (a) There is a shortage of available, affordable rental housing in the State of Florida;
- (b) A significant number of low, moderate or middle income persons in the local government in which the development referred to herein is to be located, or in an area reasonably accessible thereto, are subject to hardship in finding adequate, safe, and sanitary housing;
- (c) This shortage of housing cannot be relieved except through the encouragement of investment by private enterprise. Private enterprise, unaided, is not meeting, and cannot reasonably be expected to meet, the need for such housing;
- (d) The financing, acquisition and construction of rental housing for low, moderate and middle income persons and families in the State of Florida constitutes a public purpose; and
- (e) An apartment community to be developed by ECG Town Oaks, LP, or an affiliate thereof or any entity in which ECG Town Oaks, LP is a general partner or managing member (the "Developer"), on a site located in Orange County, Florida, and known as Town Oaks Apartments, is a multifamily residential

rental development, which will assist in alleviating the shortage of rental housing for low, moderate and middle income residents of the State of Florida.

Section 2. The Florida Housing Finance Corporation (“Florida Housing”) hereby authorizes its staff to negotiate and prepare a plan for financing, and to commence the structuring of a debt instrument or instruments, to provide up to \$14,300,000 in tax-exempt financing for a portion of the cost of acquiring, constructing and equipping approximately 60 residential rental units for the aforementioned development in order to provide apartment units to low, moderate or middle income persons and families in a qualifying multifamily residential rental development. Such plan for financing shall provide for the payment of such costs and expenditures from a mortgage loan account (or similarly named account).

Section 3. Florida Housing finds that the Developer has shown that this development is appropriate to the needs and circumstances of Orange County, Florida and will make a significant contribution to alleviate the housing shortage.

Section 4. This Resolution is intended to and shall constitute a declaration of official intent of Florida Housing for the purposes of the Internal Revenue Code of 1986 and Section 1.150-2 of the United States Treasury Regulations in order to provide for the reimbursement of allowable project costs.

Section 5. This Resolution is also intended to and shall constitute an “Acknowledgment Resolution” as defined in Rule Chapter 67-21 of the Florida Administrative Code (the “Rule”), which means the official action taken by Florida Housing to reflect its intent to finance the proposed development provided that the requirements of Florida Housing, the terms of the MMRB Loan Commitment and the terms of the Credit Underwriting Report (as such terms are defined in the Rule) are met.

Section 6. The Developer has agreed to comply with all land use restrictions relating to tax-exempt financing, including, but not limited to, those promulgated pursuant to Section 142(d) of the Internal Revenue Code of 1986 and those committed to by the Developer in its 2023 Application filed with Florida Housing.

Section 7. This Resolution is not intended to be a binding commitment to finance or an obligation to finance the proposed development by Florida Housing through tax-exempt financing or in any other way. The tax-exempt financing is subject, in all respects, to (a) the approval by Florida Housing and its counsel, if applicable, of (i) all program documents and elements, (ii) the development plans, (iii) all necessary approvals from all governmental units having jurisdiction over the development, and (iv) the tax-exempt financing with respect to the acquisition, construction and equipping of the development, (b) the issuance and sale by Florida Housing of the tax-exempt debt instrument or instruments for the financing, and (c) the availability of private activity bond allocation.

Section 8. This Resolution shall take effect immediately upon its adoption.

ADOPTED THIS ____ day of _____, 2023.

(SEAL)

ATTEST:

FLORIDA HOUSING FINANCE
CORPORATION, a public corporation
and a public body corporate and politic
duly created and existing under the laws
of the State of Florida

Melissa Levy, Assistant Secretary, Florida
Housing Finance Corporation Board of
Directors

Mario Facella, Chair, Florida
Housing Finance Corporation Board of
Directors

STATE OF FLORIDA
COUNTY OF LEON

I hereby certify that the above and foregoing is a true and correct copy of a resolution adopted at a duly noticed public meeting of the Florida Housing Finance Corporation, legally called and held on the 27th day of October, 2023, at which a quorum was present, all as will appear by reference to the original Resolution incorporated in the official records of the Florida Housing Finance Corporation.

By: _____
Tim Kennedy, Multifamily Loans/Bonds
Director, Florida Housing Finance
Corporation

STATE OF FLORIDA
COUNTY OF LEON

The foregoing instrument was acknowledged before me by means of physical presence or online notarization, this __ day of _____, 2023 by Tim Kennedy, as Multifamily Loans and Bonds Director of the Florida Housing Finance Corporation, a public corporation and a public body corporate and politic duly created and existing under the laws of the State of Florida, on behalf of the corporation. He is personally known to me.

NOTARY SEAL

Notary Public

Name typed, printed or stamped

My Commission Expires: _____

RESOLUTION
of the
Board of Directors of
Florida Housing Finance Corporation
pertaining to
the Acknowledgement Resolution for
Lakewood Senior Housing

A RESOLUTION OF THE FLORIDA HOUSING FINANCE CORPORATION ESTABLISHING ITS INTENT TO REIMBURSE CERTAIN DEVELOPMENT COSTS INCURRED WITH THE PROCEEDS OF FUTURE TAX-EXEMPT FINANCING ON BEHALF OF LAKEWOOD SENIOR HOUSING, LLLP, OR AN AFFILIATE THEREOF OR ANY ENTITY IN WHICH LAKEWOOD SENIOR HOUSING, LLLP IS A GENERAL PARTNER OR MANAGING MEMBER, RELATING TO A MULTIFAMILY RESIDENTIAL RENTAL DEVELOPMENT, SUBJECT TO THE SATISFACTION OF CERTAIN CONDITIONS PRECEDENT TO PROVIDING ANY TAX-EXEMPT FINANCING, MAKING CERTAIN FINDINGS AND AUTHORIZING THE DEVELOPMENT OF A PLAN OF FINANCING FOR OBTAINING NOT TO EXCEED \$8,800,000 IN TAX-EXEMPT FINANCING FOR THE DEVELOPMENT, AND PROVIDING FOR AN EFFECTIVE DATE.

NOW, THEREFORE, BE IT RESOLVED BY THE FLORIDA HOUSING FINANCE CORPORATION AS FOLLOWS:

Section 1. It is hereby found, ascertained, determined and resolved that:

- (a) There is a shortage of available, affordable rental housing in the State of Florida;
- (b) A significant number of low, moderate or middle income persons in the local government in which the development referred to herein is to be located, or in an area reasonably accessible thereto, are subject to hardship in finding adequate, safe, and sanitary housing;
- (c) This shortage of housing cannot be relieved except through the encouragement of investment by private enterprise. Private enterprise, unaided, is not meeting, and cannot reasonably be expected to meet, the need for such housing;
- (d) The financing, acquisition and construction of rental housing for low, moderate and middle income persons and families in the State of Florida constitutes a public purpose; and
- (e) An apartment community to be developed by Lakewood Senior Housing, LLLP, or an affiliate thereof or any entity in which Lakewood Senior Housing, LLLP is a general partner or managing member (the "Developer"), on a site located in Volusia County, Florida, and known as Lakewood Senior Housing, is a multifamily residential

rental development, which will assist in alleviating the shortage of rental housing for low, moderate and middle income residents of the State of Florida.

Section 2. The Florida Housing Finance Corporation (“Florida Housing”) hereby authorizes its staff to negotiate and prepare a plan for financing, and to commence the structuring of a debt instrument or instruments, to provide up to \$8,800,000 in tax-exempt financing for a portion of the cost of acquiring, constructing and equipping approximately 56 residential rental units for the aforementioned development in order to provide apartment units to low, moderate or middle income persons and families in a qualifying multifamily residential rental development. Such plan for financing shall provide for the payment of such costs and expenditures from a mortgage loan account (or similarly named account).

Section 3. Florida Housing finds that the Developer has shown that this development is appropriate to the needs and circumstances of Volusia County, Florida and will make a significant contribution to alleviate the housing shortage.

Section 4. This Resolution is intended to and shall constitute a declaration of official intent of Florida Housing for the purposes of the Internal Revenue Code of 1986 and Section 1.150-2 of the United States Treasury Regulations in order to provide for the reimbursement of allowable project costs.

Section 5. This Resolution is also intended to and shall constitute an “Acknowledgment Resolution” as defined in Rule Chapter 67-21 of the Florida Administrative Code (the “Rule”), which means the official action taken by Florida Housing to reflect its intent to finance the proposed development provided that the requirements of Florida Housing, the terms of the MMRB Loan Commitment and the terms of the Credit Underwriting Report (as such terms are defined in the Rule) are met.

Section 6. The Developer has agreed to comply with all land use restrictions relating to tax-exempt financing, including, but not limited to, those promulgated pursuant to Section 142(d) of the Internal Revenue Code of 1986 and those committed to by the Developer in its 2023 Application filed with Florida Housing.

Section 7. This Resolution is not intended to be a binding commitment to finance or an obligation to finance the proposed development by Florida Housing through tax-exempt financing or in any other way. The tax-exempt financing is subject, in all respects, to (a) the approval by Florida Housing and its counsel, if applicable, of (i) all program documents and elements, (ii) the development plans, (iii) all necessary approvals from all governmental units having jurisdiction over the development, and (iv) the tax-exempt financing with respect to the acquisition, construction and equipping of the development, (b) the issuance and sale by Florida Housing of the tax-exempt debt instrument or instruments for the financing, and (c) the availability of private activity bond allocation.

Section 8. This Resolution shall take effect immediately upon its adoption.

ADOPTED THIS ____ day of _____, 2023.

(SEAL)

ATTEST:

FLORIDA HOUSING FINANCE
CORPORATION, a public corporation
and a public body corporate and politic
duly created and existing under the laws
of the State of Florida

Melissa Levy, Assistant Secretary, Florida
Housing Finance Corporation Board of
Directors

Mario Facella, Chair, Florida
Housing Finance Corporation Board of
Directors

STATE OF FLORIDA
COUNTY OF LEON

I hereby certify that the above and foregoing is a true and correct copy of a resolution adopted at a duly noticed public meeting of the Florida Housing Finance Corporation, legally called and held on the 27th day of October, 2023, at which a quorum was present, all as will appear by reference to the original Resolution incorporated in the official records of the Florida Housing Finance Corporation.

By: _____
Tim Kennedy, Multifamily Loans/Bonds
Director, Florida Housing Finance
Corporation

STATE OF FLORIDA
COUNTY OF LEON

The foregoing instrument was acknowledged before me by means of physical presence or online notarization, this __ day of _____, 2023 by Tim Kennedy, as Multifamily Loans and Bonds Director of the Florida Housing Finance Corporation, a public corporation and a public body corporate and politic duly created and existing under the laws of the State of Florida, on behalf of the corporation. He is personally known to me.

NOTARY SEAL

Notary Public

Name typed, printed or stamped

My Commission Expires: _____

RESOLUTION
of the
Board of Directors of
Florida Housing Finance Corporation
pertaining to
the Acknowledgement Resolution for
Palms Landing

A RESOLUTION OF THE FLORIDA HOUSING FINANCE CORPORATION ESTABLISHING ITS INTENT TO REIMBURSE CERTAIN DEVELOPMENT COSTS INCURRED WITH THE PROCEEDS OF FUTURE TAX-EXEMPT FINANCING ON BEHALF OF SP PALMS LLC, OR AN AFFILIATE THEREOF OR ANY ENTITY IN WHICH SP PALMS LLC IS A GENERAL PARTNER OR MANAGING MEMBER, RELATING TO A MULTIFAMILY RESIDENTIAL RENTAL DEVELOPMENT, SUBJECT TO THE SATISFACTION OF CERTAIN CONDITIONS PRECEDENT TO PROVIDING ANY TAX-EXEMPT FINANCING, MAKING CERTAIN FINDINGS AND AUTHORIZING THE DEVELOPMENT OF A PLAN OF FINANCING FOR OBTAINING NOT TO EXCEED \$15,400,000 IN TAX-EXEMPT FINANCING FOR THE DEVELOPMENT, AND PROVIDING FOR AN EFFECTIVE DATE.

NOW, THEREFORE, BE IT RESOLVED BY THE FLORIDA HOUSING FINANCE CORPORATION AS FOLLOWS:

Section 1. It is hereby found, ascertained, determined and resolved that:

- (a) There is a shortage of available, affordable rental housing in the State of Florida;
- (b) A significant number of low, moderate or middle income persons in the local government in which the development referred to herein is to be located, or in an area reasonably accessible thereto, are subject to hardship in finding adequate, safe, and sanitary housing;
- (c) This shortage of housing cannot be relieved except through the encouragement of investment by private enterprise. Private enterprise, unaided, is not meeting, and cannot reasonably be expected to meet, the need for such housing;
- (d) The financing, acquisition and construction of rental housing for low, moderate and middle income persons and families in the State of Florida constitutes a public purpose; and
- (e) An apartment community to be developed by SP Palms LLC, or an affiliate thereof or any entity in which SP Palms LLC is a general partner or managing member (the "Developer"), on a site located in Lee County, Florida, and known as Palms Landing, is a multifamily residential

rental development, which will assist in alleviating the shortage of rental housing for low, moderate and middle income residents of the State of Florida.

Section 2. The Florida Housing Finance Corporation (“Florida Housing”) hereby authorizes its staff to negotiate and prepare a plan for financing, and to commence the structuring of a debt instrument or instruments, to provide up to \$15,400,000 in tax-exempt financing for a portion of the cost of acquiring, constructing and equipping approximately 88 residential rental units for the aforementioned development in order to provide apartment units to low, moderate or middle income persons and families in a qualifying multifamily residential rental development. Such plan for financing shall provide for the payment of such costs and expenditures from a mortgage loan account (or similarly named account).

Section 3. Florida Housing finds that the Developer has shown that this development is appropriate to the needs and circumstances of Lee County, Florida and will make a significant contribution to alleviate the housing shortage.

Section 4. This Resolution is intended to and shall constitute a declaration of official intent of Florida Housing for the purposes of the Internal Revenue Code of 1986 and Section 1.150-2 of the United States Treasury Regulations in order to provide for the reimbursement of allowable project costs.

Section 5. This Resolution is also intended to and shall constitute an “Acknowledgment Resolution” as defined in Rule Chapter 67-21 of the Florida Administrative Code (the “Rule”), which means the official action taken by Florida Housing to reflect its intent to finance the proposed development provided that the requirements of Florida Housing, the terms of the MMRB Loan Commitment and the terms of the Credit Underwriting Report (as such terms are defined in the Rule) are met.

Section 6. The Developer has agreed to comply with all land use restrictions relating to tax-exempt financing, including, but not limited to, those promulgated pursuant to Section 142(d) of the Internal Revenue Code of 1986 and those committed to by the Developer in its 2023 Application filed with Florida Housing.

Section 7. This Resolution is not intended to be a binding commitment to finance or an obligation to finance the proposed development by Florida Housing through tax-exempt financing or in any other way. The tax-exempt financing is subject, in all respects, to (a) the approval by Florida Housing and its counsel, if applicable, of (i) all program documents and elements, (ii) the development plans, (iii) all necessary approvals from all governmental units having jurisdiction over the development, and (iv) the tax-exempt financing with respect to the acquisition, construction and equipping of the development, (b) the issuance and sale by Florida Housing of the tax-exempt debt instrument or instruments for the financing, and (c) the availability of private activity bond allocation.

Section 8. This Resolution shall take effect immediately upon its adoption.

ADOPTED THIS ____ day of _____, 2023.

(SEAL)

ATTEST:

FLORIDA HOUSING FINANCE
CORPORATION, a public corporation
and a public body corporate and politic
duly created and existing under the laws
of the State of Florida

Melissa Levy, Assistant Secretary, Florida
Housing Finance Corporation Board of
Directors

Mario Facella, Chair, Florida
Housing Finance Corporation Board of
Directors

STATE OF FLORIDA
COUNTY OF LEON

I hereby certify that the above and foregoing is a true and correct copy of a resolution adopted at a duly noticed public meeting of the Florida Housing Finance Corporation, legally called and held on the 27th day of October, 2023, at which a quorum was present, all as will appear by reference to the original Resolution incorporated in the official records of the Florida Housing Finance Corporation.

By: _____
Tim Kennedy, Multifamily Loans/Bonds
Director, Florida Housing Finance
Corporation

STATE OF FLORIDA
COUNTY OF LEON

The foregoing instrument was acknowledged before me by means of physical presence or online notarization, this __ day of _____, 2023 by Tim Kennedy, as Multifamily Loans and Bonds Director of the Florida Housing Finance Corporation, a public corporation and a public body corporate and politic duly created and existing under the laws of the State of Florida, on behalf of the corporation. He is personally known to me.

NOTARY SEAL

Notary Public

Name typed, printed or stamped

My Commission Expires: _____

RESOLUTION
of the
Board of Directors of
Florida Housing Finance Corporation
pertaining to
the Acknowledgement Resolution for
Legacy Park II

A RESOLUTION OF THE FLORIDA HOUSING FINANCE CORPORATION ESTABLISHING ITS INTENT TO REIMBURSE CERTAIN DEVELOPMENT COSTS INCURRED WITH THE PROCEEDS OF FUTURE TAX-EXEMPT FINANCING ON BEHALF OF HTG LEGACY II, LTD., OR AN AFFILIATE THEREOF OR ANY ENTITY IN WHICH HTG LEGACY II, LTD. IS A GENERAL PARTNER OR MANAGING MEMBER, RELATING TO A MULTIFAMILY RESIDENTIAL RENTAL DEVELOPMENT, SUBJECT TO THE SATISFACTION OF CERTAIN CONDITIONS PRECEDENT TO PROVIDING ANY TAX-EXEMPT FINANCING, MAKING CERTAIN FINDINGS AND AUTHORIZING THE DEVELOPMENT OF A PLAN OF FINANCING FOR OBTAINING NOT TO EXCEED \$14,300,000 IN TAX-EXEMPT FINANCING FOR THE DEVELOPMENT, AND PROVIDING FOR AN EFFECTIVE DATE.

NOW, THEREFORE, BE IT RESOLVED BY THE FLORIDA HOUSING FINANCE CORPORATION AS FOLLOWS:

Section 1. It is hereby found, ascertained, determined and resolved that:

- (a) There is a shortage of available, affordable rental housing in the State of Florida;
- (b) A significant number of low, moderate or middle income persons in the local government in which the development referred to herein is to be located, or in an area reasonably accessible thereto, are subject to hardship in finding adequate, safe, and sanitary housing;
- (c) This shortage of housing cannot be relieved except through the encouragement of investment by private enterprise. Private enterprise, unaided, is not meeting, and cannot reasonably be expected to meet, the need for such housing;
- (d) The financing, acquisition and construction of rental housing for low, moderate and middle income persons and families in the State of Florida constitutes a public purpose; and
- (e) An apartment community to be developed by HTG Legacy II, Ltd., or an affiliate thereof or any entity in which HTG Legacy II, Ltd. is a general partner or managing member (the "Developer"), on a site located in Lee County, Florida, and known as Legacy Park II, is a multifamily residential

rental development, which will assist in alleviating the shortage of rental housing for low, moderate and middle income residents of the State of Florida.

Section 2. The Florida Housing Finance Corporation (“Florida Housing”) hereby authorizes its staff to negotiate and prepare a plan for financing, and to commence the structuring of a debt instrument or instruments, to provide up to \$14,300,000 in tax-exempt financing for a portion of the cost of acquiring, constructing and equipping approximately 80 residential rental units for the aforementioned development in order to provide apartment units to low, moderate or middle income persons and families in a qualifying multifamily residential rental development. Such plan for financing shall provide for the payment of such costs and expenditures from a mortgage loan account (or similarly named account).

Section 3. Florida Housing finds that the Developer has shown that this development is appropriate to the needs and circumstances of Lee County, Florida and will make a significant contribution to alleviate the housing shortage.

Section 4. This Resolution is intended to and shall constitute a declaration of official intent of Florida Housing for the purposes of the Internal Revenue Code of 1986 and Section 1.150-2 of the United States Treasury Regulations in order to provide for the reimbursement of allowable project costs.

Section 5. This Resolution is also intended to and shall constitute an “Acknowledgment Resolution” as defined in Rule Chapter 67-21 of the Florida Administrative Code (the “Rule”), which means the official action taken by Florida Housing to reflect its intent to finance the proposed development provided that the requirements of Florida Housing, the terms of the MMRB Loan Commitment and the terms of the Credit Underwriting Report (as such terms are defined in the Rule) are met.

Section 6. The Developer has agreed to comply with all land use restrictions relating to tax-exempt financing, including, but not limited to, those promulgated pursuant to Section 142(d) of the Internal Revenue Code of 1986 and those committed to by the Developer in its 2023 Application filed with Florida Housing.

Section 7. This Resolution is not intended to be a binding commitment to finance or an obligation to finance the proposed development by Florida Housing through tax-exempt financing or in any other way. The tax-exempt financing is subject, in all respects, to (a) the approval by Florida Housing and its counsel, if applicable, of (i) all program documents and elements, (ii) the development plans, (iii) all necessary approvals from all governmental units having jurisdiction over the development, and (iv) the tax-exempt financing with respect to the acquisition, construction and equipping of the development, (b) the issuance and sale by Florida Housing of the tax-exempt debt instrument or instruments for the financing, and (c) the availability of private activity bond allocation.

Section 8. This Resolution shall take effect immediately upon its adoption.

ADOPTED THIS ____ day of _____, 2023.

(SEAL)

ATTEST:

FLORIDA HOUSING FINANCE
CORPORATION, a public corporation
and a public body corporate and politic
duly created and existing under the laws
of the State of Florida

Melissa Levy, Assistant Secretary, Florida
Housing Finance Corporation Board of
Directors

Mario Facella, Chair, Florida
Housing Finance Corporation Board of
Directors

STATE OF FLORIDA
COUNTY OF LEON

I hereby certify that the above and foregoing is a true and correct copy of a resolution adopted at a duly noticed public meeting of the Florida Housing Finance Corporation, legally called and held on the 27th day of October, 2023, at which a quorum was present, all as will appear by reference to the original Resolution incorporated in the official records of the Florida Housing Finance Corporation.

By: _____
Tim Kennedy, Multifamily Loans/Bonds
Director, Florida Housing Finance
Corporation

STATE OF FLORIDA
COUNTY OF LEON

The foregoing instrument was acknowledged before me by means of physical presence or online notarization, this __ day of _____, 2023 by Tim Kennedy, as Multifamily Loans and Bonds Director of the Florida Housing Finance Corporation, a public corporation and a public body corporate and politic duly created and existing under the laws of the State of Florida, on behalf of the corporation. He is personally known to me.

NOTARY SEAL

Notary Public

Name typed, printed or stamped

My Commission Expires: _____

RESOLUTION
of the
Board of Directors of
Florida Housing Finance Corporation
pertaining to
the Acknowledgement Resolution for
New York Avenue Apartments

A RESOLUTION OF THE FLORIDA HOUSING FINANCE CORPORATION ESTABLISHING ITS INTENT TO REIMBURSE CERTAIN DEVELOPMENT COSTS INCURRED WITH THE PROCEEDS OF FUTURE TAX-EXEMPT FINANCING ON BEHALF OF BLUE IAN, LLC, OR AN AFFILIATE THEREOF OR ANY ENTITY IN WHICH BLUE IAN, LLC IS A GENERAL PARTNER OR MANAGING MEMBER, RELATING TO A MULTIFAMILY RESIDENTIAL RENTAL DEVELOPMENT, SUBJECT TO THE SATISFACTION OF CERTAIN CONDITIONS PRECEDENT TO PROVIDING ANY TAX-EXEMPT FINANCING, MAKING CERTAIN FINDINGS AND AUTHORIZING THE DEVELOPMENT OF A PLAN OF FINANCING FOR OBTAINING NOT TO EXCEED \$15,400,000 IN TAX-EXEMPT FINANCING FOR THE DEVELOPMENT, AND PROVIDING FOR AN EFFECTIVE DATE.

NOW, THEREFORE, BE IT RESOLVED BY THE FLORIDA HOUSING FINANCE CORPORATION AS FOLLOWS:

Section 1. It is hereby found, ascertained, determined and resolved that:

- (a) There is a shortage of available, affordable rental housing in the State of Florida;
- (b) A significant number of low, moderate or middle income persons in the local government in which the development referred to herein is to be located, or in an area reasonably accessible thereto, are subject to hardship in finding adequate, safe, and sanitary housing;
- (c) This shortage of housing cannot be relieved except through the encouragement of investment by private enterprise. Private enterprise, unaided, is not meeting, and cannot reasonably be expected to meet, the need for such housing;
- (d) The financing, acquisition and construction of rental housing for low, moderate and middle income persons and families in the State of Florida constitutes a public purpose; and
- (e) An apartment community to be developed by Blue Ian, LLC, or an affiliate thereof or any entity in which Blue Ian, LLC is a general partner or managing member (the "Developer"), on a site located in Volusia County, Florida, and known as New York Avenue Apartments, is a multifamily residential

rental development, which will assist in alleviating the shortage of rental housing for low, moderate and middle income residents of the State of Florida.

Section 2. The Florida Housing Finance Corporation (“Florida Housing”) hereby authorizes its staff to negotiate and prepare a plan for financing, and to commence the structuring of a debt instrument or instruments, to provide up to \$15,400,000 in tax-exempt financing for a portion of the cost of acquiring, constructing and equipping approximately 84 residential rental units for the aforementioned development in order to provide apartment units to low, moderate or middle income persons and families in a qualifying multifamily residential rental development. Such plan for financing shall provide for the payment of such costs and expenditures from a mortgage loan account (or similarly named account).

Section 3. Florida Housing finds that the Developer has shown that this development is appropriate to the needs and circumstances of Volusia County, Florida and will make a significant contribution to alleviate the housing shortage.

Section 4. This Resolution is intended to and shall constitute a declaration of official intent of Florida Housing for the purposes of the Internal Revenue Code of 1986 and Section 1.150-2 of the United States Treasury Regulations in order to provide for the reimbursement of allowable project costs.

Section 5. This Resolution is also intended to and shall constitute an “Acknowledgment Resolution” as defined in Rule Chapter 67-21 of the Florida Administrative Code (the “Rule”), which means the official action taken by Florida Housing to reflect its intent to finance the proposed development provided that the requirements of Florida Housing, the terms of the MMRB Loan Commitment and the terms of the Credit Underwriting Report (as such terms are defined in the Rule) are met.

Section 6. The Developer has agreed to comply with all land use restrictions relating to tax-exempt financing, including, but not limited to, those promulgated pursuant to Section 142(d) of the Internal Revenue Code of 1986 and those committed to by the Developer in its 2023 Application filed with Florida Housing.

Section 7. This Resolution is not intended to be a binding commitment to finance or an obligation to finance the proposed development by Florida Housing through tax-exempt financing or in any other way. The tax-exempt financing is subject, in all respects, to (a) the approval by Florida Housing and its counsel, if applicable, of (i) all program documents and elements, (ii) the development plans, (iii) all necessary approvals from all governmental units having jurisdiction over the development, and (iv) the tax-exempt financing with respect to the acquisition, construction and equipping of the development, (b) the issuance and sale by Florida Housing of the tax-exempt debt instrument or instruments for the financing, and (c) the availability of private activity bond allocation.

Section 8. This Resolution shall take effect immediately upon its adoption.

ADOPTED THIS ____ day of _____, 2023.

(SEAL)

ATTEST:

FLORIDA HOUSING FINANCE
CORPORATION, a public corporation
and a public body corporate and politic
duly created and existing under the laws
of the State of Florida

Melissa Levy, Assistant Secretary, Florida
Housing Finance Corporation Board of
Directors

Mario Facella, Chair, Florida
Housing Finance Corporation Board of
Directors

STATE OF FLORIDA
COUNTY OF LEON

I hereby certify that the above and foregoing is a true and correct copy of a resolution adopted at a duly noticed public meeting of the Florida Housing Finance Corporation, legally called and held on the 27th day of October, 2023, at which a quorum was present, all as will appear by reference to the original Resolution incorporated in the official records of the Florida Housing Finance Corporation.

By: _____
Tim Kennedy, Multifamily Loans/Bonds
Director, Florida Housing Finance
Corporation

STATE OF FLORIDA
COUNTY OF LEON

The foregoing instrument was acknowledged before me by means of physical presence or online notarization, this __ day of _____, 2023 by Tim Kennedy, as Multifamily Loans and Bonds Director of the Florida Housing Finance Corporation, a public corporation and a public body corporate and politic duly created and existing under the laws of the State of Florida, on behalf of the corporation. He is personally known to me.

NOTARY SEAL

Notary Public

Name typed, printed or stamped

My Commission Expires: _____



October 11, 2023

Mr. Tim Kennedy
Multifamily Loans and Bonds Director
Florida Housing Finance Corporation
City Centre Building
227 North Bronough Street, Suite 5000
Tallahassee, Florida 32301-1329

Re: Lauderhill Point (f/k/a Driftwood Terrace)
Multifamily Housing Revenue Bonds (“MMRB”) 1989 Series I and 4% Housing Credits
 (“HC”) 2007-539C

Transfer of Ownership Interests / First Mortgage Refinancing / Assumption and
Subordination of the Florida Housing Finance Corporation (“Florida Housing” or “FHFC”)
MMRB Land Use Restriction Agreement (“LURA”) & Extended Low Income Housing
Agreement (“ELIHA”).

Dear Mr. Kennedy:

First Housing Development Corporation of Florida (“FHDC”, “First Housing” or “Servicer”) has reviewed a letter, dated August 3, 2023, from representatives of Lauderhill Preservation LP (“Buyer or Proposed Owner”) and Driftwood Preservation, Ltd. (“Seller” or “Current Owner”), requesting that FHFC approve the transfer of ownership interests of Lauderhill Point Apartments (“Development”).

First Housing has been requested to determine if Lauderhill Preservation LP has the prerequisite financial strength and experience to successfully own and operate the Development.

On behalf of FHFC, First Housing has reviewed the request, performed certain due diligence, and formulated recommendations and conditions which are contained at the end of this report. For the purposes of this analysis, First Housing has reviewed the following:

- Correspondence from representatives of the Proposed Owner and Current Owner regarding approval of the request detailed above.
-

- Rule 67-21
- 4% HC CUR, dated November 4, 2008.
- MMRB CUR dated October 26, 1989 and December 18, 1989.
- MMRB LURA, dated December 1, 1989, Assignment and Assumption of LURA, dated February 21, 2008, and First Amendment to LURA, dated February 21, 2008.
- HC ELIHA, dated March 17, 2009.
- FHFC's Occupancy Reports.
- Proposed Organizational Chart.
- Consolidated Financial Statements for Fairstead Affordable LLC and Subsidiaries, dated June 29, 2023.
- Audited financial statement, dated December 31, 2022, and prepared February 17, 2023, for Driftwood Preservation, Ltd.
- Purchase Agreement, dated July 5, 2023.
- FHFC Past Due Report, dated September 18, 2023.
- FHFC Noncompliance Report, dated May 24, 2023.
- Annual Management Review, dated May 25, 2023.

Background:

Lauderhill Apartments is an existing 176-unit affordable multifamily development consisting of twenty-two (22) two-story apartment buildings located at 3146 NW 19th Street, Fort Lauderdale, Florida, 33311. The Development consists of eighty (80) two-bedroom/one-bathroom units, eighty (80) three-bedroom/one- and one-half bathroom units, and sixteen (16) four-bedroom/two-bathroom units.

The Development was originally financed with MMRB 1989 Series I, totaling \$7,205,000. The Bonds were redeemed on March 20, 2008.

The Development also received an allocation of 4% Housing Credits.

Operation of the Development is restricted by terms and conditions detailed in various loan documents, including but not limited to the MMRB LURA and HC ELIHA.

The MMRB LURA and the first amendment require the following set-asides for a period of the later of fifteen (15) years after the date on which at least 50% of the residential units in the Development are first occupied, the first day on which no tax-exempt private activity bonds are issued with respect to the Development are outstanding, and the date on which any assistance provided under Section 8 terminates:

- 40% of the units (71 units) set aside at or below 60% of the Area Median Income (“AMI”)

The HC ELIHA requires the following set-asides for a period of thirty (30) years:

- 100% of the units set aside at or below 60% of the AMI

Status of Development Noncompliance/Past Due:

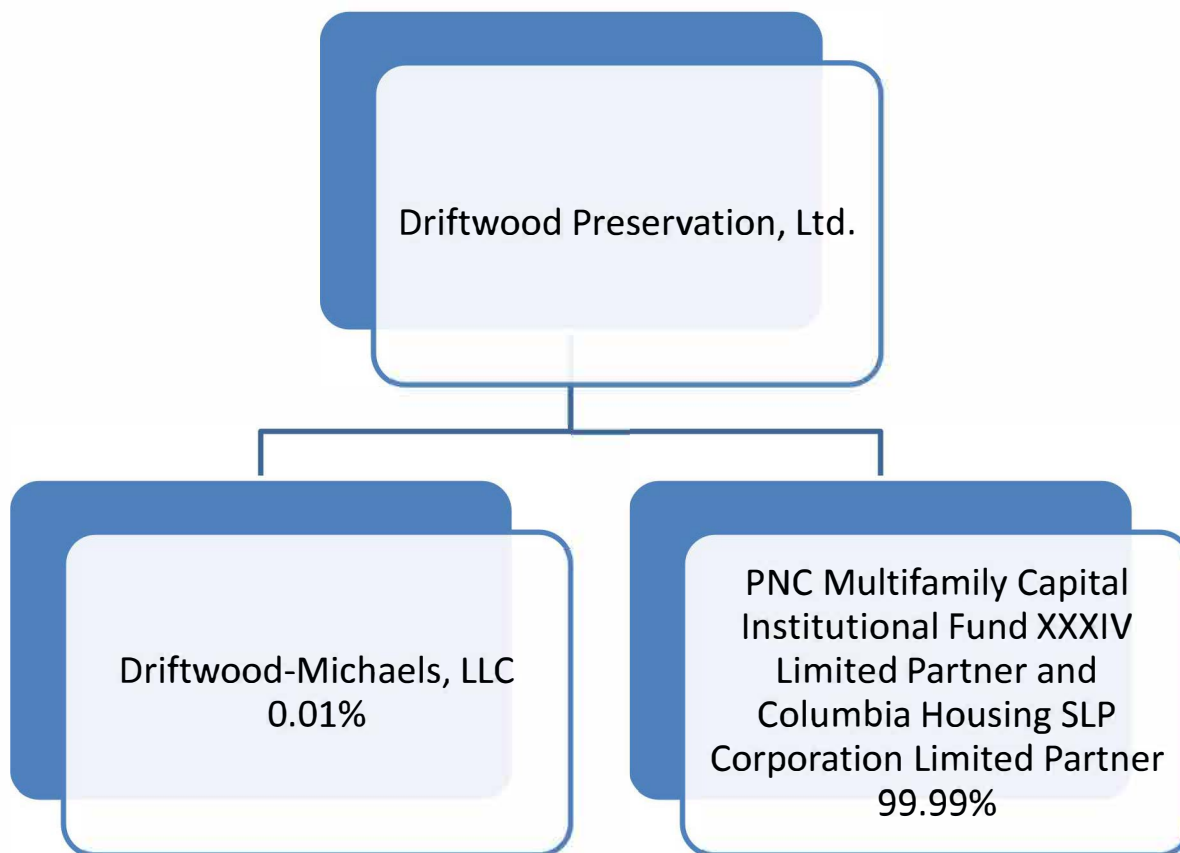
The Development Team was not reported on Florida Housing’s September 18, 2023 Past Due Report:

The Development Team was not reported on Florida Housing’s May 24, 2023 Noncompliance Report.

Based on Florida Housing’s occupancy reports, the Development’s occupancy has averaged 94.74% for 2022 and 95.27% for January through June of 2023.

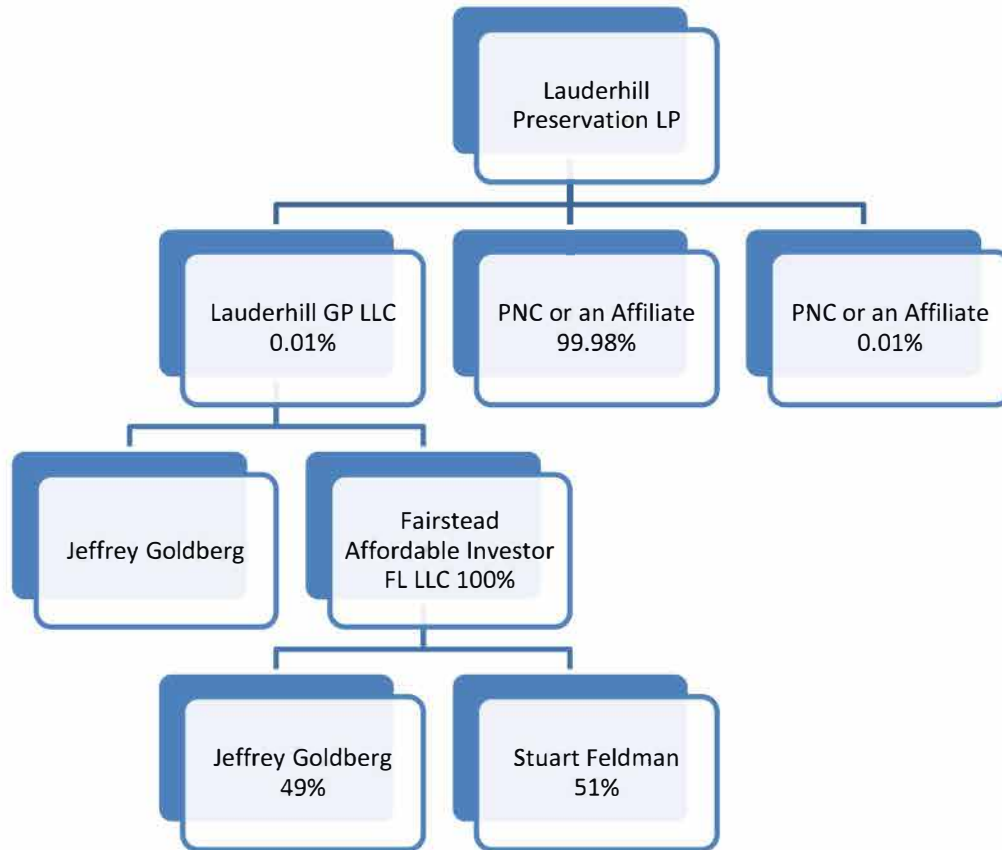
The Annual Management Review was conducted on May 25, 2023 and found the property to be in noncompliance. A close-out letter has not been issued at this time.

Current Ownership Structure:



First Housing reviewed an Agreement of Purchase and Sale between Seller and Buyer, dated July 5, 2023. The Purchase Price of the Development is \$26,500,000. The closings shall take place no later than January 1, 2024, which may be extended for one additional 45-day period.

Proposed Ownership Structure:



Experience and Financial Information of the Proposed Ownership Entities:

The proposed ownership entities are an affiliate of Fairstead Affordable LLC (“Fairstead”). First Housing is relying on the experience and financials of Fairstead to provide the necessary experience to effectively operate the Development.

Fairstead is a rapidly growing, vertically integrated national real estate developer specializing in the creation of sustainable, high-quality housing for all regardless of income. Operating around the country, Fairstead’s headquarters and regional teams provide in-house, hands-on expertise across all disciplines, including finance, acquisitions, development, design, construction, energy sustainability, leasing, marketing, property management and community impact. Fairstead owns more than 24,000 apartments in 28 states and its national footprint includes more than \$7.8 billion in assets and identified pipeline.

First Housing has been provided with a Consolidated Financial Statements for Fairstead Affordable LLC and Subsidiaries, dated June 29, 2023. The Statement reflected significant liquidity and net worth.

First Housing reviewed a satisfactory audited financial statement, dated December 31, 2023 and prepared February 17, 2023, for Driftwood Preservation, Ltd.

Refinancing Overview:

The Buyer has requested \$40,000,000 in Tax-Exempt Multifamily Mortgage Revenue Note (“MMRN”) from the Housing Finance Authority of Broward County (“HFABC”). The proceeds from the refinance will be used to acquire/rehabilitate the Development. The Development scope of works includes, but is not limited to, significant rehabilitation of exterior site improvements and pavement; exterior building improvements and pavements; exterior building restoration and interior dwelling unit rehabilitation.

First Housing reviewed a loan application, dated June 22, 2023, where Berkadia Commercial Mortgage LLC (“Berkadia”) will make a funding loan to the HFABC, pursuant to the Freddie Mac Direct Purchase of Tax-Exempt Loan Program. The proceeds of the funding loan will be used by HFABC to fund a mortgage loan with matching economic terms to the Buyer to finance the Development.

Berkadia anticipates a loan amount of the lesser of \$40,499,000, including \$40,000,000 of tax-exempt proceeds and \$499,000 of taxable proceeds, 90% of the fair market value, or the loan amount that the net operating income can support a 1.15 DSC. The MMRN will have a 17-year loan term and a 40-year amortization. The interest rate on the will be fixed, based on the 10-year U.S. Treasury (“10-year Treasury”), plus a 1.83% spread. First Housing reviewed an Index Lock Confirmation Sheet, which indicates that the Index-Locked Yield Rate is 3.80% and the loan amount is \$39,600,000. The index lock expires on November 27, 2023. The Loan Application and Index Lock Confirmation Sheet do not include the Freddie Mac Servicing Fee. First Housing has estimated a Freddie Mac Servicing Fee of 0.18%. First Housing has estimated an interest rate of 5.81%, based on the Index-Locked Yield Rate of 3.80%, plus the spread of 1.83% and the estimated Freddie Mac Servicing Fee of 0.18%.

Berkadia will also provide a Taxable Loan in the amount of \$500,000. The Loan will have a 17-year loan term and a 40-year amortization. The interest rate will be fixed, based on the 10-year Treasury, plus a 2.23% spread. First Housing reviewed an Index Lock Confirmation Sheet, which indicates that the Index-Locked Yield Rate is 3.80% and the loan amount is \$500,000. The index lock expires on November 27, 2023. The Loan Application and Index Lock Confirmation Sheet do not include the Freddie Mac Servicing Fee. First Housing has estimated a Freddie Mac Servicing Fee of 0.18%. First Housing has estimated an interest rate of 6.03%, based on the Index-Locked Yield Rate of 3.80%, plus the spread of 2.23% and the estimated Freddie Mac Servicing Fee of 0.18%.

First Housing reviewed a LOI, dated July 12, 2023, which indicating PNC or an affiliate will acquire 99.98% limited partner interest and 0.01% special limited partner interests in the Applicant. Based on a syndication rate of \$0.88 for each \$1.00, PNC anticipates a net capital contribution of \$21,775,298 paid in of five (5) installments.

Proposed Management Company:

The proposed management company is Fairstead Communities, LLC (“Fairstead Communities”). Fairstead Communities owns or manages more than 24,000 units in 28 states. Fairstead Communities create high-quality living experiences that are consistently safe, clean, and attractive, working diligently to build, rehabilitate, preserve, and manage housing to industry-leading standards, using best-in-class materials and cutting-edge technology. Fairstead Communities also creates high opportunity living experiences that extend beyond the structural aspects of the buildings. The selection of the management company must be approved by Florida Housing’s Asset Management Department and is a condition to close. The Fairstead Communities contact is:

Jeffrey Goldberg
CEO
250 West 55th St. 35th Floor
New York, NY 10019
212-582-6486
Jeffrey.goldberg@fairstead.com

Recommendations:

First Housing’s review indicates that the Proposed Owner, through Fairstead has the prerequisite financial strength and experience to successfully own and operate the Development. First Housing recommends approval of the transfer of ownership interests from Driftwood Preservation, Ltd. to Lauderhill Preservation LP, refinancing of the existing first mortgage loan, assumption of the MMRB LURA and HC ELIHA, subordination of the MMRB LURA and ELIHA (as applicable) to the new first mortgage loan, and the modification of any other documents as required to effectuate the transaction subject to the following conditions:

1. The Buyer and its entities and principals (if applicable), as well as withdrawing entities, to execute any and all assignment and assumption documents and any other loan documents FHFC and its Legal Counsel deemed necessary to effectuate the transaction.
2. Payment of any outstanding arrearages to the Corporation, its Legal Counsel, Servicer or any agent or assignee of the Corporation for past due issues applicable to the development team (Applicant or Developer or Principal, Affiliate or Financial Beneficiary, as described

in 67-21.0025(5) F.A.C., of an Applicant or a Developer).

3. Satisfactory resolution of any outstanding noncompliance and/or past due items.
4. Verification that all Insurance Certificates are current and acceptable to Servicer and FHFC.
5. Confirmation of approval of the transfer of ownership interests by all other lenders and the tax credit syndicator, if applicable.
6. Receipt of a non-refundable MMRB transfer and assumption fee of \$2,500 on or before the closing date.
7. Receipt of a non-refundable MMRB LURA and ELIHA subordination fee of \$1,000 each, if applicable.
8. FHFC requires the Owner to waive the right to a Qualified Contract under the ELIHA, such waiver to be in form and substance acceptable to FHFC.
9. Prepayment of any required compliance monitoring fees, as applicable.
10. Review and approval of all loan documents consistent with the terms outlined above by FHFC, its Legal Counsel and Servicer.
11. Confirmation of closing costs prior to closing.
12. Payment of all costs and fees to Florida Housing, its Legal Counsel and Servicer, as applicable.
13. The selection of the management company must be approved by Florida Housing's Asset Management Department.
14. All other requirements by FHFC, its Legal Counsel and Servicer.

Prepared by:

Thomas Wright

Thomas Wright
Credit Underwriter

Reviewed By:

Ed Busansky

Ed Busansky
Senior Vice President

SELTZER MANAGEMENT GROUP, INC.

17633 ASHLEY DRIVE
PANAMA CITY BEACH, FL 32413
TEL: (850) 233-3616
FAX: (850) 233-1429

October 12, 2023

VIA EMAIL

Mr. Tim Kennedy
Multifamily Loans & Bonds Director
Florida Housing Finance Corporation
227 North Bronough Street
Tallahassee, Florida 32301

Re: Murdock Circle FHFC MMRB 2011 Series B / SAIL 2000-096S
Ownership Transfer / First Mortgage Refinance / Assumption and Subordination of MMRB LURA
and SAIL LURA / Change in Management

Dear Mr. Kennedy:

On your behalf, Seltzer Management Group, Inc. ("SMG", "Seltzer" or "Servicer") has reviewed a request sent August 11, 2023, from a representative of Tralee Affordable Housing Rays L, LLC ("Tralee" or "Seller"), requesting Florida Housing Finance Corporation ("FHFC" or "Florida Housing") to consent to the transfer of its ownership interest in Murdock Circle (the "Subject Development") to Peninsula at Port Charlotte LLC ("Port Charlotte"), E. Roman Peninsula LLC ("E Roman"), M. Roman Peninsula LLC ("M Roman", 100 Bauer Murdock LLC ("100 Bauer"), Bauer Drive Murdock LLC ("Bauer Drive") and Lakes Investments 6 LLC ("Lakes 6") , as Tenants-In-Common ("TIC"), the assumption of the Multifamily Mortgage Revenue Bond ("MMRB") Land Use Restriction Agreement ("LURA"), and the State Apartment Incentive Loan ("SAIL") LURA. In addition, the TIC is refinancing the existing first mortgage with a new first mortgage which requires subordination of the MMRB and SAIL LURAs. SMG has been requested to determine that Peninsula (or its underlying principal owners) has the prerequisite financial strength and experience to successfully own and operate the Subject Development.

Various provisions within the MMRB LURA require that the transfer of the ownership interest in the Borrower must receive prior written consent from FHFC.

In addition, the current management company will be replaced and SMG will, therefore, examine the management experience of the proposed new firm.

For the purposes of this analysis, SMG has reviewed the following:

1. Correspondence seeking Florida Housing's consent of the request outlined above
2. Final SAIL Credit Underwriting Report ("CUR"), dated April 23, 2001
3. Final MMRB Refunding CUR dated November 24, 2010
4. Satisfaction of MMRB Mortgage dated April 1, 2016
5. MMRB LURA dated February 1, 2011 and First Amendment to LURA dated April 1, 2016
6. Satisfaction of SAIL Mortgage dated April 1, 2016

Mr. Tim Kennedy
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October 12, 2023
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7. SAIL LURA dated August 31, 2001, First Amendment to LURA dated February 2, 2011 and Second Amendment to LURA dated May 23, 2018
8. Notice of Termination of Restrictions under Extended Low-Income Housing Agreement dated June 28, 2017
9. Personal Financial Statement for Rafael Levin, as of August 1, 2023, certified as “true and correct”
10. Purchase and Sale Agreement with Escrow Instructions (“PSA”) dated August 11, 2023
11. Draft Assignment of Contract, assigning the PSA to the six single-asset TIC entities that will own the Development as TIC
12. FHFC Occupancy Reports
13. Annual Management Review and Physical Inspection, dated December 29, 2022
14. Draft TIC Agreement (based on the Fannie Mae form of Subordination Agreement)
15. FHFC Past Due Report, dated September 18, 2023
16. FHFC Noncompliance Report, dated May 24, 2023
17. Proposed Organizational Chart reflecting new ownership entities, their ownership percentages, and their principal owners
18. Draft Operating Agreements for each of the TIC entities
19. Certificates of Good Standing with the State of Florida for all TIC entities except for Bauer Drive
20. Draft Property Management Agreement from Sela Realty Investments LLC (“Sela Realty”)
21. Experience chart for the 1% Guarantor/Principal of Port Charlotte, Rafael Levin, reflecting five multifamily developments in Florida

It is noted that this ownership transfer has been engineered for the purpose of effectuating a 1031 exchange for the TIC entities and/or their principals. The single-asset entities and their principals are underwritten as silent owners, with no direct control over the Subject Development. The requisite operating experience resides with the Property Manager, Sela Realty, as is reference in the TIC Agreement.

In addition, SMG has had various conversations with FHFC Staff and representatives of the new ownership entities regarding the requests described above.

Our findings are as follows:

Background

The Subject Development is a Family development located at 17800 Murdock Circle, Port Charlotte, Charlotte County, Florida, consisting of 264 multifamily rental apartment units located in 18 garden style residential buildings. The current owner is Tralee Affordable Housing Rays L, LLC.

The Subject Development received a MMRB loan from the Housing Finance Authority of Charlotte County in March 2000 in the aggregate amount of \$10,500,000. This loan was paid and refunded with FHFC MMRB in the amount of \$7,000,000 on February 2, 2011. The FHFC MMRB was paid in full as evidenced by a Satisfaction of Mortgage dated April 1, 2016. The MMRB LURA, as amended, remains in effect.

Mr. Tim Kennedy
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October 12, 2023
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The Subject Development also received a SAIL in the amount of \$2,000,000 on August 31, 2001. The SAIL Mortgage was modified on February 2, 2011, and again on January 1, 2013; however, was paid in full as evidenced by a Satisfaction of Mortgage dated April 1, 2016. The SAIL LURA, as amended, remains in effect.

Other funding sources included equity derived from the sale of 4% Housing Credits (“HC”) and deferred Developer fee.

Operation of the Subject Development is restricted by terms and conditions detailed in various documents, including but not limited to the MMRB LURA and SAIL LURA. Set asides for the MMRB LURA are 85% (225 units) of the units at 60% or less of Area Median Income (“AMI”) for 30 years. Set asides for the SAIL LURA are 85% (225 units) of the units at 60% or less of the AMI for 50 years.

As of December 2022, the Subject Development reported occupancy at a rate of 96.97%. Average occupancy through June 2023 is 96.59%.

The most recent annual Management Review and Physical Inspection reflected no compliance issues. The Closeout Letter was issued on April 7, 2023.

The FHFC Past Due Report reflects no past due items for the development team. The FHFC Noncompliance Report reflects no noncompliance items for the development team.

Ownership Transfer

The PSA is between Tralee, Seller, and Port Charlotte, Buyer, dated August 11, 2023. The purchase price is \$37,750,000. The closing shall occur on the date which will be thirty (30) days subsequent to the expiration of the Inspection Period. Buyer shall have the right to extend the closing date for thirty (30) days by: (i) delivering written notice to Seller not less than seven (7) business days prior to the scheduled closing date; and (ii) the delivery of the sum of \$150,000 (non-refundable) to the Escrow Agent within one (1) business day subsequent to the delivery of the extension notice to Seller.

Port Charlotte is a Florida Limited Liability Company registered with the State of Florida on August 7, 2023. As a newly-formed special-purpose entity, it has no financial statements, bank statements, tax returns, credit history, bank or trade references, previous multifamily ownership history, schedule of real estate owned, or contingent liabilities.

As previously noted, this ownership transfer has been engineered for the purpose of effectuating a 1031 exchange for the TIC entities and/or their principals. As TICs, each TIC will directly own a proportionate share of the Subject Development. According to the draft TIC Agreement the ownership percentages of the Subject Development will be as follows:

- Peninsula at Port Charlotte LLC 77.35%
- Lakes Investments 6 LLC 4.760%
- 100 Bauer Murdock LLC 7.140%
- Bauer Drive Murdock LLC 1.900%
- E. Roman Peninsula LLC 4.425%
- M. Roman Peninsula LLC 4.425%

Seltzer reviewed a certified personal financial statement, as well as the 2021 and 2020 personal income tax returns for Rafael Levin, the individual identified to provide a personal guarantor, as necessary, for the TIC entities. Mr. Levin filed an extension for his 2022 tax returns. The financials provided are sufficient for purposes of analyzing the feasibility of this ownership transfer.

Mr. Tim Kennedy
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October 12, 2023
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Management Company

The proposed management company is Sela Realty. Sela Realty is a Florida Limited Liability Company registered in the State of Florida on August 1, 2006, and based in Fort Lee, New Jersey. According to their resume, they are a family-owned company with 60 employees, specializing in real estate investment and property management, with a current portfolio consisting of more than 2,000 units in New Jersey and Florida. The properties under management consist of single-family homes, senior housing, residential apartment complexes, condos, and offices.

As reflected in the draft Property Management Agreement, all decisions related to the management, operation, and maintenance of the Subject Development, including, but not limited to (i) the day-to-day interaction with any prospective lender (including receiving of all notices under any document evidencing or securing any mortgage on the Subject Development), (ii) making draw requests to any lender in connection with any accounts being held or maintained by a lender, (iii) management of the operating accounts of the TIC for the Subject Development, and (iv) maintenance of books and records, including the project budget for the Subject Development shall be made by Sela Realty.

The draft/unexecuted Property Management Agreement states the management compensation will be equal to three percent (3%) of the gross revenues received by the Subject Development each month. The initial term of the agreement is for a period of five (5) years.

Approval of the selection of Sela Realty by Florida Housing's Asset Management department is a condition to close.

Sources and Uses

Sources	Amount	Totals
Estimated Loan Amount	\$ 28,690,000	
Buyer Equity	\$ 10,250,000	
		<u>\$ 38,940,000</u>

Uses		
First Lien/Purchase Price	\$ 37,750,000	
*Closing Costs	\$ 690,000	
Capital Improvements	\$ 500,000	
		<u>\$ 38,940,000</u>

New First Mortgage Loan

Greystone Servicing Company, LLC ("Greystone") will facilitate a First Mortgage Loan through the Fannie Mae Delegated Underwriting and Servicing Program. The loan amount is estimated to be between \$28,000,000 and \$30,000,000, based on interest rates at the time of rate-lock, and limited to a maximum 75% loan-to-value. The loan will bear an interest rate that will be fixed prior to closing, based on the 10-year Treasury rate plus a spread of 1.81%. As of October 11, 2023, the all-in interest rate is estimated at

Mr. Tim Kennedy
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October 12, 2023
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6.47%. The term of the loan will be 10 years, with a 3-year interest-only period. Following the interest-only period, payments of principal and interest, based on a 35-year amortization schedule, will be required monthly. Greystone will charge an origination fee equal to 0.75% of the loan amount.

Summary and Recommendation

Seltzer's review indicates that the TIC entities, through the Management Company (Sela Realty), possess the prerequisite financial strength and experience to successfully own and operate the Subject Development.

Therefore, SMG recommends that FHFC consent to and approve the transfer of the ownership interest of the Seller to the TIC entities, assumption of the MMRB LURA and SAIL LURA, the refinancing of the existing first mortgage loan, subordination of the MMRB and SAIL LURAs to the new first mortgage loan, and modification of any other loan documents required to effectuate the transaction, subject to the following:

- TIC entities and principals (if applicable) as well as the withdrawing entities to execute any assignment and assumption documents, and any other documents FHFC and/or its Legal Counsel deems necessary to effectuate the ownership change
- Receipt and satisfactory review of an amended Property Management Agreement, including all TIC entities as previously listed on Page 3 of this report, with terms not materially different from those provided during underwriting
- Receipt of executed TIC Agreement, with terms not materially different from those provided during underwriting
- Evidence that Bauer Drive Murdock LLC has registered, and is in good standing with, the State of Florida
- Receipt and satisfactory review of formation documentation and Operating Agreements of the new Owner entities and each of their managing members
- Receipt and satisfactory review of a final organizational chart not substantially different from that submitted for underwriting
- Payment of all costs and fees to Florida Housing, its Legal Counsel, and Servicer, as applicable
- Receipt of a non-refundable MMRB LURA transfer and assumption fee of \$2,500
- Receipt of a non-refundable MMRB LURA and SAIL LURA subordination fee of \$1,000 each
- 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 67-48.0075 (5) and Rule 67-21.0025 (5) F.A.C., of an Applicant or a Developer)
- Prepayment of any required compliance monitoring fees and servicing fees, as applicable
- Approval of the selection of the Property Management Company by FHFC's Asset Management department.
- Satisfactory resolution of any noncompliance and/or past due items

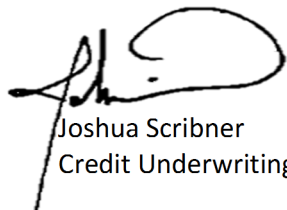
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- Review and approval of all loan documents consistent with the terms outlined above by Florida Housing, its Legal Counsel and Servicer
- Any other requirement of FHFC, its Legal Counsel and Servicer

I hope this correspondence has been helpful and please do not hesitate to contact me if I can be of further assistance.

Sincerely,

SELTZER MANAGEMENT GROUP, INC.

A handwritten signature in black ink, appearing to read 'Joshua Scribner', with a large, stylized loop at the end.

Joshua Scribner
Credit Underwriting Manager

Florida Housing Finance Corporation

Credit Underwriting Report

Skyway Lofts II

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

RFA 2022-205 (2023-118SN) / 2022-536C

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

Section A: Report Summary

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

Section C: Supporting Information and Schedules

Prepared by

First Housing Development Corporation of Florida

FINAL REPORT

October 12, 2023

Skyway Lofts II

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Section A
Report Summary

SAIL, NHTF, & HC CREDIT UNDERWRITING REPORT

Recommendation

First Housing Development Corporation of Florida (“First Housing”, “FHDC”, or “Servicer”) recommends a SAIL Loan in the amount of \$750,000, a NHTF Loan in the amount of \$1,375,000, and an annual 4% HC Allocation of \$1,179,529 for the construction and permanent financing of Skyway Lofts II (“Development”).

DEVELOPMENT & SET-ASIDES											
Development Name:		<u>Skyway Lofts II</u>									
RFA/Program Numbers:		<u>RFA 2022-205</u>	/	<u>2023-118SN</u>		<u>2022-536C</u>					
Address:		<u>3800 34th Street S.</u>									
City:		<u>St. Petersburg</u>	Zip Code:		<u>33711</u>	County:		<u>Pinellas</u>	County Size:	<u>Large</u>	
Development Category:		<u>New Construction</u>			Development Type:						<u>Mid-Rise (4 Stories)</u>
Construction Type:		<u>Masonry</u>									
Demographic Commitment:											
Primary:		<u>Family</u>			for		<u>100%</u>		of the Units		
Unit Composition:											
# of ELI Units:		<u>10</u>	ELI Units Are Restricted to		<u>30%</u>	AMI, or less.		Total # of units with PBRA?		<u>0</u>	
# of Link Units:		<u>5</u>	Are the Link Units Demographically Restricted?		<u>Yes</u>	# of NHTF Units:		<u>5</u>			

Pinellas County, Tampa-St. Petersburg-Clearwater MSA

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	3	709	22%			\$358	\$77	\$ 281		\$ 281	\$ 281	\$ 281	\$ 10,116
1	1.0	5	642	30%			\$489	\$77	\$ 412		\$ 412	\$ 412	\$ 412	\$ 24,720
1	1.0	18	666	60%			\$978	\$77	\$ 901		\$ 901	\$ 901	\$ 901	\$ 194,616
1	1.0	2	642	60%			\$978	\$77	\$ 901		\$ 901	\$ 901	\$ 901	\$ 21,624
1	1.0	5	642	80%			\$1,305	\$77	\$ 1,228		\$ 1,228	\$ 1,228	\$ 1,228	\$ 73,680
2	2.0	2	917	22%			\$430	\$93	\$ 337		\$ 337	\$ 337	\$ 337	\$ 8,088
2	2.0	4	917	30%			\$587	\$93	\$ 494		\$ 494	\$ 494	\$ 494	\$ 23,712
2	2.0	15	917	60%			\$1,174	\$93	\$ 1,081		\$ 1,081	\$ 1,081	\$ 1,081	\$ 194,580
2	2.0	3	917	80%			\$1,566	\$93	\$ 1,473		\$ 1,473	\$ 1,473	\$ 1,473	\$ 53,028
2	2.0	3	928	80%			\$1,566	\$93	\$ 1,473		\$ 1,473	\$ 1,473	\$ 1,473	\$ 53,028
3	2.0	1	1,142	30%			\$678	\$106	\$ 572		\$ 572	\$ 572	\$ 572	\$ 6,864
3	2.0	4	1,142	60%			\$1,356	\$106	\$ 1,250		\$ 1,250	\$ 1,250	\$ 1,250	\$ 60,000
3	2.0	1	1,142	80%			\$1,808	\$106	\$ 1,702		\$ 1,702	\$ 1,702	\$ 1,702	\$ 20,424
		66	53,463											\$ 744,480

According to Request for Applications 2022-205 (“RFA”), since the Applicant selected Average Income Test, the Applicant must set-aside 15% of the total units (10 units) as ELI set-aside units at 30% or less of the Area Median Income (“AMI”). Persons with Special Needs Set-Aside Commitment: The proposed Development must set aside 50% of the ELI set-aside units (5 units) as Link Units for Persons with Special Needs. In order to meet the commitment to set aside ELI units as Link Units for Persons with Special Needs, the Applicant must develop and execute a Memorandum of Understanding (“MOU”) with at least one 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 (Pinellas County). The MOU must be approved

SAIL, NHTF, & HC CREDIT UNDERWRITING REPORT

by Florida Housing Finance Corporation (“Florida Housing” or “FHFC”) and is a condition to closing.

NHTF Units Set-Aside Commitment: The proposed Development must set-aside 5 units as NHTF Link units targeted for Persons with Special Needs. These units are required to be set aside for residents earning at or below 22% of AMI and are in addition to the fifty percent (50%) requirement for ELI set-aside units. Therefore, the Development will have a total of 10 units targeted for Link Units for Persons with Special Needs (ELI -5 units, NHTF -5 units). The Persons with Special Needs set-aside commitment must be maintained throughout the entire 50-year Compliance Period.

After 30 years, all of the NHTF Link units (5 units) may convert to serve residents at or below 60% AMI. However, the Persons with Special Needs set-aside commitment must be maintained throughout the entire 50-year Compliance Period.

The Tenant Selection Plan was approved by FHFC on August 18, 2023.

Buildings: Residential - 1 Non-Residential - 0
 Parking: Parking Spaces - 59 Accessible Spaces - 5

Set Asides:

Program	% of Units	# of Units	% AMI	Term (Years)
NHTF	7.576%	5	22%	50
HC/SAIL/ELI	15.152%	10	30%	50
HC/SAIL	66.667%	44	60%	50
HC/SAIL	18.181%	12	80%	50
HFAPC MMRB	TBD	TBD	TBD	

Absorption Rate 30 units per month for 2.0 months.

Occupancy Rate at Stabilization: Physical Occupancy 97.00% Economic Occupancy 95.00%
 Occupancy Comments N/A - New Construction

DDA: Yes QCT: No Multi-Phase Boost: No QAP Boost: No
 Site Acreage: 1.19 Density: 55.4622 Flood Zone Designation: X
 Zoning: CCS-2, Corridor Commercial Suburban-2 Flood Insurance Required?: No

First Housing is waiting for confirmation of the MMRB set-asides.

DEVELOPMENT TEAM		
Applicant/Borrower:	Blue Pinellas 2, LLC	% Ownership
Manager	Blue Pinellas 2 M, LLC	
Special Member	Raymond James Affordable Housing Investments, Inc. ("RJAHI")	
Construction Completion Guarantor(s):		
CC Guarantor 1:	Blue Pinellas 2, LLC	
CC Guarantor 2:	Blue Pinellas 2 M, LLC	
CC Guarantor 3:	Shawn Wilson	
CC Guarantor 4:	Weedon Enterprises, LLC	
CC Guarantor 5:	Blue SWL2 Developer, LLC	
CC Guarantor 6:	Blue Sky Communities LLC	
CC Guarantor 7:	James Chadwick	
Operating Deficit Guarantor(s):		
OD Guarantor 1:	Blue Pinellas 2, LLC	
OD Guarantor 2:	Blue Pinellas 2 M, LLC	
OD Guarantor 3:	Shawn Wilson	
OD Guarantor 4:	Weedon Enterprises, LLC	
OD Guarantor 5:	Blue SWL2 Developer, LLC	
OD Guarantor 6:	Blue Sky Communities LLC	
OD Guarantor 7:	James Chadwick	
Bond Purchaser	TD Bank, N.A. ("TD Bank") (Construction)	
Developer:	Blue SWL2 Developer, LLC	
General Contractor 1:	BSC P&E, LLC	
Management Company:	Carteret Management Corporation ("Carteret")	
Syndicator:	RJAH	
Bond Issuer:	Housing Finance Authority of Pinellas County ("HFAPC")	
Architect:	Place Architecture LLC	
Market Study Provider:	Integra Realty Resources - Tampa Bay ("Integra")	
Appraiser:	Integra	

SAIL, NHTF, & HC CREDIT UNDERWRITING REPORT

PERMANENT FINANCING INFORMATION					
	1st Source	2nd Source	3rd Source	4th Source	5th Source
Lien Position	First	Second	Third	Fourth	Fifth
Lender/Grantor	Raymond James Bank	FHFC - SAIL	FHFC - NHTF	City of St. Petersburg	Pinellas County
Amount	\$2,100,000	\$750,000	\$1,375,000	\$6,500,000	\$1,400,000
Underwritten Interest Rate	6.77%	1.00%	0.00%	0.00%	0.00%
All In Interest Rate	6.77%	1.00%	0.00%	0.00%	0.00%
Loan Term	15	15	30.0	27.5	27.5
Amortization	35	0	0	0	0
Market Rate/Market Financing LTV	11%	15%	23%	57%	65%
Restricted Market Financing LTV	36%	48%	71%	181%	205%
Loan to Cost - Cumulative	8%	11%	17%	43%	49%
Loan to Cost - SAIL Only	N/A	3%	N/A	N/A	N/A
Debt Service Coverage	1.56	1.45	1.42	1.42	1.42
Operating Deficit & Debt Service Reserves	\$172,268				
# of Months covered by the Reserves	3.2				

The chart above shows the total term of the NHTF loan which is 30 years of which 2.5 years is for the construction/stabilization period and 27.5 years is for the permanent period.

SAIL, NHTF, & HC CREDIT UNDERWRITING REPORT

Deferred Developer Fee	\$1,432,325
As-Is Land Value	\$2,000,000
Market Rent/Market Financing Stabilized Value	\$18,700,000
Rent Restricted Market Financing Stabilized Value	\$5,910,000
Projected Net Operating Income (NOI) - Year 1	\$252,741
Projected Net Operating Income (NOI) - 15 Year	\$254,202
Year 15 Pro Forma Income Escalation Rate	2.00%
Year 15 Pro Forma Expense Escalation Rate	3.00%
Bond Structure	Private Placement
Housing Credit (HC) Syndication Price	\$0.925
HC Annual Allocation - Initial Award	\$1,014,359
HC Annual Allocation - Qualified in CUR	\$1,179,529
HC Annual Allocation - Equity Letter of Interest	\$1,216,411

CONSTRUCTION/PERMANENT SOURCES:				
Source	Lender	Construction	Permanent	Perm Loan/Unit
Local HFA Bonds	HFAPC/TD Bank	\$13,750,000	\$0	\$0
Regulated Mortgage Lender	Raymond James Bank	\$0	\$2,100,000	\$31,818
FHFC - SAIL	FHFC	\$750,000	\$750,000	\$11,364
FHFC - NHTF	FHFC	\$1,375,000	\$1,375,000	\$20,833
Local Government Subsidy	City of St. Petersburg	\$4,413,074	\$6,500,000	\$98,485
Local Government Subsidy	Pinellas County	\$1,400,000	\$1,400,000	\$21,212
HC Equity	RJAHl	\$1,687,602	\$11,250,676	\$170,465
Deferred Developer Fee	Blue SWL2 Developer, LLC	\$1,432,325	\$1,432,325	\$21,702
TOTAL		\$24,808,001	\$24,808,001	\$375,879

Credit Underwriter: First Housing

Date of Final CUR: _____

TDC PU Limitation at Application: \$377,500 TDC PU Limitation at Credit Underwriting: \$442,550

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

SAIL, NHTF, & HC CREDIT UNDERWRITING REPORT

Changes from the Application:

COMPARISON CRITERIA	YES	NO
Does the level of experience of the current team equal or exceed that of the team described in the Application?	X	
Are all funding sources the same as shown in the Application?		1.-3.
Are all local government recommendations/contributions still in place at the level described in the Application?	2.	
Is the Development feasible with all amenities/features listed in the Application?	X	
Do the site plans/architectural drawings account for all amenities/features listed in the Application?	X	
Does the applicant have site control at or above the level indicated in the Application?	X	
Does the applicant have adequate zoning as indicated in the Application?	X	
Has the Development been evaluated for feasibility using the total length of set-aside committed to in the Application?	X	
Have the Development costs remained equal to or less than those listed in the Application?		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.-7.

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

1. Since the Application, the HFAPC tax-exempt construction first mortgage amount has increased from \$12,500,000 to \$13,750,000 and the permanent first mortgage amount has decreased from \$4,000,000 to \$2,100,000.

2. Since the Application, the Development has received additional subordinate funding in the total amount of \$3,400,000 from Pinellas County.

SAIL, NHTF, & HC CREDIT UNDERWRITING REPORT

3. Since the Application, per the Invitation to Enter Credit Underwriting issued by FHFC on July 27, 2023, the Applicant was awarded additional FHFC NHTF funding in the loan amount of \$1,375,000.
4. The Total Development Cost (“TDC”) has increased by a total of \$1,954,895 or 8.55% from \$22,853,106 to \$24,808,001 since the Application. This change is mainly due to an increase in construction costs.
5. Since the Application, the syndication rate has decreased from \$0.94 to \$0.925.
6. The Applicant submitted a request on August 10, 2023 to change from Mid-Rise Non-ESS Construction to Mid-Rise ESS Construction. This change was approved by FHFC staff on October 4, 2023.
7. Since the Application the set-asides have changed and the Applicant submitted the request on August 10, 2023. FHFC staff approved the change on October 4, 2023.

Set-Asides (From)	Set-Asides (To)
12 units at 30% AMI	10 units at 30% AMI
38 units at 60% AMI	44 units at 60% AMI
16 units at 80% AMI	12 units at 80% AMI
Average AMI 59.39%	Average AMI 59.09%

The above changes have no substantial material impact to the SAIL, NHTF, or HC recommendation for this Development.

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

According to the FHFC Asset Management Noncompliance Report, dated May 24, 2023, the Development has the following noncompliance item(s) not in the correction period:

- None

According to the FHFC Past Due Report, dated September 18, 2023, the Development Team has the following past due item(s):

- None

SAIL, NHTF, & HC CREDIT UNDERWRITING REPORT

Closing of the loan is conditioned upon verification that any outstanding past due, and/or noncompliance items noted at the time of closing, and the issuance of the annual HC allocation recommended herein, have been satisfied.

Strengths:

1. The Principals, Developer, and Management Company are experienced in affordable multifamily housing.
2. The Principals have sufficient experience and substantial financial resources to develop and operate the proposed Development.

Other Considerations:

None

Mitigating Factors:

None

Waiver Requests/Special Conditions:

None

Issues and Concerns:

1. First Housing received a Statement of Financial Affairs, dated September 14, 2023, which indicates that James Chadwick has been part of an entity which has filed for bankruptcy and has been part of a deed in lieu of foreclosure on four separate occasions.

Mitigating Factors:

1. All of the deed in lieu of foreclosures happened prior to June 2011 and none of the developments were affordable housing developments, which meets the requirements of Rule Chapters 67-48 and 67-21. First Housing is not aware of any other arrearages or material defaults outstanding at this time.

Additional Information:

1. The Development has applied to the HFAPC for a Tax-Exempt Multifamily Mortgage Revenue Bond (“MMRB” or “Bond”). TD Bank will purchase the Bond in the estimated

amount of \$13,750,000 which will be privately placed. The Bond will be short-term and paid off at conversion with the first mortgage and tax credit equity. The short-term redemption fee of 1% of the bond amount is within the Cost of Issuance. It is First Housing's understanding that TD Bank will not be the main investor in the RJAHI fund; therefore, there will not be a substantial user issue during the term of the bonds.

2. Based on the TDC per unit limitations in affect as of the April 1, 2022 FHFC Telephonic Board meeting, FHFC has set the TDC for RFA 2022-205, exclusive of demolition costs, land costs, and Operating Deficit Reserves ("ODR") and including the \$7,500 add on for Tax-Exempt Bonds, of \$442,550 per unit for a new construction, mid-rise (4 stories), Enhanced Structural Systems ("ESS") Construction Development located in Pinellas County. The Development's per unit TDC, less land costs and ODR is \$372,890 per unit, which meets the TDC requirement.
3. The Applicant is required to provide a certification executed by the General Contractor for compliance with debarment and suspension regulations. First Housing is in receipt of this certification.
4. The Applicant is required to comply with the HUD environmental requirements as provided in 24 CFR 93.301(f)(1) and (2). Receipt of a satisfactory Environmental Review is a condition to closing.
5. The Applicant is required to provide evidence demonstrating that the Development is consistent with the applicable Consolidated Plan. First Housing is in receipt of this certification.

SAIL, NHTF, & HC CREDIT UNDERWRITING REPORT

Recommendation:

First Housing recommends a SAIL Loan in the amount of \$750,000, a NHTF Loan in the amount of \$1,375,000, and an annual HC Allocation of \$1,179,529 for the construction and permanent financing of the Development.

These recommendations are based upon the assumptions detailed in the Report Summary (Section A) and Supporting Information and Schedules (Section C). In addition, these recommendations are subject to the SAIL and NHTF Special and General Conditions and the HC Allocation Recommendation and Contingencies (Section B). **This recommendation is only valid for six months from the date of the report.**

The reader is cautioned to refer to these sections for complete information.

Prepared by:



Taylor Arruda
Senior Credit Underwriter

Reviewed by:



Edward Busansky
Senior Vice President

SAIL, NHTF, & HC CREDIT UNDERWRITING REPORT

Overview

Construction Financing Sources:

Construction Sources	Lender	Application	Revised Applicant	Underwriter	Construction Interest Rate	Annual Construction Debt Service
Local HFA Bonds	HFAPC/TD Bank	\$12,500,000	\$13,500,000	\$13,750,000	8.58%	\$1,179,750
FHFC - SAIL	FHFC	\$750,000	\$750,000	\$750,000	0.00%	\$0
FHFC - NHTF	FHFC	\$0	\$1,375,000	\$1,375,000	0.00%	\$0
Local Government Subsidy	City of St. Petersburg	\$6,500,000	\$6,500,000	\$4,413,074	0.00%	\$0
Local Government Subsidy	Pinellas County	\$0	\$2,000,000	\$0	0.00%	\$0
Local Government Subsidy	Pinellas County	\$0	\$1,400,000	\$1,400,000	0.00%	\$0
HC Equity	RJAH	\$2,383,505	\$2,206,847	\$1,687,602	N/A	N/A
Deferred Developer Fee	Blue SWL2 Developer, LLC	\$2,000,000	\$3,157,450	\$1,432,325	N/A	N/A
Reserve Escrows	N/A	\$0	\$172,357	\$0	N/A	N/A
Total		\$24,133,505	\$31,061,654	\$24,808,001		\$1,179,750

First Mortgage:

TD Bank will purchase the tax-exempt bonds in the amount of \$13,750,000 to be issued by the HFAPC. The proceeds will fund the construction loan. First Housing has reviewed a term sheet, dated October 3, 2023, which indicates that TD Bank will provide a construction loan in an amount equal to the least of: \$13,750,000, an amount not to exceed 80% of the appraised “as-stabilized” and “as restricted” value plus the value of the tax credits as determined by TD Bank, and 80% loan to total cost ratio during construction (excluding deferred developer fee). The loan will require interest only payments for the term of the loan, which is expected to be for 24 months from the loan closing. A six-month extension option is available subject to approval from TD Bank. The interest rate of the construction loan will be a floating rate based on the forward looking one month secured overnight financing rate (“SOFR”) plus a 2.25% spread. The construction loan interest is based on the one month term SOFR rate of 5.33% (as of October 3, 2023), a spread of 2.25%, plus a 1.00% underwriting cushion for an all-in rate of 8.58%.

The annual HFAPC Issuer Fee of 25 bps and Trustee Fee of \$4,500 are included in the Uses section of this report.

FHFC SAIL and NHTF Loans:

First Housing reviewed an invitation to enter credit underwriting, dated July 27, 2023, from FHFC with a preliminary SAIL Loan in the amount of \$750,000 and a preliminary NHTF Loan in the amount of \$1,375,000.

SAIL, NHTF, & HC CREDIT UNDERWRITING REPORT

The SAIL Loan is non-amortizing with an interest rate of 1% over the life of the loan with annual payments based upon available cash flow. The SAIL Loan will have a total term of 17.5 years, of which 2.5 years is for the construction/stabilization period and 15 years is for the permanent period. As required by the first mortgage lender and permitted by Rule 67-48, the SAIL Loan will be coterminous with the first mortgage. Annual payments of all applicable fees will be required. Any unpaid interest will be deferred until cash flow is available. However, at the maturity of the SAIL Loan, all principal and unpaid interest will be due.

The NHTF Loan is a non-amortizing loan with an interest rate of 0% per annum over the life of the loan, with the principal forgivable at maturity provided the units for which the NHTF Loan amount is awarded are targeted as NHTF units for the first 30 years of the 50 year Compliance Period. The loan will have a total term of 30 years, of which 2.5 years is for the construction/stabilization period and 27.5 years is for the permanent period. After 30 years all of the NHTF Link units may convert to serve residents at or below 60% AMI; however, the Persons with Special Needs set aside commitments must be maintained throughout the entire 50-year Compliance Period.

City of St. Petersburg:

First Housing received a loan commitment letter, dated July 7, 2023, from the City of St. Petersburg indicating a total amount of \$6,500,000. The interest rate will be 0% per annum. The loan is deferred and forgiven at the City's sole discretion if, at the end of 30 years, the terms of the agreement have been met. First Housing has assumed a loan term of 30 years of which 2.5 years is for the construction/stabilization period and 27.5 years is for the permanent period. First Housing anticipates that only \$4,413,074 of the loan will be needed during the construction period.

Pinellas County:

First Housing received a county loan term sheet, dated July 11, 2023, from Pinellas County indicating a maximum loan amount of \$3,400,000.

The loan will consist of \$2,000,000 for land acquisition plus closing costs to be administered by the HFAPC. This loan will not flow through the Applicant as the Trustee of the Pinellas County Land Assembly Trust – Skyway Lofts II will buy the land directly and then execute a Ground Lease with the Applicant. Therefore, First Housing has not shown this as a source of funds nor the purchase of the land as a use of funds.

The remaining \$1,400,000 of the loan is for construction costs. The loan will have a 0% interest rate. The loan will have a term of 30 years. First Housing has assumed a loan term of 30 years of

which 2.5 years is for the construction/stabilization period and 27.5 years is for the permanent period.

Housing Credit Equity:

First Housing has reviewed a letter, dated September 13, 2023, indicating RJAHI will acquire 99.99% ownership interest in the Applicant. Based on the letter, the annual HC allocation is estimated to be in the amount of \$1,216,411 and a syndication rate of \$0.925 per dollar. RJAHI anticipates a net capital contribution of \$11,250,676 and has committed to make available 15.00% or \$1,687,602 of the total net equity during the construction period. Three additional installments will be available at completion, stabilization, and upon receipt of the Form 8609. The first installment, in the amount of \$1,687,602 or 15.00% of the total net equity, meets the RFA requirement that 15% of the total equity must be contributed at or prior to the closing.

Please note the letter indicates that RJAHI will contribute \$11,250,677 but the installments add to \$11,250,676.

Deferred Developer Fee:

To balance the sources and uses of funds during construction, the Developer is required to defer \$1,432,325 or approximately 38.15% of the total Developer Fee of \$3,754,179.

SAIL, NHTF, & HC CREDIT UNDERWRITING REPORT

Permanent Financing Sources:

Permanent Sources	Lender	Application	Revised Applicant	Underwriter	Term Yrs.	Amort. Yrs.	Interest Rate	Annual Debt Service
Regulated Mortgage Lender	Raymond James Bank	\$4,000,000	\$2,100,000	\$2,100,000	15	35	6.77%	\$156,947
FHFC - SAIL	FHFC	\$750,000	\$750,000	\$750,000	15	0	1.00%	\$7,500
FHFC - NHTF	FHFC	\$0	\$1,375,000	\$1,375,000	30	0	0.00%	\$0
Local Government Subsidy	City of St. Petersburg	\$6,500,000	\$6,500,000	\$6,500,000	27.5	0	0.00%	\$0
Local Government Subsidy	Pinellas County	\$0	\$2,000,000	\$0	27.5	0	0.00%	\$0
Local Government Subsidy	Pinellas County	\$0	\$1,400,000	\$1,400,000	27.5	0	0.00%	\$0
HC Equity	Pinellas County	\$9,534,020	\$11,250,677	\$11,250,676	N/A	N/A	N/A	N/A
Deferred Developer Fee	RJAH	\$2,500,000	\$859,896	\$1,432,325	N/A	N/A	N/A	N/A
Total		\$23,284,020	\$26,235,573	\$24,808,001				\$164,447

First Mortgage:

First Housing received a Letter from Raymond James Bank, dated September 12, 2023, to provide a permanent loan. The loan amount shall not exceed the least of: 1) \$2,100,000, 2) 75% Loan to Value, and 3) a minimum 1.15 debt service coverage. The full loan amount will be disbursed in a single draw once the Development has attained lien-free completion and stabilization. The term is 15 years with a 35-year amortization period. The interest rate will be locked at closing of the construction loan and at a rate equal to the 10-year U.S. Treasury Security plus a spread of 2.50%, with a floor of 6.00% and a ceiling of 8.00%. The permanent loan interest is calculated based on the 10-year Treasury rate of 4.27% (as of September 12, 2023) plus a spread of 2.50%, for an all-in rate of 6.77%.

Additional fees included in the Debt Service calculation consists of an annual Compliance Monitoring Fee of 4 bps of the initial bond amount.

FHFC SAIL and NHTF Loans:

First Housing reviewed an invitation to enter credit underwriting, dated July 27, 2023, from FHFC with a preliminary SAIL Loan in the amount of \$750,000 and a preliminary NHTF Loan in the amount of \$1,375,000.

The SAIL Loan is non-amortizing with an interest rate of 1% over the life of the loan with annual payments based upon available cash flow. The SAIL Loan will have a total term of 17.5 years, of which 2.5 years is for the construction/stabilization period and 15 years is for the permanent period. As required by the first mortgage lender and permitted by Rule 67-48, the SAIL Loan will be coterminous with the first mortgage. Annual payments of all applicable fees will be required. Any unpaid interest will be deferred until cash flow is available. However, at the maturity of the SAIL Loan, all principal and unpaid interest will be due.

The NHTF Loan is a non-amortizing loan with an interest rate of 0% per annum over the life of the loan, with the principal forgivable at maturity provided the units for which the NHTF Loan

SAIL, NHTF, & HC CREDIT UNDERWRITING REPORT

amount is awarded are targeted as NHTF units for the first 30 years of the 50 year Compliance Period. The loan will have a total term of 30 years, of which 2.5 years is for the construction/stabilization period and 27.5 years is for the permanent period. After 30 years all of the NHTF Link units may convert to serve residents at or below 60% AMI; however, the Persons with Special Needs set aside commitments must be maintained throughout the entire 50-year Compliance Period.

For each of the SAIL and NHTF loans, fees include an annual multiple program Compliance Monitoring Fee of \$1,023 and an annual Permanent Loan Servicing Fee of 25 bps of the outstanding loan amount up to a maximum of \$936 per month, subject to a minimum of \$236 per month.

City of St. Petersburg:

First Housing received a loan commitment letter, dated July 7, 2023, from the City of St. Petersburg indicating a total amount of \$6,500,000. The interest rate will be 0% per annum. The loan is deferred and forgiven at the City's sole discretion if, at the end of 30 years, the terms of the agreement have been met. First Housing has assumed a loan term of 30 years of which 2.5 years is for the construction/stabilization period and 27.5 years is for the permanent period.

Pinellas County:

First Housing received a county loan term sheet, dated July 11, 2023, from Pinellas County indicating a maximum loan amount of \$3,400,000.

The loan will consist of \$2,000,000 for land acquisition plus closing costs to be administered by the HFAPC. This loan will not flow through the Applicant as the Trustee of the Pinellas County Land Assembly Trust – Skyway Lofts II will buy the land directly and then execute a Ground Lease with the Applicant. Therefore, First Housing has not shown this as a source of funds nor the purchase of the land as a use of funds.

The remaining \$1,400,000 of the loan is for construction costs. The loan will have a 0% interest rate. The loan will have a term of 30 years. First Housing has assumed a loan term of 30 years of which 2.5 years is for the construction/stabilization period and 27.5 years is for the permanent period.

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Housing Credit Equity:

The Applicant has applied to FHFC to receive 4% Housing Credits directly from the U.S. Treasury in conjunction with tax-exempt financing. A HC calculation is contained in Exhibit 2 of this credit underwriting report. Based on a letter, dated September 13, 2023, RJAHI will provide HC equity as follows:

Capital Contributions	Amount	Percentage of Total	When Due
1st Installment	\$1,687,602	15.00%	Closing
2nd Installment	\$1,687,601	15.00%	Construction Completion or May 1, 2025
3rd Installment	\$7,775,473	69.11%	Stabilized Operations or November 1, 2025
4th Installment	\$100,000	0.89%	Receipt of 8609s and Extended Use Agreement
Total	\$11,250,676	100.00%	

Annual Credit Per Syndication Agreement	\$1,216,411
Calculated HC Exchange Rate	\$0.925
Limited Partner Ownership Percentage	99.99%
Proceeds Available During Construction	\$1,687,602

Deferred Developer Fee:

To balance the sources and uses of funds during the permanent funding period, the Developer is required to defer \$1,432,325 or approximately 38.15% of the total Developer Fee of \$3,754,179.

SAIL, NHTF, & HC CREDIT UNDERWRITING REPORT

Uses of Funds

CONSTRUCTION COSTS:	Applicant Costs	Revised Applicant Costs	Underwriters Total Costs - CUR	Cost Per Unit	HC Ineligible Costs - CUR
New Rental Units	\$11,328,030	\$12,657,182	\$12,558,937	\$190,287	\$80,728
Site Work	\$480,000	\$1,160,608	\$1,160,608	\$17,585	\$116,061
Constr. Contr. Costs subject to GC Fee	\$11,808,030	\$13,817,790	\$13,719,545	\$207,872	\$196,789
General Conditions	\$1,653,124	\$781,067	\$823,172	\$12,472	\$0
Overhead	\$0	\$260,356	\$274,391	\$4,157	\$0
Profit	\$0	\$781,067	\$823,172	\$12,472	\$0
Total Construction Contract/Costs	\$13,461,154	\$15,640,280	\$15,640,281	\$236,974	\$196,789
Hard Cost Contingency	\$673,057	\$782,014	\$782,014	\$11,849	\$0
PnP Bond paid outside Constr. Contr.	\$98,939	\$98,500	\$98,500	\$1,492	\$0
FF&E paid outside Constr. Contr.	\$184,800	\$216,511	\$216,511	\$3,280	\$0
Total Construction Costs:	\$14,417,950	\$16,737,305	\$16,737,306	\$253,596	\$196,789

Notes to the Total Construction Costs:

1. The Applicant has provided an executed construction contract, dated June 27, 2023, in the amount of \$14,840,280.60. This is a Standard Form of Agreement between Owner, Blue Pinellas 2, LLC, and Contractor, BSC P&E, LLC where the basis of payment is the Cost of the Work Plus a Fee with a Guaranteed Maximum Price (“GMP”). Per the contract, substantial completion is to be achieved by no later than 486 calendar days from the date of commencement. The construction contract specifies a 10% retainage of each application for payment. After the completed work has reached 50% of the GMP, no retainage will be deducted from progress payments thereafter, unless the Owner determines in its sole discretion that the quality of the Work is less than that required by the Contract Documents or that the Development is not on schedule to be completed within the Contact Time, at which time the Owner may decline to reduce retainage or reinstate retainage at 10% of subsequent progress payments at any time after retainage may have been reduced. First Housing received a Change Order, dated August 10, 2023, to change the building structure type. The change order increased the GMP by \$800,000 to \$15,640,280.60.
2. The ineligible cost of \$80,728 is the cost of purchasing washer/dyers, since the Applicant will be renting the washers/dryers to the residents. First Housing has included 10% of site work as ineligible.
3. According to the GC Contract, there are no allowances.
4. The GC fee is within the maximum 14% of hard costs allowed by the RFA and Rule Chapters 67-21 and 67-48. The GC fee stated herein is for credit underwriting purposes only, and the final GC fee will be determined pursuant to the final cost certification process as per Rule Chapters 67-48 and 67-21.

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5. First Housing has not received all of the GC Section 3 contract requirements and is a condition to close.
6. The Hard Cost Contingency is within 5% of the total construction cost as allowed for new construction developments by the RFA and Rule Chapters 67-48 and 67-21.
7. The Applicant has budgeted for P&P Bonds to secure the construction contract.

GENERAL DEVELOPMENT COSTS:	Applicant Costs	Revised Applicant Costs	Underwriters Total Costs - CUR	Cost Per Unit	HC Ineligible Costs - CUR
Accounting Fees	\$30,000	\$30,000	\$30,000	\$455	\$15,000
Appraisal	\$6,000	\$12,000	\$5,400	\$82	\$0
Architect's Fee - Site/Building Design	\$247,500	\$342,100	\$342,100	\$5,183	\$0
Architect's Fee - Supervision	\$82,500	\$82,500	\$82,500	\$1,250	\$0
Building Permits	\$113,074	\$71,062	\$71,062	\$1,077	\$0
Engineering Fees	\$105,000	\$128,250	\$128,250	\$1,943	\$0
Environmental Report	\$10,000	\$4,025	\$4,025	\$61	\$0
FHFC Administrative Fees	\$91,292	\$109,475	\$106,158	\$1,608	\$106,158
FHFC Application Fee	\$3,000	\$3,000	\$3,000	\$45	\$3,000
FHFC Credit Underwriting Fee	\$30,000	\$33,152	\$27,603	\$418	\$27,603
FHFC Compliance Fee	\$224,421	\$229,477	\$229,477	\$3,477	\$229,477
Impact Fee	\$95,720	\$90,687	\$90,687	\$1,374	\$0
Lender Inspection Fees / Const Admin	\$50,000	\$40,000	\$40,000	\$606	\$0
Green Building Cert. (LEED, FGBC, NAHB)	\$20,000	\$16,700	\$16,700	\$253	\$0
Insurance	\$310,000	\$375,000	\$375,000	\$5,682	\$150,000
Legal Fees - Organizational Costs	\$220,000	\$150,000	\$150,000	\$2,273	\$37,500
Market Study	\$6,000	\$0	\$4,900	\$74	\$4,900
Marketing and Advertising	\$10,000	\$10,000	\$10,000	\$152	\$10,000
Plan and Cost Review Analysis	\$0	\$0	\$3,500	\$53	\$0
Property Taxes	\$42,043	\$75,000	\$75,000	\$1,136	\$12,500
Soil Test	\$30,000	\$51,532	\$51,532	\$781	\$0
Survey	\$25,000	\$17,875	\$17,875	\$271	\$0
Title Insurance and Recording Fees	\$88,000	\$105,000	\$105,000	\$1,591	\$21,000
Utility Connection Fees	\$145,200	\$114,000	\$114,000	\$1,727	\$0
Soft Cost Contingency	\$113,424	\$124,042	\$104,188	\$1,579	\$0
Total General Development Costs:	\$2,098,174	\$2,214,877	\$2,187,957	\$33,151	\$617,138

Notes to the General Development Costs:

1. General Development Costs are the Applicant's updated estimates, which appear reasonable.
2. First Housing has utilized actual costs for: FHFC Credit Underwriting, Market Study, Appraisal, and Plan and Cost Review (“PCR”).
3. The FHFC Administrative Fee is based on 9% of the recommended annual 4% Housing Credit allocation.

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4. The FHFC Credit Underwriting Fee includes an underwriting fee of \$25,652 and a Subsidy Layering Review (“SLR”) fee of \$1,951.
5. FHFC Compliance Fee is based on the 2023 compliance fee calculator spreadsheet provided by FHFC.
6. The Applicant provided a Professional Services Proposal for NGBS Green Building Certification services for Skyway Lofts II, dated August 3, 2023, from Community Development Reimagined, LLC.
7. First Housing adjusted the Soft Cost Contingency to be 5% of the General Development Costs less the soft cost contingency, as allowed for new construction developments by the RFA and Rule Chapters 67-48 and 67-21.

FINANCIAL COSTS:	Applicant Costs	Revised Applicant Costs	Underwriters Total Costs - CUR	Cost Per Unit	HC Ineligible Costs - CUR
Construction Loan Origination Fee	\$125,000	\$101,250	\$103,125	\$1,563	\$0
Construction Loan Interest	\$731,250	\$900,000	\$1,211,210	\$18,352	\$496,596
Permanent Loan Origination Fee	\$24,750	\$15,750	\$15,750	\$239	\$15,750
Local HFA Bond Trustee Fee	\$0	\$0	\$11,250	\$170	\$11,250
Local HFA Bond Cost of Issuance	\$275,000	\$257,000	\$361,519	\$5,478	\$361,519
Local HFA Bond Closing Costs	\$0	\$0	\$85,938	\$1,302	\$85,938
SAIL Commitment Fee	\$0	\$7,500	\$7,500	\$114	\$7,500
SAIL Closing Costs	\$0	\$25,000	\$12,500	\$189	\$12,500
NHTF Closing Costs	\$0	\$0	\$12,500	\$189	\$12,500
Legal Fees - Financing Costs	\$0	\$75,000	\$75,000	\$1,136	\$75,000
Other: Syndication Fee	\$0	\$35,000	\$35,000	\$530	\$35,000
Total Financial Costs:	\$1,156,000	\$1,416,500	\$1,931,292	\$29,262	\$1,113,553
Dev. Costs before Acq., Dev. Fee & Reserves	\$17,672,124	\$20,368,682	\$20,856,554	\$316,008	\$1,927,479

Notes to the Financial Costs:

1. The Construction Loan Commitment Fee is based on 0.75% of the construction loan amount.
2. The Construction Loan Interest is based on an interest rate of 8.58%, a 22-month term, and an average outstanding loan balance of 56%.
3. The Permanent Loan Commitment Fee is based on 0.75% of the permanent loan amount.

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4. The Local HFA Bond Trustee Fee \$11,250 includes Annual Trustee Fee of \$4,500 for 2.5 years.
5. The Local HFA Closing Costs includes an Annual Administration Fee of 0.25% per annum of the initial notes issued for 2.5 years.
6. SAIL Commitment Fee is based on 1% of the SAIL Loan.
7. First Housing included SAIL and NHTF closing costs of \$12,500 for each of the SAIL and NHTF loans for FHFC legal counsel fees.

NON-LAND ACQUISITION COSTS	Applicant Costs	Revised Applicant Costs	Underwriters Total Costs - CUR	Cost Per Unit	HC Ineligible Costs - CUR
Total Non-Land Acquisition Costs:	\$0	\$0	\$0	\$0	\$0

Notes to the Non-Land Acquisition Costs:

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

DEVELOPER FEE ON NON-ACQUISITION COSTS	Applicant Costs	Revised Applicant Costs	Underwriters Total Costs - CUR	Cost Per Unit	HC Ineligible Costs - CUR
Developer Fee - Unapportioned	\$3,180,982	\$3,666,363	\$3,754,179	\$56,882	\$0
Total Other Development Costs:	\$3,180,982	\$3,666,363	\$3,754,179	\$56,882	\$0

Notes to the Other Development Costs:

1. The recommended Developer's Fee does not exceed 18% of TDC before Developer Fee, land, and ODR as allowed by the RFA and Rule Chapters 67-48 and 67-21.

LAND ACQUISITION COSTS	Applicant Costs	Revised Applicant Costs	Underwriters Total Costs - CUR	Cost Per Unit	HC Ineligible Costs - CUR
Land	\$2,000,000	\$2,000,000	\$0	\$0	\$0
Total Acquisition Costs:	\$2,000,000	\$2,000,000	\$0	\$0	\$0

Notes to Acquisition Costs:

1. First Housing received a draft Ground Lease made between Housing Finance Authority of Pinellas County, Florida, as Trustee of the Pinellas County Land Assembly Trust – Skyway Lofts II (the “Lessor”) and Blue Pinellas 2, LLC (“Lessee”). The initial term of the lease shall be for 99 years and may be extended for one additional 99-year period. The Lessee shall pay to Lessor a base annual Ground Lease Fee in accordance with the Land Lease

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Rent Calculation. Based on the draft calculation, the initial annual rent will be \$20,202.02 for the first seven years. Then the rent shall increase at a rate of 5% every four years starting in year 8.

2. First Housing received a Vacant Land Contract, dated April 22, 2022, between Skyway Marina Properties LLC and Blue Sky Communities LLC, a First Amendment to Vacant Land Contract, dated September 8, 2022, a Second Amendment to Vacant Land Contract, dated December 20, 2022. First Housing received an Assignment of Vacant Land Contract, dated December 22, 2022, between Blue Sky Communities LLC (“Assignor”) and Blue Pinellas 2, LLC (“Assignee”). First Housing received a Third Amendment to Vacant Land Contract, dated March 31, 2023, and a Fourth Amendment to Vacant Land Contract, dated May 18, 2023. Based on the Contract and Amendments the purchase price is \$2,000,000 and closing must occur on or before November 20, 2023. It is anticipated that Pinellas County Land Assembly Trust – Skyway Lofts II will purchase the land directly; therefore, First Housing has not included the purchase price as a use.

3. First Housing reviewed an Appraisal of the Development prepared by Integra, dated August 28, 2023, which concluded to an estimated market value “as is” of the fee simple interest in the Development, as of July 21, 2023, is \$2,000,000.

RESERVE ACCOUNTS	Applicant Costs	Revised Applicant Costs	Underwriters Total Costs - CUR	Cost Per Unit	HC Ineligible Costs - CUR
Operating Deficit Reserve (Syndicator)	\$0	\$175,527	\$172,268	\$2,610	\$172,268
Reserves - Start-Up/Lease-up Expenses	\$0	\$25,000	\$25,000	\$379	\$25,000
Total Reserve Accounts:	\$0	\$200,527	\$197,268	\$2,989	\$197,268

Notes to Reserve Accounts:

1. First Housing has based the Operating Deficit Reserve (“ODR”) amount on the letter, dated September 13, 2023, from RJAHI. In exchange for receiving funding from the Corporation, the Corporation reserves the authority to restrict the disposition of any funds remaining in any operating deficit reserve(s) after the term of the reserve’s original purpose has terminated or is near termination. Authorized disposition uses are limited to payments towards any outstanding loan balances of the Development funded from the Corporation, any outstanding Corporation fees, any unpaid costs incurred in the completion of the Development (i.e., deferred Developer Fee), the Development’s capital replacement reserve account (provided, however, that any operating deficit reserve funds deposited to the replacement reserve account will not replace, negate, or otherwise be considered an advance payment or pre-funding of the Applicant’s obligation to periodically fund the replacement reserve account), the reimbursement of any loan(s) provided by a partner, member or guarantor as set forth in the Applicant’s organizational agreement (i.e.,

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operating or limited partnership agreement whereby its final disposition remains under this same restriction). The actual direction of the disposition is at the Applicant’s discretion so long as it is an option permitted by the Corporation. In no event, shall the payment of amounts to the Applicant or the Developer from any operating deficit reserve established for the Development cause the Developer Fee or General Contractor fee to exceed the applicable percentage limitations provided for in this RFA.

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 67-48. Any and all terms and conditions of the ODR must be acceptable to Florida Housing, its legal counsel, and its Servicer.

TOTAL DEVELOPMENT COSTS	Applicant Costs	Revised Applicant Costs	Underwriters Total Costs - CUR	Cost Per Unit	HC Ineligible Costs - CUR
TOTAL DEVELOPMENT COSTS:	\$22,853,106	\$26,235,572	\$24,808,001	\$375,879	\$2,124,747

Notes to Total Development Costs:

1. TDC have increased by a total of \$1,954,895 or 8.55% from \$22,853,106 to \$24,808,001 since the Application. This change is mainly due to an increase in construction costs.

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Operating Pro Forma – Skyway Lofts II

FINANCIAL COSTS:		Year 1	Year 1 Per Unit
OPERATING PRO FORMA			
INCOME:	Gross Potential Rental Income	\$744,480	\$11,280
	Other Income		
	Ancillary Income	\$22,334	\$338
	Washer/Dryer Rentals	\$23,760	\$360
	Gross Potential Income	\$790,574	\$11,978
	Less:		
	Physical Vac. Loss Percentage: 3.00%	\$23,717	\$359
	Collection Loss Percentage: 2.00%	\$15,811	\$240
	Total Effective Gross Income	\$751,045	\$11,379
EXPENSES:	Fixed:		
	Ground Lease	\$20,202	\$306
	Real Estate Taxes	\$57,500	\$871
	Insurance	\$99,000	\$1,500
	Variable:		
	Management Fee Percentage: 6.00%	\$45,063	\$683
	General and Administrative	\$33,000	\$500
	Payroll Expenses	\$108,900	\$1,650
	Utilities	\$66,000	\$1,000
	Marketing and Advertising	\$1,980	\$30
	Maintenance and Repairs/Pest Control	\$35,310	\$535
	Grounds Maintenance and Landscaping	\$11,550	\$175
	Reserve for Replacements	\$19,800	\$300
	Total Expenses	\$498,305	\$7,550
Net Operating Income	\$252,741	\$3,829	
Debt Service Payments			
First Mortgage - Raymond James Bank	\$156,947	\$2,378	
Second Mortgage - FHFC - SAIL	\$7,500	\$114	
Third Mortgage - FHFC - NHTF	\$0	\$0	
Fourth Mortgage - City of St. Petersburg	\$0	\$0	
Fifth Mortgage - Pinellas County	\$0	\$0	
First Mortgage Fees - HFAPC	\$5,500	\$83	
Second Mortgage Fees - FHFC - SAIL	\$3,855	\$58	
Third Mortgage Fees - FHFC - NHTF	\$4,461	\$68	
Fourth Mortgage Fees - City of St. Petersburg	\$0	\$0	
Fifth Mortgage Fees - Pinellas County	\$0	\$0	
Total Debt Service Payments	\$178,262	\$2,701	
Cash Flow after Debt Service	\$74,478	\$1,128	
Debt Service Coverage Ratios			
DSC - First Mortgage plus Fees	1.56x		
DSC - Second Mortgage plus Fees	1.45x		
DSC - Third Mortgage plus Fees	1.42x		
DSC - Fourth Mortgage plus Fee	1.42x		
DSC - Fifth Mortgage plus Fees	1.42x		
Financial Ratios			
Operating Expense Ratio	66.35%		
Break-even Economic Occupancy Ratio (all debt)	85.88%		

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Notes to the Operating Pro Forma and Ratios:

- The Development will be utilizing Housing Credits in conjunction with SAIL and NHTF, which will impose rent restrictions. The rent levels are based on the 2023 maximum LIHTC rents published on FHFC’s website for Pinellas County less the applicable utility allowance. Below is the rent roll for the Development:

Pinellas County, Tampa-St. Petersburg-Clearwater MSA

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	3	709	22%			\$358	\$77	\$ 281		\$ 281	\$ 281	\$ 281	\$ 10,116
1	1.0	5	642	30%			\$489	\$77	\$ 412		\$ 412	\$ 412	\$ 412	\$ 24,720
1	1.0	18	666	60%			\$978	\$77	\$ 901		\$ 901	\$ 901	\$ 901	\$ 194,616
1	1.0	2	642	60%			\$978	\$77	\$ 901		\$ 901	\$ 901	\$ 901	\$ 21,624
1	1.0	5	642	80%			\$1,305	\$77	\$ 1,228		\$ 1,228	\$ 1,228	\$ 1,228	\$ 73,680
2	2.0	2	917	22%			\$430	\$93	\$ 337		\$ 337	\$ 337	\$ 337	\$ 8,088
2	2.0	4	917	30%			\$587	\$93	\$ 494		\$ 494	\$ 494	\$ 494	\$ 23,712
2	2.0	15	917	60%			\$1,174	\$93	\$ 1,081		\$ 1,081	\$ 1,081	\$ 1,081	\$ 194,580
2	2.0	3	917	80%			\$1,566	\$93	\$ 1,473		\$ 1,473	\$ 1,473	\$ 1,473	\$ 53,028
2	2.0	3	928	80%			\$1,566	\$93	\$ 1,473		\$ 1,473	\$ 1,473	\$ 1,473	\$ 53,028
3	2.0	1	1,142	30%			\$678	\$106	\$ 572		\$ 572	\$ 572	\$ 572	\$ 6,864
3	2.0	4	1,142	60%			\$1,356	\$106	\$ 1,250		\$ 1,250	\$ 1,250	\$ 1,250	\$ 60,000
3	2.0	1	1,142	80%			\$1,808	\$106	\$ 1,702		\$ 1,702	\$ 1,702	\$ 1,702	\$ 20,424
		66	53,463											\$ 744,480

- The utility allowances are based on an Energy Consumption Model (“ECM”) Utility Allowance Estimate and signed by Enercon Service, Inc. The utility allowances were approved by Florida Housing for Credit Underwriting Purposes on August 7, 2023.
- The appraisal included a vacancy and collection loss rate of 3%. First Housing utilized a vacancy and collection loss of 5% to be more conservative.
- The Appraisal projected Miscellaneous Income of \$46,094 which is comprised of revenue from washer/dryer rentals, vending machines, late charges, and forfeited security deposits. First Housing separated washer/dryer income from miscellaneous income for presentation purposes and is projecting Miscellaneous Income of \$22,334 or \$338 per unit.
- The Developer projected a penetration rate of 75% and a monthly rate of \$40 for the washer/dryer rentals, which the appraiser found to be reasonable and consistent with similar developments.
- Based upon operating data from comparable properties, third-party reports (appraisal and market study) and First Housing's independent due diligence, First Housing represents that, in its professional opinion, estimates for Rental Income, Vacancy, Other Income, and Operating Expenses fall within a band of reasonableness.

7. First Housing received a draft Ground Lease made between Housing Finance Authority of Pinellas County, Florida, as Trustee of the Pinellas County Land Assembly Trust – Skyway Lofts II (the “Lessor”) and Blue Pinellas 2, LLC (“Lessee”). The initial term of the lease shall be for 99 years and may be extended for one additional 99-year period. The Lessee shall pay to Lessor a base annual Ground Lease Fee in accordance with the Land Lease Rent Calculation. Based on the draft calculation, the initial annual rent will be \$20,202.02 for the first seven years. Then the rent shall increase at a rate of 5% every four years starting in year 8. Please note, the appraisal does not include the ground lease as an operating expense but First Housing has included as the payment appears to be required ahead of debt service.
8. First Housing has received an executed Management Agreement, dated June 14, 2023, between Carteret Management Corporation and Blue Pinellas 2, LLC. After the initial six months, the compensation fee shall be a fee equal to 6% of gross revenues collected during the current month. In addition, Carteret will charge a monthly fee for bookkeeping and computer services equal to the lesser of actual costs or \$495 per month. The bookkeeping and computer services charge is included in the general and administrative line item.
9. The landlord will pay for water, sewer, trash, and common area electric. The tenant will be responsible for electricity, cable, and internet.
10. Replacement Reserves of \$300 per unit per year are required. Based on the letter, dated September 13, 2023, from RJAHI the replacement reserve deposits will be required to increase by 3% each year.
11. Refer to Exhibit I, Page 1 for a 15-Year Pro Forma, which reflects rental income increasing at an annual rate of 2%, and expenses increasing at an annual rate of 3%.
12. The Break-even Economic Occupancy Ratio includes all debt; however, only the first mortgage and all fees are required payments. This ratio would improve to 84.93% if only the first mortgage and all fees are required.

Section B

SAIL and NHTF Special and General Conditions HC Allocation Recommendation and Contingencies

Special Conditions

This recommendation is contingent upon the review and approval of the following items by Florida Housing and First Housing **at least two weeks prior to Real Estate Loan Closing**. Failure to submit and to receive approval of these items within this time frame may result in postponement of the SAIL and NHTF closing date.

1. Firm Commitment from TD Bank for the MMRB construction loan with terms and conditions that are not substantially different than those utilized in this credit underwriting report.
2. Firm Commitment from Raymond James Bank for the permanent loan with terms and conditions that are not substantially different than those utilized in this credit underwriting report.
3. Final loan documents for the fourth and fifth construction/permanent mortgages with terms which are not substantially different than those utilized in this credit underwriting report.
4. Receipt and satisfactory review of the Final signed, sealed “approved for construction” plans and specifications by the Construction Consultant and the Servicer.
5. Satisfactory receipt and review of updated financials for the Guarantors, dated within 90 days of closing.
6. Receipt of a final PCA.
7. Receipt of all GC Section 3 contract requirements.
8. FHFC approval of the MOU.
9. Receipt of an Affirmative Fair Housing Marketing Plan.
10. The Applicant is required to comply with the HUD environmental requirements as provided in 24 CFR 93.301(f)(1) and (2). Receipt of a satisfactory Environmental Review.
11. Completion of the HUD Section 3 pre-construction conference.
12. The Development shall meet the Section 3 requirements of the Housing and Urban Development Act of 1968 as amended (12 U.S.C. 170lu).

13. 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 First Housing **at least two weeks prior to Real Estate Loan Closing**. Failure to submit and to receive approval of these items within this time frame may result in postponement of the closing date:

1. Payment of any outstanding arrearages to the Corporation, its Legal Counsel, Servicer or any agent or assignee of the Corporation for past due issues applicable to the Development Team (Applicant or Developer or Principal, Affiliate or Financial Beneficiary, as described in 67-21.0025 (5) F.A.C. and 67-48.0075 (5) F.A.C. of an Applicant or a Developer).
2. GLE is to act as construction inspector during the construction phase.
3. At all times there will be undisbursed loan funds (collectively held by Florida Housing, the first mortgage 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.
4. Construction Period Developer Fee shall be the lessor of i) 50% of the Total Developer Fee or ii) the Total Developer Fee less the Deferred Developer Fee listed in the Sources and Uses for the construction period, as calculated by the Servicer. At closing, a maximum of 35% of the Construction Period Developer Fee may be funded. Remaining Construction Period Developer Fee will be disbursed during construction/rehabilitation on a pro rata basis, based on the percentage of completion of the development, as approved and reviewed by FHFC and Servicer.

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

5. Signed and sealed survey, dated within 90 days of loan 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.
6. Building permits and any other necessary approvals and permits (e.g., final site plan approval, Department of Environmental Protection, Army Corps of Engineers, the Water Management District, Department of Transportation, etc.) or 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.
7. Final "as permitted" (signed and sealed) site plans, building plans and specifications. The geotechnical report must be bound within the final plans and specifications, if applicable.
8. Final sources and uses of funds schedule itemized by source and line item, in a format and in amounts approved by the Servicer. A detailed calculation of the construction loan interest based upon the final draw schedule, documentation of the closing costs, and draft loan closing statement must also be provided. The sources and uses of funds schedule will be attached to the Loan Agreement as the approved development budget.
9. A final construction draw schedule showing itemized sources and uses of funds for each monthly draw. SAIL Program loan proceeds shall be disbursed during the construction phase in an amount per draw that does not exceed the ratio of the SAIL Loan to the Total Development Costs, unless approved by First Housing. NHTF Loan proceeds shall be disbursed during the construction phase in an amount per draw that does not exceed the ratio of the NHTF Loan to the total development costs, unless approved by First Housing. The closing draw must include appropriate backup and ACH wiring instructions.
10. Evidence of insurance coverage pursuant to the RFA governing this proposed transaction and, as applicable, the FHFC Insurance Guide.
11. 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.

12. Architect, Construction Consultant, and Developer Certifications on forms provided by FHFC 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, if applicable.
13. Borrower is to comply with any and all recommendations noted in the Plan and Cost Analysis, prepared by GLE.
14. At the end of the Compliance Period, any remaining balance of the ODR less amounts that may be permitted to be drawn (which includes Deferred Developer Fee, and reimbursements for authorized member/partner and guarantor loan(s) pursuant to the operating/partnership agreement), will be used to pay FHFC loan debt; if there is no FHFC loan debt on the proposed Development at the end of the Compliance Period, any remaining balance shall be used to pay any outstanding FHFC fees. If any balance is remaining in the ODR after the payments above, the amount should be placed in a Replacement Reserve account for the Development. In no event shall the payments of amounts to the Applicant or the Developer from the Reserve Account cause the Developer Fee or General Contractor Fee to exceed the applicable percentage limitations provided for in the Rule. Any and all terms and conditions of the ODR must be acceptable to Florida Housing, its Servicer and its Legal Counsel.
15. A copy of an Amended and Restated Operating Agreement reflecting purchase of the HC under terms consistent with the assumptions contained within this Credit Underwriting Report. The Amended and Restated Operating Agreement shall be in a form and of financial substance satisfactory to Servicer and to FHFC and its Legal Counsel.

This recommendation is contingent upon the review and approval of the following items by Florida Housing, and its Legal Counsel **at least two weeks prior to Real Estate Loan Closing**. Failure to receive approval of these items, along with all other items listed on Florida Housing Counsel’s due diligence, within this time frame may result in postponement of the loan closing date.

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

2. Award of 4% Housing Credits and purchase of HC by RJAHI or an affiliate, under terms consistent with the assumptions of this report.
3. 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.
4. An acceptable updated Environmental Audit Report, together with a reliance letter to Florida Housing, prepared within 90 days of closing, unless otherwise approved by Florida Housing, and Legal Counsel, based upon the particular circumstances of the transaction. Borrower to comply with any and all recommendations and remediation restrictions noted in the Environmental Assessment(s) and Updates and the Environmental Review, if applicable.
5. Title insurance pro forma or commitment for title insurance with copies of all Schedule B exceptions, in the amount of the Loans naming FHFC as the insured. All endorsements required by FHFC shall be provided.
6. Florida Housing and its Legal Counsel shall review and approve all other lenders closing documents and the operating agreement or other applicable agreement. Florida Housing shall be satisfied in its sole discretion that all legal and program requirements for the Loan(s) have been satisfied.
7. Evidence of insurance coverage pursuant to the RFA governing this proposed transaction and, as applicable, the FHFC Insurance Guide.
8. Receipt of a legal opinion from the Borrower's Legal Counsel acceptable to Florida Housing addressing the following matters:
 - a. The legal existence and good standing of the Borrower and of any partnership or limited liability company that is the general partner of the Borrower (the "GP") and of any corporation or partnership that is the managing general partner of the GP, of any corporate guarantor and any manager;
 - b. Authorization, execution, and delivery by the Borrower and the guarantor, of all Loan(s) documents;

SAIL, NHTF, & HC CREDIT UNDERWRITING REPORT

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

Additional Conditions

This recommendation is also contingent upon satisfaction of the following additional conditions:

1. Compliance with all provisions of Sections 420.507 and 420.5087, Florida Statutes, Rule Chapter 67-21, F.A.C. (Non-Competitive 4% Housing Credits), Rule 67-48 F.A.C. (SAIL), Rule Chapter 67-53, F.A.C., Rule Chapter 67-60 F.A.C., RFA 2022-205, Section 42 I.R.C. (Housing Credits), and any other State or Federal requirements.
2. Acceptance by the Borrower and execution of all documents evidencing and securing the SAIL and NHTF loans in form and substance satisfactory to Florida Housing, including, but not limited to, the Promissory Note(s), the Loan Agreement(s), the Mortgage and Security Agreement(s), and the Land Use Restriction Agreement(s) and/or Extended Land Use Agreement(s) and Final Cost Certificate.
3. Receipt and satisfactory review of a Joint Funding Agreement between Applicant and RJAHI or an affiliate, that requires funding of all HC Equity Installments during construction, even if the Borrower is in default under the Operating Agreement.

4. Guarantors to provide the standard FHFC Construction Completion Guaranty, to be released upon lien-free completion, as approved by the Servicer.
5. For the SAIL Loan, 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 1.15x debt service coverage on the combined permanent first mortgage and SAIL Loan as determined by FHFC, or the Servicer, and 90% occupancy, and 90% of the gross potential rental income, net of utility allowances, if applicable, for a period equal to 12 consecutive months, all as certified by an independent Certified Public Accountant, and verified by the Servicer. The calculation of the debt service coverage ratio shall be made by FHFC or the Servicer. Notwithstanding the above, the Operating Deficit Guaranty shall not terminate earlier than three (3) years following the final certificate of occupancy.
6. Guarantors to provide the Standard FHFC Environmental Indemnity Guaranty.
7. Guarantors to provide the Standard FHFC Guaranty of Recourse Obligations.
8. A Mortgagee Title Insurance policy naming Florida Housing as the insured in the amount of the Loan(s) is to be issued immediately after closing. Any exceptions to the title insurance policy must be acceptable to Florida Housing or its Legal Counsel. The form of the title policy must be approved prior to closing.
9. Property tax and hazard insurance escrow are to be established and maintained by the First Mortgagee Lender, Trustee, or the Servicer. In the event the reserve account is held by Florida Housing's Loan(s) servicing agent, the release of funds shall be at Florida Housing's sole discretion.
10. Replacement Reserves in the amount of \$300 per unit per year will be required to be deposited on a monthly basis into a designated escrow account, to be maintained by the First Mortgagee or Florida Housing's Loan(s) servicing agent. However, Applicant has the option to prepay Replacement Reserves, as allowed per Rule Chapters 67-21 and 67-48 F.A.C., in the amount of \$19,800 (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 tenth year after the first residential building in the development receives a certificate of occupancy, a temporary certificate of occupancy, or is placed in service, whichever is earlier (“initial replacement reserve date”). A subsequent CNA is required no later than the 15th year after the initial Replacement Reserve Date and subsequently every five (5) years thereafter.

11. 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 completion of construction and issuance of all certificates of occupancy. The construction contract specifies a 10% retainage of each application for payment. After the completed work has reached 50% of the GMP, no retainage will be deducted from progress payments thereafter, unless the Owner determines in its sole discretion that the quality of the Work is less than that required by the Contract Documents or that the Development is not on schedule to be completed within the Contact Time, at which time the Owner may decline to reduce retainage or reinstate retainage at 10% of subsequent progress payments at any time after retainage may have been reduced. This meets the RFA and Rule Chapters 67-48 and 67-21 minimum requirement.
12. Closing of all funding sources prior to or simultaneous with the SAIL and NHTF loans.
13. Satisfactory completion of a pre-loan closing compliance audit conducted by FHFC or Servicer, if applicable.
14. Satisfactory resolution of any outstanding past due and/or noncompliance items.
15. Any other reasonable requirements of the Servicer, Florida Housing, or its Legal Counsel.

Housing Credit Allocation Recommendation

First Housing Development Corporation has estimated a preliminary annual 4% HC allocation of \$1,179,529. Please see the HC Allocation Calculation in Exhibit 2 of this report for further details.

Contingencies

The HC allocation will be contingent upon the receipt and satisfactory review of the following items by First Housing and Florida Housing by the deadline established in the Preliminary Determination. Failure to submit these items within this time frame may result in forfeiture of the HC Allocation.

1. Closing of all funding sources prior to or simultaneous with the SAIL and NHTF loans.
2. Purchase of the HC's by RJAHI or an affiliate, under terms consistent with assumptions of this report.
3. Satisfactory resolution of any outstanding past due and/or noncompliance items.
4. Receipt of executed FHFC Fair Housing, Section 504 and ADA as-built certification forms 122, 127, and 129.
5. Any other reasonable requirements of the Servicer, Florida Housing, or its Legal Counsel.

15-Year Pro Forma

FINANCIAL COSTS:		Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11	Year 12	Year 13	Year 14	Year 15	
OPERATING PRO FORMA																	
INCOME:	Gross Potential Rental Income	\$744,480	\$759,370	\$774,557	\$790,048	\$805,849	\$821,966	\$838,405	\$855,174	\$872,277	\$889,723	\$907,517	\$925,667	\$944,181	\$963,064	\$982,326	
	Other Income																
	Ancillary Income	\$22,334	\$22,781	\$23,236	\$23,701	\$24,175	\$24,659	\$25,152	\$25,655	\$26,168	\$26,691	\$27,225	\$27,770	\$28,325	\$28,891	\$29,469	
	Washer/Dryer Rentals	\$23,760	\$24,235	\$24,720	\$25,214	\$25,719	\$26,233	\$26,758	\$27,293	\$27,839	\$28,395	\$28,963	\$29,543	\$30,133	\$30,736	\$31,351	
	Gross Potential Income	\$790,574	\$806,385	\$822,513	\$838,963	\$855,743	\$872,858	\$890,315	\$908,121	\$926,283	\$944,809	\$963,705	\$982,979	\$1,002,639	\$1,022,692	\$1,043,146	
	Less:																
	Physical Vac. Loss Percentage: 3.00%	\$23,717	\$24,192	\$24,675	\$25,169	\$25,672	\$26,186	\$26,709	\$27,244	\$27,789	\$28,344	\$28,911	\$29,489	\$30,079	\$30,681	\$31,294	
	Collection Loss Percentage: 2.00%	\$15,811	\$16,128	\$16,450	\$16,779	\$17,115	\$17,457	\$17,806	\$18,162	\$18,526	\$18,896	\$19,274	\$19,660	\$20,053	\$20,454	\$20,863	
	Total Effective Gross Income	\$751,045	\$766,066	\$781,388	\$797,015	\$812,956	\$829,215	\$845,799	\$862,715	\$879,969	\$897,569	\$915,520	\$933,830	\$952,507	\$971,557	\$990,988	
	EXPENSES:	Fixed:															
Ground Lease		\$20,202	\$20,202	\$20,202	\$20,202	\$20,202	\$20,202	\$20,202	\$21,233	\$21,233	\$21,233	\$21,233	\$21,233	\$22,316	\$22,316	\$22,316	
Real Estate Taxes		\$57,500	\$59,225	\$61,002	\$62,832	\$64,717	\$66,658	\$68,658	\$70,718	\$72,839	\$75,024	\$77,275	\$79,593	\$81,981	\$84,441	\$86,974	
Insurance		\$99,000	\$101,970	\$105,029	\$108,180	\$111,425	\$114,768	\$118,211	\$121,758	\$125,410	\$129,173	\$133,048	\$137,039	\$141,150	\$145,385	\$149,746	
Variable:																	
Management Fee Percentage: 6.00%		\$45,063	\$45,964	\$46,883	\$47,821	\$48,777	\$49,753	\$50,748	\$51,763	\$52,798	\$53,854	\$54,931	\$56,030	\$57,150	\$58,293	\$59,459	
General and Administrative		\$33,000	\$33,990	\$35,010	\$36,060	\$37,142	\$38,256	\$39,404	\$40,586	\$41,803	\$43,058	\$44,349	\$45,680	\$47,050	\$48,462	\$49,915	
Payroll Expenses		\$108,900	\$112,167	\$115,532	\$118,998	\$122,568	\$126,245	\$130,032	\$133,933	\$137,951	\$142,090	\$146,352	\$150,743	\$155,265	\$159,923	\$164,721	
Utilities		\$66,000	\$67,980	\$70,019	\$72,120	\$74,284	\$76,512	\$78,807	\$81,172	\$83,607	\$86,115	\$88,698	\$91,359	\$94,100	\$96,923	\$99,831	
Marketing and Advertising		\$1,980	\$2,039	\$2,101	\$2,164	\$2,229	\$2,295	\$2,364	\$2,435	\$2,508	\$2,583	\$2,661	\$2,741	\$2,823	\$2,908	\$2,995	
Maintenance and Repairs/Pest Control		\$35,310	\$36,369	\$37,460	\$38,584	\$39,742	\$40,934	\$42,162	\$43,427	\$44,730	\$46,072	\$47,454	\$48,877	\$50,344	\$51,854	\$53,410	
Grounds Maintenance and Landscaping		\$11,550	\$11,897	\$12,253	\$12,621	\$13,000	\$13,390	\$13,791	\$14,205	\$14,631	\$15,070	\$15,522	\$15,988	\$16,468	\$16,962	\$17,470	
Reserve for Replacements		\$19,800	\$20,394	\$21,006	\$21,636	\$22,285	\$22,954	\$23,642	\$24,352	\$25,082	\$25,835	\$26,610	\$27,408	\$28,230	\$29,077	\$29,949	
Total Expenses		\$498,305	\$512,197	\$526,497	\$541,217	\$556,370	\$571,967	\$588,022	\$605,580	\$622,593	\$640,106	\$658,133	\$676,691	\$696,878	\$716,543	\$736,787	
Net Operating Income		\$252,741	\$253,869	\$254,890	\$255,798	\$256,586	\$257,248	\$257,777	\$257,135	\$257,376	\$257,463	\$257,387	\$257,139	\$255,630	\$255,014	\$254,202	
Debt Service Payments																	
First Mortgage - Raymond James Bank	\$156,947	\$156,947	\$156,947	\$156,947	\$156,947	\$156,947	\$156,947	\$156,947	\$156,947	\$156,947	\$156,947	\$156,947	\$156,947	\$156,947	\$156,947	\$156,947	
Second Mortgage - FHFC - SAIL	\$7,500	\$7,500	\$7,500	\$7,500	\$7,500	\$7,500	\$7,500	\$7,500	\$7,500	\$7,500	\$7,500	\$7,500	\$7,500	\$7,500	\$7,500		
Third Mortgage - FHFC - NHTF	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0		
Fourth Mortgage - City of St. Petersburg	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0		
Fifth Mortgage - Pinellas County	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0		
First Mortgage Fees - HFAPC	\$5,500	\$5,500	\$5,500	\$5,500	\$5,500	\$5,500	\$5,500	\$5,500	\$5,500	\$5,500	\$5,500	\$5,500	\$5,500	\$5,500	\$5,500		
Second Mortgage Fees - FHFC - SAIL	\$3,855	\$3,855	\$3,855	\$3,855	\$3,855	\$3,855	\$3,855	\$3,855	\$3,855	\$3,855	\$3,855	\$3,855	\$3,855	\$3,855	\$3,855		
Third Mortgage Fees - FHFC - NHTF	\$4,461	\$4,461	\$4,461	\$4,461	\$4,461	\$4,461	\$4,461	\$4,461	\$4,461	\$4,461	\$4,461	\$4,461	\$4,461	\$4,461	\$4,461		
Fourth Mortgage Fees - City of St. Petersburg	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0		
Fifth Mortgage Fees - Pinellas County	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0		
Total Debt Service Payments	\$178,262	\$178,262	\$178,262	\$178,262	\$178,262	\$178,262	\$178,262	\$178,262	\$178,262	\$178,262	\$178,262	\$178,262	\$178,262	\$178,262	\$178,262		
Cash Flow after Debt Service	\$74,478	\$75,607	\$76,628	\$77,535	\$78,323	\$78,985	\$79,514	\$78,873	\$79,114	\$79,201	\$79,124	\$78,877	\$77,367	\$76,752	\$75,939		
Debt Service Coverage Ratios																	
DSC - First Mortgage plus Fees	1.56	1.56	1.57	1.57	1.58	1.58	1.59	1.58	1.58	1.58	1.58	1.58	1.58	1.57	1.57		
DSC - Second Mortgage plus Fees	1.45	1.46	1.47	1.47	1.48	1.48	1.48	1.48	1.48	1.48	1.48	1.48	1.48	1.47	1.46		
DSC - Third Mortgage plus Fees	1.42	1.42	1.43	1.43	1.44	1.44	1.45	1.44	1.44	1.44	1.44	1.44	1.44	1.43	1.43		
DSC - Fourth Mortgage plus Fee	1.42	1.42	1.43	1.43	1.44	1.44	1.45	1.44	1.44	1.44	1.44	1.44	1.44	1.43	1.43		
DSC - Fifth Mortgage plus Fees	1.42	1.42	1.43	1.43	1.44	1.44	1.45	1.44	1.44	1.44	1.44	1.44	1.44	1.43	1.43		
Financial Ratios																	
Operating Expense Ratio	66.35%	66.86%	67.38%	67.91%	68.44%	68.98%	69.52%	70.19%	70.75%	71.32%	71.89%	72.46%	73.16%	73.75%	74.35%		
Break-even Economic Occupancy Ratio (all debt)	85.88%	85.92%	85.98%	86.06%	86.15%	86.25%	86.37%	86.61%	86.76%	86.92%	87.09%	87.28%	87.58%	87.80%	88.02%		

Based on the letter, dated September 13, 2023, from RJAHI the replacement reserve deposits will be required to increase by 3% each year.

HC Allocation Calculation

Section I: Qualified Basis Calculation

Qualified Basis

Total Development Costs(including land and ineligible Costs)	\$24,808,001
Less Land Costs	\$0
Less Federal Grants and Loans	\$0
Less Other Ineligible Costs	\$2,124,747
Total Eligible Basis	\$22,683,254
Applicable Fraction	100%
DDA/QCT Basis Credit	130%
Qualified Basis	\$29,488,230
Housing Credit Percentage	4.00%
Annual Housing Credit Allocation	\$1,179,529

Notes to the Qualified Basis Calculation:

1. Other ineligible costs include washers/dryers, site work, accounting fees, FHFC Fees, insurance, legal fees, market study, advertising/marketing fees, property taxes, title work, financial costs, and reserves.
2. The Development has a 100% set-aside. Therefore, the Applicable Fraction is 100%.
3. For purposes of this analysis, the Development is located in a Small Area Difficult Development Area ("SADDA"); therefore, the 130% basis boost was applied.
4. For purposes of this recommendation a HC percentage of 4.00% was applied based on the 4% floor rate, which was established through the Consolidated Appropriations Act of 2021.

Section II: GAP Calculation

Total Development Costs(including land and ineligible Costs)	\$24,808,001
Less Mortgages	\$12,125,000
Less Grants	\$0
Equity Gap	\$12,683,001
HC Syndication Percentage to Investment Partnership	99.99%
HC Syndication Pricing	\$0.925
HC Required to meet Equity Gap	\$13,712,724
Annual HC Required	\$1,371,272

Notes to the Gap Calculation:

- The pricing and syndication percentage was taken from letter from RJAHI, dated September 13, 2023.

Section III: Summary

HC Per Syndication Agreement	\$1,216,411
HC Per Qualified Basis	\$1,179,529
HC Per GAP Calculation	\$1,371,272
Annual HC Recommended	\$1,179,529
Syndication Proceeds based upon Syndication Agreement	\$11,250,676

- The estimated annual 4% Housing Credit allocation is limited to the lesser of the qualified basis calculation or the gap calculation. The recommendation is based on the qualified basis calculation.

50% Test

Tax-Exempt Bond Amount	\$13,750,000
Less: Debt Service Reserve Funded with Tax-Exempt Bond Proceeds	\$0
Other:	\$0
Other:	\$0
Equals Net Tax-Exempt Bond Amount	\$13,750,000
Total Depreciable Cost	\$22,683,254
Plus Land Cost	\$0
Aggregate Basis	\$22,683,254
Net Tax-Exempt Bond to Aggregate Basis Ratio	60.62%

1. Based on the budget, the Development appears to meet the 50% test for 4% Housing Credits.

Skyway Lofts II
RFA 2022-205 (2023-118SN) / 2022-536C
DESCRIPTION OF FEATURES AND AMENITIES

A. The Development will consist of:

66 Units located in 1 Mid-Rise residential building

Unit Mix:

Thirty-three (33) one bedroom/one bath units:

Twenty-seven (27) two bedroom/two bath units;

Six (6) three bedroom/two bath units;

66 Total Units

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

The Development must meet all federal requirements and state building code requirements, including the following, incorporating the most recent amendments, regulations, and rules: The Fair Housing Act as implemented by 24 CFR 100, Florida Accessibility Code for Building Construction as adopted pursuant to Section 553.503, F.S., Section 504 of the Rehabilitation Act of 1973, and Titles II and III of the Americans with Disabilities Act ("ADA") of 1990 as implemented by 28 CFR 35.

All Developments must meet accessibility standards of Section 504. Section 504 accessibility standards require a minimum of 5 percent of the total dwelling units, but not fewer than one unit, to be accessible for individuals with mobility impairments. An additional 2 percent of the total units, but not fewer than one unit, must be accessible for persons with hearing or vision impairments. All of the accessible units must be equally distributed among different unit sizes and Development types and must be dispersed on all accessible routes throughout the Development.

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. Washer and dryer hook ups in each of the Development's units or an on-site laundry facility for resident use. If the proposed Development will have an on-site laundry facility, the following requirements must be met:
 - There must be a minimum of one (1) Energy Star certified washer and one (1) Energy Star certified or commercial grade dryer per every 15 units. To determine the required number of washers and dryers for the on-site laundry facility; divide the total number of the Developments' units by 15, and then round the equation's total up to the nearest whole number;
 - At least one washing machine and one dryer shall be front loading that meets the accessibility standards of Section 504;
 - If the proposed Development consists of Scattered Sites, the laundry facility shall be located on each of the Scattered Sites, or no more than 1/16 mile from the Scattered Site with the most units, or a combination of both.
 7. At least two full bathrooms in all 3 bedroom or larger new construction units;
 8. Bathtub with shower in at least one bathroom in at least 90% of the new construction non-Elderly units;
 9. All Family Demographic Developments must provide a full-size range and oven in all units.
- D.** Required Accessibility Features, regardless of the age of the Development:

Federal and state law and building code regulations requires that programs, activities, and facilities be readily accessible to and usable by persons with disabilities. Florida Housing requires that the design, construction, or alteration of its financed Developments be in compliance with federal and state accessibility requirements. When more than one law and accessibility standard applies, the Applicant shall comply with the standard (2010 ADA Standards, Section 504, Fair Housing Act, or Florida Building Code, Accessibility) which affords the greater level of accessibility for the residents and visitors. Areas required to be made accessible to mobility-impaired residents and their visitors, including those in wheelchairs, shall include, but not be limited to, accessible routes and entrances, paths of travel, primary function areas, parking, trash bins, mail and package receiving areas for residents, pool and other amenities, including paths of travel to amenities and laundry rooms, including washers and dryers.

- E.** The Development must provide the following Accessibility Features in all units:
1. Primary entrance doors on an accessible route shall have a threshold with no more than a ½-inch rise;
 2. All door handles on primary entrance door and interior doors must have lever handles;
 3. Lever handles on all bathroom faucets and kitchen sink faucets;
 4. Mid-point on light switches and thermostats shall not be more than 48 inches above finished floor level; and
 5. Cabinet drawer handles and cabinet door handles in bathroom and kitchen shall be lever or D-pull type that operate easily using a single closed fist.
- F.** In addition to the 5 percent mobility requirement outlined above, all Family Demographic Developments must provide reinforced walls for future installation of horizontal grab bars in place around each tub/shower and toilet, or a Corporation-approved alternative approach for grab bar installation. The installation of the grab bars must meet or exceed the 2010 ADA Standards for Accessible Design.

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 and toilet, 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.

G. Green Building Features required in all Developments:

All new construction units and, as applicable, all common areas must have the features listed below and all rehabilitation units are expected to have all of the following required Green Building features unless found to be not appropriate or feasible within the scope of the rehabilitation work utilizing a capital needs assessment as further explained in Exhibit F of the RFA:

- a. Low or No-VOC paint for all interior walls (Low-VOC means 50 grams per liter or less for flat; 150 grams per liter or less for non-flat paint);
- b. Low-flow water fixtures in bathrooms – WaterSense labeled products or the following specifications:
 - i. Toilets: 1.28 gallons/flush or less,
 - ii. Urinals: 0.5 gallons/flush,
 - iii. Lavatory Faucets: 1.5 gallons/minute or less at 60 psi flow rate,
 - iv. Showerheads: 2.0 gallons/minute or less at 80 psi flow rate;
- c. Energy Star certified refrigerator;
- d. Energy Star certified dishwasher;
- e. Energy Star certified ventilation fan in all bathrooms;
- f. Water heater minimum efficiency specifications:
 - Residential Electric:
 - i. Up to 55 gallons = 0.95 EF or 0.92 UEF; or
 - ii. More than 55 gallons = Energy Star certified; or
 - iii. Tankless = 0.97 EF and Max GPM of ≥ 2.5 over a 77° rise or 0.87 UEF and GPM of ≥ 2.9 over a 67° rise;
 - Residential Gas (storage or tankless/instantaneous): Energy Star certified
 - Commercial Gas Water Heater: Energy Star certified;

- g. Energy Star certified ceiling fans with lighting fixtures in bedrooms;
- h. Air Conditioning (in-unit or commercial):
 - i. Air-Source Heat Pumps – Energy Star certified:
 - a. ≥ 8.5 HSPF/ ≥ 15 SEER/ ≥ 12.5 EER for split systems
 - b. ≥ 8.2 HSPF/ ≥ 15 SEER/ ≥ 12 EER for single package equipment including gas/electric package units
 - ii. Central Air Conditioners – Energy Star certified:
 - a. ≥ 15 SEER/ ≥ 12.5 EER* for split systems
 - b. ≥ 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 one-bedroom units;

In addition to the required Green Building Features outlined above, proposed Developments with a Development Category of New Construction or Redevelopment, with or without acquisition, must select 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.

H. Applicants who select the Family Demographic must provide at least three Resident Programs:

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

a. Financial Management Program

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

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

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

b. Adult Literacy

The Applicant or its Management Company must make available, at no cost to the resident, literacy tutor(s) who will provide weekly literacy lessons to residents in private space on-site. Various literacy programming can be offered that strengthens participants' reading, writing skills, and comprehension, but at a minimum, these must include English proficiency and basic reading education.

Training must be held between the hours of 8:00 a.m. and 7:00 p.m. and electronic media, if used, must be used in conjunction with live instruction. If the Development consists of Scattered Sites, this resident program must be provided on the Scattered Site with the most units.

a. Employment Assistance Program

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

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

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

SAIL, NHTF, & HC CREDIT UNDERWRITING REPORT

DEVELOPMENT

NAME: Skyway Lofts II
DATE: October 12, 2023

In accordance with the applicable Program Rule(s), the applicant is required to submit the information required to evaluate, complete, and determine its sufficiency in satisfying the requirements for Credit Underwriting to the Credit Underwriter in accordance with the schedule established by the Florida Housing Finance Corporation ("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 time frame. Unsatisfactory items, if any, are noted below in the "Issues and Concerns" section of the Executive Summary.

FINAL REVIEW	STATUS	NOTE
REQUIRED ITEMS:	Satis. / Unsatis.	
1. The development's final "as submitted for permitting" plans and specifications. Note: Final "signed, sealed, and approved for construction" plans and specifications will be required thirty days before closing.	Satis.	1.
2. Final site plan and/or status of site plan approval.	Satis.	
3. Permit Status.	Satis.	2.
4. Pre-construction analysis ("PCA"). a. No construction costs exceeding 20% is subcontracted to any one entity with the exception of a subcontractor contracted to deliver the building shell of a building of at least 5 stories which may not have more than 31% of the construction cost in a subcontract. b. No construction costs is subcontracted to any entity that has common ownership or is an affiliate of the general contractor of the developer.	UnSatis. Satis. Satis.	3.
5. Survey.	Satis.	4.
6. Complete, thorough soil test reports.	Satis	
7. Full or self-contained appraisal as defined by the Uniform Standards of Professional Appraisal Practice.	Satis.	
8. Market Study separate from the Appraisal.	Satis.	
9. Environmental Site Assessment – Phase I and/or the Phase II if applicable (If Phase I and/or II disclosed environmental problems requiring remediation, a plan, including time frame and cost, for the remediation is required). If the report is not dated within one year of the application date, an update from the assessor must be provided indicating the current environmental status.	Satis.	
10. Audited financial statements for the most recent fiscal year ended or acceptable alternative as stated in Rule for credit enhancers, applicant, general partner, principals, guarantors and general contractor.	Satis.	
11. Resumes and experience of applicant, general contractor and management agent. Confirmed active status on Sunbiz for Applicant, Developer, and GC entities.	Satis.	
12. Credit authorizations; verifications of deposits and mortgage loans.	Satis.	
13. Management Agreement and Management Plan.	Satis.	
14. Firm commitment from the credit enhancer or private placement purchaser, if any.	N/A	
15. Firm commitment letter from the syndicator, if any.	Unsatis.	5.

SAIL, NHTF, & HC CREDIT UNDERWRITING REPORT

16. Firm commitment letter(s) for any other financing sources.	Unsatis.	6-7.
17. Updated sources and uses of funds.	Satis.	
18. Draft construction draw schedule showing sources of funds during each month of the construction and lease-up period.	Satis.	8.
19. Fifteen-year income, expense, and occupancy projection.	Satis.	
20. Executed general construction contract with "not to exceed" costs.	UnSatis.	9.
21. HC ONLY: 15% of the total equity to be provided prior to or simultaneously with the closing of the construction financing.	Satis.	
22. Any additional items required by the credit underwriter.	Satis.	
23. Receipt of executed Florida Housing Fair Housing, Section 504 and ADA Design Certification Forms 121, 126, and 128.	Satis.	
24. If the owner has a HAP Contract or ACC with HUD, then receipt of HUD approval for an owner-adopted preference or limited preference specifically for individuals or families who are referred by a designated Referral Agency serving the county where the Development is located.	N/A	
25. Receipt of Tenant Eligibility and Selection Plan	Satis.	
26. Receipt of GC Certification	Satis.	
27. Reliance for FHDC as agent for FHFC is include in all applicable third party reports: Appraisal, Market Study, PCA, CNA, and Phase I.	Satis.	

Notes:

1. Closing is conditioned upon receipt of final plans and specifications.
2. Acceptable permits or a permit ready letter is a condition to closing.
3. Closing is condition upon receipt of a final PCA.
4. Closing is conditioned upon receipt of a final survey.
5. Closing is conditioned upon receipt of an Amended and Restated Operating Agreement.
6. Closing is conditioned upon receipt of a firm commitment from TD Bank (Construction) and Raymond James Bank (permanent financing) with terms and conditions that are not substantially different than those utilized in this credit underwriting report.
7. Closing is conditioned upon final loan documents for the fourth and fifth construction/permanent mortgages with terms that are not substantially different than those utilized in this credit underwriting report.

SAIL, NHTF, & HC CREDIT UNDERWRITING REPORT

8. At this time a draft construction draw schedule in FHFC format has not been received. Receipt of a final draw schedule is a condition to close.

9. Receipt of all GC Section 3 contract requirements is a condition to close.

Florida Housing Finance Corporation

Credit Underwriting Report

Tranquility at Hope School Phase II

HOME Financing for the Construction of Small, Rural Developments

HOME

RFA 2021-206 (2022-241H)

Construction Inflation Response Viability Funding

Viability

RFA 2023-211 (2023-247V)

Section A Report Summary

Section B Loan Conditions

Section C Supporting Information and Schedules

Prepared by

Seltzer Management Group, Inc.

Final Report

October 12, 2023

Tranquility at Hope School Phase II

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SMG

Section A
Report Summary

VIABILITY AND HOME CREDIT UNDERWRITING REPORT

SMG

Recommendation

Seltzer Management Group, Inc. ("SMG" or "Seltzer") recommends Florida Housing Finance Corporation ("FHFC" or "Florida Housing") issue a Construction Inflation Response Viability Loan ("Viability") Second Mortgage of \$3,000,000, and a FHFC HOME loan Third Mortgage in the amount of \$5,500,000 for construction and permanent financing of Tranquility at Hope School Phase II ("Development").

DEVELOPMENT & SET-ASIDES

Development Name: Tranquility at Hope School Phase II

RFA/Program Numbers: RFA 2021-206 / 2022-241H RFA 2023-211 2023-247V

Address: Hope School Drive, approximately 1,800 feet southwest of the interstion of Magnolia Road and Hope School Drive

City: Jackson County Zip Code: 32448 County: Jackson County Size: Small

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

Construction Type: Wood Frame

Demographic Commitment:

Primary: Family for 100% of the Units

Unit Composition:

of ELI Units: 0 ELI Units Are Restricted to AMI, or less. Total # of units with PBRA? 0
of Link Units: 0 Are the Link Units Demographically Restricted? No # 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
3	2.0	7	1,207	50%	\$835			\$213	\$622		\$622	\$622	\$622	\$52,248
3	2.0	25	1,207	60%		\$1,052		\$213	\$839		\$839	\$839	\$839	\$251,700
		32	38,624											\$303,948

HOME Subsidy Limits			
32	3 Bedroom	\$248,834	\$7,962,688

Buildings: Residential - 2

Non-Residential - 0

Parking: Parking Spaces - 80

Accessible Spaces - 4

Set Asides:

Program	% of Units	# of Units	% AMI	Term (Years)
HOME Assisted	20.0%	7	50%	50
HOME Assisted	80.0%	25	60%	50

VIABILITY AND HOME CREDIT UNDERWRITING REPORT

SMG

Absorption Rate 15 units per month for 2.1 months.

Occupancy Rate at Stabilization: Physical Occupancy 96.50% Economic Occupancy 96.00%
Occupancy Comments _____

DDA: Yes QCT: No Multi-Phase Boost: No QAP Boost: No
Site Acreage: 4.09 Density: 7.8240 Flood Zone Designation: X
Zoning: MUUT Future Land Use, Mixed Use Urban Transitional Flood Insurance Required?: No

DEVELOPMENT TEAM		
Applicant/Borrower:	East Lake Florida 3, LLC	
General Partner	East Lake Community Development, Inc	% Ownership 100.0000%
Construction Completion Guarantor(s):		
CC Guarantor 1:	East Lake Florida 3, LLC	
CC Guarantor 2:	East Lake Community Development, Inc	
CC Guarantor 3:	ELCD Development, LLC	
CC Guarantor 4:	Hill Tide Ventures, LLC	
Operating Deficit Guarantor(s):		
OD Guarantor 1:	East Lake Florida 3, LLC	
OD Guarantor 2:	East Lake Community Development, Inc	
OD Guarantor 3:	ELCD Development, LLC	
OD Guarantor 4:	Hill Tide Ventures, LLC	
Developer:	Timshel Hill Tide Developers, LLC	
Principal 1	Timshel Partners, LLC	
Principal 2	Hill Tide Ventures, LLC	
Co-Developer:	ELCD Development, LLC	
Principal 1	East Lake Community Development, Inc	
General Contractor 1:	CDT Builders, LLC	
Management Company:	Gateway Management Company, LLC	
Architect:	Forum Architect & Interior Design, Inc.	
Market Study Provider:	Integra Realty Resources - Tampa Bay	
Appraiser:	Integra Realty Resources - Tampa Bay	

VIABILITY AND HOME CREDIT UNDERWRITING REPORT

SMG

PERMANENT FINANCING INFORMATION						
	1st Source	2nd Source	3rd Source	4th Source	5th Source	Other
Lien Position	First Mortgage	Second Mortgage	Third Mortgage			
Lender/Grantor	Churchill	FHFC - Viability	FHFC - HOME			
Amount	\$1,000,000	\$3,000,000	\$5,500,000			
Underwritten Interest Rate	7.25%	1.00%	0.00%			
Loan Term	16.0	16.0	20.0			
Amortization	35.0	N/A	N/A			
Market Rate/Market Financing LTV	15.5%	61.9%	147.1%			
Restricted Market Financing LTV	42.7%	170.9%	406.0%			
Restricted Favorable Financing LTV	18.8%	75.0%	178.2%			
Loan to Cost - Cumulative	10.0%	39.9%	94.7%			
Debt Service Coverage	1.426	0.966	0.858			
Operating Deficit & Debt Service Reserves	\$395,305					
# of Months covered by the Reserves	25.6					

Deferred Developer Fee	\$533,346
As-Is Land Value	\$320,000
Market Rent/Market Financing Stabilized Value	\$6,460,000
Rent Restricted Market Financing Stabilized Value	\$2,340,000
Rent Restricted Favorable Financing Stabilized Value	\$5,330,000
Projected Net Operating Income (NOI) - Year 1	\$112,345
Projected Net Operating Income (NOI) - 15 Year	\$118,722
Year 15 Pro Forma Income Escalation Rate	2.00%
Year 15 Pro Forma Expense Escalation Rate	3.00%

CONSTRUCTION/PERMANENT SOURCES:				
Source	Lender	Construction	Permanent	Perm Loan/Unit
Regulated Mortgage	Churchill	\$1,000,000	\$1,000,000	\$31,250.00
FHFC - Viability	FHFC - Viability	\$3,000,000	\$3,000,000	\$93,750.00
FHFC - HOME	FHFC - HOME	\$5,500,000	\$5,500,000	\$171,875.00
Deferred Developer	Co-Developers	\$533,346	\$533,346	\$16,667.06
TOTAL		\$10,033,346	\$10,033,346	\$313,542.06

Changes from the Application:

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

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

1. Additional Sources of Funds:

A Viability Loan in the amount of \$3,000,000 from Florida Housing has been added to the financial structure as a second mortgage.

2. Higher Development Costs:

VIABILITY AND HOME CREDIT UNDERWRITING REPORT

SMG

Total Development Costs underwritten for the Development are \$10,033,346, which represents an increase of \$2,635,243 from the \$7,398,103 in the FHFC Application. Major factors contributing to the increase are: increase in construction costs by \$1,601,205, general development costs, Developer Fee and adding an Operating Deficit Reserve required by the first lender.

3. See the below additional change to the application:

At application the General Contractor was stated to be Wolgast Corporation. Subsequently, the General Contractor changed to CDT Builders, LLC. Seltzer received the updated General Contractor Certification and Prior Experience Chart for CDT Builders, LLC.

These changes have no material impact to the loan recommendations for this Development.

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

Florida Housing's Past Due Report dated September 18, 2023, reflects the following past due item(s):
None

Florida Housing's Asset Management Noncompliance Report dated May 24, 2023, reflects the following noncompliance item(s): None

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

Strengths:

1. The Appraiser estimates that the property is expected to be leased to stabilized occupancy of 96% within two months of construction completion.
2. The Developers, Timshel Hill Tide Developers, LLC and ELCD Development, LLC, and the management company Gateway Management Company, LLC, are experienced in affordable multifamily housing.

Other Considerations: None

Waiver Requests/Special Conditions: None

Additional Information:

1. The Debt Service Coverage ("DSC") ratio for the first mortgage, Viability Loan and HOME Loan reflects a ratio lower than 1.10 to 1.00. According to Rule 67-48, the minimum DSC shall be 1.10 to 1.00 for the HOME Loan, including all superior mortgages. However, per Rule 67-48, if the Applicant defers at least 35 percent of its Developer Fee following the last disbursement of all permanent sources of funding identified in the final credit underwriting report, the minimum DSC shall be 1.00 for the HOME Loan, including all superior mortgages. The Applicant will be required to defer at least 35% of its Developer Fee as the HOME Loan DSC is 0.858.

The DSC for the Development, as shown in Exhibit 1, is estimated to generate an operating deficit throughout the 15-year projection. In order to account for the total anticipated 15-year deficit (\$101,182), the Applicant will fund an Operating Deficit Reserve of \$395,305, approximately 390% of

VIABILITY AND HOME CREDIT UNDERWRITING REPORT

SMG

the estimated cumulative operating deficit, and defer at least 35% of Developer Fees for a minimum of six months.

Issues and Concerns: None

Mitigating Factors: None

Recommendation:

SMG recommends FHFC approve a Viability second mortgage in the amount of \$3,000,000 and a HOME third mortgage in the amount of \$5,500,000 be awarded to Tranquility at Hope School Phase II for construction and permanent financing.

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

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

Prepared by:

Reviewed by:



Keith Whitaker
Senior Credit Underwriter

Josh Scribner
Credit Underwriting Manager

Overview

Construction Financing Sources

Source	Lender	Applicant	Revised Applicant	Underwriter	Interest Rate	Construction Debt Service
First Mortgage	Churchill	\$1,625,000	\$1,000,000	\$1,000,000	7.75%	\$45,122
Second Mortgage	FHFC - Viability	\$0	\$3,000,000	\$3,000,000	1.00%	\$43,015
Third Mortgage	FHFC - HOME	\$5,500,000	\$5,500,000	\$5,500,000	0.00%	\$0
Deferred Developer Fee	Co-Developers	\$978,117	\$394,586	\$533,346		
Total		\$8,103,117	\$9,894,586	\$10,033,346		\$88,137

First Mortgage Financing:

Applicant submitted a Construction Loan Application Letter from Churchill Mortgage Construction LLC (“Churchill”) dated May 16, 2023, for a first mortgage construction loan in an amount up to \$1,500,000, currently estimated at \$1,000,000. The initial construction term will be 24 months from the date of closing and will require monthly interest only payments. The interest rate will be fixed at 7.75%. There is an Application Fee of \$5,000 and a Financing Fee of \$25,000.

Other Construction Sources of Funds:

Additional sources of funds for this Development during construction consist of a Viability Loan in the amount of \$3,000,000, a HOME Loan in the amount of \$5,500,000 and deferred Developer Fees of \$533,346. See the Permanent Financing section below for details.

VIABILITY AND HOME CREDIT UNDERWRITING REPORT

SMG

Permanent Financing Sources

Source	Lender	Applicant	Revised Applicant	Underwriter	Interest Rate	Amort. Yrs.	Term Yrs.	Annual Debt
First Mortgage	Churchill	\$1,625,000	\$1,000,000	\$1,000,000	7.25%	35	16	\$78,776
Second Mortgage	FHFC - Viability	\$0	\$3,000,000	\$3,000,000	1.00%	N/A	16	\$30,000
Third Mortgage	FHFC - HOME	\$5,500,000	\$5,500,000	\$5,500,000	0.00%	N/A	20	\$0
Def. Developer Fee	Co-Developers	\$273,103	\$394,586	\$533,346				
Total		\$7,398,103	\$9,894,586	\$10,033,346				\$108,776

First Mortgage Financing:

Applicant submitted an Application Letter from Churchill dated May 12, 2023, for a first mortgage permanent loan in the amount up to \$1,248,000, currently estimated at \$1,000,000. The permanent loan will have a term of 16 years and will amortize over a 35-year schedule, with monthly principal and interest payments at a fixed interest rate estimated at 7.25%. The interest rate will be based on a spread over the 10-year U.S. Treasury Yield, all subject to change prior to rate lock. There is an Application Fee of \$5,000 and a Commitment Fee of \$25,000.

Second Mortgage Viability Loan:

Borrower applied to FHFC under RFA 2023-211 for Viability funds in the amount of \$3,000,000. The Viability loan shall be non-amortizing and shall have an interest rate of 1.00% over the life of the loan with annual payments based upon available cash flow. The Viability loan will have a total term of 18 years, of which 2 years is for the construction/stabilization period and 16 years is for the permanent period. As required by the first mortgage lender and permitted by RFA 2023-2011, the Viability Loan will be coterminous with the first mortgage. Closing of the Viability loan funding will be simultaneous with the closing of other Corporation funding. Annual payments of all applicable fees will be required. Any unpaid interest will be deferred until cash flow is available. However, at maturity of the Viability Loan, all principal and unpaid interest will be due. The Annual Permanent Loan Servicing Fee is based on 25 bps of the outstanding loan amount with a maximum of \$936 per month, subject to a minimum of \$236 per month.

Third Mortgage HOME Loan:

The Applicant applied for a \$5,500,000 HOME loan to be issued by Florida Housing to finance this development.

The loan will be non-amortizing and will bear 0% interest per annum with repayment of principal deferred until maturity. The total loan term will be 20 years including the two year construction/stabilization period. Proceeds from the HOME loan will be used to fund construction costs pursuant to Rule 67-48.019(1), F.A.C. and HUD 24 CFR Part 92. Annual payments of all applicable fees will be required. The Annual Permanent Loan Servicing Fee is based on 25 bps of the outstanding HOME loan amount with a maximum of \$936 per month, subject to a minimum of \$236 per month. The annual Compliance Monitoring Fee is comprised of a base fee of \$183 per month plus an additional fee per set-aside unit of \$11.24 per year, subject to a minimum of \$286 per month, and subject to a maximum annual increase of 3% of the prior year's fee.

Other Permanent Sources of Funds:

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SMG also estimates that the Developer will have to defer \$533,346, or 42.10% of Developer Fee for payment from development operations during the permanent phase. The Deferred Developer Fee meets the 30% Viability requirement as required in RFA 2023-211.

Uses of Funds

CONSTRUCTION COSTS:	Applicant Costs	Revised Applicant Costs	Underwriters Total Costs - CUR	Cost Per Unit	HOME Ineligible Costs - CUR
New Rental Units	\$4,416,000	\$5,551,737	\$5,551,737	\$173,492	
Off-Site Work				\$0	
Constr. Contr. Costs subject to GC Fee	\$4,416,000	\$5,551,737	\$5,551,737	\$173,492	\$0
General Conditions	\$618,240	\$333,104.22	\$333,104.22	\$10,410	
Overhead		\$111,034.74	\$111,034.74	\$3,470	
Profit		\$333,104.22	\$333,104.22	\$10,410	
Builder's Risk Insurance				\$0	
General Liability Insurance		\$57,919.82	\$57,919.82	\$1,810	
Payment and Performance Bonds				\$0	
Contract Costs not subject to GC Fee				\$0	
Total Construction Contract/Costs	\$5,034,240	\$6,386,900	\$6,386,900	\$199,591	\$0
Hard Cost Contingency	\$220,800	\$319,345	\$319,345	\$9,980	
PnP Bond paid outside Constr. Contr.		\$150,000	\$150,000	\$4,688	
FF&E paid outside Constr. Contr.				\$0	
Total Construction Costs:	\$5,255,040	\$6,856,245	\$6,856,245	\$214,258	\$0

Notes to the Actual Construction Costs:

- The Applicant has provided an executed construction contract dated August 24, 2023, between the Applicant and CDT Builders, LLC ("CDT"). The contract is 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 of \$6,386,900.

The date of commencement will be fixed in a notice to proceed, issued after the closing of the funding and filing of the notice of commencement. The contract requires the contractor to achieve substantial completion of the entire work not later than 480 days from the date of commencement. The contract provides for retainage of 10% until 50% completion and 0% thereafter.

Final payment will be made by the Owner to the Contractor when 1) the contractor has fully performed the contract except for the Contractor's responsibility to correct Work as provided in Section 12.2.2, and to satisfy other requirements, if any, which extend beyond final payment; 2) the contractor has submitted a final accounting for the Cost of the Work and a final application for payment; and 3) a final certificate for payment has been issued by the Architect. The Owner's auditors will review and report in writing on the contractor's final accounting within 30 days after delivery of the final accounting to the Architect by the contractor. The owner's final payment to the contractor shall be made no later than 30 days after the issuance of the Architect's final certificate for payment. There were no allowances reflected in the Schedule of Values ("SOV").

An addendum to the contract provides for compliance with the Federal Labor Standards and Wage Determination requirements pursuant to the Davis-Bacon Act as well as the Section 3 Clause.

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Per Rule, HOME funds may only be used to pay for “non-luxury” expenses which, in the case of this development, there were no luxury items listed in the SOV.

2. SMG received the General Contractor’s Certification of Requirements, whereby the General Contractor acknowledges and commits to adhere to all requirements related to a General Contractor as published within Rule Chapter 67-48 (“Rule”), Florida Administrative Code.
3. General Contractor fee is within 14% which meets RFA 2021-206 and Rule requirement. The cost of general liability insurance is reflected in the Construction Contract SOV; however, they are excluded from construction hard costs in the General Contractor fee calculation.
4. The hard cost contingency is within the 5.00% allowed by RFA 2021-206 and Rule and is not included within the GC Contract or schedule of values.
5. The estimated cost of the Payment and Performance Bond is outside the construction contract.
6. SMG engaged and received a Plan and Cost Analysis (“PCA”) from On Solid Ground, LLC (“OSG”). Complete results are set forth in Section C of this credit underwriting report.

GENERAL DEVELOPMENT COSTS:	Applicant Costs	Revised Applicant Costs	Underwriters Total Costs - CUR	Cost Per Unit	HOME Ineligible Costs - CUR
Accounting Fees	\$20,000	\$20,000	\$20,000	\$625	
Appraisal	\$7,500	\$6,000	\$6,000	\$188	
Architect’s Fee - Site/Building Design	\$150,000	\$235,000	\$235,000	\$7,344	
Architect’s Fee - Supervision	\$30,000			\$0	
Building Permits		\$16,000	\$16,000	\$500	
Builder’s Risk Insurance	\$75,000	\$50,000	\$50,000	\$1,563	
Capital Needs Assessment/Rehab				\$0	
Engineering Fees	\$40,000	\$65,000	\$65,000	\$2,031	
Environmental Report	\$7,500	\$15,000	\$15,000	\$469	
FHFC Administrative Fees				\$0	
FHFC Application Fee	\$3,000	\$3,000	\$3,500	\$109	
FHFC Credit Underwriting Fee		\$7,646	\$7,646	\$239	
Impact Fee				\$0	
Lender Inspection Fees / Const Admin			\$25,000	\$781	
Green Building Cert. (LEED, FGBC, NGBS)	\$10,000	\$10,000	\$10,000	\$313	
Insurance		\$25,000	\$25,000	\$781	
Legal Fees - Organizational Costs	\$100,000	\$130,000	\$130,000	\$4,063	
Market Study	\$7,500	\$4,900	\$4,900	\$153	
Marketing and Advertising	\$20,000	\$35,000	\$35,000	\$1,094	
Plan and Cost Review Analysis		\$3,000	\$3,000	\$94	
Property Taxes				\$0	
Soil Test	\$8,000	\$10,000	\$10,000	\$313	
Survey	\$7,500	\$30,000	\$30,000	\$938	
Title Insurance and Recording Fees	\$50,000	\$75,000	\$75,000	\$2,344	
Utility Connection Fees	\$54,400	\$54,400	\$54,400	\$1,700	
Soft Cost Contingency	\$33,870	\$48,522	\$48,522	\$1,516	
Other:	\$87,000			\$0	
Total General Development Costs:	\$711,270	\$843,468	\$868,968	\$27,155	\$0

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Notes to the General Development Costs:

1. Architect’s Fees for Site/Building Design and Supervision are based on the Agreement between Owner and Architect, Forum Architecture & Interior Design, Inc., dated May 1, 2023.
2. Engineering Fees are based on the Agreement between the Owner and David H. Melvin, Inc. Consulting Engineer dated April 18, 2023.
3. The cost of the HUD Environmental Report is paid by FHFC for non-profit applicants. The Environmental budget shown here is for the Phase I Environmental Assessment.
4. The HOME underwriting fee is paid by FHFC for non-profit applicants. The underwriting fees reflected above represent the Viability loan underwriting fee of \$5,146 and a \$2,500 additional underwriting fee charged by Seltzer following an extension filed by the Applicant.
5. There is no Administrative Fee or HC Compliance Fee as the development will not be applying for Housing Credits.
6. According to Jackson County Building Services and the Applicant, there are no impact fees.
7. Lender Inspection Fees/Construction Administration reflects construction servicing fees estimated by Seltzer. The FHFC inspector is paid by the HOME program and includes Davis Bacon Federal Labor Wage Standards monitoring.
8. Applicant committed to ICC 700 National Green Building Standard (“NGBS”) and provided a NGBS contract from GreenBuilt Solutions, LLC dated May 11, 2023.
9. The Plan and Cost Review Analysis line item reflects the actual cost of the PCA completed by OSG.
10. Soft cost contingency has been limited to 5% per RFA 2021-206 and Rule.
11. Other General Development Costs are the Applicant’s estimates, which appear reasonable.

FINANCIAL COSTS:	Applicant Costs	Revised Applicant Costs	Underwriters Total Costs - CUR	Cost Per Unit	HOME Ineligible Costs - CUR
Construction Loan Origination Fee	\$8,125	\$5,000	\$5,000	\$156	
Construction Loan Commitment Fee		\$25,000	\$25,000	\$781	
Construction Loan Closing Costs				\$0	
Construction Loan Interest	\$49,076	\$71,877	\$88,137	\$2,754	
Construction Loan Servicing Fees				\$0	
Permanent Loan Application Fee		\$5,000	\$5,000	\$156	
Permanent Loan Origination Fee	\$25,000	\$25,000	\$25,000	\$781	
Permanent Loan Closing Costs		\$14,040	\$14,040	\$439	
HOME Closing Costs		\$25,000	\$55,000	\$1,719	
Misc Loan Application Fee		\$500		\$0	
Misc Loan Closing Costs			\$12,500	\$391	
Legal Fees - Financing Costs		\$47,000	\$47,000	\$1,469	
Other: Viability Commitment Fee	\$64,725		\$55,000	\$1,719	
Total Financial Costs:	\$146,926	\$218,417	\$331,677	\$10,365	\$0
Dev. Costs before Acq., Dev. Fee & Reserves	\$6,113,236	\$7,918,130	\$8,056,890	\$251,778	\$0

VIABILITY AND HOME CREDIT UNDERWRITING REPORT

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Notes to the Financial Costs:

1. Construction Loan Origination Fee and the Permanent Loan Application Fee are both \$5,000 each as required by Churchill.
2. The Construction Loan Commitment Fee and Permanent Loan Origination Fee are both \$25,000 each as required by Churchill.
3. Construction Loan Interest is based on SMG’s estimate. Interest is based on the construction completion and absorption estimates included in the construction schedule and Market Study. The estimate assumes an “all-in” interest rate of 7.75%, a construction/stabilization period of 24 months, and 57% of the loans outstanding (on average) during the construction schedule. Construction Loan Interest includes both the first mortgage and Viability Loan interest calculation.
4. HOME Closing Costs represents the HOME Loan Extension Fee, which includes a firm loan commitment issuance deadline extension fee of \$55,000, which is 1% of the HOME loan amount.
5. Miscellaneous Fee is the Viability Loan Closing Costs for the Viability Loan FHFC legal fees for closing.
6. The Viability Commitment Fee is based on 1% of the Viability Loan.

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

Notes to the Non-Land Acquisition Costs:

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

DEVELOPER FEE ON NON-ACQUISITION COSTS	Applicant Costs	Revised Applicant Costs	Underwriters Total Costs - CUR	Cost Per Unit	HOME Ineligible Costs - CUR
Developer Fee - Unapportioned	\$978,117	\$1,266,901	\$1,266,901	\$39,591	
Total Other Development Costs:	\$978,117	\$1,266,901	\$1,266,901	\$39,591	\$0

Notes to the Other Development Costs:

1. The Developer Fee does not exceed 16% of total development costs exclusive of land acquisition and reserves per RFA 2021-206 and Rule.

LAND ACQUISITION COSTS	Applicant Costs	Revised Applicant Costs	Underwriters Total Costs - CUR	Cost Per Unit	HOME Ineligible Costs - CUR
Brokerage Fees - Land			\$0	\$0	
Land Acquisition Cost	\$306,750	\$306,750	\$306,750	\$9,586	
Land Carrying Costs		\$7,500	\$7,500	\$234	
Total Acquisition Costs:	\$306,750	\$314,250	\$314,250	\$9,820	\$0

Notes to the Land Acquisition Costs:

1. The Applicant submitted a Reinstatement and First Amendment to Contract For Sale and Purchase (“Reinstatement”) between Larry and Carolyn Baggett (“Sellers”) and East Lake Florida 3, LLC

VIABILITY AND HOME CREDIT UNDERWRITING REPORT

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(“Buyer”) to the original Contract for Sale and Purchase dated as of January 20, 2022. The original purchase price was \$306,750. There was released earnest money of \$7,500 that is applicable to the purchase price at closing and the remaining \$7,500 of earnest money will not be applied to the purchase price, and listed above as “Land Carrying Costs”. The Reinstatement allows the Buyer to successfully obtain HOME financing and other acceptable financing by July 31, 2023 or the Buyer may cancel the Contract for Sale and Purchase. In addition, the closing date was revised to December 31, 2023.

The purchase price of the parcel is supported by the appraised value of \$320,000.

RESERVE ACCOUNTS	Applicant Costs	Revised Applicant Costs	Underwriters Total Costs - CUR	Cost Per Unit	HOME Ineligible Costs - CUR
Operating Deficit Reserve (FHFC)				\$0	
Operating Deficit Reserve (Lender)		\$395,305	\$395,305	\$12,353	
Total Reserve Accounts:	\$0	\$395,305	\$395,305	\$12,353	\$0

Notes to Reserve Accounts:

1. An Operating Deficit Reserve is required by the first lender (Churchill) based on four months debt service and estimated by the Applicant as stated above.

TOTAL DEVELOPMENT COSTS	Applicant Costs	Revised Applicant Costs	Underwriters Total Costs - CUR	Cost Per Unit	HOME Ineligible Costs - CUR
TOTAL DEVELOPMENT COSTS:	\$7,398,103	\$9,894,586	\$10,033,346	\$313,542	\$0

Notes to the Total Development Costs:

1. Per RFA 2021-206, Total Development Costs (“TDC”) is limited on a per unit basis based on the construction type of the units as indicated by the Applicant. The Applicant has indicated a construction type of new construction, garden style, wood frame, which has a base maximum allowable per unit cost of \$270,100. Based on changes to TDC limits as approved at previous FHFC Board meetings, most recently the April 1, 2022, Telephonic FHFC Board meeting, the maximum allowable per unit cost is \$291,606.00. Tranquility at Hope School Phase II’s final TDC per unit is \$291,602.84, which does not exceed the maximum allowable TDC per the RFA.

VIABILITY AND HOME CREDIT UNDERWRITING REPORT

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Operating Pro forma

OPERATING PRO FORMA		ANNUAL	PER UNIT
INCOME	Gross Potential Rental Income	\$303,948	\$9,498
	Rent Subsidy (ODR)	\$0	\$0
	Other Income:		
	Miscellaneous	\$6,079	\$190
	Gross Potential Income	\$310,027	\$9,688
	Less:		
	Economic Loss - Percentage: 0.0%	\$0	\$0
	Physical Vacancy Loss - Percentage: 3.5%	(\$10,851)	(\$339)
	Collection Loss - Percentage: 0.5%	(\$1,550)	(\$48)
	Total Effective Gross Revenue	\$297,626	\$9,301
EXPENSES	Fixed:		
	Real Estate Taxes	\$0	\$0
	Insurance	\$48,000	\$1,500
	Variable:		
	Management Fee - Percentage: 5.0%	\$14,881	\$465
	General and Administrative	\$24,000	\$750
	Payroll Expenses	\$43,200	\$1,350
	Utilities	\$14,400	\$450
	Marketing and Advertising	\$4,800	\$150
	Maintenance and Repairs	\$19,200	\$600
	Grounds Maintenance and Landscaping	\$7,200	\$225
	Resident Programs	\$0	\$0
	Contract Services	\$0	\$0
	Reserve for Replacements	\$9,600	\$300
Total Expenses	\$185,281	\$5,790	
Net Operating Income	\$112,345	\$3,511	
Debt Service Payments			
DEBT SERVICE	First Mortgage - Churchill	\$78,776	\$2,462
	Second Mortgage - FHFC - Viability	\$30,000	\$938
	Third Mortgage - FHFC - HOME	\$0	\$0
	First Mortgage Fees - Churchill	\$0	\$0
	Second Mortgage Fees - Viability	\$7,500	\$234
	Third Mortgage Fees - HOME	\$14,664	\$458
Total Debt Service Payments	\$130,940	\$4,092	
Cash Flow After Debt Service	(\$18,595)	(\$581)	

Debt Service Coverage Ratios	
DSC - First Mortgage plus Fees	1.426
DSC - Second Mortgage plus Fees	0.966
DSC - Third Mortgage plus Fees	0.858
DSC - All Mortgages and Fees	0.858

Financial Ratios	
Operating Expense Ratio	62.3%
Break-Even Ratio	102.2%

VIABILITY AND HOME CREDIT UNDERWRITING REPORT

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Notes to the Operating Pro forma and Ratios:

1. The Viability loan will be repaid from available cash flow. The Break-Even Ratio would be 90.1% if the Viability interest payments were excluded.
2. The rent schedule below outlines the 2023 maximum allowable HOME rents at 50% and 60% AMI. Net rents reflect the applicable utility allowances per a May 20, 2023 Utility Allowance Study provided by Energy Consulting, Inc. and approved by FHFC on June 23, 2023. The Applicant will pay for trash disposal and pest control and the residents will pay for water, sewer and electricity. No manager/employee units are anticipated at this time.

The rent roll is shown below:

County: Jackson County

Bed Rooms	Bath Rooms	Units	Square Feet	AMI%	Low HOME Rents	High HOME Rents	Gross HC Rent	Utility Allow.	Net Restricted Rents	PBRA Contr Rents	Applicant Rents	Appraiser Rents	CU Rents	Annual Rental Income
3	2.0	7	1,207	50%	\$835			\$213	\$622		\$622	\$622	\$622	\$52,248
3	2.0	25	1,207	60%		\$1,052		\$213	\$839		\$839	\$839	\$839	\$251,700
		32	38,624											\$303,948

3. The units will have washer/dryer connections for side by side washers and dryers.
4. Cable television hookups are available in the units as required; however, the residents will contract directly with the cable provider for service. Therefore, no cable television income to the property is anticipated.
5. Other income reflects revenues generated from vending machines, late charges, forfeited security deposits and other miscellaneous fees. The Appraiser estimates other income at 2% of potential gross rental income.
6. Vacancy Loss of 3.5% and Collection Loss of 0.5% are based on the Appraiser's estimate.
7. As a non-profit, this development is anticipated to be exempt from property taxes once completed and servicing low income residents. Therefore, Seltzer nor the Applicant are reflecting real estate taxes in the proforma.
8. Management fees are based upon the undated management agreement which reflects an amount equal to 5% of the operating income.
9. Utilities expense reflects common area water, common area electric and trash disposal.
10. Replacement reserves are estimated at \$300 per unit per year, which meets the Florida Housing Rule minimum reserve requirement.
11. The Applicant will provide Resident Programs – Adult Literacy and Financial Management Program at no cost to the residents. These Resident Programs will be provided by non-profit providers contracted with the management company and the cost of providing the Resident Programs will be paid out of general and administrative costs.
12. Other operating expense estimates are based on the Developer's proforma and market comparables and are supported by the appraisal.

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13. The DSC ratio for the first mortgage, Viability Loan and HOME Loan reflects a ratio lower than 1.10 to 1.00. According to Rule 67-48, the minimum DSC shall be 1.10 to 1.00 for the HOME Loan, including all superior mortgages. However, per Rule 67-48, if the Applicant defers at least 35 percent of its Developer Fee following the last disbursement of all permanent sources of funding identified in the final credit underwriting report, the minimum DSC shall be 1.00 for the HOME Loan, including all superior mortgages. The Applicant will be required to defer at least 35% of its Developer Fee as the HOME Loan DSC is 0.858.
14. Debt service coverage ratios shown above are Seltzer's estimates for the first stabilized year of operations. A 15-year income and expense projection utilizing income increasing at an annual rate of 2% and expenses increasing at an annual rate of 3% is attached to this report as Exhibit 1.

SMG

Section B

HOME Loan Conditions

OCTOBER 12, 2023

VIABILITY AND HOME CREDIT UNDERWRITING REPORT

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Special Conditions

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

1. On Solid Ground, LLC (“OSG”) noted in the PCA that landscaping drawings were not provided for review. This will be required before the final PCA is issued.
2. The Management Agreement and Management Plan are both undated and are required to be dated prior to closing.

General Conditions

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

1. Borrower to comply with any and all recommendations noted in the Plan and Cost Analysis which has been prepared by OSG.
2. Signed and sealed survey, dated within 90 days of closing, unless otherwise approved by Florida Housing, and its legal counsel, based upon the particular circumstances of the transaction. The Survey shall be certified to Florida Housing and its legal counsel, as well as the title insurance company, and shall indicate the legal description, exact boundaries of the Development, easements, utilities, roads, and means of access to public streets, total acreage and flood hazard area, and any other requirements of Florida Housing.
3. Building permits and any other necessary approvals and permits (e.g., final site plan approval, water management district, Department of Environmental Protection, Army Corps of Engineers, Department of Transportation, etc.). Acceptable alternatives to this requirement are receipt and satisfactory review of a letter from the local permitting and approval authority that the above referenced permits and approvals will be issued upon receipt of applicable fees (with no other conditions), or evidence of 100% lien-free completion, if applicable. If a letter is provided, copies of all permits will be required as a condition of the first post-closing draw.
4. The final “as permitted” (signed and sealed) site plans, building plans, and specifications showing all features and amenities committed to in the application. The Geotechnical Report must be bound within the final plans and specifications.
5. Final sources and uses of funds itemized by source and line item, in a format and in amounts approved by the Servicer. A detailed calculation of the construction interest based on the final draw schedule (see below), documentation of the closing costs, and draft loan closing statement must also be provided. The sources and uses of funds schedule will be attached to the Loan Agreement as the approved development budget.
6. A final construction draw schedule showing itemized sources and uses of funds for each monthly draw. Viability and HOME Program loan proceeds shall be disbursed during the construction phase in an amount per Draw on a pro rata basis with other financing, unless otherwise approved by the Corporation or the Credit Underwriter. The closing draw shall include appropriate backup and ACH

VIABILITY AND HOME CREDIT UNDERWRITING REPORT

SMG

wiring instructions.

7. Evidence of insurance coverage pursuant to the Request for Application (RFA) governing this proposed transaction and, as applicable, the FHFC Insurance Guide.
8. The General Contractor shall secure a payment and performance bond equal to 100 percent of the total construction cost listing FHFC as a co-obligee, whose terms do not adversely affect the Corporation's interest, issued in the name of the General Contractor, from a company rated at least "A-" by A.M. Best & Co, or a Corporation approved alternate security for the General Contractor's performance such as a letter of credit at least "Baa3" by Moody's or at least "BBB-" by Standard & Poor's or Fitch, or a financial rating of at least 175 by IDC Financial Publishing. The LOC must include "evergreen" language and be in a form satisfactory to Florida Housing, its Servicer and its Legal Counsel.
9. Architect, Construction Consultant, and Borrower certifications on forms provided by Florida Housing will be required for both design and as-built with respect to Section 504 of the Rehabilitation Act, the Americans with Disabilities Act, and Federal Fair Housing Act requirements, as applicable.
10. Completion of a Davis Bacon Federal Labor Standards and Section 3 pre-construction conference.
11. Satisfactory resolution of any outstanding past due and/or noncompliance items.
12. Payment of any outstanding arrearages to the Corporation, its legal counsel, Servicer or any agent or assignee of the Corporation for past due issues applicable to the development team (Applicant or Developer or Principal, Affiliate or Financial Beneficiary, as described in 67-48.0075(5) F.A.C., of an Applicant or a Developer).
13. 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.

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

This recommendation is contingent upon the review and approval of the following items by Florida Housing and its legal counsel at least two weeks before closing. Failure to receive approval of these items, along with all other items listed on legal counsel's due diligence list, within this time frame may result in postponement of the closing date.

1. Documentation of the legal formation and current authority to transact business in Florida for the Borrower, the general partner/principal(s)/manager(s) of the Applicant, the guarantors, and any limited partners of the Applicant.
2. Signed and sealed survey, dated within 90 days of closing, unless otherwise approved by Florida Housing, and its legal counsel, based upon the particular circumstances of the transaction. The Survey shall be certified to Florida Housing and its legal counsel, as well as the title insurance company, and shall indicate the legal description, exact boundaries of the Development, easements, utilities, roads, and means of access to public streets, total acreage and flood hazard area, and any other requirements of Florida Housing.
3. An acceptable updated Environmental Audit Report, together with a reliance letter to Florida Housing, prepared within 90 days of closing, unless otherwise approved by Florida Housing, and legal counsel, based upon the particular circumstances of the transaction. Borrower to comply with any and all recommendations noted in the Environmental Assessment(s) and Update and the Environmental Review, if applicable.
4. Title insurance pro-forma or commitment for title insurance with copies of all Schedule B exceptions, in the amount of the Loan naming FHFC as the insured. All endorsements required by FHFC shall be provided.
5. Florida Housing and its legal counsel shall review and approve all other lenders closing documents and the operating agreement or other applicable agreement. Florida Housing shall be satisfied in its sole discretion that all legal and program requirements for the Viability and HOME loans have been satisfied.
6. Evidence of insurance coverage pursuant to the Request for Application (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, 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,

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- 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, as 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 Viability Loan and HOME Loan.
 10. UCC Searches for the Borrower, its partnerships, as requested by counsel.
 11. Evidence of Flood Insurance coverage as applicable to the FHFC Insurance Guide.
 12. Any other reasonable conditions established by Florida Housing and its Legal Counsel.

Additional Conditions

This recommendation is also contingent upon the following additional conditions:

1. Compliance with all provisions of Sections 420.507 and 420.5089, Florida Statutes, Rule Chapter 67-48, F.A.C., Rule Chapter 67-53, F.A.C., Rule Chapter 67-60, F.A.C., RFA 2021-206, RFA 2023-211, HUD Rule 24 CFR Part 92 and any other local, State, and Federal requirements.
2. Acceptance by the Applicant and execution of all documents evidencing and securing the Viability Loan and HOME Loan in form and substance satisfactory to Florida Housing, including, but not limited to, the Promissory Note, the Loan Agreement, the Mortgage and Security Agreement, and the Land Use Restriction Agreement.
3. At all times there will be undisbursed loan funds (collectively held by Florida Housing, First Lender and any other sources) sufficient to complete the development. If at any time there are not sufficient funds (held by Florida Housing, First Lender and any other sources) 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 syndication and other equity necessary to complete construction or another alternative acceptable to Florida Housing in its sole discretion.
4. Guarantors are to provide the standard FHFC Construction Completion Guaranty, to be released upon lien free completion as approved by the Servicer.
5. For the Viability Loan, 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 to 1.00 debt service coverage on the combined permanent first mortgage and Viability Loan, 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 12 consecutive months, all as certified by an independent Certified Public Accountant, 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

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Operating Deficit Guaranty shall not terminate earlier than three (3) years following the final certificate of occupancy.

6. For the HOME Loan, 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 to 1.00 debt service coverage on the combined permanent first mortgage, Viability Loan and HOME Loan, 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 12 consecutive months, all as certified by an independent Certified Public Accountant, and verified by the Servicer. The calculation of the debt service coverage ratio shall be made by FHFC or the Servicer. Notwithstanding the above, the Operating Deficit Guaranty shall not terminate earlier than three (3) years following the final certificate of occupancy.
7. Guarantors are to provide the standard FHFC Environmental Indemnity.
8. Guarantors are to provide the standard FHFC Guaranty of Recourse Obligations.
9. Closing of all the funding sources simultaneous with or prior to closing of the Viability and HOME loans.
10. A mortgagee title insurance policy naming Florida Housing as the insured in the amount of the Viability Loan and HOME Loan is to be issued immediately after closing. Any exceptions to the title insurance policy must be acceptable to Florida Housing or its legal counsel.
11. Property tax and hazard insurance escrows are to be established and maintained by the First Lender or the Servicer. In the event the reserve account is held by Florida Housing's loan servicing agent, the release of funds shall be at Florida Housing's sole discretion.
12. Replacement Reserve 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 or Florida Housing's loan servicing agent. However, Applicant has the option to prepay Replacement Reserves, as allowed per the Rule in the amount of \$9,600 (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 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 at the time the CNA is required, beginning no later than the 10th year after the first residential building in the development receives a certificate of occupancy, a temporary certificate of occupancy, or is placed in service, whichever is earlier ("Initial Replacement Reserve Date"). A subsequent CNA is required no later than the 15th year after the Initial Replacement Reserve Date and subsequently every five (5) years thereafter.
13. OSG is to act as Florida Housing's inspector during the construction period.

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14. A minimum of 10% retainage holdback on all construction draws until the Development is 50% completed, 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. The CDT Builders, LLC, general construction contract indicates a 10% retainage holdback through 50% completion then 0% retainage holdback until lien free completion, which satisfies RFA 2021-206 and Rule minimum requirement.
15. HOME 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 HOME funds may be committed to a development before completion of the environmental review process and HUD approval of the environmental review and Request for Release of Funds.
16. 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.
17. Satisfactory completion of a pre-loan closing compliance audit conducted by Florida Housing or its Servicer, if applicable.
18. 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).
19. Receipt and satisfactory review of updated financial statements for Guarantors dated within 90 days of closing.
20. Any other reasonable requirements of the Servicer, Florida Housing or its Legal Counsel.

Exhibit 1
Tranquility at Hope School Phase II
15 Year Income and Expense Projection

FINANCIAL COSTS:	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11	Year 12	Year 13	Year 14	Year 15
OPERATING PRO FORMA															
Gross Potential Rental Income	\$303,948	\$310,027	\$316,227	\$322,552	\$329,003	\$335,583	\$342,295	\$349,141	\$356,124	\$363,246	\$370,511	\$377,921	\$385,480	\$393,189	\$401,053
Rent Subsidy (ODR)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Other Income:															
Ancillary Income-Parking	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Miscellaneous	\$6,079	\$6,201	\$6,325	\$6,451	\$6,580	\$6,712	\$6,846	\$6,983	\$7,123	\$7,265	\$7,410	\$7,558	\$7,710	\$7,864	\$8,021
Washer/Dryer Rentals	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Cable/Satellite Income	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Alarm Income	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Gross Potential Income	\$310,027	\$316,228	\$322,552	\$329,003	\$335,583	\$342,295	\$349,141	\$356,124	\$363,246	\$370,511	\$377,921	\$385,480	\$393,189	\$401,053	\$409,074
Less:															
Economic Loss - Percentage:															
Physical Vacancy Loss - Percentage: 3.5%	(\$10,851)	(\$11,068)	(\$11,289)	(\$11,515)	(\$11,745)	(\$11,980)	(\$12,220)	(\$12,464)	(\$12,714)	(\$12,968)	(\$13,227)	(\$13,492)	(\$13,762)	(\$14,037)	(\$14,318)
Collection Loss - Percentage: 0.5%	(\$1,550)	(\$1,581)	(\$1,613)	(\$1,645)	(\$1,678)	(\$1,711)	(\$1,746)	(\$1,781)	(\$1,816)	(\$1,853)	(\$1,890)	(\$1,927)	(\$1,966)	(\$2,005)	(\$2,045)
Total Effective Gross Revenue	\$297,626	\$303,578	\$309,650	\$315,843	\$322,160	\$328,603	\$335,175	\$341,879	\$348,716	\$355,691	\$362,804	\$370,060	\$377,462	\$385,011	\$392,711
Fixed:															
Real Estate Taxes	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Insurance	\$48,000	\$49,440	\$50,923	\$52,451	\$54,024	\$55,645	\$57,315	\$59,034	\$60,805	\$62,629	\$64,508	\$66,443	\$68,437	\$70,490	\$72,604
Other	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Variable:															
Management Fee - Percentage: 5.0%	\$14,881	\$15,179	\$15,483	\$15,792	\$16,108	\$16,430	\$16,759	\$17,094	\$17,436	\$17,785	\$18,140	\$18,503	\$18,873	\$19,251	\$19,636
General and Administrative	\$24,000	\$24,720	\$25,462	\$26,225	\$27,012	\$27,823	\$28,657	\$29,517	\$30,402	\$31,315	\$32,254	\$33,222	\$34,218	\$35,245	\$36,302
Payroll Expenses	\$43,200	\$44,496	\$45,831	\$47,206	\$48,622	\$50,081	\$51,583	\$53,131	\$54,724	\$56,366	\$58,057	\$59,799	\$61,593	\$63,441	\$65,344
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	\$4,800	\$4,944	\$5,092	\$5,245	\$5,402	\$5,565	\$5,731	\$5,903	\$6,080	\$6,263	\$6,451	\$6,644	\$6,844	\$7,049	\$7,260
Maintenance and Repairs	\$19,200	\$19,776	\$20,369	\$20,980	\$21,610	\$22,258	\$22,926	\$23,614	\$24,322	\$25,052	\$25,803	\$26,577	\$27,375	\$28,196	\$29,042
Grounds Maintenance and Landscaping	\$7,200	\$7,416	\$7,638	\$7,868	\$8,104	\$8,347	\$8,597	\$8,855	\$9,121	\$9,394	\$9,676	\$9,966	\$10,265	\$10,573	\$10,891
Resident Programs	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Contract Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Security	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Other-Pest Control	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Reserve for Replacements	\$9,600	\$9,600	\$9,600	\$9,600	\$9,600	\$9,600	\$9,600	\$9,600	\$9,600	\$9,600	\$9,888	\$10,185	\$10,490	\$10,805	\$11,129
Total Expenses	\$185,281	\$190,403	\$195,675	\$201,103	\$206,690	\$212,441	\$218,362	\$224,458	\$230,732	\$237,192	\$244,130	\$251,272	\$258,626	\$266,196	\$273,989
Net Operating Income	\$112,345	\$113,176	\$113,975	\$114,740	\$115,470	\$116,162	\$116,813	\$117,421	\$117,984	\$118,498	\$118,674	\$118,788	\$118,836	\$118,815	\$118,722
Debt Service Payments															
First Mortgage - Churchill	\$78,776	\$78,776	\$78,776	\$78,776	\$78,776	\$78,776	\$78,776	\$78,776	\$78,776	\$78,776	\$78,776	\$78,776	\$78,776	\$78,776	\$78,776
Second Mortgage - FHFC - Viability	\$30,000	\$30,000	\$30,000	\$30,000	\$30,000	\$30,000	\$30,000	\$30,000	\$30,000	\$30,000	\$30,000	\$30,000	\$30,000	\$30,000	\$30,000
Third Mortgage - FHFC - HOME	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
First Mortgage Fees - Churchill	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Second Mortgage Fees - Viability	\$7,500	\$7,500	\$7,500	\$7,500	\$7,500	\$7,500	\$7,500	\$7,500	\$7,500	\$7,500	\$7,500	\$7,500	\$7,500	\$7,500	\$7,500
Third Mortgage Fees - HOME	\$14,664	\$14,664	\$14,664	\$14,664	\$14,664	\$14,664	\$14,664	\$14,664	\$14,664	\$14,664	\$14,664	\$14,664	\$14,664	\$14,664	\$14,664
Total Debt Service Payments	\$130,940	\$130,940	\$130,940	\$130,940	\$130,940	\$130,940	\$130,940	\$130,940	\$130,940	\$130,940	\$130,940	\$130,940	\$130,940	\$130,940	\$130,940
Cash Flow After Debt Service	(\$18,595)	(\$17,765)	(\$16,965)	(\$16,200)	(\$15,470)	(\$14,778)	(\$14,127)	(\$13,519)	(\$12,956)	(\$12,442)	(\$11,966)	(\$11,521)	(\$11,104)	(\$10,715)	(\$10,359)
Debt Service Coverage Ratios															
DSC - First Mortgage plus Fees	1.426	1.437	1.447	1.457	1.466	1.475	1.483	1.491	1.498	1.504	1.506	1.508	1.509	1.508	1.507
DSC - Second Mortgage plus Fees	0.966	0.973	0.980	0.987	0.993	0.999	1.005	1.010	1.015	1.019	1.021	1.022	1.022	1.021	1.021
DSC - Third Mortgage plus Fees	0.858	0.864	0.870	0.876	0.882	0.887	0.892	0.897	0.901	0.905	0.906	0.907	0.908	0.907	0.907
DSC - All Mortgages and Fees	0.858	0.864	0.870	0.876	0.882	0.887	0.892	0.897	0.901	0.905	0.906	0.907	0.908	0.907	0.907
Financial Ratios															
Operating Expense Ratio	62.3%	62.7%	63.2%	63.7%	64.2%	64.6%	65.1%	65.7%	66.2%	66.7%	67.3%	67.9%	68.5%	69.1%	69.8%
Break-Even Ratio	102.2%	101.8%	101.5%	101.1%	100.8%	100.5%	100.2%	100.0%	99.8%	99.6%	99.4%	99.4%	99.3%	99.2%	99.2%

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A. The Development will consist of:

32 Garden Apartments located in 2 residential buildings

Unit Mix:

Thirty-Two (32) three bedroom / two bath units;

32 Total Units

- B. The Development is to be constructed in accordance with the final plans and specifications approved by the appropriate city or county building or planning department or equivalent agency, and approved as reflected in the Pre-Construction Analysis prepared for Florida Housing or its Servicer, unless a change has been approved in writing by Florida Housing or its Servicer. The Development will conform to requirements of local, state & federal laws, rules, regulations, ordinances, orders and codes, Florida Accessibility Code for Building Construction as adopted pursuant to Section 553.503, Florida Statutes, The Fair Housing Act as implemented by 24 CFR 100, Section 504 of the Rehabilitation Act of 1973, and Titles II and III of the Americans with Disabilities Act of 1990 as implemented by 28 CFR 35, incorporating the most recent amendments, regulations and rules.
- C. All Developments must comply with Section 504 of the Rehabilitation Act of 1973, as implemented by 24 CFR Part 8 ("Section 504 and its related regulations"). All Developments must meet accessibility standards of Section 504. Section 504 accessibility standards require a minimum of 5 percent of the total dwelling units, but not fewer than one unit, to be accessible for individuals with mobility impairments. An additional 2 percent of the total units, but not fewer than one unit, must be for persons with hearing or visual impairments. All of the accessible units must be equally distributed among different unit sizes and Development types and must be dispersed on all accessible routes throughout the Development.

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

Federal and state law and building code regulations requires that programs, activities, and facilities be readily accessible to and usable by persons with disabilities. Florida Housing requires that the design, construction, or alteration of its financed Developments be in

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compliance with federal and state accessibility requirements. When more than one law and accessibility standard applies, the Applicant shall comply with the standard (2010 ADA Standards, Section 504, Fair Housing Act, or Florida Building Code, Accessibility) which affords the greater level of accessibility for the residents and visitors. Areas required to be made accessible to mobility- impaired residents and their visitors, including those in wheelchairs, shall include, but not be limited to, accessible routes and entrances, paths of travel, primary function areas, parking, trash bins, mail and package receiving areas for residents, pool and other amenities, including paths of travel to amenities and laundry rooms, including washers and dryers.

D. 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 and pest control throughout the entire Compliance Period;
3. Window covering for each window and glass door inside each unit;
4. Cable or satellite TV hook-up in each unit and, if the Development offers cable or satellite TV service to the residents, the price cannot exceed the market rate for service of similar quality available to the Development's residents from a primary provider of cable or satellite TV;
5. Washer and dryer hook ups in each of the Development's units or an on-site laundry facility for resident use. If the proposed Development will have an on-site laundry facility, the following requirements must be met:
 - There must be a minimum of one (1) Energy Star certified washer and one (1) Energy Star certified or commercial grade dryer per every 15 units. To determine the required number of washers and dryers for the on-site laundry facility; divide the total number of the Development's units by 15, and then round the equation's total up to the nearest whole number;
 - At least one washing machine and one dryer shall be front loading that meets the accessibility standards of Section 504;
 - If the proposed Development consists of Scattered Sites, the laundry facility shall be located on each of the Scattered Sites, or no more than 1/16 mile from the Scattered Site with the most units, or a combination of both.
6. At least two full bathrooms in all 3 bedroom or larger units;
7. Bathtub with shower in at least one bathroom in at least 90 percent of the non-Elderly units;

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8. A full-size range and oven in all units.
 - a. The Development must provide the following Accessibility, Universal Design and Visitability Features in all units:
 1. Primary entrance doors on an accessible route shall have a threshold with no more than a ½-inch rise;
 2. All door handles on primary entrance door and interior doors must have lever handles;
 3. Lever handles on all bathroom faucets and kitchen sink faucets;
 4. Mid-point on light switches and thermostats shall not be more than 48 inches above finished floor level; and
 5. Cabinet drawer handles and cabinet door handles in bathroom and kitchen shall be lever or D-pull type that operate easily using a single closed fist.
- E. In addition to the 5 percent mobility requirement outlined above, all Family Demographic Developments must provide reinforced walls for future installation of horizontal grab bars in place around each tub/shower and toilet, or a Corporation-approved alternative approach for grab bar installation. The installation of the grab bars must meet or exceed the 2010 ADA Standards for Accessible Design.

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 and toilet, pursuant to the 2010 ADA Standards. At a minimum, the Development shall inform each prospective lessee by including language in the Development's written materials listing and describing the unit's features, as well as including the language in each household's lease.

- F. Green Building Features required in all Developments:

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

1. Low or No-VOC paint for all interior walls (50 grams per liter or less for flat; 150 grams per liter or less for non-flat paint);
2. Low-flow water fixtures in bathrooms—WaterSense labeled products or the following specifications:
 - Toilets: 1.28 gallons/flush or less,
 - Faucets: 1.5 gallons/minute or less at 60 psi flow rate,

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- Showerheads: 2.0 gallons/minute or less at 80 psi flow rate,
 - Urinals: 0.5 gallons/flush,
3. Energy Star certified refrigerator;
 4. Energy Star certified dishwasher;
 5. Energy Star certified ventilation fan in all bathrooms;
 6. Water heater minimum efficiency specifications:
 - Residential Electric:
 - Up to 55 gallons = .95 EF or .92 UEF; or
 - More than 55 gallons = Energy Star certified; or
 - Tankless = 0.97 EF and Max GPM of ≥ 2.5 over a 77° rise or 0.87 UEF and GPM of ≥ 2.9 over a 67° rise;
 - Residential Gas (storage or tankless/instantaneous): Energy Star certified,
 - Commercial Gas Water Heater: Energy Star certified;
 7. Energy Star certified ceiling fans with lighting fixtures in bedrooms;
 8. 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.

 - Package Terminal Air Conditioners (PTACs) – Minimum Energy Efficiency Rating (EER) required by the Florida Building Code – Energy Conservation standards (current Edition);
 - Package Terminal Heat Pumps (PTHPs) – minimum Energy Efficiency Ratio (EER) and Coefficient of Performance (COP) required by the Florida Building Code – Energy Conservation standards (current edition):

NOTE: All other equipment types shall follow Florida Building Code – Energy Conservation, current edition requirements.

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

G. The Development will provide the following Resident Services:

1. Adult Literacy – The Applicant or its Management Company must make available, at no cost to the resident, literacy tutor(s) who will provide weekly literacy lessons to residents in private space on-site. Various literacy programming can be offered that strengthens participants' reading, writing skills, and comprehension, but at a minimum, these must include English proficiency and basic reading education. Training must be held between the hours of 8:00 a.m. and 7:00 p.m. and electronic media, if used, must be used in conjunction with live instruction. If the Development consists of Scattered Sites, this resident program must be provided on the Scattered Site with the most units.
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 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.

Completeness and Issues Checklist

DEVELOPMENT NAME: Tranquility at Hope School Phase II

DATE: October 12, 2023

The Applicant is required to submit the information required to evaluate, complete, and determine its sufficiency in satisfying the requirements for Credit Underwriting to the Credit Underwriter in accordance with the schedule established by the Florida Housing Finance Corporation. 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 allotted time frame. Unsatisfactory items, if any, are noted below and in the "Issues and Concerns" section of the Report Summary.

CREDIT UNDERWRITING REQUIRED ITEMS:	STATUS	NOTE
	Satis. / Unsatis.	
1. The development's final "as submitted for permitting" plans and specifications. Note: Final "signed, sealed, and approved for construction" plans and specifications will be required thirty days before closing.	Satis.	
2. Final site plan and/or status of site plan approval.	Satis.	
3. Permit Status.	Satis.	
4. Pre-construction analysis ("PCA").	Unsatis.	1
5. Survey.	Satis.	
6. Complete, thorough soil test reports.	Satis.	
7. Full or self-contained appraisal as defined by the Uniform Standards of Professional Appraisal Practice.	Satis.	
8. Market Study separate from the Appraisal.	Satis.	
9. Environmental Site Assessment – Phase I and/or Phase II if applicable (If Phase I and/or II disclosed environmental problems requiring remediation, a plan, including time frame and cost, for the remediation is required). If the report is not dated within one year of the application date, an update from the assessor must be provided indicating the current environmental status.	Satis.	
10. Audited financial statements for the most recent fiscal year ended or acceptable alternative as stated in the Rule for credit enhancers, Applicant, general partner, principals, guarantors and general contractor.	Satis.	
11. Resumes and experience of Applicant, general contractor and management agent.	Satis.	

VIABILITY AND HOME CREDIT UNDERWRITING REPORT

SMG

12. Credit authorizations; verifications of deposits and mortgage loans.	Satis.	
13. Management Agreement and Management Plan.	Unsatis.	2
14. Firm commitment from the credit enhancer or private placement purchaser, if any.	N/A	
15. Firm commitment letter from the syndicator, if any.	N/A	
16. Firm commitment letter(s) for any other financing sources.	Satis.	
17. Updated sources and uses of funds.	Satis.	
18. Draft construction draw schedule showing sources of funds during each month of the construction and lease-up period.	Satis.	
19. Fifteen-year income, expense, and occupancy projection.	Satis.	
20. Executed general construction contract with “not to exceed” costs.	Satis.	
21. HC ONLY: 15% of the total equity to be provided prior to or simultaneously with the closing of the construction financing.	N/A	
22. Any additional items required by the credit underwriter.	Satis.	

NOTES AND APPLICANT’S RESPONSES:

1. OSG noted in the PCA that landscaping drawings were not provided for review. This will be required before the final PCA is issued.
2. The Management Agreement and Management Plan are both undated and are required to be dated prior to closing.

FLORIDA HOUSING FINANCE CORPORATION

Credit Underwriting Report (“CUR”)

LOFTS AT BAHAMA VILLAGE

**SAIL and Housing Credit Financing for the Construction of Workforce Housing in Monroe
County**

SAIL / 9% HC

RFA 2022-208 (2022-265CS / 2023-265CS)

Construction Inflation Response Viability Funding

RFA 2023-211 (2023-232V)

Section A: Report Summary

**Section B: SAIL Special and General Conditions and Housing Credit Allocation
Recommendation and Contingencies**

Section C: Supporting Information and Schedules

Prepared by

AmeriNat®

Final Report

October 11, 2023

LOFTS AT BAHAMA VILLAGE

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Section A
Report Summary

Recommendation

AmeriNat® (“AmeriNat”) recommends Florida Housing Finance Corporation (“FHFC” or “Florida Housing”) issue a Construction Inflation Response Viability Loan (“Viability”) Loan of \$4,300,000, a State Apartment Incentive Loan (“SAIL”) Loan of \$5,520,000 and an annual allocation of 9% Housing Credits (“HC”) in the amount of \$1,800,000 to Bahama Village Community, Ltd. (“Applicant”) for the construction and permanent phase financing of Lofts at Bahama Village (the proposed “Development”).

DEVELOPMENT & SET-ASIDES			
Development Name:	<u>Lofts at Bahama Village</u>		
RFA/Program Numbers:	<u>2022-265CS /</u> <u>RFA 2022-208</u> / <u>2023-265CS</u>	<u>RFA 2023-211</u>	<u>2023-232V</u>
Address:	<u>Fort Street, intersection of Petronia Street and Fort Street</u>		
City:	<u>Key West</u>	Zip Code: <u>33040</u>	County: <u>Monroe</u> County Size: <u>Small</u>
Development Category:	<u>New Construction</u>	Development Type: <u>Garden Apts (1-3 Stories)</u>	
Construction Type:	<u>Masonry</u>		

Demographic Commitment: Workforce

Unit Composition:

of ELI Units: 10 ELI Units Are Restricted to 25% AMI, or less. Total # of units with PBRA? 0
 # of Link Units: 5 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	4	697	25%			\$480	\$82	\$398		\$426	\$398	\$398	\$19,104
1	1.0	15	697	60%			\$1,153	\$82	\$1,071		\$1,139	\$1,071	\$1,071	\$192,780
1	1.0	11	697	80%			\$1,538	\$82	\$1,456		\$1,546	\$1,456	\$1,456	\$192,192
1	1.0	7	697	120%			\$2,307	\$82	\$2,225		\$2,360	\$2,225	\$2,225	\$186,900
2	2.0	4	1,019	25%			\$576	\$99	\$477		\$511	\$477	\$477	\$22,896
2	2.0	15	1,019	60%			\$1,384	\$99	\$1,285		\$1,366	\$1,285	\$1,285	\$231,300
2	2.0	11	1,019	80%			\$1,846	\$99	\$1,747		\$1,855	\$1,747	\$1,747	\$230,604
2	2.0	8	1,019	120%			\$2,769	\$99	\$2,670		\$2,832	\$2,670	\$2,670	\$256,320
3	2.0	2	1,131	25%			\$666	\$109	\$557		\$596	\$557	\$557	\$13,368
3	2.0	9	1,131	60%			\$1,599	\$109	\$1,490		\$1,583	\$1,490	\$1,490	\$160,920
3	2.0	7	1,131	80%			\$2,132	\$109	\$2,023		\$2,148	\$2,023	\$2,023	\$169,932
3	2.0	5	1,131	120%			\$3,198	\$109	\$3,089		\$3,276	\$3,089	\$3,089	\$185,340
		98	90,524											\$1,861,656

The Applicant selected 40% of the units at 60% or less of area median income (“AMI”) as the minimum set-aside commitment. The Development must set aside at least 10 percent of total units (10 units) at 25% for Extremely Low Income (“ELI”) Households. The Applicant is required to set aside 50% of the ELI units (5 units) as Link units for Persons with Special Needs under which the Applicant will develop and execute a Link Memorandum of Understanding (“MOU”) with at least one designated Special Needs Household Referral Agency that provides supportive services for the county where the proposed Development will be located (Monroe County). An executed MOU was approved by FHFC on September

SAIL, VIABILITY AND HC CREDIT UNDERWRITING REPORT

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30, 2022. The Persons with Special Needs set-aside requirements must be maintained throughout the entire 50-year Compliance Period. The Tenant Selection Plan was approved by FHFC on May 19, 2022.

Buildings: Residential - 2 Non-Residential - 0
 Parking: Parking Spaces - 72 Accessible Spaces - 6

Set Asides:	Program	% of Units	# of Units	% AMI	Term (Years)
	HC/SAIL	10%	10	25%	50
	HC/SAIL	40%	39	60%	50
	SAIL/Workforce Housing Units	50%	49	Above 60% AMI and up to 120% AMI	50

Absorption Rate: 50 units per month for 2 months.

Occupancy Rate at Stabilization: Physical Occupancy 96.00% Economic Occupancy 95.00%
 The weighted average occupancy rate for like-kind, existing, stabilized properties within the Development's CMA is 98.3%.
 Occupancy Comments

DDA: Yes QCT: No Multi-Phase Boost: No QAP Boost: N/A
 Site Acreage: 2.39 Density: 41.06 Flood Zone Designation: AE
 Zoning: HNC-4 Historic Neighborhood Commercial District Flood Insurance Required?: Yes

DEVELOPMENT TEAM		
Applicant/Borrower:	Bahama Village Community, Ltd.	% Ownership
General Partner	Bahama Village GP, LLC	0.0100%
Limited Partner	TCC Lofts at Bahama Village LLC (affiliate of Truist Community Capital, LLC)	99.9900%
Special LP	CDC Special Limited Partner, L.L.C. (affiliate of Truist Community Capital, LLC)	0.0000%
Construction Completion Guarantor(s):		
CC Guarantor 1:	Bahama Village Community, Ltd.	
CC Guarantor 2:	Bahama Village GP, LLC	
CC Guarantor 3:	TVC Development, Inc.	
CC Guarantor 4:	John D. Rood	
Operating Deficit Guarantor(s):		
OD Guarantor 1:	Bahama Village Community, Ltd.	
OD Guarantor 2:	Bahama Village GP, LLC	
OD Guarantor 3:	TVC Development, Inc.	
OD Guarantor 4:	John D. Rood	
Developer:	TVC Development, Inc.	
Principal 1	John D. Rood	
DEVELOPMENT TEAM (cont)		
General Contractor 1:	Marino Construction Group, Inc.	
Management Company:	AH Housing Services, LLC	
Syndicator:	Truist Community Capital, LLC	
Architect:	PQH Design Group, Inc.	
Market Study Provider:	Meridian Appraisal Group, Inc.	
Appraiser:	Meridian Appraisal Group, Inc.	

SAIL, VIABILITY AND HC CREDIT UNDERWRITING REPORT

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PERMANENT FINANCING INFORMATION						
	1st Source	2nd Source	3rd Source	4th Source	5th Source	Other
Lien Position	1	2	3			
Lender/Grantor	Grandbridge / Fannie Mae	FHFC - Viability	FHFC - SAIL			
Amount	\$9,890,000	\$4,300,000	\$5,520,000			
Underwritten Interest Rate	7.48%	1.00%	1.00%			
Loan Term	15	15.5	15.5			
Amortization	40	N/A	N/A			
Market Rate/Market Financing LTV	18%	26%	36%			
Restricted Market Financing LTV	53%	76%	106%			
Loan to Cost - Cumulative	25%	36%	51%			
Loan to Cost - SAIL Only			14%			
Debt Service Coverage	1.19	1.12	1.03			
Operating Deficit & Debt Service Reserves	\$450,133					
# of Months covered by the Reserves	3.1					

The Debt Service Coverage Ratio (“DSCR”) for the SAIL Loan, including all superior mortgages reflects a ratio lower than 1.10x to 1.00. Per Rule 67-48 the minimum DSCR shall be 1.10x for the SAIL Loan, including all superior mortgages. However, per Rule 67-48, if the applicant defers 35% of its Developer Fee following the last disbursement of all permanent sources of funding identified in the final credit underwriting report and, in the case of a Housing Credit Development, the final cost certification documentation, and when the primary expected source of repayment has been identified as projected cash flow, the minimum DSCR shall be 1.00x for the SAIL Loan, including all superior mortgages. The Applicant will be required to defer at least 35% of its Developer Fee as the SAIL Loan DSC is 1.03x.

Deferred Developer Fee	\$2,108,389
As-Is Land Value	\$7,840,000
Market Rent/Market Financing Stabilized Value	\$54,250,000
Rent Restricted Market Financing Stabilized Value	\$18,600,000
Projected Net Operating Income (NOI) - Year 1	\$929,917
Projected Net Operating Income (NOI) - 15 Year	\$1,083,928
Year 15 Pro Forma Income Escalation Rate	2.00%
Year 15 Pro Forma Expense Escalation Rate	3.00%
Housing Credit (HC) Syndication Price	\$0.95
HC Annual Allocation - Initial Award	\$1,800,000
HC Annual Allocation - Qualified in CUR	\$1,800,000
HC Annual Allocation - Equity Letter of Interest	\$1,800,000

SAIL, VIABILITY AND HC CREDIT UNDERWRITING REPORT

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CONSTRUCTION/PERMANENT SOURCES:				
Source	Lender	Construction	Permanent	Perm Loan/Unit
Regulated Mortgage Lender	Truist Bank	\$18,250,000	\$0	\$0
Regulated Mortgage Lender	Grandbridge / Fannie Mae	\$0	\$9,890,000	\$100,918
FHFC - Viability	FHFC	\$4,300,000	\$4,300,000	\$43,878
FHFC - SAIL	FHFC	\$5,520,000	\$5,520,000	\$56,327
HC Equity	Truist Community Capital, LLC	\$6,839,316	\$17,098,290	\$174,472
Deferred Developer Fee	Developer	\$4,007,363	\$2,108,389	\$21,514
TOTAL		\$38,916,679	\$38,916,679	\$397,109

Credit Underwriter:	<u>AmeriNat Loan Services</u>		
Date of Final CUR:	<u>10/11/2023</u>		
TDC PU Limitation at Application:	<u>\$623,800</u>	TDC PU Limitation at Credit Underwriting:	<u>\$808,444.80</u>
Minimum 1st Mortgage per Rule:	<u>\$10,078,489.16</u>	Amount Dev. Fee Reduced for TDC Limit:	<u>\$0</u>

Changes from the Application:

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

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

1. According to the Application, Truist Bank was to provide a construction loan in the amount of \$21,000,000 and a permanent loan in the amount of \$12,000,000. Truist Bank will now only provide a construction loan in the amount of \$18,250,000. AmeriNat is in receipt of a Term Sheet from Grandbridge Real Estate Capital LLC ("Grandbridge"), dated March 7, 2023, that indicates that Grandbridge will now provide a permanent loan in the amount of \$9,890,000.

Raymond James Affordable Housing Investments, Inc. ("RJAHI") was the proposed equity provider at the time of the original application. However, RJAHI has been replaced by Truist Community Capital, LLC ("TCC"). In the original application for HC, RJAHI provided an executed letter of intent with a HC price of \$0.90. Subsequently, the Applicant provided a term sheet from TCC dated June 1, 2023 that illustrates a price of \$0.95 for each \$1.00 of syndicated HC received.

Since the time of Application, the Applicant applied under RFA 2023-211 - Construction Inflation Response Viability Funding for additional funding from FHFC. The list of awardees for RFA 2023-211 was approved at the June 9, 2023 FHFC Board meeting and the Applicant's Application was selected for a preliminary award of Viability Loan Funding in an amount up to \$4,300,000 from FHFC.

2. Total Development Costs have increased by \$3,380,128 from \$35,536,551 to \$38,916,679 since the Application due to increases in the construction costs, general development costs, financial costs, Developer Fee and the inclusion of an ODR.
3. The Applicant submitted a request dated March 16, 2023 for a unit mix change as follows:

From: Thirty-six (36) one bed/one bath units (4 ELI);
Thirty-nine (39) two bed/two bath units (4 ELI); and
Twenty-three (23) three bedroom/two bath units (2 ELI).

To: Thirty-seven (37) one bed/one bath units (4 ELI);
Thirty-eight (38) two bed/two bath units (4 ELI); and
Twenty-three (23) three bedroom/two bath units (2 ELI).

FHFC staff approved the request on March 28, 2023.

4. The Applicant submitted a request dated August 22, 2022 to change the legal description that was approved by FHFC staff on October 20, 2022. A Surveyor's Affidavit dated August 23, 2022 was received confirming that the Development Location Point did not change. A letter dated September 20, 2022 was received from the City of Key West confirming that the change has not affected any zoning requirements.

These changes have no substantial material impact to the Viability, SAIL and HC recommendations for this 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 May 24, 2023, no noncompliance issues exist for the Development Team.

According to the FHFC Past Due Report dated September 18, 2023, no past due issues exist for the Development Team.

This recommendation is subject to satisfactory resolution of any outstanding past due and/or noncompliance issues prior to or at the time of loan closing and the issuance of the annual HC allocation recommended herein.

Strengths:

1. The Development Team has demonstrated the ability to successfully develop and operate affordable multifamily rental communities using a variety of different subsidies.

2. A Market Study prepared by Meridian Appraisal Group, Inc. (“Meridian”) dated June 3, 2022 concludes that the weighted average occupancy rate for like-kind, existing, stabilized properties within the Development’s Competitive Market Area (“CMA”) is 98.3%.

Other Considerations:

1. In accordance with RFA 2022-208, FHFC limits the Total Development Cost (“TDC”) per unit to a figure based on the average cost to deliver new construction units. The Applicant indicates the proposed Development is new construction, Garden apartments, ESS construction, and is eligible for the South Florida Keys Area Multiplier. At the time of Application, the Development was limited to a TDC of no more than \$623,800. The TDC was increased to \$808,444.80 per unit at the April 1, 2022, FHFC Telephonic Board meeting. With 98 units, the maximum TDC, less the Operating Deficit Reserve and Land, for the Development is therefore \$79,227,590.40 (98 units @ \$808,444.80 per unit). TDC, exclusive of land acquisition cost and Operating Deficit Reserve, is \$392,577.82 per unit, which is within the per unit limitation. As such, no adjustment to the Total Developer Fee is necessary as the TDC is within the limit as allowed for in the RFA.
2. AmeriNat received an executed General Contractor Certification of Requirements that confirmed that not more than 20 percent of the construction cost is subcontracted to any one entity or any group of entities that have common ownership or are Affiliates of any other subcontractor, with the exception of a subcontractor (or any group of entities that have common ownership or are Affiliates of any other subcontractor) contracted to deliver the building shell of a building of at least five (5) stories which may not have more than 31 percent of the construction cost in a subcontract, unless otherwise approved by FHFC for a specific Development.
3. To the underwriter’s knowledge, no construction cost shall be subcontracted to any entity that has common ownership or is an Affiliate of the General Contractor or Developer.

Issues and Concerns:

1. Mr. Rood, the financial beneficiary in the transaction, indicated multiple incidences of foreclosure (1), loan default (10), and/or loan modification (4) for affordable properties based on his Statement of Financial and Credit Affairs form dated as of January 16, 2023. Per the Rule, these defaults occurred during the period prior to August 1, 2010 and represent five percent or more of Mr. Rood’s affordable developments which have been the subject of a foreclosure or deed in lieu of foreclosure, or in financial arrearage or other material default and such arrearage or material default remained uncured for a period of 60 days or more.

Mitigating factors:

Per Mr. Rood’s SREO, the incidences were represented as having been amicably worked out, to the fullest extent possible, with Mr. Rood funding in excess of \$21MM toward affordable property deficits during the time periods previously referenced. Additionally, the 39 properties (35 of which are affordable) listed on Mr. Rood’s SREO indicate a 1.81 to 1.00 overall debt service coverage ratio (“DSC”). Annual operating cash flow for the SREO is represented in the mid seven figures.

Waiver Requests:

1. According to the RFA, the Corporation will review the limited partnership agreement or limited liability company operating agreement language on reserves for compliance with the RFA requirement. If the limited partnership agreement or limited liability company operating

agreement does not specifically state that the parties will comply with the Corporation's RFA requirements, the Corporation will require an amendment of the agreement and will not issue IRS form(s) 8609 until the amendment is executed and provided to the Corporation.

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

Special Conditions:

1. Receipt of an executed management agreement is a condition precedent to the closing of the SAIL and Viability Loans.

Additional Information:

None

Recommendation:

AmeriNat recommends Florida Housing issue a Viability Loan of \$4,300,000, a SAIL Loan of \$5,520,000, and an annual allocation of 9% HC in the amount of \$1,800,000 to the Applicant for the construction and permanent phase financing of Lofts at Bahama Village.

These recommendations are based upon the assumptions detailed in the Report Summary (Section A) and Supporting Information and Schedules (Section C). In addition, these recommendations are subject to the SAIL and Viability Loan Special and General Conditions and Housing Credit Allocation 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:



Matthew Smiley
Credit Underwriter Analyst

Reviewed by:



Kyle Kuenn
Multifamily Chief Credit Underwriter

Overview

Construction Financing Sources:

Source	Lender	Applicant's Total	Applicant's Revised Total	Underwriter's Total	Interest Rate	Debt Service During Construction
Regulated Mortgage Lender	Truist Bank	\$21,000,000	\$18,000,000	\$18,250,000	8.80%	\$1,771,194
FHFC - Viability	FHFC	\$0	\$4,300,000	\$4,300,000	1.00%	\$0
FHFC - SAIL	FHFC	\$5,520,000	\$5,520,000	\$5,520,000	1.00%	\$0
HC Equity	Truist Community Capital, LLC	\$6,479,352	\$6,839,316	\$6,839,316		
Deferred Developer Fee	Developer	\$4,750,000	\$4,205,370	\$4,007,363		
Total :		\$37,749,352	\$38,864,686	\$38,916,679		\$1,771,194

Proposed First Mortgage Loan:

The Applicant provided a Letter of Intent (“LOI”) dated June 5, 2023, from Truist Bank (“Truist”) that illustrates the terms in which Truist will make a construction loan in the amount of \$18,250,000. However, the Sources and Uses provided by the Applicant reflect that the construction loan will be in the amount of \$18,000,000. Per the LOI, the construction loan will have a term of 24 months, with an optional 6-month extension. The Loan will be interest-only during the construction period with payments due monthly. The variable interest rate will be based on SOFR (5.30% as of September 14, 2023) plus a spread of 2.50%. In addition, AmeriNat added an additional 1.00% underwriting cushion for an all-in interest rate of 8.80%.

Proposed Second Mortgage – Viability:

The Applicant applied to Florida Housing for a \$4,300,000 Viability loan for the construction and permanent financing of the Development. The Loan was sized in the amount of \$4,300,000 based on the Viability loan sizing parameters. Please see the Viability Sizing Chart (Exhibit 6) for additional information. The Viability loan total term will be 18 years, of which 2.5 years is for the construction/stabilization period and 15.5 years is for the permanent period. As required by Fannie Mae and permitted by RFA 2023-211, the Viability loan will be coterminous with the first mortgage plus six months (total term of 18 years). The Viability loan shall be non-amortizing with a 1.00% interest rate over the life of the loan with annual payments based upon available cash flow. Any unpaid interest will be deferred until cash flow is available. However, at maturity of the Viability loan, all principal and interest will be due. The Applicant shall not be obligated to pay more than 75% of surplus cash flow on an annual basis as required by Fannie Mae. Annual payments of all applicable fees will be required. Viability loan proceeds shall be disbursed during the construction phase in an amount per construction draw which does not exceed the ratio of the Viability loan to Total Development Costs, unless approved by the credit underwriter.

Proposed Third Mortgage Loan - SAIL:

The Applicant applied to Florida Housing for a \$5,520,000 SAIL Program loan under RFA 2022-208 for the construction/permanent financing of the Development. The SAIL loan will have a total term of 18 years, of which 2.5 years is for the construction/stabilization period and 15.5 years is for the permanent period. As required by Fannie Mae and permitted by the Rule, the SAIL Loan will be coterminous with the first

mortgage plus six months (total term of 18 years). The SAIL loan shall be non-amortizing with a 1.00% interest rate over the life of the loan with annual payments based upon available cash flow. Any unpaid interest will be deferred until cash flow is available. However, at maturity of the SAIL loan, all principal and accrued interest will be due. The Applicant shall not be obligated to pay more than 75% of surplus cash flow on an annual basis as required by Fannie Mae. Annual payments of all applicable fees will be required. SAIL loan proceeds shall be disbursed during the construction phase in an amount per construction draw which does not exceed the ratio of the SAIL loan to Total Development Costs, unless approved by the credit underwriter.

HC Equity:

The Applicant provided a Term Sheet dated June 1, 2023, from TCC that outlines the terms and conditions of the purchase of the HC. TCC Lofts at Bahama Village LLC will provide a net equity investment of \$17,098,290 in exchange for a 99.99% Investor Limited Partner interest and a proportionate share of the total HC allocation estimated by TCC to be \$18,000,000. The HC allocation will be syndicated at a rate of approximately \$0.95 per \$1.00 of delivered tax credits. HC equity in the amount of \$3,419,658 will be funded prior to or simultaneously with construction loan closing, which satisfies the RFA 15% requirement. A total of \$6,839,316 will be funded during the construction phase.

Deferred Developer Fee:

The Developer will be required to defer \$4,007,363 or 75.53% in 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
Regulated Mortgage Lender	Grandbridge / Fannie Mae	\$12,000,000	\$9,250,000	\$9,890,000	7.48%	40	15	\$779,245
FHFC - Viability	FHFC	\$0	\$4,300,000	\$4,300,000	1.00%	N/A	15.5	\$43,000
FHFC - SAIL	FHFC	\$5,520,000	\$5,520,000	\$5,520,000	1.00%	N/A	15.5	\$55,200
HC Equity	Truist Community Capital, LLC	\$16,198,380	\$17,098,290	\$17,098,290				
Deferred Developer Fee	Developer	\$4,000,000	\$2,696,396	\$2,108,389				
Total :		\$37,718,380	\$38,864,686	\$38,916,679				\$877,445

Proposed First Mortgage Loan:

The Applicant provided an executed Term Sheet from Grandbridge dated March 7, 2023 for a First Mortgage loan facilitated through Fannie Mae’s Delegated Underwriting and Servicing Program in the amount of \$9,890,000. However, the Sources and Uses received from the Applicant reflect that the permanent loan will be in the amount of \$9,250,000. The proposed terms and conditions of the Grandbridge First Mortgage includes a term of 15 years and an amortization of 40 years. The permanent loan will have a fixed interest rate equal to the 10-Year Treasury (“UST”), subject to a floor of 0.90%, plus a spread of 2.81%. However, Grandbridge confirmed via email correspondence dated 9/20/2023 that the all-in interest rate was 7.48% (4.34% UST plus a spread of 3.14%).

Proposed Second Mortgage – Viability:

The Applicant applied to Florida Housing for a \$4,300,000 Viability loan for the construction and permanent financing of the Development. The Loan was sized in the amount of \$4,300,000 based on the Viability loan sizing parameters. Please see the Viability Sizing Chart (Exhibit 6) for additional information. The Viability loan total term will be 18 years, of which 2.5 years is for the construction/stabilization period and 15.5 years is for the permanent period. As required by Fannie Mae and permitted by RFA 2023-211, the Viability loan will be coterminous with the first mortgage plus six months (total term of 18 years). The Viability loan shall be non-amortizing with a 1.00% interest rate over the life of the loan with annual payments based upon available cash flow. The Applicant shall not be obligated to pay more than 75% of surplus cash flow on an annual basis as required by Fannie Mae. Any unpaid interest will be deferred until cash flow is available. However, at maturity of the Viability loan, all principal and interest will be due. Annual payments of all applicable fees will be required. Fees include an annual Permanent Loan Servicing Fee of 25 bps of the outstanding loan amount up to a maximum of \$936 per month, subject to a minimum of \$236 per month.

Proposed Second Mortgage Loan - SAIL:

The Applicant applied to Florida Housing for a \$5,520,000 SAIL Program loan under RFA 2022-208 for the construction/permanent financing of the Development. The SAIL loan will have a total term of 18 years, of which 2.5 years is for the construction/stabilization period and 15.5 years is for the permanent period. As required by Fannie Mae and permitted by the Rule, the SAIL loan will be coterminous with the first mortgage plus six months (total term of 18 years). The SAIL loan shall be non-amortizing with a 1.00% interest rate over the life of the loan with annual payments based upon available cash flow. Any unpaid interest will be deferred until cash flow is available. However, at maturity of the SAIL loan, all principal and accrued interest will be due. The Applicant shall not be obligated to pay more than 75% of surplus cash flow on an annual basis as required by Fannie Mae. Annual payments of all applicable fees will be

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required. Fees include an annual Permanent Loan Servicing Fee of 25 bps of the outstanding loan amount up to a maximum of \$936 per month, subject to a minimum of \$236 per month and an annual Compliance Monitoring Multiple Program Fee of \$1,023.

HC Equity:

The Applicant provided a Term Sheet dated June 1, 2023, from TCC that outlines the terms and conditions of the purchase of the HC. TCC Lofts at Bahama Village LLC will provide a net equity investment of \$17,098,290 in exchange for a 99.99% Investor Limited Partner interest and a proportionate share of the total HC allocation estimated by TCC to be \$18,000,000. The HC allocation will be syndicated at a rate of approximately \$0.95 per \$1.00 of delivered tax credits.

The HC equity contributions are to be paid as follows:

Capital Contributions	Amount	Percent of Total	Due upon
1st Installment	\$3,419,658	20.00%	Paid prior to or simultaneous with the closing of construction financing
2nd Installment	\$3,419,658	20.00%	Paid at 98% Construction Completion
3rd Installment	\$10,087,991	59.00%	Paid upon the later to occur of: 1) receipt of all final certificates of occupancy for all buildings, 2) receipt of a satisfactory ALTA as built survey, 3) physical occupancy of 93% of the units by qualified tenants for a period of three (3) consecutive calendar months at proforma rents, 4) satisfactory radon testing and remediation, if necessary, 5) evidence that the Partnership has submitted a complete application for IRS Forms 8609, 6) receipt of a copy of the final cost certification prepared by the accountants and determination of the amount of LIHTC, 7) achievement of debt service coverage ratio of 115% for each of three (3) consecutive calendar months immediately preceding permanent loan closing conversion, and 8) Permanent Loan Conversion
4th Installment	\$170,983	1.00%	Paid upon the later to occur of: 1) receipt of properly completed and signed IRS Form 8609s for all buildings in the Development, and 2) Recording of an Extended Low-Income Housing Agreement.
Total:	\$17,098,290	100%	

Annual Credits Per Syndication Agreement	\$1,800,000
Total Credits Per Syndication Agreement	\$18,000,000
Calculated HC Rate:	\$0.9500
Limited Partner Ownership Percentage	99.99%
Proceeds During Construction	\$6,839,316

Deferred Developer Fee:

The Developer will be required to permanently defer \$2,108,389 or 39.74% in Developer Fee after stabilization. The Deferred Developer Fee meets the 30% Viability requirement as illustrated in RFA 2023-211.

Uses of Funds

CONSTRUCTION COSTS:	Applicant Costs	Revised Applicant Costs	Underwriters Total Costs - CUR	Cost Per Unit	HC Ineligible Costs - CUR
New Rental Units	\$21,491,229	\$18,763,730	\$18,763,730	\$191,467	\$0
Site Work	\$0	\$3,865,700	\$3,865,700	\$39,446	\$750,000
Constr. Contr. Costs subject to GC Fee	\$21,491,229	\$22,629,430	\$22,629,430	\$230,913	\$750,000
General Conditions	\$0	\$837,688	\$837,688	\$8,548	\$0
Overhead	\$0	\$469,342	\$469,342	\$4,789	\$0
Profit	\$3,008,771	\$704,014	\$704,014	\$7,184	\$0
General Liability Insurance	\$0	\$258,138	\$258,138	\$2,634	\$0
Payment and Performance Bonds	\$0	\$293,339	\$293,339	\$2,993	\$0
Total Construction Contract/Costs	\$24,500,000	\$25,191,951	\$25,191,951	\$257,061	\$750,000
Hard Cost Contingency	\$1,225,000	\$1,259,598	\$1,259,597	\$12,853	\$0
FF&E paid outside Constr. Contr.	\$450,000	\$450,000	\$450,000	\$4,592	\$0
Total Construction Costs:	\$26,175,000	\$26,901,549	\$26,901,548	\$274,506	\$750,000

Notes to Actual Construction Costs:

1. The Applicant provided an executed Standard Form of Agreement Between Owner and Contractor where the basis of payment is the Cost of the Work Plus a Fee with a Guaranteed Maximum Price in the amount of \$25,191,950.91 (the "Construction Contract"). The Construction Contract is dated as of September 11, 2023 and is between the Applicant and Marino Construction Group, Inc. ("MCG") (the "General Contractor"). The Construction Contract states the General Contractor will achieve substantial completion no later than 436 days following the date of commencement. The Owner will withhold 10% retainage from payment for all completed work until the Development reaches 50% completion, at which time retainage will be reduced to 0% for work thereafter.
2. The General Contractor's Fee (consisting of general conditions, overhead, and profit) does not exceed 14.00% of allowable hard costs as allowed by RFA 2022-208 and Rule. The General Contractor's fee stated herein is for credit underwriting purposes only, and the final General Contractor's fee will be determined pursuant to the final cost certification process as per Rule 67-48.
3. A Document and Cost Review ("DCR") was engaged for by AmeriNat and performed by Partner Engineering and Science, Inc. ("Partner"). Partner summarized their review of the construction contract and schedule of values in a report dated September 15, 2023. Partner concluded that overall costs to construct development are within an acceptable range. Partner noted the construction schedule duration appears to align with the contract time.

Please note that the Construction Contract includes the following item as an allowance:

\$18,000 Cluster Mailbox

Partner noted the allowance does not exceed their recommended 2% maximum threshold. As the allowance does not include major building components, its inclusion in the construction contract is acceptable. Detailed information from the DCR can be found in Section C.

4. Since the construction contract does not include a hard cost contingency, a 5% hard cost contingency is included in the development budget. It is supported by the DCR and within the limits illustrated in Rule Chapter 67-48 and RFA 2022-208.

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GENERAL DEVELOPMENT COSTS:	Applicant Costs	Revised Applicant Costs	Underwriters Total Costs - CUR	Cost Per Unit	HC Ineligible Costs - CUR
Accounting Fees	\$15,000	\$15,000	\$15,000	\$153	\$10,000
Appraisal	\$10,000	\$10,000	\$10,000	\$102	\$0
Architect's Fee - Site/Building Design	\$421,000	\$463,000	\$463,000	\$4,724	\$0
Architect's Fee - Supervision	\$48,000	\$48,000	\$48,000	\$490	\$0
Building Permits	\$100,000	\$100,000	\$100,000	\$1,020	\$0
Builder's Risk Insurance	\$240,000	\$500,000	\$500,000	\$5,102	\$0
Engineering Fees	\$90,000	\$118,468	\$118,468	\$1,209	\$0
Environmental Report	\$50,000	\$50,000	\$50,000	\$510	\$0
FHFC Administrative Fees	\$162,000	\$177,000	\$162,000	\$1,653	\$162,000
FHFC Application Fee	\$3,000	\$3,500	\$3,500	\$36	\$3,500
FHFC Credit Underwriting Fee	\$20,000	\$25,150	\$27,063	\$276	\$27,063
FHFC Other Processing Fee(s)	\$0	\$35,500	\$51,000	\$520	\$51,000
Impact Fee	\$0	\$100,000	\$89,936	\$918	\$0
Lender Inspection Fees / Const Admin	\$50,000	\$50,000	\$71,376	\$728	\$0
Green Building Cert. (LEED, FGBC, NAHB)	\$35,000	\$39,500	\$39,500	\$403	\$0
Insurance	\$195,000	\$343,000	\$343,000	\$3,500	\$343,000
Legal Fees - Organizational Costs	\$450,000	\$450,000	\$450,000	\$4,592	\$315,000
Market Study	\$15,000	\$10,000	\$6,400	\$65	\$6,400
Marketing and Advertising	\$150,000	\$150,000	\$150,000	\$1,531	\$150,000
Plan and Cost Review Analysis	\$8,000	\$8,000	\$8,200	\$84	\$0
Property Taxes	\$75,000	\$75,000	\$75,000	\$765	\$30,000
Soil Test	\$40,000	\$20,000	\$40,000	\$408	\$0
Survey	\$35,000	\$35,370	\$35,000	\$357	\$5,000
Title Insurance and Recording Fees	\$150,000	\$125,000	\$150,000	\$1,531	\$87,500
Utility Connection Fees	\$700,000	\$500,000	\$500,000	\$5,102	\$0
Soft Cost Contingency	\$0	\$179,809	\$191,822	\$1,957	\$0
Other: Art in Public Places	\$0	\$330,000	\$330,000	\$3,367	\$0
Total General Development Costs:	\$3,062,000	\$3,961,297	\$4,028,265	\$41,105	\$1,190,463

Notes to the General Development Costs:

- AmeriNat reflects actual costs for the market study and plan and cost review analysis.
- AmeriNat reflects the costs associated with the Architect's fees as stated in an executed Standard Form of Agreement between the Applicant and PQH Group Design, Inc. dated February 21, 2022, which was reviewed by AmeriNat.
- AmeriNat reflects the costs associated with the Engineer's fees as stated in an executed proposal between the Applicant and The Weiler Engineering Corporation dated April 14, 2022, which was reviewed by AmeriNat.
- FHFC Administrative Fee is based upon a fee of 9% of the annual HC (\$1,800,000) recommended herein.
- FHFC Credit Underwriting Fee includes HC credit underwriting fee (\$14,913), a multiple program credit underwriting fee for the SAIL loan (\$4,996), a multiple program credit underwriting fee for the Viability loan (\$5,146), a Preliminary Recommendation Letter fee (\$1,708) and credit reporting fees (\$300).
- The FHFC Other Processing Fee(s) include the site control extension fee (\$5,000), cost basis and certification extension fee (\$5,000), notice of commencement extension fee (\$10,000), limited partnership agreement extension fee (\$10,000), legal description change fee (\$500), CUR extension fee (\$5,000), tax credit swap fee (\$15,000) and progress report late fee (\$500).
- Green Building Certification cost based upon an Agreement dated February 21, 2022 from PQH Group Design, Inc.
- Art in Public Places is based on an estimate provided by the Applicant and represents a fee charged by the City of Key West ("City") for the Public Art Fund as required by the City.
- A soft cost contingency of 5% has been underwritten, which is consistent with RFA 2022-208 and Rule Chapter 67-48 and may be utilized by the Applicant in the event soft costs exceed estimates.

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10. The remaining general development costs appear reasonable.

FINANCIAL COSTS:	Applicant Costs	Revised Applicant Costs	Underwriters Total Costs - CUR	Cost Per Unit	HC Ineligible Costs - CUR
Construction Loan Origination Fee	\$265,200	\$182,500	\$182,500	\$1,862	\$0
Construction Loan Interest	\$1,000,000	\$1,800,000	\$1,771,194	\$18,073	\$800,160
Permanent Loan Origination Fee	\$120,000	\$98,900	\$98,900	\$1,009	\$98,900
SAIL Commitment Fee	\$0	\$67,950	\$55,200	\$563	\$55,200
SAIL Closing Costs	\$12,750	\$0	\$12,500	\$128	\$12,500
Misc Loan Origination Fee	\$0	\$43,000	\$43,000	\$439	\$43,000
Other: FHFC SAIL Extension Fee	\$0	\$55,200	\$55,200	\$563	\$55,200
Other: Viability Closing Costs	\$0	\$0	\$12,500	\$128	\$12,500
Total Financial Costs:	\$1,397,950	\$2,247,550	\$2,230,994	\$22,765	\$1,077,460
Dev. Costs before Acq., Dev. Fee & Reserves	\$30,634,950	\$33,110,396	\$33,160,807	\$338,376	\$3,017,923

Notes to the Financial Costs

- Financial costs were derived from the representations illustrated in the LOIs for the construction loan, permanent loan, and HC equity and appear reasonable to AmeriNat.
- The Construction Loan Interest was calculated based on terms illustrated in the LOI from Truist, the duration of construction referenced in the Construction Contract and the resultant calculation completed by AmeriNat through the use of a construction draw schedule provided by the Applicant.
- SAIL Commitment Fee is based on 1% of the SAIL Loan.
- SAIL and Viability Closing Costs are \$12,500 for each of the loans for FHFC legal counsel fees.
- FHFC SAIL Extension Fee includes a firm loan commitment issuance deadline extension fee of \$55,200, which is 1% of the SAIL loan amount.
- Misc Loan Origination Fee includes the Viability Commitment Fee based on 1% of the Viability Loan.

DEVELOPER FEE ON NON-ACQUISITION COSTS	Applicant Costs	Revised Applicant Costs	Underwriters Total Costs - CUR	Cost Per Unit	HC Ineligible Costs - CUR
Developer Fee - Unapportioned	\$4,901,591	\$5,296,158	\$5,305,729	\$54,140	\$0
Total Other Development Costs:	\$4,901,591	\$5,296,158	\$5,305,729	\$54,140	\$0

Notes to the Other Development Costs:

- Total Developer Fee does not exceed 16% of Development Costs exclusive of Land Costs and Reserves as permitted by RFA 2022-208 and Rule Chapter 67-48.

LAND ACQUISITION COSTS	Applicant Costs	Revised Applicant Costs	Underwriters Total Costs - CUR	Cost Per Unit	HC Ineligible Costs - CUR
Land Lease Payment	\$10	\$10	\$10	\$0	\$10
Total Acquisition Costs:	\$10	\$10	\$10	\$0	\$10

Notes to Land Acquisition Costs:

- A Ground Lease Agreement (the "Lease") between the Applicant and The Naval Properties Local Redevelopment Authority of the City of Key West dated March 21, 2022 (the "Effective Date") was provided. The Lease calls for a term commencing on the Effective date and ending on the last day of the month of the 99th Lease Year. Annual rent in the amount of \$10 is payable on the first day of the second month of each year.

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2. A First Amendment to Ground Lease Agreement dated July 15, 2022 was received which indicates that there was a reduction to demised premises.
3. An Appraisal performed by Meridian identifies an “as is” market value of the real estate as of February 26, 2023 is \$7,840,000. The lesser of the annual rent amount and appraised value was used for underwriting purposes.

RESERVE ACCOUNTS	Applicant Costs	Revised Applicant Costs	Underwriters Total Costs - CUR	Cost Per Unit	HC Ineligible Costs - CUR
Operating Deficit Reserve (Syndicator)	\$0	\$458,122	\$450,133	\$4,593	\$450,133
Total Reserve Accounts:	\$0	\$458,122	\$450,133	\$4,593	\$450,133

Notes to the Reserve Accounts:

1. According to the Letter of Interest, dated June 1, 2023, from TCC, at the time of funding the third capital contribution, \$450,133 will be funded into an ODR. The ODR is equal to approximately three months of operating expenses, debt service, and replacement reserves. 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 ODR cause the Developer Fee or General Contractor Fee to exceed the applicable percentage limitations provided for in the Rule. Any and all terms and conditions of the ODR must be acceptable to Florida Housing, its Servicer and its legal counsel.

TOTAL DEVELOPMENT COSTS	Applicant Costs	Revised Applicant Costs	Underwriters Total Costs - CUR	Cost Per Unit	HC Ineligible Costs - CUR
TOTAL DEVELOPMENT COSTS:	\$35,536,551	\$38,864,686	\$38,916,679	\$397,109	\$3,468,066

Notes to Total Development Costs:

1. Total Development Costs have increased by \$3,380,128 from \$35,536,551 to \$38,916,679 since the Application due to increases in the construction costs, general development costs, financial costs, Developer Fee and the inclusion of an ODR.

OPERATING PRO FORMA

FINANCIAL COSTS:		Year 1	Year 1 Per Unit
OPERATING PRO FORMA			
INCOME:	Gross Potential Rental Income	\$1,861,656	\$18,996
	Other Income		\$0
	Ancillary Income	\$29,400	\$300
	Gross Potential Income	\$1,891,056	\$19,296
	Less:		
	Physical Vac. Loss Percentage: 4.00%	\$75,642	\$772
	Collection Loss Percentage: 1.00%	\$18,911	\$193
Total Effective Gross Income		\$1,796,503	\$18,332
EXPENSES:	Fixed:		
	Ground Lease	\$10	\$0
	Real Estate Taxes	\$123,416	\$1,259
	Insurance	\$235,200	\$2,400
	Variable:		
	Management Fee Percentage: 4.00%	\$71,860	\$733
	General and Administrative	\$29,400	\$300
	Payroll Expenses	\$156,800	\$1,600
	Utilities	\$112,700	\$1,150
	Marketing and Advertising	\$9,800	\$100
	Maintenance and Repairs/Pest Control	\$44,100	\$450
	Grounds Maintenance and Landscaping	\$24,500	\$250
	Contract Services	\$29,400	\$300
	Reserve for Replacements	\$29,400	\$300
Total Expenses		\$866,586	\$8,843
Net Operating Income		\$929,917	\$9,489
Debt Service Payments			
	First Mortgage - Grandbridge/Fannie Mae	\$779,245	\$7,951
	Second Mortgage - FHFC Viability	\$43,000	\$439
	Third Mortgage - FHFC SAIL	\$55,200	\$563
	First Mortgage Fees - Grandbridge/Fannie Mae	\$0	\$0
	Second Mortgage Fees - FHFC Viability	\$10,750	\$110
	Third Mortgage Fees - FHFC SAIL	\$12,255	\$125
Total Debt Service Payments		\$900,450	\$9,188
Cash Flow after Debt Service		\$29,467	\$301
Debt Service Coverage Ratios			
	DSC - First Mortgage plus Fees	1.19x	
	DSC - Second Mortgage plus Fees	1.12x	
	DSC - Third Mortgage plus Fees	1.03x	
	DSC - All Mortgages and Fees	1.03x	
Financial Ratios			
	Operating Expense Ratio	48.24%	
	Break-even Economic Occupancy Ratio (all debt)	93.64%	

Notes to the Operating Pro Forma and Ratios:

1. The Development will be utilizing Housing Credits in conjunction with SAIL, which will impose rent restrictions. The Applicant selected 40% of the units at 60% or less of area median income (“AMI”) as the minimum set-aside commitment. Under the Housing Credit and SAIL restrictions the Development will set aside 10% of the units (10 units) for households earning at or below 25% of the AMI and 40% of the units (39 units) for households earning at or below 60% of the AMI. Additionally, the Development will set aside 50% of the units (49 units) as Workforce Housing Units for households earning above 60% of the AMI and up to 120% of the AMI.

On July 5, 2022, Florida Housing approved a Certification of Completeness and Accuracy for Utility Allowance Estimate Per Energy Consumption Model prepared by Enercon Services, Inc., which was utilized by the appraiser and underwriter and reflected herein.

Overall, the maximum net rents for the units at 25%, 60%, 80% and 120% of AMI are achievable as confirmed by the appraiser.

A rent roll for the Development property is illustrated in the following table, which includes 2022 rents as the appraisal was completed prior to the release of the 2023 rents:

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	4	697	25%			\$480	\$82	\$398		\$426	\$398	\$398	\$19,104
1	1.0	15	697	60%			\$1,153	\$82	\$1,071		\$1,139	\$1,071	\$1,071	\$192,780
1	1.0	11	697	80%			\$1,538	\$82	\$1,456		\$1,546	\$1,456	\$1,456	\$192,192
1	1.0	7	697	120%			\$2,307	\$82	\$2,225		\$2,360	\$2,225	\$2,225	\$186,900
2	2.0	4	1,019	25%			\$576	\$99	\$477		\$511	\$477	\$477	\$22,896
2	2.0	15	1,019	60%			\$1,384	\$99	\$1,285		\$1,366	\$1,285	\$1,285	\$231,300
2	2.0	11	1,019	80%			\$1,846	\$99	\$1,747		\$1,855	\$1,747	\$1,747	\$230,604
2	2.0	8	1,019	120%			\$2,769	\$99	\$2,670		\$2,832	\$2,670	\$2,670	\$256,320
3	2.0	2	1,131	25%			\$666	\$109	\$557		\$596	\$557	\$557	\$13,368
3	2.0	9	1,131	60%			\$1,599	\$109	\$1,490		\$1,583	\$1,490	\$1,490	\$160,920
3	2.0	7	1,131	80%			\$2,132	\$109	\$2,023		\$2,148	\$2,023	\$2,023	\$169,932
3	2.0	5	1,131	120%			\$3,198	\$109	\$3,089		\$3,276	\$3,089	\$3,089	\$185,340
		98	90,524											\$1,861,656

The average market rental rates are in excess of 110% of the applicable maximum Housing Credit rental rates for the area. The Development will benefit from the rental rate advantage it will have over market rents. Meridian estimated market rents of \$2,750 for the one-bedroom/one-bath units, \$3,450 for the two-bedroom/two-bath units and \$3,750 for the three-bedroom / two-bath units.

2. Ancillary income includes forfeited security deposits, vending income, late charges and pet deposits.
3. A 5.00% total economic vacancy rate was applied for underwriting purposes based on the comparable developments as concluded in the appraisal.
4. The insurance expense was reconciled based on restricted rent comparables. The Appraiser concluded an expense of \$2,400 per unit, or \$235,200 per year. The comparable developments presented by the appraiser ranged from \$881 to \$2,905 per unit. AmeriNat utilized an estimate of \$2,400 per unit for insurance, based upon the expense comps. The Development is mostly located in Flood Zone “AE”, which is an area within the 100-year flood plain. As such, mandatory flood insurance will be required.

5. The Applicant submitted a draft Management Agreement. The Management Agreement provides for compensation to AH Housing Services, LLC in the amount that is the greater of \$4,900 month or 3.5% of effective gross income beginning when the on-site leasing operation commences (after Owner has closed on its financing). The appraisal noted management fees to range from 3% to 6% and concluded 4.00%. For underwriting, AmeriNat utilized the higher figure of 4.00%.
6. Replacement Reserves of \$29,400 or a minimum of \$300 per unit per annum, is being used per RFA 2022-208 and Rule Chapter 67-48.
7. Based upon an estimated Net Operating Income (“NOI”) of \$929,917 for the proposed development’s initial year of stabilized operations; the first mortgage loan can be supported by operations at a 1.19x to 1.00 Debt Service Coverage (“DSC”). The combined permanent first mortgage loan, second mortgage Viability loan and third mortgage SAIL loan can be supported by operations at a DSC of 1.03x to 1.00 including the first, second and third mortgages and fees. Per Rule 67-48 the minimum DSC ratio shall be 1.10x for the SAIL Loan, including all superior mortgages. However, per Rule 67-48, if the Applicant defers at least 35% of its Developer Fee following the last disbursement of all permanent sources of funding identified in the final credit underwriting report and, in the case of a Housing Credit Development, the final cost certification documentation, and when the primary expected source of repayment has been identified as projected cash flow, the minimum DSC shall be 1.00x for the SAIL Loan, including all superior mortgages. The Applicant will be required to show permanent Deferred Developer Fee of at least 35% as the SAIL Loan DSC is 1.03x. The Development meets the minimum 1.10x to 1.00 DSC requirement for all first and second mortgages for Housing Credits.
8. The Break-even Economic Occupancy Ratio (“BRE”) includes all debt service payments and is 93.64%, which is higher than normal. Mitigants for the higher than typical BRE include the following: 1) The average market rental rates are in excess of 110% of the applicable maximum HC rental rates for the area; 2) The affordable comparables reported in the CMA reflect a weighted average occupancy rate of 98.3%; 3) The second (Viability) and third mortgage (SAIL) are soft pay and payable from available cash flow. The BRE would improve to 88.45% if the second and third mortgage debt payments were not included in the calculation.
9. A 15-year Operating Pro forma attached hereto as Exhibit 1 reflects rental income increasing at an annual rate of 2% and expenses increasing at an annual rate of 3%.

Section B

**SAIL and Viability Special and General Conditions and Housing Credit Allocation
Recommendation and Contingencies**

Special Conditions

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

1. An executed property management agreement.

General Conditions

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

1. Borrower is to comply with any and all recommendations noted in the Document and Cost Review prepared by Partner.
2. Building permits and any other necessary approvals and permits (e.g., final site plan approval, water management district, Department of Environmental Protection, Army Corps of Engineers, Department of Transportation, etc.). An acceptable alternative to this requirement is receipt and satisfactory review of a letter from the local permitting and approval authority stating that the above referenced permits and approvals will be issued upon receipt of applicable fees (with no other conditions), or evidence of 100% lien-free completion, if applicable. If a letter is provided, copies of all permits will be required as a condition of the first post-closing draw.
3. Final sources and uses of funds itemized by source and line item, in a format and in amounts approved by the Servicer. A detailed calculation of the construction interest based on the final draw schedule (see below), documentation of the closing costs, and draft loan closing statement must also be provided. The sources and uses of funds schedule will be attached to the Loan Agreement as the approved development budget.
4. A final construction draw schedule showing itemized sources and uses of funds for each monthly draw. SAIL and Viability Program loan proceeds shall be disbursed during the construction phase in an amount per draw that does not exceed the ratio of the SAIL and Viability loans to the Total Development Cost, unless approved by the Credit Underwriter. The closing draw shall include appropriate backup and ACH wiring instructions.
5. Construction Period Developer Fee shall be the lessor of i) 50% of the Total Developer Fee or ii) the Total Developer Fee less the Deferred Developer Fee listed in the Sources and Uses for the construction period, as calculated by the Servicer. At closing, a maximum of 35% of the Construction Period Developer Fee may be funded. Remaining Construction Period Developer Fee will be disbursed during construction/rehabilitation on a pro rata basis, based on the percentage of completion of the development, as approved and reviewed by FHFC and Servicer. Once the Developer has achieved 100% lien free completion and retainage has been released, the Post-Construction Period Developer Fee may be funded. Post-Construction Period Developer Fee is the remaining portion of Developer Fee less Deferred Developer Fee listed in the Sources and Uses for the permanent period, as calculated by the Servicer.

6. At all times there will be undisbursed loan funds (collectively held by Florida Housing, the first lender and any other source) sufficient to complete the Development. If at any time there are not sufficient funds to complete the Development, the Borrower will be required to expend additional equity on Development costs or to deposit additional equity with Florida Housing which is sufficient (in Florida Housing's judgment) to complete the Development before additional loan funds are disbursed. This condition specifically includes escrowing at closing all equity necessary to complete construction or another alternative acceptable to Florida Housing in its sole discretion.
7. Evidence of insurance coverage pursuant to the Request for Application governing this proposed transaction and, as applicable, the FHFC Insurance Guide.
8. The General Contractor shall secure a payment and performance bond equal to 100 percent of the total construction cost listing FHFC as a co-obligee, whose terms do not adversely affect the Corporation's interest, issued in the name of the General Contractor, from a company rated at least "A-" by AMBest & Co., or a Corporation-approved alternate security for the General Contractor's performance such as a letter of credit issued by a financial institution with a senior long term (or equivalent) credit rating of at least "Baa3" by Moody's, or at least "BBB-" by Standard & Poor's or Fitch, or a financial rating of at least 175 by IDC Financial Publishing. The LOC must include "evergreen" language and be in a form satisfactory to Florida Housing, its Servicer and its Legal Counsel
9. Architect, Construction Consultant, and Borrower certifications on forms provided by Florida Housing will be required for both design and as-built with respect to Section 504 of the Rehabilitation Act, Americans with Disabilities Act, and the Federal Fair Housing Act requirements, as applicable.
10. Payment of any outstanding arrearages to the Corporation, its legal counsel, Servicer or any agent or assignee of the Corporation for past due issues applicable to the development team (Applicant or Developer or Principal, Affiliate or Financial Beneficiary, as described in Rule 67-48.0075 (5) F.A.C., of an Applicant or a Developer).
11. Final "as permitted" (signed and sealed) site plans, building plans and specifications. The geotechnical report must be bound within the final plans and specifications.
12. Satisfactory resolution of any outstanding past due and/or noncompliance issues.
13. An Operating Deficit Reserve in the collective amount of approximately three months of operating expenses will be permitted within the Applicant's budget, unless the credit underwriter deems a larger reserve is necessary. The calculation of Developer Fee will be exclusive of the budgeted ODR and any ODR "proposed or required by a limited partner or other lender" in excess of the amount of the ODR deemed satisfactory by the credit underwriter will be a subset of Developer Fee. At the end of the compliance period, any remaining balance of the ODR less amounts that may be permitted to be drawn (which includes Deferred Developer Fee and reimbursements for authorized member/partner and guarantor loan(s) pursuant to the operating/partnership agreement), will be used to pay FHFC loan debt; if there is no FHFC loan debt on the proposed Development at the end of the compliance period, any remaining balance shall be used to pay any outstanding FHFC fees. If any balance is remaining in the ODR after the payments above, the amount should be placed in a Replacement Reserve account for the Development. In no event shall the payments of amounts to the Applicant or the Developer from the Reserve Account cause the Developer Fee or General Contractor Fee to exceed the applicable percentage limitations provided for in the Rule. Any and all

terms and conditions of the ODR must be acceptable to Florida Housing, its Servicer and its Legal Counsel.

14. Signed and sealed survey, dated within 90 days of closing, unless otherwise approved by Florida Housing, and its legal counsel, based upon the particular circumstances of the transaction. The Survey shall be certified to Florida Housing and its legal counsel, as well as the title insurance company, and shall indicate the legal description, exact boundaries of the Development, easements, utilities, roads, and means of access to public streets, total acreage and flood hazard area and any other requirements of Florida Housing.
15. A copy of the Amended and Restated Limited Partnership Agreement (“LPA”) reflecting purchase of the HC under terms consistent with the assumptions contained within this Credit Underwriting Report. The LPA shall be in a form and of financial substance satisfactory to Servicer, Florida Housing, and its Legal Counsel.

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

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

- a. The legal existence and good standing of the Borrower and of any partnership or limited liability company that is the general partner of the Borrower (the "GP") and of any corporation or partnership that is the managing general partner of the GP, and of any corporate guarantor and any manager;
 - b. Authorization, execution, and delivery by the Borrower and the guarantors, of all Loan documents;
 - c. The loan documents being in full force and effect and enforceable in accordance with their terms, subject to bankruptcy and equitable principles only;
 - d. The Borrower's and the guarantor's execution, delivery and performance of the loan documents shall not result in a violation of, or conflict with, any judgments, orders, contracts, mortgages, security agreements or leases to which the Borrower is a party or to which the Development is subject to the Borrower's Partnership Agreement and;
 - e. Such other matters as Florida Housing or its legal counsel may require.
7. Evidence of compliance with local concurrency laws, if applicable.
 8. Such other assignments, affidavits, certificates, financial statements, closing statements and other documents as may be reasonably requested by Florida Housing or its legal counsel in form and substance acceptable to Florida Housing or its legal counsel, in connection with the Loan(s).
 9. UCC Searches for the Borrower, its partnerships, as requested by Legal Counsel.
 10. Evidence of insurance coverage pursuant to the Request for Application governing this proposed transaction and, as applicable, the FHFC Insurance Guide.
 11. Any other reasonable conditions established by Florida Housing and its Legal Counsel.

Additional Conditions

This recommendation is also contingent upon the following additional conditions.

1. Compliance with all provisions of 420.507 and 420.5087, Florida Statutes, Rule Chapter 67-53, F.A.C., Rule Chapter 67-48, F.A.C., Rule Chapter 67-60, F.A.C., RFA 2022-208, RFA 2023-211, Section 42 I.R.C. and any other applicable State and Federal requirements.
2. Acceptance by the Borrower and execution of all documents evidencing and securing the SAIL and Viability loan(s) in form and substance satisfactory to Florida Housing, including, but not limited to, the Promissory Note, the Loan Agreement(s), the Mortgage and Security Agreement, and the Land Use Restriction Agreement(s) and the Final Cost Certificate.
3. If applicable, receipt and satisfactory review of financial statements from all Guarantors dated within 90 days of real estate closing.
4. Guarantors to provide the standard Florida Housing Construction Completion Guaranty; to be released upon lien-free completion as approved by the Servicer.
5. Viability Loan - Guarantors are to provide the standard FHFC Operating Deficit Guaranty. If requested

in writing by the Applicant, Servicer will consider a recommendation to release the Operating Deficit Guaranty if all conditions are met including achievement of a 1.15 Debt Service Coverage on the combined permanent first mortgage and 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 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. SAIL Loan - Guarantors are to provide the standard FHFC Operating Deficit Guaranty. If requested in writing by the Applicant, Servicer will consider a recommendation to release the Operating Deficit Guaranty if all conditions are met including achievement of a 1.15 Debt Service Coverage on the combined permanent first mortgage, Viability loan and SAIL loan as determined by Florida Housing or the Servicer, and 90% occupancy and 90% of Gross Potential rental income, net of utility allowances, if applicable, for a period equal to twelve (12) consecutive months, all certified by an independent Certified Public Accountant ("CPA") and verified by the Servicer. The calculation of the debt service coverage ratio shall be made by Florida Housing or the Servicer. Notwithstanding the above, the Operating Deficit Guaranty shall not terminate earlier than three years following the final certificate of occupancy.
7. Guarantors are to provide the standard Florida Housing Environmental Indemnity Guaranty.
8. Guarantors are to provide the standard Florida Housing Guaranty of Recourse Obligations.
9. Closing of all funding sources prior to or simultaneous with closing of the Viability and SAIL loans.
10. A mortgagee title insurance policy naming Florida Housing as the insured in the amount of the SAIL and Viability loan 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.
11. Property tax and hazard insurance escrow are to be established and maintained by the First Mortgagee, the Bond Trustee 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.
12. Replacement Reserves in the amount of \$300 per unit per year will be required to be deposited on a monthly basis into a designated escrow account, to be maintained by the First Mortgagee or Florida Housing's loan servicing agent. However, Applicant has the option to prepay Replacement Reserves, as allowed per the RFA and Rule, in the amount of \$29,400 (one-half the required Replacement Reserves for Years 1 and 2), in order to meet the applicable DSC loan requirements. Applicant can waive this election, if at closing of the loan(s) the required DSC is met without the need to exercise the option. It is currently estimated that Replacement Reserves will be funded from Operations in the amount of \$300 per unit per year for Years 1 and 2, followed by \$300 per unit per year thereafter. New construction developments shall not be allowed to draw during the first five (5) years or until the establishment of a minimum balance equal to the accumulation of five (5) years of replacement reserves per unit. The initial Replacement Reserve will have limitations on the ability to be drawn. The amount established as a Replacement Reserve shall be adjusted based on a Capital Needs Assessment ("CNA") to be received by the Corporation or its servicers, prepared by an independent third party

and acceptable to the Corporation and its servicers at the time the CNA is required, beginning no later than the 10th year after the first residential building receives a certificate of occupancy, a temporary certificate of occupancy, or is placed in service, whichever is earlier (“Initial Replacement Reserve Date”). A subsequent CNA is required no later than the 15th year after the Initial Replacement Reserve Date and subsequent assessments are required every five years thereafter.

13. Partner will act as Florida Housing’s inspector during the construction period.
14. A minimum of 10% retainage holdback on all construction draws until the Development is 50% complete, and 0% retainage thereafter is required per the construction contract. Retainage will not be released until successful lien free completion of construction and issuance of all certificates of occupancy which satisfies RFA 2022-208 and Rule 67-48 minimum requirement.
15. Satisfactory completion of a pre-loan closing compliance audit conducted by Florida Housing or Servicer, if applicable.
16. Any other reasonable requirements of the Servicer, Florida Housing, or its Legal Counsel.

Housing Credit Allocation Recommendation

AmeriNat recommends an annual allocation of 9% HC in the amount of \$1,800,000. Please refer to Exhibit 3 - HC Allocation Calculation for further detail.

Contingencies

1. Partner is to act as construction phase inspector for Florida Housing.
2. Purchase of the HC by the Syndicator or its assigns under the terms consistent with assumptions of this report.
3. Receipt of executed FHFC Fair Housing, Section 504 and ADA as-built certification forms 122, 127, and 129.
4. Satisfactory resolution of any outstanding past due and/or noncompliance issues.
5. Any other reasonable requirements of Florida Housing, its legal counsel or its Servicer.

Exhibit 1
LOFTS AT BAHAMA VILLAGE
15 Year Operating Pro Forma

FINANCIAL COSTS:	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11	Year 12	Year 13	Year 14	Year 15
OPERATING PRO FORMA															
INCOME:															
Gross Potential Rental Income	\$1,861,656	\$1,898,889	\$1,936,867	\$1,975,604	\$2,015,116	\$2,055,419	\$2,096,527	\$2,138,458	\$2,181,227	\$2,224,851	\$2,269,348	\$2,314,735	\$2,361,030	\$2,408,251	\$2,456,416
Other Income															
Ancillary Income	\$29,400	\$29,988	\$30,588	\$31,200	\$31,824	\$32,460	\$33,109	\$33,771	\$34,447	\$35,136	\$35,838	\$36,555	\$37,286	\$38,032	\$38,793
Gross Potential Income	\$1,891,056	\$1,928,877	\$1,967,455	\$2,006,804	\$2,046,940	\$2,087,879	\$2,129,636	\$2,172,229	\$2,215,674	\$2,259,987	\$2,305,187	\$2,351,290	\$2,398,316	\$2,446,283	\$2,495,208
Less:															
Physical Vac. Loss Percentage: 4.00%	\$75,642	\$77,155	\$78,698	\$80,272	\$81,878	\$83,515	\$85,185	\$86,889	\$88,627	\$90,399	\$92,207	\$94,052	\$95,933	\$97,851	\$99,808
Collection Loss Percentage: 1.00%	\$18,911	\$19,289	\$19,675	\$20,068	\$20,469	\$20,879	\$21,296	\$21,722	\$22,157	\$22,600	\$23,052	\$23,513	\$23,983	\$24,463	\$24,952
Total Effective Gross Income	\$1,796,503	\$1,832,433	\$1,869,082	\$1,906,464	\$1,944,593	\$1,983,485	\$2,023,154	\$2,063,617	\$2,104,890	\$2,146,988	\$2,189,927	\$2,233,726	\$2,278,400	\$2,323,968	\$2,370,448
EXPENSES:															
Fixed:															
Ground Lease	\$10	\$10	\$10	\$10	\$10	\$10	\$10	\$10	\$10	\$10	\$10	\$10	\$10	\$10	\$10
Real Estate Taxes	\$123,416	\$127,118	\$130,932	\$134,860	\$138,906	\$143,073	\$147,365	\$151,786	\$156,340	\$161,030	\$165,861	\$170,837	\$175,962	\$181,241	\$186,678
Insurance	\$235,200	\$242,256	\$249,524	\$257,009	\$264,720	\$272,661	\$280,841	\$289,266	\$297,944	\$306,883	\$316,089	\$325,572	\$335,339	\$345,399	\$355,761
Variable:															
Management Fee Percentage: 4.00%	\$71,860	\$73,297	\$74,763	\$76,259	\$77,784	\$79,339	\$80,926	\$82,545	\$84,196	\$85,880	\$87,597	\$89,349	\$91,136	\$92,959	\$94,818
General and Administrative	\$29,400	\$30,282	\$31,190	\$32,126	\$33,090	\$34,083	\$35,105	\$36,158	\$37,243	\$38,360	\$39,511	\$40,696	\$41,917	\$43,175	\$44,470
Payroll Expenses	\$156,800	\$161,504	\$166,349	\$171,340	\$176,480	\$181,774	\$187,227	\$192,844	\$198,630	\$204,588	\$210,726	\$217,048	\$223,559	\$230,266	\$237,174
Utilities	\$112,700	\$116,081	\$119,563	\$123,150	\$126,845	\$130,650	\$134,570	\$138,607	\$142,765	\$147,048	\$151,459	\$156,003	\$160,683	\$165,504	\$170,469
Marketing and Advertising	\$9,800	\$10,094	\$10,397	\$10,709	\$11,030	\$11,361	\$11,702	\$12,053	\$12,414	\$12,787	\$13,170	\$13,565	\$13,972	\$14,392	\$14,823
Maintenance and Repairs/Pest Control	\$44,100	\$45,423	\$46,786	\$48,189	\$49,635	\$51,124	\$52,658	\$54,237	\$55,865	\$57,540	\$59,267	\$61,045	\$62,876	\$64,762	\$66,705
Grounds Maintenance and Landscaping	\$24,500	\$25,235	\$25,992	\$26,772	\$27,575	\$28,402	\$29,254	\$30,132	\$31,036	\$31,967	\$32,926	\$33,914	\$34,931	\$35,979	\$37,058
Contract Services	\$29,400	\$30,282	\$31,190	\$32,126	\$33,090	\$34,083	\$35,105	\$36,158	\$37,243	\$38,360	\$39,511	\$40,696	\$41,917	\$43,175	\$44,470
Reserve for Replacements	\$29,400	\$29,400	\$29,400	\$29,400	\$29,400	\$29,400	\$29,400	\$29,400	\$29,400	\$29,400	\$30,282	\$31,190	\$32,126	\$33,090	\$34,083
Total Expenses	\$866,586	\$890,983	\$916,097	\$941,950	\$968,564	\$995,960	\$1,024,164	\$1,053,197	\$1,083,085	\$1,113,853	\$1,146,410	\$1,179,926	\$1,214,430	\$1,249,951	\$1,286,520
Net Operating Income	\$929,917	\$941,450	\$952,985	\$964,514	\$976,029	\$987,524	\$998,991	\$1,010,421	\$1,021,805	\$1,033,134	\$1,043,518	\$1,053,800	\$1,063,971	\$1,074,017	\$1,083,928
Debt Service Payments															
First Mortgage - Grandbridge/Fannie Mae	\$779,245	\$779,245	\$779,245	\$779,245	\$779,245	\$779,245	\$779,245	\$779,245	\$779,245	\$779,245	\$779,245	\$779,245	\$779,245	\$779,245	\$779,245
Second Mortgage - FHFC Viability	\$43,000	\$43,000	\$43,000	\$43,000	\$43,000	\$43,000	\$43,000	\$43,000	\$43,000	\$43,000	\$43,000	\$43,000	\$43,000	\$43,000	\$43,000
Third Mortgage - FHFC SAIL	\$55,200	\$55,200	\$55,200	\$55,200	\$55,200	\$55,200	\$55,200	\$55,200	\$55,200	\$55,200	\$55,200	\$55,200	\$55,200	\$55,200	\$55,200
First Mortgage Fees - Grandbridge/Fannie Mae	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Second Mortgage Fees - FHFC Viability	\$10,750	\$10,750	\$10,750	\$10,750	\$10,750	\$10,750	\$10,750	\$10,750	\$10,750	\$10,750	\$10,750	\$10,750	\$10,750	\$10,750	\$10,750
Third Mortgage Fees - FHFC SAIL	\$12,255	\$12,255	\$12,255	\$12,255	\$12,255	\$12,255	\$12,255	\$12,255	\$12,255	\$12,255	\$12,255	\$12,255	\$12,255	\$12,255	\$12,255
Total Debt Service Payments	\$900,450	\$900,450	\$900,450	\$900,450	\$900,450	\$900,450	\$900,450	\$900,450	\$900,450	\$900,450	\$900,450	\$900,450	\$900,450	\$900,450	\$900,450
Cash Flow after Debt Service	\$29,467	\$41,001	\$52,535	\$64,064	\$75,579	\$87,075	\$98,541	\$109,971	\$121,355	\$132,685	\$143,068	\$153,350	\$163,521	\$173,568	\$183,478
Debt Service Coverage Ratios															
DSC - First Mortgage plus Fees	1.19x	1.21x	1.22x	1.24x	1.25x	1.27x	1.28x	1.30x	1.31x	1.33x	1.34x	1.35x	1.37x	1.38x	1.39x
DSC - Second Mortgage plus Fees	1.12x	1.13x	1.14x	1.16x	1.17x	1.19x	1.20x	1.21x	1.23x	1.24x	1.25x	1.27x	1.28x	1.29x	1.30x
DSC - Third Mortgage plus Fees	1.03x	1.05x	1.06x	1.07x	1.08x	1.10x	1.11x	1.12x	1.13x	1.15x	1.16x	1.17x	1.18x	1.19x	1.20x
DSC - All Mortgages and Fees	1.03x	1.05x	1.06x	1.07x	1.08x	1.10x	1.11x	1.12x	1.13x	1.15x	1.16x	1.17x	1.18x	1.19x	1.20x
Financial Ratios															
Operating Expense Ratio	48.24%	48.62%	49.01%	49.41%	49.81%	50.21%	50.62%	51.04%	51.46%	51.88%	52.35%	52.82%	53.30%	53.79%	54.27%
Break-even Economic Occupancy Ratio (all debt)	93.64%	93.07%	92.53%	92.01%	91.51%	91.03%	90.57%	90.14%	89.72%	89.33%	88.99%	88.68%	88.38%	88.10%	87.85%

LOFTS AT BAHAMA VILLAGE
RFA 2022-208 / 2022-265CS / 2023-265CS
RFA 2023-111 (2023-232V)
Description of Features and Amenities

The Development will consist of:

98 apartments units located in 2 garden residential buildings.

Unit Mix:

Thirty-seven (37) one bedroom/one bath units;

Thirty-eight (38) two bedroom/two bath units; and

Twenty-three (23) three bedroom/two bath units.

98 Total Units

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.

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

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

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

The above documents are available on the RFA Webpage.

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

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

b. General Features

(1) The Development will provide the following General Features:

- Termite prevention;
- Pest control;
- Window covering for each window and glass door inside each unit;
- Cable or satellite TV hook-up in each unit and, if the Development offers cable or satellite TV service to the residents, the price cannot exceed the market rate for service of similar quality available to the Development's residents from a primary provider of cable or satellite TV;
- Washer and dryer hook ups in each of the Development's units or an on-site laundry facility for resident use. If the proposed Development will have an on-site laundry facility, the following requirements must be met:
 - There must be a minimum of one Energy Star certified washer and one Energy Star certified or commercial grade dryer per every 15 units. To determine the required number of washers and dryers for the on-site laundry facility; divide the total number of the Development's units by 15, and then round the equation's total up to the nearest whole number;
 - At least one washing machine and one dryer shall be front loading that meets the accessibility standards of Section 504;
 - If the proposed Development consists of Scattered Sites, the laundry facility shall be located on each of the Scattered Sites, or no more than 1/16 mile from the Scattered Site with the most units, or a combination of both;
- At least two full bathrooms in all 3 bedroom or larger units; and
- Bathtub with shower in at least one bathroom in at least 90 percent of the new construction units.

(2) All Developments must provide a full-size range and oven in all units.

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

Federal and state law and building code regulations requires that programs, activities, and facilities be readily accessible to and usable by persons with disabilities. Florida Housing requires that the design, construction, or alteration of its financed Developments be in compliance with federal and state accessibility requirements. When more than one law and accessibility standard applies, the Applicant shall comply with the standard (2010 ADA Standards, Section 504, Fair Housing Act, or Florida Building Code, Accessibility) whichever affords the greater level of accessibility for the residents and visitors. Areas required to be made accessible to mobility-impaired residents and their visitors, including those in wheelchairs, shall include, but not be limited to, accessible routes and entrances, paths of travel, primary function areas, parking, trash bins, mail and package receiving areas for residents, pool and other amenities, including paths of travel to amenities and laundry rooms, including washers and dryers.

(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) In addition to the 5 percent mobility requirement outlined above, all Developments must provide reinforced walls for future installation of horizontal grab bars in place around each tub/shower and toilet, or a Corporation-approved alternative approach for grab bar installation. The installation of the grab bars must meet or exceed the 2010 ADA Standards for Accessible Design.

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 and toilet, pursuant to the 2010 ADA Standards. At a minimum, the Development shall inform each prospective lessee by including language in the Development's written materials listing and describing the unit's features, as well as including the language in each household's lease.

d. Required Green Building Features in all Developments

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

- Low or No-VOC paint for all interior walls (Low-VOC means 50 grams per liter or less for flat; 150 grams per liter or less for non-flat paint);
- Low-flow water fixtures in bathrooms—WaterSense labeled products or the following specifications:
 - Toilets: 1.28 gallons/flush or less,
 - Urinals: 0.5 gallons/flush,
 - Lavatory Faucets: 1.5 gallons/minute or less at 60 psi flow rate,
 - Showerheads: 2.0 gallons/minute or less at 80 psi flow rate;
- Energy Star certified refrigerator;
- Energy Star certified dishwasher;
- Energy Star certified ventilation fan in all bathrooms;
- Water heater minimum efficiency specifications:
 - Residential Electric:
 - Up to 55 gallons = 0.95 EF or 0.92 UEF; or
 - More than 55 gallons = Energy Star certified; or

- Tankless = 0.97 EF and Max GPM of ≥ 2.5 over a 77° rise or 0.87 UEF and GPM of ≥ 2.9 over a 67° rise;
- Residential Gas (storage or tankless/instantaneous): Energy Star certified,
- Commercial Gas Water Heater: Energy Star certified;
- Energy Star certified ceiling fans with lighting fixtures in bedrooms;
- Air Conditioning (in-unit or commercial):
 - Air-Source Heat Pumps – Energy Star certified:
 - ≥ 8.5 HSPF/ ≥ 15 SEER/ ≥ 12.5 EER for split systems
 - ≥ 8.2 HSPF ≥ 15 SEER/ ≥ 12 EER for single package equipment including gas/electric package units
 - Central Air Conditioners – Energy Star certified:
 - ≥ 15 SEER/ ≥ 12.5 EER* for split systems
 - ≥ 15 SEER/ ≥ 12 EER* for single package equipment including gas/electric package units.

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

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

_____ Leadership in Energy and Environmental Design (LEED);

_____ Florida Green Building Coalition (FGBC);

_____ Enterprise Green Communities; or

___X___ ICC 700 National Green Building Standard (NGBS).

- e. This Development will provide the following resident programs:

(1) Adult Literacy

The Applicant or its Management Company must make available, at no cost to the resident, literacy tutor(s) who will provide weekly literacy lessons to residents in private space on-site. Various literacy programming can be offered that strengthens participants' reading, writing skills, and comprehension, but at a minimum, these must include English proficiency and basic reading education.

Training must be held between the hours of 8:00 a.m. and 7:00 p.m. and electronic media, if used, must be used in conjunction with live instruction. If the Development consists of Scattered Sites, this resident program must be provided on the Scattered Site with the most units.

(2) Employment Assistance Program

The Applicant or its Management Company must provide, at no cost to the resident, a minimum of quarterly scheduled Employment Assistance Program workshops/meetings

offering employment counseling by a knowledgeable employment counselor. Such a program includes employability skills workshops providing instruction in the basic skills necessary for getting, keeping, and doing well in a job. The instruction must be held between the hours of 8:00 a.m. and 7:00 p.m. and include, but not be limited to, the following:

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

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

(3) Financial Management Program

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

- Financial budgeting and bill-paying including training in the use of technologies and web-based applications;
 - Tax preparation including do's and don'ts, common tips, and how and where to file, including electronically;
 - Fraud prevention including how to prevent credit card and banking fraud, identity theft, computer hacking and avoiding common consumer scams;
 - Retirement planning & savings options including preparing a will and estate planning; and
 - Homebuyer education including how to prepare to buy a home, and how to access to first-time homebuyer programs in the county in which the development is located.
- Different topic areas must be selected for each session, and no topic area may be repeated consecutively.

HOUSE CREDIT ALLOCATION CALCULATION

Qualified Basis Calculation

Total Development Cost	\$38,916,679
Less Land Costs	\$10
Less Other Ineligible Costs	\$3,468,056
Total Eligible Basis	\$35,448,613
Applicable Fraction	50%
DDA/QCT Basis Credit, if applicable	130%
Qualified Basis	\$23,041,598
Housing Credit Percentage (Federal allocation)	9.00%
Annual Housing Credit Allocation	\$2,073,744

Notes to the Qualified Basis Calculation:

1. "Other Ineligible Costs" include a portion of site work, accounting costs, Florida Housing administrative, application, underwriting and other processing fees, insurance fees, a portion of legal fees, market study fee, marketing/advertising fees, a portion of property taxes, a portion of survey fees, a portion of title insurance/recording fees, a portion of construction loan interest, permanent loan origination fees, SAIL commitment and extension fees, SAIL closing costs, and an operating deficit reserve.
2. The Development is 50% set-aside; therefore, the Applicable Fraction is 50%.
3. The Development is located in a non-metropolitan DDA (Monroe County). As such, the Development is eligible for the 30% boost. Therefore, the 130% multiplier was utilized for the Annual Housing Credit Allocation.
4. Per the FY 2016 Omnibus Spending and Tax Bill passed by Congress as of December 18, 2015, a permanent 9% minimum HC rate was established. For purposes of this report, a total HC percentage of 9.00% has therefore been applied.

GAP Calculation

Total Development Cost (including land and ineligible costs)	\$38,916,679
Less Mortgages	\$19,898,489
Equity Gap	\$19,018,190
HC Percentage to Investment Partnership	99.99%
HC Syndication Pricing	\$0.95
HC Required to meet Equity Gap	\$20,021,149
Annual HC Required	\$2,002,115

HC CREDIT UNDERWRITING REPORT

Notes to the GAP Calculation:

1. Mortgages include the Minimum Qualifying First Mortgage loan amount (\$10,078,489.16), second mortgage Viability loan from FHFC in the amount of \$4,300,000 and a third mortgage SAIL loan from FHFC in the amount of \$5,520,000.
2. Per Rule 67-48 F.A.C., the GAP calculation shall include the higher of the actual first mortgage loan amount or the Minimum Qualifying First Mortgage. As a result, the higher calculated loan amount was used.
3. The HC Syndication Pricing and Percentage to the Investment Partnership are based upon the Term Sheet dated June 1, 2023, from TCC.

Summary

HC Per Applicants Request	\$1,800,000
HC Per Qualified Basis	\$2,073,744
HC Per GAP Calculation	\$2,002,115
Annual HC Recommended	\$1,800,000
HC Proceeds Recommended	\$17,098,290

Notes to Summary:

1. The Annual HC Recommendation is equal to the lesser of the Applicant's Request, the Qualified Basis or the GAP Calculation. Therefore, the Applicant's Request was utilized.
2. The Annual HC Recommendation is subject to resizing at final cost certification.

COMPLETENESS AND ISSUES CHECKLIST

DEVELOPMENT NAME: LOFTS AT BAHAMA VILLAGE

DATE: October 11, 2023

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

FINAL REVIEW	STATUS	NOTE
REQUIRED ITEMS:	Satis. / Unsatis.	
1. The development's final "as submitted for permitting" plans and specifications. Note: Final "signed, sealed, and approved for construction" plans and specifications will be required thirty days before closing.	Satis.	
2. Final site plan and/or status of site plan approval.	Satis.	
3. Permit Status.	Satis.	
4. Pre-construction analysis ("PCA").	Satis.	
5. Survey.	Satis.	
6. Complete, thorough soil test reports.	Satis.	
7. Full or self-contained appraisal as defined by the Uniform Standards of Professional Appraisal Practice.	Satis.	
8. Market Study separate from the Appraisal.	Satis.	
9. Environmental Site Assessment – Phase I and/or the Phase II if applicable (If Phase I and/or II disclosed environmental problems requiring remediation, a plan, including time frame and cost, for the remediation is required). If the report is not dated within one year of the application date, an update from the assessor must be provided indicating the current environmental status.	Satis.	
10. Audited financial statements for the most recent fiscal year ended or acceptable alternative as stated in Rule for credit enhancers, applicant, general partner, principals, guarantors, and general contractor.	Satis.	
11. Resumes and experience of applicant, general contractor, and management agent.	Satis.	
12. Credit authorizations; verifications of deposits and mortgage loans.	Satis.	
13. Management Agreement and Management Plan.	Unsatis.	1.
14. Firm commitment from the credit enhancer or private placement purchaser, if any.	N/A	
15. Firm commitment letter from the syndicator, if any.	Satis.	
16. Firm commitment letter(s) for any other financing sources.	Satis.	
17. Updated sources and uses of funds.	Satis.	
18. Draft construction draw schedule showing sources of funds during each month of the construction and lease-up period.	Satis.	
19. Fifteen-year income, expense, and occupancy projection.	Satis.	

COMPLETENESS AND ISSUES CHECKLIST

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

NOTES AND DEVELOPER RESPONSES:

1. Receipt of an executed management agreement is a condition precedent to the closing of the SAIL and Viability Loans.

MINIMUM FIRST MORTGAGE DETERMINATION

[Rule Chapter 67-48.0072\(28\)\(g\)](#)

Determination of the minimum first mortgage for use in the Housing Credit gap calculation

Input Variables	
Annual rate of increase for revenues	2.00%
Annual rate of increase for operating expenses	3.00%
Vacancy & Collection Factor in CUR	5.00%
Minimum Vacancy & Collection Factor	7.00%
Which Rule was applicable at time of Application?	Post 7/11/2019
Minimum DSCR Year 15	1.25x
Minimum DSCR Year 1	1.50x
Minimum NCF after DS Year 1	\$1,000.00
Minimum qualifying 1st mortgage	\$500,000.00
Number of units in the proposed Development	98
Potential Gross Income Year 1	\$1,891,056.00
Vacancy & Collection Loss (7.00%)	\$132,373.92
Effective Gross Income Year 1	\$1,758,682.08
Operating Expenses Year 1	\$866,586.00
(i) Actual Debt of Development	
Actual interest rate	7.48%
Actual term of debt amortization	40.00 Yrs
DS Interest Rate floor	
DS Interest Rate floor	7.00%
Application deadline	03/31/22
10-Year Treasury Rate as of App deadline	2.358%
Spread over 10-yr Treasury	325 bps
10-yr Treasury plus the stated spread	5.61%
Greater of interest rate floor or spread over Treasury	7.00%
Maximum Rate	8.00%
Interest Rate to be used for qualifying debt	
7.48%	
Term of debt amortization to be used for qualifying debt	
40.00 Yrs	
Resulting Mortgage Constant to be used for qualifying debt	
7.87912%	
Minimum Debt Service	
NOI Year 15	\$1,009,754.58
DSCR DS limitation	\$807,803.66
(a) Resulting Debt, Year 15 limitation	
\$10,252,462.70	
NOI Year 1	
\$892,096.08	
(b)(i) DSCR DS limitation	\$594,730.72
(b)(i) DSCR Debt Sizing	\$7,548,188.77
(b)(ii) NCF DS limitation	\$794,096.08
(b)(ii) NCF Debt Sizing	\$10,078,489.16
(b) Greater of (i) DSCR debt or (ii) NCF debt, Year 1 limitation	
\$10,078,489.16	
(ii) Minimum qualifying first mortgage (lesser of (a) or (b))	
\$10,078,489.16	
Greater of Actual or Minimum	
\$10,078,489.16	

VIABILITY SIZING CHART

Viability Loan Sizing Parameters and Metrics				Cash Flow Assumptions			
Select the Development <u>Lofts at Bahama Village</u> RFA of Active Award RFA 2022-208 Demographic Commitment Workforce Total Number of Units 98 Existing Competitive Active Awards: <u>Set-Aside Units</u> 9% HC Allocation \$ 1,800,000 98 SAIL \$ 5,520,000 98 ELI NA NA NHTF NA NA HOME NA NA Tax Exempt Bond Financing: If MMRB, how much is the Perm Amount? NA Viability Funding Limits: Gross Per Development Limit \$ 4,300,000 Maximum Per Unit Limit \$ 125,000 Net Per Development Limit (same as gross) \$ 4,300,000 Maximum Limit from PU Limit (98 units x \$125,000 PU) \$ 12,250,000 Lesser of Net Per Development or PU Limit \$ 4,300,000				Net Operating Income: Total Effective Gross Income in CUR Yr 1 \$1,796,503 Total Operating Expenses in CUR Yr 1 \$866,586 Net Operating Income in CUR Yr 1 \$ 929,917.07 Actual Traditional 1st Mortgage: Proposed Amount of Traditional 1st Mortgage \$ 9,890,000.00 Traditional 1st Mtg Amortization (Years) 40.00 Traditional 1st Mtg Interest Rate 7.480% Traditional 1st Mtg Mortgage Constant 7.87912% Local HFA Bond Fees, if applicable Traditional 1st Mtg DSCR 1.19x Net Cash Flow (NCF) after 1st Mtg Debt Service \$ 150,672.28 Debt Service (DS) on FHFC Subsidy Loans (w/ fees) \$ 67,455.00 NCF after FHFC Subsidy Loans DS & Fees \$ 83,217.28			
Viability Loan Sizing Parameters a. Eligible Request Amount: <u>No</u> Applicant's Request Amount \$ 4,300,000 If so, how much should be deducted? Per Development/PU Limit \$ 4,300,000 Eligible Request Amount: \$ 4,300,000 b. Gap Analysis for Viability Sizing Purposes Only: Permanent Funding Sources:				BFA 2023-211 Minimum 1st Mortgage: Maximum 1st Mtg DSCR from Viability RFA 1.30x Sized Debt Service from maximum DSCR \$ 715,320.82 When TEBs are not utilized, no fees are included \$ - Sized Debt Service to be incorporated, net of fees \$ 715,320.82 Mortgage Constant to be incorporated 7.87912% Resulting minimum 1st Mtg \$ 9,078,691.30 NCF after resulting minimum 1st Mtg \$ 214,596.25 NCF after FHFC Subsidy Loans DS & Fees \$ 147,141.25 Rule Chapter 67-48.0072(28)(g)2. Variables and Process: Total Vacancy & Collection Rate in CUR 5.000% Revenue Growth Rate in CUR 2.000% Operating Expense Growth Rate in CUR 3.000% Amortization to be incorporated (Years) 40.00 Interest Rate to be incorporated 7.480% Resulting Mortgage Constant for qualifying debt 7.87912% Revenue Growth Rate to be incorporated 2.000% Operating Expense Growth Rate to be incorporated 3.000% Vacancy Rate to be incorporated 7.000% Maximum DSCR for Year 1 NOI 1.50x Maximum DSCR for Year 15 NOI 1.25x Minimum NCF PU Year 1 (after 1st Mtg DS Only) \$1,000 Net Operating Income Year 1 \$ 892,095.95 Net Operating Income Year 15 \$ 1,009,754.38 (a) Resulting Debt for Year 15 DSCR Limitations \$ 10,252,460.73 (b)(i) Resulting Debt for Year 1 DSCR Limitation \$ 7,548,187.69 (b)(ii) Resulting Debt for Year 1 NCS Limitation \$ 10,078,487.53 (b) Greater of (b)(i) or (b)(ii) \$ 10,078,487.53 Lesser of (a) or (b) \$ 10,078,487.53 Sized Minimum 1st Mortgage per Rule \$ 10,078,487.53 Resulting DSCR from Sized Minimum 1st Mortgage per Rule (using actual 1st mortgage debt structure) 1.17x			
DS w/ Fees DSCR NCF Sized First Mortgage \$ 10,078,487.53 \$ 794,096 1.1710x \$ 135,821 Viability \$ 4,300,000.00 \$ 53,750 1.0968x \$ 82,071 SAIL \$ 5,520,000.00 \$ 67,455 1.0160x \$ 14,616 FHFC Source 2 - NA \$ - \$ - 1.0160x \$ 14,616 FHFC Source 3 - NA \$ - \$ - 1.0160x \$ 14,616 <additional source> \$ - \$ - 1.0160x \$ 14,616 <additional source> \$ - \$ - 1.0160x \$ 14,616 <additional source> \$ - \$ - 1.0160x \$ 14,616 <additional source> \$ - \$ - 1.0160x \$ 14,616 <additional source> \$ - \$ - 1.0160x \$ 14,616 HC Equity \$ 17,098,290.00 Deferred Developer Fee (36.19%) \$ 1,919,901.39 Total Sources \$ 38,916,678.92 \$ 915,301 1.0160x \$ 14,616 Additional First Mortgage (Min 1st Sizing) \$ 188,487.53 \$ - Additional First Mortgage (DCR Sizing) \$ - \$ - Total Development Costs \$38,916,679 Maximum Developer Fee Percentage 16% Total Developer Fee \$5,305,729 Minimum 30% Deferred Developer Fee \$ 1,591,718.70 *Set-Asides for MMRB are expressed as the greater of MMRB Set-Asides or 4%HC Set-Asides for purposes of calculating Compliance Monitoring Fees on the MMRB loan.							
Total FHFC Servicing Fees				Verification Debt Coverage Ratio is Not Enhanced			
Permanent Loan Servicing \$ 21,982.00 MMRB Annual Fee 0.000% \$ - MMRB Annual Minimum \$0 \$ - MMRB Permanent Loan Servicing Fee \$ - Non-MMRB Annual Fee(s) 0.25% \$ 24,550.00 Non-MMRB Annual Minimum(s) \$2,832 \$ 5,664.00 Non-MMRB Annual Maximum(s) \$11,232 \$ 22,464.00 Non-MMRB Permanent Loan Servicing Fee(s) \$ 21,982.00				Prior Overall Debt Coverage Ratio Did the Proposed Development have a DSCR prior to the RFA 2023-211 Application Deadline? <u>No</u> If yes, what was the Net Operating Income used in calculating the DSCR? \$ - If yes, what was the total of all debt service and servicing fees of all applicable Permanent Sources of Funding used in calculating the DSCR? \$ - If yes, what was the overall Debt Coverage Ratio, inclusive of all applicable Permanent Sources of Funding? The actual overall Debt Coverage Ratio, inclusive of all actual applicable Permanent Sources of Funding (excludes any additional sized 1st Mtg) is: 1.0327x The actual overall Debt Coverage Ratio, inclusive of all applicable Permanent Sources of Funding (inclusive of actual debts and applicable additional sized 1st Mtg) is: 1.0160x			
Compliance Monitoring \$ 1,023.00 MMRB Annual Base Fee \$0 \$ - Additional MMRB PSAU Fee \$0.00 \$ - MMRB Minimum Annual Fee \$0 \$ - MMRB Compliance Monitoring Fee \$ - Non-MMRB Annual Base(s) \$2,196 \$ - Additional Non-MMRB PSAU Fee(s) \$11.24 \$ - Non-MMRB Annual Minimum(s) \$3,432 \$ - Multiple Program Fee(s) \$1,023 \$ 1,023.00 Non-MMRB Compliance Monitoring Fee(s) \$ 1,023.00							
FHFC MMRB Ongoing Issuer Fees \$ - MMRB Annual Fee 0.00% \$ - MMRB Annual Minimum \$10,000 \$ -							
FHFC MMRB Trustee Fees \$ - Flat Rate \$0 \$ -				Since there was no prior existing debt coverage ratio established or drafted prior to the Application Deadline of RFA 2023-211, there is no methodology available to verify whether the debt coverage ratio was or was not enhanced.			

Florida Housing Finance Corporation

Credit Underwriting Report

52 at Park

4% Housing Credit

2021-556C

Construction Inflation Response Viability Funding

RFA 2023-211 / 2023-254V

Section A Report Summary

Section B Loan Conditions and HC Allocation Recommendation and Contingencies

Section C Supporting Information and Schedules

Prepared by

Seltzer Management Group, Inc.

Final Report

October 12, 2023

52 AT PARK

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Section A
Report Summary

VIABILITY AND HC CREDIT UNDERWRITING REPORT

SMG

DEVELOPMENT TEAM		
Applicant/Borrower:	Parkwood Plaza Apartments, Ltd.	% Ownership
General Partner	Parkwood Plaza GP LLC	0.001%
Limited Partner	Parkwood Plaza Partner LLC	0.009%
Limited Partner	LAC TC Partners Holdings II LLC	99.99%
Construction Completion Guarantor(s):		
CC Guarantor 1:	Parkwood Plaza Apartments, Ltd.	
CC Guarantor 2:	Parkwood Plaza GP LLC	
CC Guarantor 3:	Parkwood Plaza Partner LLC	
CC Guarantor 4:	Lincoln Avenue Capital LLC	
CC Guarantor 5:	Jeremy Bronfman 2014 Revocable Trust	
CC Guarantor 6:	Jeremy Bronfman	
Operating Deficit Guarantor(s):		
OD Guarantor 1:	Parkwood Plaza Apartments, Ltd.	
OD Guarantor 2:	Parkwood Plaza GP LLC	
OD Guarantor 3:	Parkwood Plaza Partner LLC	
OD Guarantor 4:	Lincoln Avenue Capital LLC	
OD Guarantor 5:	Jeremy Bronfman 2014 Revocable Trust	
OD Guarantor 6:	Jeremy Bronfman	
Note Purchaser	Deutsche Bank	
Developer:	Parkwood Plaza Developer LLC	
Principal 1	Jeremy Bronfman	

DEVELOPMENT TEAM (cont)	
General Contractor 1:	WPC, IV, LLC
Management Company:	Franklin Johnston Group Management & Development, LLC
Syndicator:	Berkadia Affordable Tax Credit Solutions, or affiliates
Note Issuer:	RBC Capital Markets, LLC ("RBC")
Architect:	Bessolo Design Group, Inc.
Market Study Provider:	Integra Realty Resources
Appraiser:	CBRE, Inc.

PERMANENT FINANCING INFORMATION						
	1st Source	2nd Source	3rd Source	4th Source	5th Source	Other
Lender/Grantor	MMRB	FHFC / Viability				
Amount	\$36,080,000	\$4,300,000				
Underwritten Interest Rate	6.52%	1.00%				
Loan Term	18.0	18.0				
Amortization	40.0	N/A				
Market Rate/Market Financing LTV	49.8%	55.8%				
Restricted Market Financing LTV	69.4%	77.7%				
Loan to Cost - Cumulative	35.2%	39.4%				
Debt Service Coverage	1.172	1.146				
Operating Deficit & Debt Service Reserves	\$1,373,122					
# of Months covered by the Reserves	10.0					

VIABILITY AND HC CREDIT UNDERWRITING REPORT

SMG

Deferred Developer Fee	\$8,896,382
As-Is Land Value	\$6,600,000
Market Rent/Market Financing Stabilized Value	\$72,400,000
Rent Restricted Market Financing Stabilized Value	\$52,000,000
Projected Net Operating Income (NOI) - Year 1	\$2,711,982
Projected Net Operating Income (NOI) - 15 Year	\$3,317,868
Year 15 Pro Forma Income Escalation Rate	2.00%
Year 15 Pro Forma Expense Escalation Rate	3.00%
Note Structure	Tax-Exempt Note
Housing Credit (HC) Syndication Price	\$0.9125
HC Annual Allocation - Qualified in CUR	\$4,518,159
HC Annual Allocation - Equity Letter of Interest	\$4,783,138

CONSTRUCTION/PERMANENT SOURCES:

Source	Lender	Construction	Permanent	Perm Loan/Unit
Regulated Mortgage Lender	MMRB	\$55,500,000	\$36,080,000	\$120,267
Bridge Loan	MMRB	\$15,064,079	\$0	\$0
FHFC - Viability	FHFC / Viability	\$4,300,000	\$4,300,000	\$14,333
Other	Wilshire Solar Company	\$100	\$1,801,760	\$6,006
Other	Reinvestment Proceeds	\$4,453,362	\$4,453,362	\$14,845
Net Operating Income	Developer/Cash Flow During Construction	\$0	\$2,395,999	\$7,987
HC Equity	Berkadia Affordable Tax Credit Solutions	\$6,546,910	\$43,646,066	\$145,487
Deferred Developer Fee	Developer	\$14,335,996	\$8,896,382	\$29,655
Deferred Costs - Other	Deferred Reserve Funding	\$1,373,122	\$0	\$0
Affiliate / Principal	GP/Class B Capital Contribution	\$850,000	\$850,000	\$2,833
TOTAL		\$102,423,569	\$102,423,569	\$341,412

Financing Structure:

Applicant submitted a Multifamily Mortgage Revenue Note (“MMRN”) Program Application to the Orange County Housing Finance Authority (“OCHFA”). Per a Term Sheet dated March 16, 2023, Berkadia Commercial Mortgage LLC (“Berkadia”) will facilitate a loan through Deutsche Bank (“Deutsche”) in an amount up to \$74,680,000 to the OCHFA. It is anticipated that the MMRN will be issued in two series: Series A Bonds – in an amount up to \$56,300,000 in tax-exempt bonds and Series B Bonds – in an amount up to \$18,830,000 in taxable bonds for construction and permanent financing (see Construction/Permanent Financing Sources section). Upon conversion to the permanent period, the Series B Bonds will be repaid in full.

Changes from the Application:

COMPARISON CRITERIA	YES	NO
Does the level of experience of the current team equal or exceed that of the team described in the application?	X	
Are all funding sources the same as shown in the Application?		1
Are all local government recommendations/contributions still in place at the level described in the Application?		2

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Is the Development feasible with all amenities/features listed in the Application?	N/A	
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?		3
Is the Development feasible using the set-asides committed to in the Application?	X	
If the Development has committed to serve a special target group (e.g. elderly, large family, etc.), do the development and operating plans contain specific provisions for implementation?	X	
HOME ONLY: If points were given for match funds, is the match percentage the same as or greater than that indicated in the Application?	N/A	
HC ONLY: Is the rate of syndication the same as or greater than that shown in the Application?	X	
Is the Development in all other material respects the same as presented in the Application?		4

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

1. Changes in sources of funds:

- a. Citibank, N.A. (“Citi”) issued a commitment letter dated August 4, 2021 for a construction/permanent loan in the amount of \$44,100,000 and \$37,620,000, respectively. The Applicant subsequently provided a commitment letter dated March 16, 2023, with Berkadia for a construction and permanent loan in the amount of \$74,680,000 (\$56,300,000 is tax-exempt and \$18,380,000 is taxable. It is estimated that the loan will be paid down to \$36,080,000 at conversion to permanent financing.
- b. Since the time of application, the Applicant added a Viability Loan from FHFC in the amount of \$4,300,000.
- c. Since the time of application, Solar Tax Credit Equity in the amount of \$100 and Reinvestment Proceeds in the amount of \$4,453,362 have been added to balance the sources and uses of funds during the construction and permanent periods.

2. Changes to local government contributions:

- a. Application reflects a reimbursement of impact fees from Orlando Affordable as construction and permanent funding sources; however, Applicant was unable to secure the funding as a soft loan or grant and therefore, was removed as a funding source.

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3. Changes in Development Costs Listed in Application:

- a. Development costs have increased by \$21,477,438 from \$80,946,131 in the application to \$102,423,569 primarily due to increases in Construction costs, Financing costs, and the addition of Reserve costs.

4. Changes in Development's Material Aspects Listed in Application:

- a. At Application, the proposed management company was Cushman & Wakefield. The new proposed management company has changed to Franklin Johnston Group Management & Development, LLC ("FJGMD"). Seltzer reviewed the prior experience chart for FJGMD.
- b. At Application, the proposed general contractor was Flournoy Construction. The general contractor has changed to WPC, IV, LLC d/b/a WPC ("WPC"). Seltzer reviewed the updated General Contractor Certification and prior experience chart for WPC.
- c. Applicant submitted a Rule waiver request on October 9, 2023 to change the Applicant ownership structure at the second level. FHFC Board approval of the Applicant Structure change is a condition to close (See Waiver Requests/Special Conditions section below).
- d. At Application, the number of residential buildings was 10 with 1 non-residential building. The number of residential buildings has decreased to 8 with the non-residential building remaining unchanged. The Applicant is to submit a request letter showing the above change. FHFC staff approval of the change is a condition to close.

These changes have no substantial material impact to the Viability recommendation for this Development.

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

Florida Housing's Past Due Report dated September 18, 2023 did not reflect any past due items.

The FHFC Asset Management Noncompliance Report, dated May 24, 2023, reflects the following non-compliant items:

- o Lexington Club at Renaissance Square (Lincoln Avenue Capital LLC / Jeremy Bronfman) – a) Failure to provide required unit features. b) Failure to provide required tenant programs and services.
- o Santa Clara (Lincoln Avenue Capital LLC / Jeremy Bronfman) – Failure to provide required tenant amenities.

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

Strengths:

1. Per the Market Study, maximum allowable HC rents are approximately 61% less than comparable market rate rents indicating strong demand for these units.
2. Based on strong average occupancies in the Development's Primary Market Area ("PMA"), IRR concludes a stabilized economic occupancy rate of 98%, confirming strong demand.

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- Although the Borrower, GP, Class B Limited Partner and Developer are newly formed, the principals of the GP, Class B Limited Partner, Developer, General Contractor and Management Company all have sufficient experience and financial resources to develop, construct and operate the Development.

Waiver Requests/Special Conditions:

- Applicant submitted a Rule waiver request dated October 9, 2023 requesting a change in the ownership structure for estate planning and other purposes as outlined below:

Current Structure:

1. (Parkwood Plaza GP LLC)	1.A.	Sole Member	SJB Management LLC	Limited Liability Company	100.0000%
2. (Parkwood Plaza Partner LLC)	2.A.	Managing Member	SJB Management LLC	Limited Liability Company	31.0400%
2. (Parkwood Plaza Partner LLC)	2.B.	Member	ENB Family LLC	Limited Liability Company	28.1010%
2. (Parkwood Plaza Partner LLC)	2.C.	Member	Matthew Bronfman Family EMBT	Trust	17.5630%
2. (Parkwood Plaza Partner LLC)	2.D.	Member	Schore Lincoln Holdings LLC	Limited Liability Company	1.9070%
2. (Parkwood Plaza Partner LLC)	2.E.	Member	Condas Lincoln Holdings LLC	Limited Liability Company	4.7220%
2. (Parkwood Plaza Partner LLC)	2.F.	Member	Fitzgerald Equity LLC	Limited Liability Company	16.6670%

Proposed Structure:

1. (Parkwood Plaza GP LLC)	1.A.	Sole Member	Jeremy Bronfman 2014 Revocable Trust	Trust	100.0000%
1. (Parkwood Plaza GP LLC)	1.B.	Manager	Jeremy Bronfman	Natural Person	0.0000%
2. (Parkwood Plaza Partner LL	2.A.	Member	JEB Acquisition Investments LLC	Limited Liability Company	79.0340%
2. (Parkwood Plaza Partner LL	2.B.	Member	Schore Lincoln Holdings, LLC	Limited Liability Company	1.7160%
2. (Parkwood Plaza Partner LL	2.C.	Member	Condas Lincoln Holdings FL, LLC	Limited Liability Company	4.2500%
2. (Parkwood Plaza Partner LL	2.D.	Member	Fitzgerald Equity LLC	Limited Liability Company	15.0000%
2. (Parkwood Plaza Partner LL	2.E.	Manager	Jeremy Bronfman	Natural Person	0.0000%

Seltzer considers the requested change to be immaterial. The guarantors will remain the same, therefore, this request does not impact Seltzer’s recommendation.

Additional Information:

- The PCA dated September 7, 2023 and prepared by Hillman Consulting, LLC (“Hillman”) reflects a comment requesting the Applicant to clarify how the energy from solar panels will be utilized. Applicant’s response is the energy generated by the solar systems will provide power to the house meters as well as the residents meters. When producing more than is being utilized, the systems will feed energy back to the grid, which will offset consumption from the grid when solar is not producing energy. Additionally, an additional comment by Hillman regarding solar usage states that it should be noted how much energy is projected to be produced by the solar panels as a percentage of the projected overall power consumption of the Subject Development. Applicant’s response is the solar system is sized to offset 100% of consumption, based on the projections from the utility allowance modeler and expected consumption on the house meters.
- The Debt Service Coverage (“DSC”) ratio for the Viability Loan, including all superior mortgages, reflect a ratio lower than 1.10x to 1.00. Per Rule 67-48, if the Applicant defers at least 35% of its Developer Fee following the last disbursement of all permanent sources of funding identified in the final credit

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underwriting report and, in the case of a Housing Credit Development, the final cost certification documentation, and when the primary expected source of repayment has been identified as projected cash flow, the minimum DSC shall be 1.00x for the Viability Loan, including all superior mortgages. The Applicant will be required to show permanent Deferred Developer Fee of at least 35% as the Viability Loan DSC is 1.079x.

Issues and Concerns:

1. In reviewing the documentation presented by the Applicant and Developer, it became evident that the Solar Tax Credit ("TC") Investor, an affiliate of both parties, has offered terms in their Solar Equity Letter of Intent which are inconsistent with current market standards, particularly the syndication rate for the Solar TCs. This rate, as proposed by the affiliate entity operating as an interim purchaser of the TCs, is considerably below the prevailing market rate of \$0.90 to \$1.00.

The TC Allocation must be sold for an equity contribution that meets or exceeds the current market rate. Specifically, the "Rule" mandates that this allocation is to be traded at "the greater of the syndication rate or market rate pricing." The determination of this rate should take into account sales of comparable Housing Credit Allocations and a thorough evaluation of current market trends.

It's imperative to note that any agreements regarding the Solar TCs syndication must be directly between the Applicant and the Investor. The involvement of intermediary entities, be they affiliates or otherwise, is permissible only when the syndication rate aligns with or surpasses the market benchmarks outlined in the aforementioned Florida Statute.

Mitigating Factors:

1. Based on the current LOI, Seltzer's assessment is that the syndication rate for the Solar TCs falls short of these requirements. To ensure compliance and the viability of the project, there are two viable courses of action. First, the syndication rate discrepancy in the LOI and Developer's budget must be rectified to align with or surpass market rates before closing. Alternatively, the Applicant may need to consider partnering with a different TC Investor that offers terms in line with market standards.

Other Considerations: None

Recommendation:

SMG recommends FHFC approve a Viability First Mortgage in the amount of \$4,300,000 and an Annual HC allocation of \$4,518,159 be awarded to 52 at Park for construction and permanent financing.

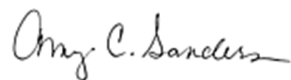
This recommendation is based upon the assumptions detailed in the Report Summary (Section A) and Supporting Information and Schedules (Section C). In addition, this recommendation is subject to the, Viability Loan Conditions and HC Allocation Recommendation and Contingencies (Section B). The reader is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

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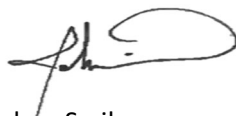
This recommendation is only valid for six months from the date of the report.

Prepared by:



Amy C. Sanders
Credit Underwriter

Reviewed by:



Joshua Scribner
Credit Underwriting Manager

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Overview

Construction Financing Sources

Source	Lender	Applicant	Revised Applicant	Underwriter	Interest Rate	Construction Debt Service
First Mortgage	MMRB	\$43,400,000	\$55,500,000	\$55,500,000	7.70%	\$8,433,040
Second Mortgage	MMRB	\$19,651,360	\$15,064,079	\$15,064,079	8.75%	\$2,601,064
Third Mortgage	FHFC / Viability	\$0	\$4,300,000	\$4,300,000	1.00%	\$84,853
Solar Tax Credit Equity	Wilshire Solar Company	\$0	\$1,801,760	\$100		
Bond Collateral Interest	Reinvestment Proceeds	\$0	\$4,453,362	\$4,453,362		
HC Equity	Berkadia Affordable Tax Credit Solutions	\$4,733,955	\$6,540,376	\$6,546,910		
Deferred Developer Fee	Developer	\$1,473,659	\$0	\$14,335,996		
Deferred Reserve Funding	Developer	\$10,837,157	\$0	\$1,373,122		
Additional Equity	GP/Class B Capital Contribution	\$850,000	\$850,000	\$850,000		
Total		\$80,946,131	\$88,509,577	\$102,423,569		\$11,118,958

First Mortgage / Tax-Exempt Loan Series A:

Per the Term Sheet, Berkadia will facilitate the purchase of up to \$56,300,000 of Tax-Exempt Bonds, currently estimated at \$55,500,000, the proceeds of which will fund a portion of a construction loan to the Applicant. The term sheet requires completion of construction within 36 months from closing, subject to an optional six (6) month extension. Terms include a fixed interest rate determined by the Bond Investor based on market rates prevailing at the time the bonds are purchased. The interest rate will be based on the 18-year Secured Overnight Financing Rate (“SOFR”) Swap Rate or SOFR Floor of 2.75%, plus a margin of 2.75% and an annual issuer fee of .25% during construction. As of September 12, 2023, Berkadia provided a SOFR Swap Rate of 3.95%. For any future increases in the SOFR Swap Rate, Seltzer has included an underwriting cushion of 100 basis points, resulting in an all in interest rate of 7.70%. An origination fee of 1.00% of the maximum construction loan amount will be payable at loan closing. The margin will reduce to 2.45% upon conversion to permanent financing. Repayment will be interest only during the construction period of 36 months.

Second Mortgage / Taxable Loan Series B:

Per the Term Sheet, Berkadia will facilitate the purchase of up to \$18,380,000 of Taxable Bonds, currently estimated at \$15,591,083, the proceeds of which will fund a portion of a construction loan to the Applicant. The term sheet requires completion of construction within 36 months from closing, subject to an optional six (6) month extension. Terms include a fixed interest rate determined by the Bond Investor based on market rates prevailing at the time the bonds are purchased. The interest rate will be based on the 3-year SOFR Swap Rate plus a margin of 3.20% and an annual issuer fee of .25% during construction. As of September 14, 2023, the SOFR Swap Rate was 4.55%. For any future increases in the SOFR Swap Rate, Seltzer has included an underwriting cushion of 100 basis points, resulting in an all in interest rate of 8.75%. The margin will reduce to 2.45% upon conversion to permanent financing. Repayment will be interest only during the construction period of 36 months.

Other Construction Sources of Funds:

Additional sources of funds for this Development during construction consist of a Viability loan in the amount of \$4,300,000, Solar Tax Credit equity in the amount of \$100, Bond Collateral Interest in the amount of \$4,453,362, Housing Credit equity of \$6,546,910, deferred Developer Fee in the amount of

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\$14,335,996, deferred Reserve Funding in the amount of \$1,373,122, and GP/Class B Capital Contribution in the amount of \$850,000. See the Permanent Financing section below for details.

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Permanent Financing Sources

Source	Lender	Applicant	Revised Applicant	Underwriter	Interest Rate	Amort. Yrs.	Term Yrs.	Annual Debt Service
First Mortgage	MMRB	\$40,320,000	\$36,080,000	\$36,080,000	6.52%	40	18	\$2,204,775
Second Mortgage	FHFC / Viability	\$0	\$4,300,000	\$4,300,000	1.00%	N/A	18	\$43,000
Reimbursements	Sales Tax Rebate	\$0	\$1,500,000	\$0	0.00%			\$0
Solar Tax Credit Equity	Wilshire Solar Company	\$0	\$1,801,760	\$1,801,760	0.00%			\$0
Bond Collateral Interest	Reinvestment Proceeds	\$0	\$4,453,362	\$4,453,362				
Net Operating Income	Developer/Cash Flow During Construction	\$0	\$2,399,508	\$2,395,999	0.00%			\$0
HC Equity	Berkadia Affordable Tax Credit Solutions	\$31,559,703	\$43,602,507	\$43,646,066				
Def. Developer Fee	Developer	\$8,216,428	\$7,434,155	\$8,896,382				
Additional Equity	GP/Class B Capital Contribution	\$850,000	\$850,000	\$850,000				
Total		\$80,946,131	\$102,421,292	\$102,423,569				\$2,247,775

First Mortgage Financing:

The Applicant has provided a Berkadia Term Sheet dated March 16, 2023, for a permanent loan of up to \$36,080,000. Terms include a fixed interest rate determined by the Bond Investor based on market rates prevailing at the time the Bonds are purchased. The interest rate will be based on the 18-year SOFR of 4.07% (as of September 22, 2023), plus a margin of 2.45% for an indicative rate of 6.52%. The loan will have a maturity of 18-years with a 40-year amortization that commences 8 years from the closing date. Repayment will be interest only payments for the first 8 years from the closing date, and then monthly principal and interest payments through maturity.

The minimum debt service coverage ratio is 1.15 to 1.10 on the final underwriting net operating income (“NOI”) for the Development, as determined by Berkadia and Bond Investor, and a maximum loan to value of 90% of the As-Stabilized fair market value. A Conversion Fee of \$15,000 is due at the time of stabilization.

Viability:

Borrower applied to FHFC under RFA 2023-211 for Viability funds in the amount of \$4,300,000. The Viability loan shall be non-amortizing and shall have an interest rate of 1% over the life of the loan with annual payments based upon available cash flow. The Viability loan will have a total term of 21.5 years, of which 3.5 years is for the construction/stabilization period and 18 years is for the permanent period. As required by the first mortgage lender and permitted by RFA 2023-211, The Viability Loan will be coterminous with the first mortgage. Closing of the Viability loan funding will be simultaneous with the closing of other funding. Annual payments of all applicable fees will be required. Any unpaid interest will be deferred until cash flow is available. However, at maturity of the Viability Loan, all principal and unpaid interest will be due. The Annual Permanent Loan Servicing Fee is based on 25 bps of the outstanding loan amount with a maximum of \$936 per month, subject to a minimum of \$236 per month.

Solar Tax Credits:

The Applicant provided a letter from Wilshire Solar Company LLC (“Wilshire LAC”), an affiliate of Lincoln Avenue Capital LLC (“LAC”), in which Wilshire LAC commits to provide an amount not to exceed \$3,000,000 in exchange for the Solar Tax Credits generated from the transaction.

Bond Collateral Interest:

The Reinvestment Proceeds calculation was provided by RBC.

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Net Operating Income:

The cash flow income is an estimate provided by the Applicant and appears reasonable.

Housing Credits Equity Investment:

The Applicant has applied to Florida Housing to receive 4% Housing Credits.

Based upon a February 24, 2023 Letter of Intent, Berkadia Affordable Tax Credit Solutions (“BATCS”), or an affiliate, will purchase 98.99% and Parkwood Plaza Partner LLC (“Class B”) will purchase 0.01% of membership interest in the Applicant and provide HC equity as follows:

Capital Contributions	Amount	Percent of Total	When Due
1st Installment	\$6,546,910	15.00%	upon the receipt of the following: bond allocation (the “LIHTC Allocation”), all financing commitments, building permits for the Property or acceptable will issue letter conditioned only on payment of fee, receipt of customary comfort letter addressing the post-closing delivery of the 42m letter, receipt and approval of those items set forth in the due diligence checklist, and admission of the Limited Partner (the “Closing”).
2nd Installment	\$20,557,297	47.10%	at later of July 1, 2025, substantial completion (as defined in the Partnership Agreement which will except out punch-list items), receipt of the draft cost certification, issuance of temporary certificates of occupancy (the “Completion Installment”).
3rd Installment	\$15,712,584	36.00%	at later of January 1, 2026, 100% lien-free construction completion, receipt of the final cost certification, receipt of all permits or certificates permitting occupancy of the Property; funding of all permanent loans (which may occur contemporaneously with the funding of this installment), 100%qualified occupancy or 100% of the expected units have been credit qualified, 95 % physical occupancy and achievement of an average debt service coverage of 1.15x, over three (3) consecutive months (“Stabilization”), an updated owner’s title policy (or if such coverage is unavailable or cost prohibitive in the Property jurisdiction, an updated title report showing no liens other than approved by the LP) approved by the LP, and an “as-built” ALTA survey (if applicable).
4th Installment	\$829,275	1.90%	8609s
Total	\$43,646,066	100.00%	

Annual Tax Credits per Syndication Agreement: \$4,783,138

Total HC Available to Syndicator (10 years): \$47,826,597

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Syndication Percentage (investor member interest): 99.99%
Calculated HC Exchange Rate (per dollar): \$0.9125
Proceeds Available During Construction: \$6,546,910

At least 15% of the total HC Equity will be disbursed at closing, as required by FHFC.

GP/Class B Capital Contribution:

Parkwood Plaza GP LLC and Parkwood Plaza Partner LLC will provide additional equity during the construction and permanent periods in the amount of \$850,000.

Other Permanent Sources of Funds:

In order to balance the sources and uses of funds after all loan proceeds, capital contributions, available cash flow and interest income have been received, the Developer will have to defer \$8,896,382 (68.3%) of the total Developer Fee, which meets the Viability 30% requirement.

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Uses of Funds

CONSTRUCTION COSTS:	Applicant Costs	Revised Applicant Costs	Underwriters Total Costs - CUR	Cost Per Unit	HC Ineligible Costs - CUR
Accessory Buildings				\$0	
New Rental Units	\$46,066,351	\$52,567,487	\$42,320,426	\$141,068	
Off-Site Work				\$0	\$0
Recreational Amenities		\$70,000		\$0	
Rehab of Existing Common Areas				\$0	
Rehab of Existing Rental Units				\$0	
Site Work		\$91,500	\$4,635,043	\$15,450	\$695,256
Swimming Pool			\$380,111	\$1,267	
Furniture, Fixture, & Equipment			\$889,192	\$2,964	\$179,947
Hard Cost Contingency - in Constr. Cont.			\$0	\$0	
Constr. Contr. Costs subject to GC Fee	\$46,066,351	\$52,728,987	\$48,224,772	\$160,749	\$875,203
General Conditions	\$2,533,649	\$3,184,499	\$2,850,927	\$9,503	
Overhead		\$971,272	\$2,609,359	\$8,698	
Profit		\$1,506,934		\$0	
Builder's Risk Insurance				\$0	
General Liability Insurance			\$316,686	\$1,056	
Payment and Performance Bonds			\$253,570	\$845	
Contract Costs not subject to GC Fee				\$0	
Total Construction Contract/Costs	\$48,600,000	\$58,391,692	\$54,255,314	\$180,851	\$875,203
Hard Cost Contingency	\$2,430,000	\$2,911,510	\$2,712,765	\$9,043	
PnP Bond paid outside Constr. Contr.	\$243,000	\$570,256		\$0	
FF&E paid outside Constr. Contr.	\$210,000	\$255,000	\$255,000	\$850	
Other: Internet Infrastructure		\$203,605	\$203,605	\$679	
Other: Interior Signage		\$50,000	\$50,000	\$167	
Other: CCTV and Access Control		\$175,000	\$175,000	\$583	
Other: Solar Installation			\$4,003,912	\$13,346	
Total Construction Costs:	\$51,483,000	\$62,557,063	\$61,655,596	\$205,519	\$875,203

Notes to the Construction Costs:

- The Applicant has provided an executed AIA Document A102-2017 Standard Form of Agreement between Owner and Contractor where the basis of payment is the Cost of the Work plus a Fee with a Guaranteed Maximum Price dated August 31, 2023, in the amount of \$54,255,314. The contract provides for achievement of substantial completion within 724 days (approximately 24 months) from the date of commencement. Ten (10%) percent retainage will be withheld on all work performed up to 50% completion, then 5% thereafter.

Allowances in the GMP Agreement

- Landscape lighting - \$45,000
 - Certified as-builts - \$12,000
 - Cost Certification - \$16,000
- Total \$73,000

Hillman finds the allowances within an acceptable range for the scope of work indicated.

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2. SMG received the General Contractor’s Certification of Requirements, whereby the General Contractor acknowledges and commits to adhere to all requirements related to a General Contractor as published within Rule Chapter 67-21 (“Rule”), Florida Administrative Code.
3. General Contractor fees as stated are within the 14% maximum per the Rule.
4. The hard cost contingency in the amount of \$2,712,765 is within the 5.0% allowed by the Rule and is not included within the GC Contract or schedule of values. However, the Contractor has included an additional \$541,221 in hard cost contingency. Seltzer reduced the HC contingency by the amount of contingency inside the GMP.
5. General liability insurance and payment and performance bond costs are reflected in the Contract and schedule of values.
6. Solar Installation costs of \$4,003,912 per proposal from Go Solar Power, dated August 28, 2023.
7. Other costs reflect the Developers estimates and appear reasonable.

GENERAL DEVELOPMENT COSTS:	Applicant Costs	Revised Applicant Costs	Underwriters Total Costs - CUR	Cost Per Unit	HC Ineligible Costs - CUR
Accounting Fees	\$15,000	\$15,000	\$15,000	\$50	\$7,500
Appraisal	\$10,000	\$10,000	\$10,000	\$33	
Architect's Fee - Site/Building Design	\$1,015,000	\$1,010,000	\$1,048,940	\$3,496	
Architect's Fee - Supervision		\$25,000	\$25,000	\$83	
Building Permits	\$195,654	\$173,485	\$173,474	\$578	
Builder's Risk Insurance		\$873,453	\$873,397	\$2,911	
Engineering Fees	\$165,000	\$266,200	\$237,300	\$791	
Environmental Report	\$30,000	\$50,000	\$50,000	\$167	
FHFC Administrative Fees	\$300,569	\$430,053	\$406,455	\$1,355	\$406,455
FHFC Application Fee	\$3,000	\$3,000	\$3,500	\$12	\$3,500
FHFC Credit Underwriting Fee	\$20,000	\$20,000	\$21,005	\$70	\$21,005
FHFC Compliance Fee	\$210,000	\$210,000	\$202,397	\$675	\$202,397
Impact Fee	\$3,831,000	\$140,100	\$140,100	\$467	
Lender Inspection Fees / Const Admin	\$20,000	\$513,000	\$513,000	\$1,710	
Green Building Cert. (LEED, FGBC, NGBS)	\$10,000			\$0	
Insurance				\$0	
Legal Fees - Organizational Costs	\$455,000	\$15,000	\$15,000	\$50	\$7,500
Market Study	\$6,500	\$12,500	\$12,500	\$42	\$12,500
Marketing and Advertising	\$75,000	\$60,000	\$60,000	\$200	\$60,000
Plan and Cost Review Analysis		\$7,500	\$7,500	\$25	
Property Taxes	\$282,285	\$0		\$0	
Soil Test	\$15,000	\$27,500	\$27,500	\$92	
Survey	\$25,000	\$40,000	\$40,000	\$133	\$10,000
Title Insurance and Recording Fees	\$70,000	\$150,000	\$150,000	\$500	\$37,500
Traffic Study		\$20,000	\$20,000	\$67	
Utility Connection Fees		\$848,700	\$848,700	\$2,829	
Soft Cost Contingency	\$60,000	\$200,000	\$200,000	\$667	
Other:				\$0	
Total General Development Costs:	\$6,814,008	\$5,120,491	\$5,100,768	\$17,003	\$768,357

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Notes to the General Development Costs:

1. Architect's Fees are consistent on the Agreement between Owner and Bessolo Design Group, Inc., dated August 25, 2023, plus additional hourly fees for services outside of the Agreement.
2. The FHFC Administrative Fee is based on 9% of the recommended annual allocation of HC. The FHFC Application Fee is reflective of the application fee for 4% HC and Viability Loan.
3. The FHFC Credit Underwriting Fee is for the 4% HC. The OCHFA MMRN underwriting fee is included in Local HFA Cost of Issuance in Financial Cost section below.
4. The FHFC Compliance Fee is the future 4% HC compliance fees based on the 2023 FHFC Compliance Calculator.
5. Legal Fees include those attributable to Borrower's Counsel. SMG estimates that 50% of these costs to be ineligible.
6. SMG estimates that 25% of Survey and Title Insurance costs to be HC ineligible.
7. Soft cost contingency is within the 5% as allowed per the Rule.
8. Other General Development Costs are based on the Applicant's estimates, which appear reasonable.

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FINANCIAL COSTS:	Applicant Costs	Revised Applicant Costs	Underwriters Total Costs - CUR	Cost Per Unit	HC Ineligible Costs - CUR
Construction Loan Origination Fee	\$325,500	\$555,000	\$555,000	\$1,850	
Construction Loan Commitment Fee				\$0	
Construction Loan Closing Costs	\$20,000	\$50,000	\$50,000	\$167	
Construction Loan Interest	\$2,103,862	\$7,782,006	\$8,517,893	\$28,393	\$4,659,672
Construction Loan Servicing Fees				\$0	
Permanent Loan Application Fee		\$20,000	\$15,000	\$50	\$15,000
Permanent Loan Origination Fee	\$302,400	\$0		\$0	\$0
Permanent Loan Closing Costs	\$191,200	\$255,000	\$175,000	\$583	\$175,000
Bridge Loan Origination Fee	\$147,385	\$150,641	\$156,302	\$521	
Bridge Loan Commitment Fee				\$0	
Bridge Loan Closing Costs		\$15,000	\$15,000	\$50	
Bridge Loan Interest	\$299,098	\$2,194,334	\$2,692,060	\$8,974	
Local HFA Note Underwriting Fee		\$14,492	\$14,492	\$48	\$14,492
Local HFA Note Fiscal Agent Fee	\$12,500	\$7,500	\$7,500	\$25	\$7,500
Local HFA Note Cost of Issuance	\$302,977	\$915,750	\$915,750	\$3,053	\$915,750
Local HFA Note Closing Costs				\$0	\$0
Local HFA Note Interest				\$0	\$0
Local HFA Note Servicing Fee				\$0	\$0
Local HFA Legal - Tax Counsel		\$85,500	\$85,500	\$285	\$85,500
Local HFA Legal - Borrower's Counsel				\$0	\$0
Local HFA Legal - Issuer's Counsel		\$146,250	\$146,250	\$488	\$146,250
Local HFA Legal - Lender's Counsel				\$0	\$0
Local HFA Legal - U/W's Counsel				\$0	\$0
Placement Agent/Underwriter Fee	\$40,000			\$0	\$0
Initial TEFRA Fee	\$1,000	\$1,000	\$1,000	\$3	\$1,000
Other: Structuring Agent Fee		\$40,000	\$40,000	\$133	\$40,000
Other: Viability Commitment Fee			\$43,000	\$143	\$42,967
Other: Viability Closing Costs			\$12,500	\$42	
Total Financial Costs:	\$3,745,922	\$12,232,473	\$13,442,247	\$44,807	\$6,103,131
Dev. Costs before Acq., Dev. Fee & Reserves	\$62,042,930	\$79,910,027	\$80,198,611	\$267,329	\$7,746,692

Notes to the Financial Costs:

1. Construction Origination Fee is consistent with the Berkadia preliminary term sheet.
2. Construction Loan Interest is as discussed in the Construction Period Sources section.
3. Permanent Loan Application Fee line item is the Conversion Fee and is consistent with the Berkadia Term Sheet.
4. Permanent Loan Closing costs include lender counsel, borrower counsel and conversion fee.
5. Local Bond HFA Cost of Issuance amount is based on an estimate provided by RBC Capital Markets, LLC and includes the following: fees and expenses of the Issuer, Bond Counsel, Trustee and Placement Agent. Additional fees include Seltzer's MMRN credit underwriting and closing fees.
6. Predevelopment Loan interest is based on an estimate provided by the Applicant, which appears reasonable.
7. The Viability Commitment Fee is based on 1% of the Viability Loan.
8. Closing Costs are \$12,500 for the Viability Loan FHFC counsel fees.

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9. Other Financial Costs are based on the Applicant’s estimates, which appear reasonable.

NON-LAND ACQUISITION COSTS	Applicant Costs	Revised Applicant Costs	Underwriters Total Costs - CUR	Cost Per Unit	HC Ineligible Costs - CUR
Brokerage Fees - Building			\$0	\$0	
Building Acquisition Cost		\$0	\$0	\$0	
Developer Fee on Non-Land Acq. Costs		\$0	\$0	\$0	
Other: <u>Infrastructure currently on site</u>	\$1,495,000			\$0	
Total Non-Land Acquisition Costs:	\$1,495,000	\$0	\$0	\$0	\$0

Notes to the Non-Land Acquisition Costs:

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

DEVELOPER FEE ON NON-ACQUISITION COSTS	Applicant Costs	Revised Applicant Costs	Underwriters Total Costs - CUR	Cost Per Unit	HC Ineligible Costs - CUR
Developer Fee - Unapportioned	\$11,481,827	\$14,726,210	\$14,435,749	\$48,119	
DF to fund Operating Debt Reserve				\$0	
Total Other Development Costs:	\$11,481,827	\$14,726,210	\$14,435,749	\$48,119	\$0

Notes to the Other Development Costs:

1. Developer Fee does not exceed 18% of the Development’s construction cost, exclusive of land acquisition costs and reserves, as required per Rule.

LAND ACQUISITION COSTS	Applicant Costs	Revised Applicant Costs	Underwriters Total Costs - CUR	Cost Per Unit	HC Ineligible Costs - CUR
Land	\$4,485,000	\$5,980,000	\$5,980,000	\$19,933	\$5,980,000
Land Lease Payment				\$0	\$0
Land Carrying Costs	\$250,000	\$407,252	\$407,252	\$1,358	\$407,252
Total Acquisition Costs:	\$4,735,000	\$6,387,252	\$6,387,252	\$21,291	\$6,387,252

Notes to the Land Acquisition Costs:

- Applicant provided an executed Purchase and Sale Agreement between Parkwood Land Acquisition LLC (“Seller”) and Applicant dated May 15, 2023, with a purchase price of \$5,980,000 and a closing date on or before December 31, 2023.
- The appraisal estimated the “as is” market value of the land to be \$6,600,000.
- Land Carrying Costs include the costs of legal fees, title and recording fees, interest reserve fees, origination fees and other miscellaneous fees.

RESERVE ACCOUNTS	Applicant Costs	Revised Applicant Costs	Underwriters Total Costs - CUR	Cost Per Unit	HC Ineligible Costs - CUR
Operating Deficit Reserve (Syndicator)	\$1,191,374	\$1,373,122	\$1,373,122	\$4,577	\$1,373,122
Replacement Reserves (Syndicator)				\$0	\$0
Reserves - Start-Up/Lease-up Expenses		\$24,685	\$28,835	\$96	\$28,835
Reserves - Working Capital				\$0	\$0
Other:				\$0	\$0
Total Reserve Accounts:	\$1,191,374	\$1,397,807	\$1,401,957	\$4,673	\$1,401,957

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Notes to Reserve Accounts:

1. The Operating Deficit Reserves is a requirement of BATCS. 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 and 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 payments of amounts to the Applicants or the Developer from the Reserve Account cause the Developer Fee or General Contractor Fee to exceed the applicable percentage limitations provided in Rule Chapter 67-48. Any and all terms and conditions of the ODR must be acceptable to Florida Housing, its Servicer and its Legal Counsel.
2. The Start-Up/Lease-Up Reserve is an estimate provided by the Applicant and appears reasonable.

TOTAL DEVELOPMENT COSTS	Applicant Costs	Revised Applicant Costs	Underwriters Total Costs - CUR	Cost Per Unit	HC Ineligible Costs - CUR
TOTAL DEVELOPMENT COSTS:	\$80,946,131	\$102,421,296	\$102,423,569	\$341,412	\$15,535,901

Notes to the Total Development Costs:

1. Since the submission of the Application, total development costs have increased \$21,477,438, approximately 26.53%, primarily due to the increase in construction costs, financing costs and land carrying costs.

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Operating Pro forma

OPERATING PRO FORMA		ANNUAL	PER UNIT	
INCOME	Gross Potential Rental Income		\$4,249,440	\$14,165
	Other Income:			
		Miscellaneous	\$80,739	\$269
		Washer/Dryer Rentals	\$148,500	\$495
		Cable/Satellite Income	\$107,100	\$357
	Gross Potential Income		\$4,585,779	\$15,286
	Less:			
		Economic Loss - Percentage: 0.0%	\$0	\$0
		Physical Vacancy Loss - Percentage: 4.0%	(\$183,431)	(\$611)
		Collection Loss - Percentage: 1.0%	(\$45,858)	(\$153)
Total Effective Gross Revenue		\$4,356,490	\$14,522	
EXPENSES	Fixed:			
		Real Estate Taxes	\$427,813	\$1,426
		Insurance	\$240,000	\$800
	Variable:			
		Management Fee - Percentage: 3.0%	\$130,695	\$436
		General and Administrative	\$97,500	\$325
		Payroll Expenses	\$390,000	\$1,300
		Utilities	\$58,500	\$195
		Marketing and Advertising	\$7,500	\$25
		Maintenance and Repairs	\$202,500	\$675
		Contract Services	\$0	\$0
		Other-Turnover	\$0	\$0
	Reserve for Replacements	\$90,000	\$300	
Total Expenses		\$1,644,508	\$5,482	
Net Operating Income		\$2,711,982	\$9,040	
Debt Service Payments				
DEBT SERVICE	First Mortgage - MMRB		\$2,204,775	\$7,349
	Second Mortgage - FHFC / Viability		\$43,000	\$143
	First Mortgage Fees - MMRB		\$108,240	\$361
	Second Mortgage Fees - FHFC / Viability		\$10,750	\$36
	Third Mortgage Fees - City of Orlando/Impact Fee		\$0	\$0
Total Debt Service Payments		\$2,366,765	\$7,889	
Cash Flow After Debt Service		\$345,217	\$1,151	
Debt Service Coverage Ratios				
	DSC - First Mortgage plus Fees		1.172	
	DSC - Second Mortgage plus Fees		1.146	
Financial Ratios				
	Operating Expense Ratio		37.7%	
	Break-Even Ratio		87.6%	

Notes to the Operating Pro forma and Ratios:

1. The Development will be utilizing Housing Credits, which will impose rent restrictions. 52 at Park is projected to achieve 2023 Maximum Allowable HC Rents published by Florida Housing on all units at

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60% Area Median Income (“AMI”) based upon the appraiser’s estimate of achievable rents per comparable properties surveyed.

2. Utility Allowances are based upon an August 17, 2023 Energy Consumption Model from Matern, which was approved by FHFC on September 20, 2023 and reflects the residents paying for water and sewer and the Applicant paying for electricity and trash removal. The residents have the option to sign up for cable and internet services at a rate of \$35 per month. No manager/employee units are anticipated at this time.

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

MSA/County: Orlando-Kissimmee-Sanford / Orange

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	24	655	60%			\$988	\$57	\$931		\$931	\$931	\$931	\$268,128
2	2.0	156	919	60%			\$1,186	\$66	\$1,120		\$1,120	\$1,120	\$1,120	\$2,096,640
3	2.0	108	1,101	60%			\$1,370	\$76	\$1,294		\$1,293	\$1,294	\$1,294	\$1,677,024
4	2.0	12	1,330	60%			\$1,528	\$86	\$1,442		\$1,441	\$1,442	\$1,442	\$207,648
		300	293,952											\$4,249,440

3. Miscellaneous income includes washer/dryer rentals, cable income, forfeited deposits, vending machines, late charge and other miscellaneous fees.
4. The appraiser estimates a vacancy loss of 4.0% and a collection loss of 1.0%. Seltzer is utilizing an overall vacancy/collection loss of 5.0%, resulting in an economic and physical occupancy of 95%. Real estate tax expense is based on the Appraiser’s estimate.
5. Management Fees are based upon a draft Management Agreement provided by the Applicant that reflects a management fee in the amount of 3.0% of the gross collections per month, which is consistent with the Applicant’s assumption and supported by the appraisal.
6. Other operating expense estimates are based on comparable properties and are supported by the appraisal.
7. Replacement Reserves in the amount of \$300 per unit per year, which increase 3% annually beginning at achievement of stabilization, meet RFA and Rule requirements.
8. A 15-year income and expense projection reflects increasing debt service coverage (“DSC”). This projection is attached to this report as Exhibit 1.

Section B

Loan Conditions

HC Allocation Recommendation and Contingencies

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Special Conditions

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

1. The Plan and Cost Analysis (“PCA”) states that the Schedule of Values reflects a 10-mil vapor barrier, however, Bessolo Design Group, Inc. (“Bessolo”) notes that a 20-mil vapor barrier will be utilized. Clarification of the correct vapor barrier is to be provided prior to closing.
2. Staff approval of the change in the number of residential buildings
3. Approval of the Rule waiver request to change the Applicant ownership structure.
4. Receipt and satisfactory review of the updated Phase I ESA or update letter confirming no material changes to the findings in the July 25, 2023, report issued by Braun Intertec Southeast, LLC (“Braun”).
5. Receipt and satisfactory review of an executed Management Agreement and Marketing Plan.

General Conditions

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

1. Borrower to comply with any and all recommendations noted in the Plan and Cost Review.
2. Signed and sealed survey, dated within 90 days of closing, unless otherwise approved by Florida Housing, and its Legal Counsel, based upon the particular circumstances of the transaction. The Survey shall be certified to Florida Housing and its Legal Counsel, as well as the title insurance company, and shall indicate the legal description, exact boundaries of the Development, easements, utilities, roads, and means of access to public streets, total acreage and flood hazard area, and any other requirements of Florida Housing.
3. Final “as permitted” (signed and sealed) site plans, building plans and specifications. The geotechnical report, if any, must be bound within the final plans and specifications.
4. Building permits and any other necessary approvals and permits (e.g., final site plan approval, water management district, Department of Environmental Protection, Army Corps of Engineers, Department of Transportation, etc.). Acceptable alternatives to this requirement are receipt and satisfactory review of a letter from the local permitting and approval authority that the above referenced permits and approvals will be issued upon receipt of applicable fees (with no other conditions), or evidence of 100% lien-free completion, if applicable. If a letter is provided, copies of all permits will be required as a condition of the first post-closing draw.
5. Final sources and uses of funds itemized by source and line item, in a format and in amounts approved by the Servicer. A detailed calculation of the construction interest based on the final draw schedule (see below), documentation of the closing costs, and draft loan closing statement must also be provided. The sources and uses of funds schedule will be attached to the Loan Agreement as the approved Development budget.
6. A final construction draw schedule showing itemized sources and uses of funds for each monthly

draw. Viability Loan Proceeds shall be disbursed pro rata with other funding sources during the construction or rehabilitation phase, unless otherwise approved by the Credit Underwriter. The closing draw shall include appropriate backup and ACH wiring instructions.

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

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

8. Evidence of insurance coverage pursuant to the Request for Application governing this proposed transaction and, if applicable, the FHFC Insurance Guide.
9. The General Contractor shall secure a payment and performance bond equal to 100% of the total construction cost listing FHFC as co-obligee, whose terms do not adversely affect the Corporation's interest, issued in the name of the General Contractor, from a company rated at least "A-" by A.M. Best & Co., or a Corporation-approved alternate security for the General Contractor's performance such as a letter of credit ("LOC") issued by a financial institution with a senior long term (or equivalent) credit rating of at least "Baa3" by Moody's, or at least "BBB-" by Standard & Poor's or Fitch, or a financial rating of at least 175 by IDC Financial Publishing. The LOC must include "evergreen" language and be in a form satisfactory to Florida Housing, its Servicer and its Legal Counsel.
10. Architect, Construction Consultant, and Borrower certifications on forms provided by Florida Housing will be required for both design and as-built with respect to Section 504 of the Rehabilitation Act, the Americans with Disabilities Act ("ADA"), and Federal Fair Housing Act requirements, as applicable.
11. A copy of an Amended and Restated Partnership Agreement reflecting purchase of the HC under terms consistent with the assumptions contained within this Credit Underwriting Report. The Amended and Restated Operating Agreement shall be in a form and of financial substance satisfactory to Servicer and to FHFC and its Legal Counsel.
12. Satisfactory resolution of any outstanding past due and/or noncompliance items.
13. Payment of any outstanding arrearages to the Corporation, its Legal Counsel, Servicer or any agent or assignee of the Corporation for past due issues applicable to the Development team (Applicant or Developer or Principal, Affiliate or Financial Beneficiary, as described in 67-48.0075 (5) F.A.C., of an Applicant or a Developer).
14. At all times there will be undisbursed loan funds (collectively held by Florida Housing, the first lender and any other source) sufficient to complete the Development. If at any time there are not sufficient funds to complete the Development, the Borrower will be required to expend additional equity on Development costs or to deposit additional equity with Florida Housing which is sufficient (in Florida Housing's judgment) to complete the Development before additional loan funds are disbursed. This

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

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

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

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

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- a. The legal existence and good standing of the Borrower and of any partnership or limited liability company that is the general partner of the Borrower (the "GP") and of any corporation or partnership that is the managing general partner of the GP, of any corporate guarantor and any manager;
 - b. Authorization, execution, and delivery by the Borrower and the guarantors, of all Loan documents;
 - c. The Loan documents being in full force and effect and enforceable in accordance with their terms, subject to bankruptcy and equitable principles only;
 - d. The Borrower's and the guarantor's execution, delivery and performance of the loan documents shall not result in a violation of, or conflict with, any judgments, orders, contracts, mortgages, security agreements or leases to which the Borrower is a party or to which the Development is subject to the Borrower's Partnership/Operating Agreement and;
 - e. Such other matters as Florida Housing or its Legal Counsel may require.
8. Evidence of compliance with local concurrency laws, as applicable.
 9. UCC Searches for the Borrower, its partnerships, as requested by Legal Counsel.
 10. Such other assignments, affidavits, certificates, financial statements, closing statements, and other documents as may be reasonably requested by Florida Housing or its Legal Counsel in form and substance acceptable to Florida Housing and its Legal Counsel, in connection with the loan(s).
 11. Any other reasonable conditions established by Florida Housing and its Legal Counsel.

Additional Conditions

This recommendation is also contingent upon the following additional conditions:

1. Compliance with all provisions of Sections 420.507 and 420.5087, Florida Statutes, Rule Chapters 67-21, 67-48, 67-53 and 67-60, F.A.C., RFA 2023-211, Section 42 I.R.C., and any other State and Federal requirements.
2. Acceptance by the Borrower and execution of all documents evidencing and securing the Viability Loan in form and substance satisfactory to Florida Housing and its Legal Counsel, including, but not limited to, the Promissory Note(s), the Loan Agreement(s), the Mortgage and Security Agreement(s), the Land Use Restriction Agreement(s), and Extended Low Income Housing Agreement(s).
3. If applicable, receipt and satisfactory review of Financial Statements from all Guarantors dated within 90 days of Real Estate Closing.
4. Guarantors are to provide the standard FHFC Construction Completion Guaranty, to be released upon lien free completion as approved by the Servicer.
5. Guarantors for the Viability Loan are to provide the standard FHFC Operating Deficit Guaranty. If requested in writing by the Applicant, Servicer will consider a recommendation to release the Operating Deficit Guaranty if all conditions are met, including achievement of a 1.15 DSC on the combined permanent first mortgage and Viability Loan as determined by FHFC or its Servicer, 90% Occupancy and 90% of Gross Potential Rental Income net of utility allowances, if applicable, for a

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

6. Guarantors are to provide the standard FHFC Environmental Indemnity Guaranty.
7. Guarantors are to provide the standard FHFC Guaranty of Recourse Obligations.
8. A mortgagee title insurance lender’s policy naming Florida Housing as the insured second mortgage holder in the amount of the Loans is to be issued at closing. Any exceptions to the title insurance policy must be acceptable to Florida Housing or its Legal Counsel. All endorsements that are required by Florida Housing are to be issued and the form of the title policy must be approved prior to closing.
9. Property tax and hazard insurance escrows are to be established and maintained by the First Lender or the Servicer. In the event the reserve account is held by Florida Housing’s loan servicing agent, the release of funds shall be at Florida Housing’s sole discretion.
10. Replacement Reserves in the minimum amount of \$300 per unit per year are required to be deposited on a monthly basis into a designated escrow account, to be maintained by the First Mortgagee/Credit Enhancer, the Trustee, or Florida Housing’s loan servicing agent. However, Applicant has the option to prepay Replacement Reserves, as allowed per RFA, in the amount of \$90,000 (one-half the required Replacement Reserves for Years 1 and 2), in order to meet the applicable DSC loan requirements. Applicant can waive this election, if at closing of the loan(s) the required DSC is met without the need to exercise the option. It is currently estimated that Replacement Reserves will be funded from Operations in the amount of \$300 per unit per year for year 1, then escalating at 3.00% per year thereafter. The initial Replacement Reserve will have limitations on the ability to be drawn. New construction or Redevelopment Developments (with or without acquisition) shall not be allowed to draw during the first five years or until the establishment of a minimum balance equal to the accumulation of five years of replacement reserves per unit.

The amount established as a Replacement Reserve shall be adjusted based on a Capital Needs Assessment (“CNA”) to be received by the Corporation or its Servicers, prepared by an independent third party and acceptable to the Corporation and its Servicers at the time the CNA is required, beginning no later than the 10th year after the first residential building in the Development receives a certificate of occupancy, a temporary certificate of occupancy, or is placed in service, whichever is earlier (“Initial Replacement Reserve Date”). A subsequent CNA is required no later than the 15th year after the Initial Replacement Reserve Date and subsequently every five (5) years thereafter.

11. Hillman or other construction inspector acceptable for Florida Housing is to act as Florida Housing’s inspector during the construction period.
12. Under the 52 at Park construction contract, a minimum of 10% retainage holdback on all construction draws will be withheld until construction is 50% complete and thereafter no additional retainage is withheld. Retainage will not be released until successful lien free completion of construction and issuance of all certificates of occupancy, which satisfies Rule minimum requirement.
13. Satisfactory completion of a pre-loan closing compliance audit conducted by Florida Housing or its Servicer, if applicable.

14. Closing of all funding sources prior to or simultaneous with the closing of the Viability Loan.
15. Any other reasonable requirements of the Servicer, Florida Housing or its Legal Counsel.

Housing Credit Allocation Recommendation

Seltzer Management Group, Inc. recommends a preliminary annual 4% Housing Credit allocation of \$4,518,159. Please see the HC Allocation Calculation section of this report for further details.

Contingencies

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

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

EXHIBIT 1
15 YEAR INCOME AND EXPENSE PROJECTIONS

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		\$4,249,440	\$4,334,429	\$4,421,117	\$4,509,540	\$4,599,731	\$4,691,725	\$4,785,560	\$4,881,271	\$4,978,896	\$5,078,474	\$5,180,044	\$5,283,645	\$5,389,317	\$5,497,104	\$5,607,046
Rent Subsidy (ODR)		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Other Income:																
Ancillary Income-Parking		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Miscellaneous		\$80,739	\$82,354	\$84,001	\$85,681	\$87,394	\$89,142	\$90,925	\$92,744	\$94,599	\$96,491	\$98,420	\$100,389	\$102,397	\$104,445	\$106,533
Washer/Dryer Rentals		\$148,500	\$151,470	\$154,499	\$157,589	\$160,741	\$163,956	\$167,235	\$170,580	\$173,991	\$177,471	\$181,021	\$184,641	\$188,334	\$192,101	\$195,943
Cable/Satellite Income		\$107,100	\$109,242	\$111,427	\$113,655	\$115,928	\$118,247	\$120,612	\$123,024	\$125,485	\$127,994	\$130,554	\$133,165	\$135,829	\$138,545	\$141,316
Rent Concessions		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Alarm Income		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Gross Potential Income		\$4,585,779	\$4,677,495	\$4,771,044	\$4,866,465	\$4,963,795	\$5,063,071	\$5,164,332	\$5,267,619	\$5,372,971	\$5,480,430	\$5,590,039	\$5,701,840	\$5,815,877	\$5,932,194	\$6,050,838
Less:																
Economic Loss - Percentage:																
Physical Vacancy Loss - Percentage: 4.0%		(\$183,431)	(\$187,100)	(\$190,842)	(\$194,659)	(\$198,552)	(\$202,523)	(\$206,573)	(\$210,705)	(\$214,919)	(\$219,217)	(\$223,602)	(\$228,074)	(\$232,635)	(\$237,288)	(\$242,034)
Collection Loss - Percentage: 1.0%		(\$45,858)	(\$46,775)	(\$47,710)	(\$48,665)	(\$49,638)	(\$50,631)	(\$51,643)	(\$52,676)	(\$53,730)	(\$54,804)	(\$55,900)	(\$57,018)	(\$58,159)	(\$59,322)	(\$60,508)
Total Effective Gross Revenue		\$4,356,490	\$4,443,620	\$4,532,492	\$4,623,142	\$4,715,605	\$4,809,917	\$4,906,115	\$5,004,238	\$5,104,322	\$5,206,409	\$5,310,537	\$5,416,748	\$5,525,083	\$5,635,584	\$5,748,296
Fixed:																
Ground Lease		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Sub-Ground Lease		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Real Estate Taxes		\$427,813	\$440,647	\$453,867	\$467,483	\$481,507	\$495,953	\$510,831	\$526,156	\$541,941	\$558,199	\$574,945	\$592,193	\$609,959	\$628,258	\$647,106
Insurance		\$240,000	\$247,200	\$254,616	\$262,254	\$270,122	\$278,226	\$286,573	\$295,170	\$304,025	\$313,146	\$322,540	\$332,216	\$342,183	\$352,448	\$363,022
Other		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Variable:																
Management Fee - Percentage: 3.0%		\$130,695	\$133,300	\$135,975	\$138,694	\$141,468	\$144,298	\$147,183	\$150,127	\$153,130	\$156,192	\$159,316	\$162,502	\$165,752	\$169,068	\$172,449
General and Administrative		\$97,500	\$100,425	\$103,438	\$106,541	\$109,737	\$113,029	\$116,420	\$119,913	\$123,510	\$127,215	\$131,032	\$134,963	\$139,012	\$143,182	\$147,477
Payroll Expenses		\$390,000	\$401,700	\$413,751	\$426,164	\$438,948	\$452,117	\$465,680	\$479,651	\$494,040	\$508,862	\$524,127	\$539,851	\$556,047	\$572,728	\$589,910
Utilities		\$58,500	\$60,253	\$62,063	\$63,925	\$65,842	\$67,818	\$69,852	\$71,948	\$74,106	\$76,329	\$78,619	\$80,978	\$83,407	\$85,909	\$88,486
Marketing and Advertising		\$7,500	\$7,725	\$7,957	\$8,195	\$8,441	\$8,695	\$8,955	\$9,224	\$9,501	\$9,786	\$10,079	\$10,382	\$10,693	\$11,014	\$11,344
Maintenance and Repairs		\$202,500	\$208,575	\$214,832	\$221,277	\$227,916	\$234,753	\$241,796	\$249,049	\$256,521	\$264,217	\$272,143	\$280,307	\$288,717	\$297,378	\$306,299
Grounds Maintenance and Landscaping		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Resident Programs		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Contract Services		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Security		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Other-Pest Control		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Reserve for Replacements		\$90,000	\$90,000	\$90,000	\$90,000	\$90,000	\$90,000	\$90,000	\$90,000	\$90,000	\$90,000	\$92,700	\$95,481	\$98,345	\$101,296	\$104,335
Total Expenses		\$1,644,508	\$1,689,836	\$1,736,498	\$1,784,533	\$1,833,982	\$1,884,887	\$1,937,291	\$1,991,238	\$2,046,773	\$2,103,945	\$2,163,502	\$2,223,874	\$2,285,115	\$2,348,281	\$2,413,428
Net Operating Income		\$2,711,982	\$2,753,784	\$2,795,994	\$2,838,609	\$2,881,623	\$2,925,030	\$2,968,825	\$3,013,000	\$3,057,549	\$3,102,464	\$3,147,835	\$3,193,674	\$3,240,083	\$3,287,003	\$3,334,468
Debt Service Payments																
First Mortgage - MMRB		\$2,204,775	\$2,204,775	\$2,204,775	\$2,204,775	\$2,204,775	\$2,204,775	\$2,204,775	\$2,204,775	\$2,204,775	\$2,412,156	\$2,412,156	\$2,412,156	\$2,412,156	\$2,412,156	\$2,412,156
Second Mortgage - FHFC / Viability		\$43,000	\$43,000	\$43,000	\$43,000	\$43,000	\$43,000	\$43,000	\$43,000	\$43,000	\$43,000	\$43,000	\$43,000	\$43,000	\$43,000	\$43,000
All Other Mortgages -		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
First Mortgage Fees - MMRB		\$108,240	\$107,657	\$107,035	\$106,371	\$105,663	\$104,907	\$104,100	\$103,239	\$102,320	\$101,340	\$100,293	\$99,176	\$97,985	\$96,713	\$95,356
Second Mortgage Fees - FHFC / Viability		\$10,750	\$10,750	\$10,750	\$10,750	\$10,750	\$10,750	\$10,750	\$10,750	\$10,750	\$10,750	\$10,750	\$10,750	\$10,750	\$10,750	\$10,750
All Other Mortgages Fees -		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Debt Service Payments		\$2,366,765	\$2,366,182	\$2,365,560	\$2,364,896	\$2,364,188	\$2,363,432	\$2,362,625	\$2,361,764	\$2,360,828	\$2,359,826	\$2,358,766	\$2,357,648	\$2,356,472	\$2,355,238	\$2,353,946
Cash Flow After Debt Service		\$345,217	\$387,602	\$430,434	\$473,713	\$517,435	\$561,598	\$606,200	\$651,236	\$696,771	\$742,638	\$788,835	\$835,452	\$882,487	\$929,965	\$977,892
Debt Service Coverage Ratios																
DSC - First Mortgage plus Fees		1.172	1.191	1.209	1.228	1.247	1.266	1.286	1.305	1.324	1.344	1.363	1.383	1.402	1.422	1.442
DSC - Second Mortgage plus Fees		1.146	1.164	1.182	1.200	1.219	1.238	1.257	1.276	1.295	1.314	1.333	1.352	1.371	1.390	1.409
DSC - Third Mortgage plus Fees		1.146	1.164	1.182	1.200	1.219	1.238	1.257	1.276	1.295	1.314	1.333	1.352	1.371	1.390	1.409
Financial Ratios																
Operating Expense Ratio		37.7%	38.0%	38.3%	38.6%	38.9%	39.2%	39.5%	39.8%	40.1%	40.4%	40.8%	41.1%	41.5%	41.9%	42.3%
Break-Even Ratio		87.6%	86.9%	86.1%	85.4%	84.7%	84.1%	83.4%	82.8%	82.1%	81.4%	80.8%	80.1%	79.5%	78.8%	78.2%

EXHIBIT "B"

52 at Park
2021-556C / RFA 2023-211 (2023-254V)
DESCRIPTION OF FEATURES AND AMENITIES

A. The Development will consist of:

300 units located in 8 Garden Apartment residential buildings.

Unit Mix:

Twenty-Four (24) one bedroom / one bath units;

One Hundred Fifty-Six (156) two bedroom / two bath units;

One Hundred Eight (108) three bedroom / two bath units; and

Twelve (12) four bedroom / two bath units

300 Total Units

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

All selected features and amenities must be located on the Development site. In addition, if the Development will consist of Scattered Sites, the Applicant must locate each selected feature and amenity that is not unit-specific on each of the Scattered Sites, or no more than 1/16 mile from the site with the most units, or a combination of both.

B. Borrower has committed to provide the following Optional Features and Amenities for All Developments:

1. Exercise room with appropriate equipment. The exercise room must have secure entry (1 point)
2. Community center or clubhouse (3 points)

3. Playground/tot lot, accessible to children with disabilities (must be sized in proportion to Development's size and expected resident population with age-appropriate equipment (2 points)
- C. The Borrower has committed to provide the following Green Building Features:
1. Programmable thermostat in each unit
 2. Energy Star qualified ventilation fans in all bathrooms
 3. Install daylight sensors, timers or motion detectors on all outdoor lighting attached to buildings
 4. FL Yards and Neighborhoods certification on all landscaping
 5. Low-flow water fixtures in bathrooms - WaterSense labeled products or the following specifications: Toilets 1.28 gallons/flush or less; Urinals: 0.5 gallons/flush; Lavatory Faucets: 1.5 gallons\minute or less at 60 psi flow rate; and Showerheads: 2.0 gallons\minute or less at 80 psi flow rate
- D. The Borrower has committed to provide the following Qualified Resident Program:
1. Resident Activities - These specified activities are planned, arranged, provided and paid for by the Applicant or its Management Company and held between the hours of 9:00 a.m. and 9:00 p.m. These activities must be an integral part of the management plan. The Applicant must develop and execute a comprehensive plan of varied activities that brings the residents together and encourages community pride. The goal here is to foster a sense of community by bringing residents together on a regularly scheduled basis by providing activities such as holiday and special occasion parties, community picnics, newsletters, children's special functions, etc.

COMPLETENESS AND ISSUES CHECKLIST

DEVELOPMENT NAME: 52 at Park

DATE: OCTOBER 12, 2023

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

CREDIT UNDERWRITING REQUIRED ITEMS:	STATUS	NOTE
	Satis. /Unsatis.	
1. The Development’s final “as submitted for permitting” plans and specifications. Note: Final “signed, sealed, and approved for construction” plans and specifications will be required thirty days before closing.	Satis.	
2. Final site plan and/or status of site plan approval.	Satis.	
3. Permit Status.	Satis.	
4. Pre-construction analysis (“PCA”).	Satis.	1
5. Survey.	Satis.	
6. Complete, thorough soil test reports.	Satis.	
7. Full or self-contained appraisal as defined by the Uniform Standards of Professional Appraisal Practice.	Satis.	
8. Market Study separate from the Appraisal.	Satis.	
9. Environmental Site Assessment – Phase I and/or Phase II if applicable (If Phase I and/or II disclosed environmental problems requiring remediation, a plan, including time frame and cost, for the remediation is required). If the report is not dated within one year of the application date, an update from the assessor must be provided indicating the current environmental status.	Satis.	
10. Audited financial statements for the most recent fiscal year ended or acceptable alternative as stated in the Rule for credit enhancers, Borrower, general partner, principals, guarantors and general contractor.	Satis.	
11. Resumes and experience of Borrower, general contractor and management agent.	Satis.	
12. Credit authorizations; verifications of deposits and mortgage loans.	Satis.	

VIABILITY AND HC CREDIT UNDERWRITING REPORT

SMG

13. Management Agreement and Management Plan.	Satis.	2
14. Firm commitment from the credit enhancer or private placement purchaser, if any.	Satis.	
15. Firm commitment letter from the syndicator, if any.	Satis.	
16. Firm commitment letter(s) for any other financing sources.	Satis.	
17. Updated sources and uses of funds.	Satis.	
18. Draft construction draw schedule showing sources of funds during each month of the construction and lease-up period.	Satis.	
19. Fifteen-year income, expense, and occupancy projection.	Satis.	
20. Executed general construction contract with “not to exceed” costs.	Unsatis.	
21. HC ONLY: 15% of the total equity to be provided prior to or simultaneously with the closing of the construction financing.	Satis.	
22. Any additional items required by the credit underwriter.	Satis.	

NOTES AND APPLICANT’S RESPONSES:

1. Confirmation that the vapor barrier thickness is acceptable to Hillman.
2. An unexecuted Management Agreement and Management Plan were provided between FJMD and the Applicant. Receipt and satisfactory review of the executed contracts consistent with the assumptions of this report are a Special Condition to close.

HC Allocation Calculation

Section I: Qualified Basis Calculation	
Development Cost	\$102,423,569
Less Land Cost	(\$6,387,252)
Less Federal Funds	\$0
Less Other Ineligible Cost	(\$9,148,649)
Less Disproportionate Standard	\$0
Total Eligible Basis	\$86,887,668
Applicable Fraction	100.00%
DDA/QCT Basis Credit	130.00%
Qualified Basis	\$112,953,969
Housing Credit Percentage	4.00%
Annual Housing Credit Allocation	\$4,518,159

Notes to the Qualified Basis Calculation:

1. Other Ineligible Costs primarily include a portion of site work, furniture, fixture & equipment, marketing and advertising, survey, accounting fees, legal fees, title insurance fees, construction loan interest, permanent loan application fee, Costs of Issuance, FHFC administrative, application, and underwriting fees, market study, and reserves.
2. The Borrower committed to a set aside of 100%. Therefore, SMG has utilized an Applicable Fraction of 100.00%.
3. The Development is not located in a Difficult Development Area (“DDA”) but is in a Qualified Census Tract, 0187.00. Accordingly, 130% basis credit has been applied to the Eligible Basis.
4. Per the FY 2021 Omnibus Consolidated Appropriations Act passed by Congress as of December 21, 2020, a permanent 4% minimum HC rate was established. For purposes of this report, a HC percentage of 4.00% has therefore been applied.

VIABILITY AND HC CREDIT UNDERWRITING REPORT

SMG

Section II: Gap Calculation	
Total Development Cost (Including Land and Ineligible Costs)	\$102,423,569
Less Mortgages	(\$42,181,760)
Less Grants	\$0
Equity Gap	\$60,241,809
Percentage to Investment Partnership	99.99%
HC Syndication Pricing	\$0.9125
HC Required to Meet Gap	\$66,025,023
Annual HC Required	\$6,602,502

Notes to the Gap Calculation:

1. Mortgages include the Berkadia, Solar Tax Credit equity and FHFC Viability mortgages.
2. HC Syndication Pricing and Percentage to Investment Partnership are based upon the BATCS LOI.

Section III: Tax-Exempt Bond 50% Test	
Total Depreciable Cost	\$86,887,668
Plus Land Cost	\$6,387,252
Aggregate Basis	\$93,274,920
Tax-Exempt Bond Amount	\$55,500,000
Less Debt Service Reserve	\$0
Less Proceeds Used for Costs of Issuance	\$0
Plus Tax-exempt GIC earnings	\$0
Tax-Exempt Proceeds Used for Building and Land	\$55,500,000
Proceeds Divided by Aggregate Basis	59.50%

Notes to 50% Test:

1. SMG estimates the Tax-Exempt MMRN amount to be 59.50% of Depreciable Development Costs plus Land Acquisition Costs. If, at the time of Final Cost Certification, the Tax-Exempt Bond Amount is less than 50%, developer fees 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.

Section IV: Summary	
HC per Qualified Basis	\$4,518,159
HC per Gap Calculation	\$6,602,502
Annual HC Recommended	\$4,518,159

Notes to the Summary:

1. The Annual HC Recommended is based on the Qualified Basis calculation.

VIABILITY AND HC CREDIT UNDERWRITING REPORT

SMG

Viability Sizing Chart

Viability Loan Sizing Parameters and Metrics				Cash Flow Assumptions			
Select the Development	52 at Park			Net Operating Income:			
RFA of Active Award	Non-Competitive App			Total Effective Gross Income in CUR Yr 1			
Demographic Commitment	Family			Total Operating Expenses in CUR Yr 1			
Total Number of Units	300			Net Operating Income in CUR Yr 1			
Existing Competitive Active Awards:	Set-Aside Units			Actual Traditional 1st Mortgage:			
9% HC Allocation	NA	NA		Proposed Amount of Traditional 1st Mortgage			
SAIL	NA	NA		Traditional 1st Mtg Amortization (Years)			
ELI	NA	NA		Traditional 1st Mtg Interest Rate			
NHTF	NA	NA		Traditional 1st Mtg Mortgage Constant			
HOME	NA	NA		Local HFA Bond Fees, if applicable			
Tax Exempt Bond Financing:				Traditional 1st Mtg DSCR			
If MMRB, how much is the Perm Amount?	\$ -	300*		Net Cash Flow (NCF) after 1st Mtg Debt Service			
Viability Funding Limits:				Debt Service (DS) on FHFC Subsidy Loans (w/ fees)			
Gross Per Development Limit	\$	15,000,000		NCF after FHFC Subsidy Loans DS & Fees			
Maximum Per Unit Limit	\$	38,000		RFA 2023-211 Minimum 1st Mortgage:			
Net Per Development Limit (\$15,000,000, less \$0)	\$	15,000,000		Maximum 1st Mtg DSCR from Viability RFA			
Maximum Limit from PU Limit (300 units x \$38,000 PU)	\$	11,400,000		Sized Debt Service from maximum DSCR			
Lesser of Net Per Development or PU Limit	\$	11,400,000		When TEBS are not utilized, no fees are included			
Viability Loan Sizing Parameters				Sized Debt Service to be incorporated, net of fees			
a. Eligible Request Amount:				Mortgage Constant to be incorporated			
Applicant's Request Amount	\$	4,300,000		Resulting minimum 1st Mtg			
Per Development/PU Limit	\$	11,400,000		NCF after resulting minimum 1st Mtg			
Eligible Request Amount:	\$	4,300,000		NCF after FHFC Subsidy Loans DS & Fees			
b. Gap Analysis for Viability Sizing Purposes Only:				Rule Chapter 67-48.0072(28)(g)2. Variables and Process:			
Permanent Funding Sources:				Total Vacancy & Collection Rate in CUR			
Traditional First Mortgage	\$	36,080,000.00	\$	2,427,632	1.0924x	\$	224,350
Viability	\$	4,300,000.00	\$	43,000	1.0734x	\$	181,350
FHFC Source 1 - NA	\$	-	\$	-	1.0734x	\$	181,350
FHFC Source 2 - NA	\$	-	\$	-	1.0734x	\$	181,350
FHFC Source 3 - NA	\$	-	\$	-	1.0734x	\$	181,350
<additional source>	\$	1,081,056.00	\$	-	1.0734x	\$	181,350
<additional source>	\$	4,213,938.00	\$	-	1.0734x	\$	181,350
<additional source>	\$	2,395,999.00	\$	-	1.0734x	\$	181,350
<additional source>	\$	850,000.00	\$	-	1.0734x	\$	181,350
<additional source>	\$	-	\$	-	1.0734x	\$	181,350
HC Equity	\$	43,646,066.00					
Deferred Developer Fee (68.02%)	\$	9,807,216.00					
Total Sources	\$	102,374,275.00	\$	2,470,632	1.0734x	\$	181,350
Additional First Mortgage (Min 1st Sizing)	\$	-	\$	-			
Additional First Mortgage (DCR Sizing)	\$	-	\$	-			
Total Development Costs	\$	102,374,275.00					
Maximum Developer Fee Percentage	18%						
Total Developer Fee	\$	14,419,077.00					
Minimum 30% Deferred Developer Fee	\$	4,325,723.10					
*Set-Asides for MMRB are expressed as the greater of MMRB Set-Asides or 4%HC Set-Asides for purposes of calculating Compliance Monitoring Fees on the MMRB loan.							
Total FHFC Servicing Fees				Verification Debt Coverage Ratio is Not Enhanced			
Permanent Loan Servicing	\$ -			Prior Overall Debt Coverage Ratio			
MMRB Annual Fee	0.000%	\$ -		Did the Proposed Development have a DSCR prior to the RFA 2023-211 Application Deadline?			
MMRB Annual Minimum	\$0	\$ -		If yes, what was the Net Operating Income used in calculating the DSCR?			
MMRB Permanent Loan Servicing Fee	\$ -						
Non-MMRB Annual Fee(s)	0.00%	\$ -					

SELTZER MANAGEMENT GROUP, INC.

17633 ASHLEY DRIVE
PANAMA CITY BEACH, FL 32413
TEL: (850) 233-3616
FAX: (850) 233-1429

October 12, 2023

Mr. Tim Kennedy
Multifamily Loans and Bonds Director
Florida Housing Finance Corporation
227 North Bronough Street, Suite 5000
Tallahassee, Florida 32301

Re: Pembroke Tower II – SAIL, ELI & NHTF RFA 2019-116 (2020-382SN) / 4% HC 2019-548C
Construction Inflation Response Viability Funding (“Viability”) RFA 2023-211 (2023-249V)

Credit Underwriting Report Update Letter (“CUL”) – Changes to the Final Credit Underwriting Report (“CUR”), dated May 21, 2021, and Multifamily Mortgage Revenue Note (“MMRN”) First Mortgage Construction Loan Increase Letter (“CUR Update Letter”), dated November 29, 2021, to include an additional MMRN First Mortgage Construction Loan Increase (Truist Bank Tax-Exempt Loan), addition of a subordinate Viability Loan, a Change in General Contractor, a Change in Set-Asides to the Average Income Test and a Recommended Annual 4% Housing Credit Allocation of \$2,113,829

Dear Mr. Kennedy:

Seltzer Management Group, Inc. (“SMG” or “Seltzer”) is in receipt of correspondence dated February 9, 2023, from SP Broward LLC (“Borrower”) requesting Florida Housing Finance Corporation’s (“FHFC” or “Florida Housing”) consent to an increase of the proposed first mortgage construction period loan for the above referenced transaction from \$16,300,000 to \$22,500,000. The CUR dated May 21, 2021, was approved at the June 18, 2021, FHFC Board meeting and closed on December 22, 2021.

Seltzer reviewed a notice of preliminary award dated June 14, 2023, from Florida Housing, with a preliminary Viability loan in the amount of \$4,300,000.

On June 25, 2021, the Borrower accepted a firm commitment letter dated June 21, 2021, for a \$2,000,000 State Apartment Incentive Loan (“SAIL”), a \$600,000 Extremely Low Income (“ELI”) loan and a \$1,041,200 National Housing Trust Fund (“NHTF”) loan. Per Chapter 67-48.010(15) (“Rule”), after accepting a preliminary commitment, the Borrower shall not refinance, increase the principal amount, or alter any terms or conditions of any mortgage superior or inferior to the SAIL mortgage without prior approval of Florida Housing’s Board of Directors. At your direction, SMG has reviewed the request and formulated a recommendation, presented below.

Seltzer reviewed the request, performed certain due diligence and formulated an analysis for FHFC’s consideration. For purposes of this analysis, Seltzer reviewed the following due diligence:

- Rules 67-21 and 67-48 (“Rules”)
- RFA 2023-211 Application for Construction Inflation Response Viability Funding
- Request for MMRN Increase from Borrower to the Housing Finance Authority of Broward County (“HFABC”)
- Pembroke Tower II CUR
- Pembroke Tower II CUR Update Letter

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- Correspondence from the Borrower
- Construction Loan Agreement, dated December 23, 2021, from STI Institutional & Government, Inc. ("STI") in the amount of \$16,300,000
- Promissory Note, dated December 23, 2021, from FHFC for a SAIL Loan in the amount of \$2,000,000
- Promissory Note, dated December 23, 2021, from FHFC for an ELI Loan in the amount of \$600,000
- Promissory Note, dated December 23, 2021, from FHFC for a NHTF Loan in the amount of \$1,041,200
- Amendments one through seven to the SAIL, ELI and NHTF Construction Loan Agreements
- Final Closing Letter and Final Sources and Uses / Construction Draw Schedule dated December 22, 2021
- Special Warranty Deed dated December 23, 2021, and accompanying Settlement Statement
- Updated Sources and Uses of Funds / Pro Forma provided by the Borrower
- Request for change in set-aside to Average Income from Borrower to Florida Housing dated September 15, 2023
- Truist Commercial Equity, Inc. ("Truist") Term Sheet dated September 5, 2023, for the additional \$6,200,000 in tax-exempt financing
- Grandbridge email correspondence dated September 7, 2023, confirming that the loan terms and conditions are unchanged from the closing on December 23, 2021, and approval of the change to average income set-asides
- Raymond James Tax Credit Funds, Inc. ("RJTCF") updated projections dated September 12, 2023, and approval of average income set-asides
- A Standard Form Agreement between Owner and JWR Construction Services, Inc. ("JWR") with a Guaranteed Maximum Price of \$28,615,305 dated January 12, 2023
- A Plan and Cost Analysis ("PCA") dated August 1, 2023, completed by GLE Associates, Inc. ("GLE")
- An Appraisal Report dated June 14, 2023, completed by CBRE, Inc. ("CBRE")

Background Summary

Pembroke Tower II ("Development") is to be located at 2201 North University Drive in Pembroke Pines, Broward County, Florida. The Development will consist of 88 units within 1 residential mid-rise building.

The Borrower is a Florida Limited Liability Company registered with the State of Florida on August 12, 2019. The members of the Borrower are SP Broward Manager LLC ("Broward Manager") with a 0.01% ownership interest and J. David Page with a 99.99% ownership interest. The sole member of SP Broward Manager is SP and MS LLC ("SP and MS") and the members of SP and MS are J. David Page with 60.00% ownership, Stephen W. Page with 10.00% ownership, Paul W. Page with 10.00% ownership, Scott Seckinger with 10.00% ownership and Michael Molinari with 10.00% ownership. RJTCF, or an affiliate, will purchase the 99.99% ownership interest prior to or concurrent with the closing of the construction/permanent loan.

Along with the previously noted MMRN, the financing is to include a Viability loan, SAIL, ELI loan, NHTF loan, 4% Housing Credit equity and deferred Developer Fee.

Change in set-aside to Average Income

Borrower made a request to FHFC on September 15, 2023, to change the set-asides of the Development from what was committed to in the Application to Average Income. Seltzer has engaged an updated market study to support Average Income and received an appraisal that supports Average Income.

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Average Income was approved by the Permanent Lender and Syndicator. Seltzer recommends the change in set-aside from 40% of the units at 60% AMI as selected in the Application to Average Income. FHFC staff approved the change on September 29, 2023. The set-asides changed as follows:

<u>Previous</u>	<u>Current</u>
10% (9 units) at or below 28% AMI	15.909% (14 units) at or below 30% AMI
90% (79 units) at or below 60% AMI	52.273% (46 units) at or below 60% AMI
	15.909% (14 units) at or below 70% AMI
	15.909% (14 units) at or below 80% AMI

Set Asides:

Program	% of Units	# of Units	% AMI	Term (Years)
MMRB - HFABC	40.00%	36	60%	50
SAIL / ELI / HC	15.909%	14	30%	50
SAIL / HC	52.273%	46	60%	50
SAIL / HC	15.909%	14	70%	50
SAIL / HC	15.909%	14	80%	50
NHTF	4.55%	4	22%	50

Per the Request for Applications 2019-116 (“RFA”), since the Applicant selected Average Income Test, the Applicant must set-aside 15% of the total units (14 units) as ELI set-aside units at 30% or less of the Area Median Income (“AMI”).

Persons with Special Needs Set-Aside Commitment: The proposed development must set aside fifty percent (50%) of the ELI Set-Aside units (7 units) as Link units for Persons with Special Needs. In order to meet the commitment to set aside ELI units as Link units for Persons with Special Needs, the Applicant must develop and execute a Memorandum of Understanding (“MOU”) with at least one Florida Housing designated Special Needs Household Referral Agency that provides supportive services for Persons with Special Needs for the county where the proposed Development will be located (Broward County). The executed MOU was approved by FHFC on May 10, 2021. However, since the set-asides and ELI units have changed since the CUR, the MOU must be revised to include the additional ELI units (from 5 units to 7 units) and is a condition to close. The Persons with Special Needs set-aside commitment must be maintained throughout the entire 50-year Compliance Period.

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PERMANENT FINANCING INFORMATION						
	1st Source	2nd Source	3rd Source	4th Source	5th Source	Other
Lender/Grantor	HFABC / Grandbridge	FHFC - Viability	FHFC - SAIL	Broward County	FHFC - SAIL ELI	FHFC - NHTF
Amount	\$6,750,000	\$4,300,000	\$2,000,000	\$3,860,000	\$600,000	\$1,041,200
Underwritten Interest Rate	3.77%	1.00%	1.00%	0.00%	0.00%	0.00%
Loan Term	15.0	15.0	15.0	30.0	15.0	30.0
Amortization	35.0	N/A	N/A	N/A	N/A	N/A
Market Rate/Market Financing LTV	33.1%	54.1%	63.9%	82.8%	85.7%	90.8%
Restricted Market Financing LTV	87.3%	142.9%	168.8%	218.8%	226.5%	240.0%
Loan to Cost - Cumulative	15.1%	24.8%	29.3%	37.9%	39.3%	41.6%
Loan to Cost - SAIL Only			4.5%			
Debt Service Coverage	1.301	1.133	1.067	1.067	1.058	1.050
Operating Deficit & Debt Service Reserves	\$236,500					
# of Months covered by the Reserves	4.4					
Deferred Developer Fee	\$6,414,207					
As-Is Land Value	\$3,080,000					
Market Rent/Market Financing Stabilized Value	\$20,420,000					
Rent Restricted Market Financing Stabilized Value	\$7,730,000					
Projected Net Operating Income (NOI) - Year 1	\$472,782					
Projected Net Operating Income (NOI) - 15 Year	\$510,893					
Year 15 Pro Forma Income Escalation Rate	2.00%					
Year 15 Pro Forma Expense Escalation Rate	3.00%					
Bond Structure	Tax-Exempt Loan					
Housing Credit (HC) Syndication Price	\$0.905					
HC Annual Allocation - Qualified in CUR	\$2,113,829					
HC Annual Allocation - Equity Letter of Interest	\$2,169,009					

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CONSTRUCTION/PERMANENT SOURCES:				
Source	Lender	Construction	Permanent	Perm Loan/Unit
Local HFA Bonds	HFABC / STI	\$16,300,000	\$0	\$0.00
Local HFA Bonds	HFABC / STI	\$6,200,000	\$0	\$0.00
Local HFA Bonds	HFABC / Grandbridge	\$0	\$6,750,000	\$76,704.55
FHFC - Viability	FHFC	\$4,300,000	\$4,300,000	\$48,863.64
FHFC - SAIL	FHFC	\$2,000,000	\$2,000,000	\$22,727.27
Other	Broward County	\$3,088,000	\$3,860,000	\$43,863.64
FHFC - SAIL ELI	FHFC	\$600,000	\$600,000	\$6,818.18
FHFC - NHTF	FHFC	\$1,041,200	\$1,041,200	\$11,831.82
HC Equity	RJTCF	\$5,141,068	\$19,627,568	\$223,040.55
Deferred Developer Fee	Developer	\$5,686,207	\$6,414,207	\$72,888.72
Operating Deficit Reserve	RJTCF	\$236,500	\$0	\$0.00
TOTAL		\$44,592,975	\$44,592,975	\$506,738.35
Cash Collateral Source(s):				
Local HFA Bonds	HFABC / STI	\$16,300,000		
Local HFA Bonds	HFABC / STI	\$6,200,000		
GRAND TOTAL		\$67,092,975		

Financing Summary

Borrower closed on \$16,300,000 in Tax-Exempt Bonds issued by HFABC for the acquisition and construction of the Development. On January 30, 2023, the Borrower submitted a request to HFABC to increase the Bonds to \$22,500,000.

Seltzer has received a Truist term sheet reflecting an additional construction loan amount of \$6,200,000. An affiliate of Truist, STI, will loan \$6,200,000 to the HFABC through a Tax-Exempt Loan (“TEL”) in connection with the construction financing. This loan, along with the previously closed loan of \$16,300,000, will collateralize the bond amount of \$22,500,000.

Upon Conversion to the permanent period, the STI TEL(s) will be satisfied and Grandbridge Real Estate Capital, LLC (“Grandbridge”) shall provide a loan to the HFABC in the amount of \$6,750,000.

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Construction Financing Sources

Please note the Applicant column is based on Seltzer’s conclusions in the Closing Sources and Uses / Construction Draw Schedule. The Revised Applicant column is based on the Borrower’s updated Development Summary as of September 14, 2023.

Source	Lender	Applicant	Revised Applicant	Underwriter	Interest Rate	Construction Debt Service
First Mortgage	HFABC / STI	\$16,300,000	\$16,300,000	\$16,300,000	6.79%	\$1,500,347
Second Mortgage	HFABC / STI	\$0	\$6,200,000	\$6,200,000	6.79%	\$570,684
Third Mortgage	FHFC - Viability	\$0	\$4,300,000	\$4,300,000	1.00%	\$58,265
Fourth Mortgage	FHFC - SAIL	\$2,000,000	\$2,000,000	\$2,000,000	1.00%	\$27,100
Fifth Mortgage	Broward County	\$3,088,000	\$3,088,000	\$3,088,000	0.00%	\$0
Sixth Mortgage	FHFC - SAIL ELI	\$600,000	\$600,000	\$600,000	0.00%	\$0
Seventh Mortgage	FHFC - NHTF	\$1,041,200	\$1,041,200	\$1,041,200	0.00%	\$0
HC Equity	RJTCF	\$3,963,214	\$5,141,068	\$5,141,068		
Deferred Developer Fee	Developer	\$4,194,468	\$5,611,925	\$5,686,207		
Deferred Oper Resv	RJTCF	\$236,500	\$236,500	\$236,500		
Total		\$31,423,382	\$44,518,693	\$44,592,975		\$2,156,396

Tax Exempt Construction Loan

Borrower closed on \$16,300,000 in Tax-Exempt Bonds issued by HFABC for the acquisition and construction of the Development as evidenced in the Construction Loan Agreement dated December 23, 2021.

The maturity date noted in the Construction Loan Agreement is to be the earlier of July 1, 2039; outside conversion date (stated to be June 23, 2024 subject to any extensions); or date on which principal amount has become due and payable. Monthly interest only payments will be made on a floating interest rate based upon the Term Secured Overnight Financing Rate (“SOFR”) plus a margin of 3.30%, divided by a tax factor of 1.266. As of September 12, 2023, the SOFR rate was 5.30%, resulting in an all-in rate of 6.79%.

Tax Exempt Construction Loan

On January 30, 2023, the Borrower submitted a request to HFABC to increase the Bonds to \$22,500,000.

Borrower provided a term sheet from Truist dated September 5, 2023, for the purchase of \$6,200,000 of Tax-Exempt Bonds by a Truist affiliate, STI, the proceeds of which will fund a construction loan to the Borrower. The term of the loan shall be up to 32 months. Monthly interest only payments will be made on a floating interest rate based upon the Term Secured Overnight Financing Rate (“SOFR”) plus a margin of 3.30%, divided by a tax factor of 1.266. As of September 12, 2023, the SOFR rate was 5.30%, resulting in an all-in rate of 6.79%.

An origination fee of 1.00% of the maximum construction loan amount will be payable at loan closing.

Other Construction Sources of Funds

Additional sources of funds for this Development during construction consist of a Viability loan in the amount of \$4,300,000, a SAIL in the amount of \$2,000,000, a Broward County loan in the amount of \$3,088,000, an ELI loan in the amount of \$600,000, a NHTF loan in the amount of \$1,041,200, Housing Credit equity of \$5,141,068, deferred Developer Fee of \$5,686,207 and deferred funding of the Operating Reserves of \$236,500. See the Permanent Financing section below for details.

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Permanent Financing Sources

Please note the Applicant column is based on Seltzer’s conclusions in the Closing Sources and Uses / Construction Draw Schedule. The Revised Applicant column is based on the Borrower’s updated Development Summary as of September 14, 2023.

Source	Lender	Applicant	Revised Applicant	Underwriter	Interest Rate	Amort. Yrs.	Term Yrs.	Annual Debt
First Mortgage	HFABC / Grandbridge	\$6,750,000	\$6,750,000	\$6,750,000	3.77%	35	15	\$347,559
Second Mortgage	FHFC - Viability	\$0	\$4,300,000	\$4,300,000	1.00%	N/A	15	\$43,000
Third Mortgage	FHFC - SAIL	\$2,000,000	\$2,000,000	\$2,000,000	1.00%	N/A	15	\$20,000
Fourth Mortgage	Broward County	\$3,860,000	\$3,860,000	\$3,860,000	0.00%	N/A	30	\$0
Fifth Mortgage	FHFC - SAIL ELI	\$600,000	\$600,000	\$600,000	0.00%	N/A	15	\$0
Sixth Mortgage	FHFC - NHTF	\$1,041,200	\$1,041,200	\$1,041,200	0.00%	N/A	30	\$0
HC Equity	RJTCF	\$13,210,710	\$19,627,568	\$19,627,568				
Def. Developer Fee	Developer	\$3,961,472	\$6,339,925	\$6,414,207				
Total		\$31,423,382	\$44,518,693	\$44,592,975				\$410,559

Tax Exempt Permanent Loan

The permanent first mortgage amount of \$6,750,000 was confirmed by Grandbridge via email on September 7, 2023.

Per the email correspondence with Grandbridge, the interest rate was locked as of December 22, 2021, based on a treasury rate of 1.46% and a spread of 2.31%, resulting in an overall rate of 3.77%. The term of the loan is fifteen (15) years with monthly principal and interest payments due to fully amortize the loan over a thirty-five (35) year schedule. Grandbridge has confirmed that a Rate Lock Extension will be executed for the permanent loan.

The annual HFABC Issuer Fee of 18 basis points (“bps”) and the annual Trustee Fee of \$3,750 are included in the operating pro forma section of this report.

FHFC Viability Loan

Borrower applied to FHFC under RFA 2023-211 for Viability funds in the amount of \$4,300,000. The Viability loan shall be non-amortizing and shall have an interest rate of 1.00% over the life of the loan with annual payments based upon available cash flow. The Viability loan will have a total term of 18 years, of which 3 years is for the construction/stabilization period and 15 years is for the permanent period. As required by Freddie Mac and permitted by RFA 2023-211, the Viability loan will be coterminous with the first mortgage plus six months (total term of 18 years). The Applicant shall not be obligated to pay more than 75% of surplus cash flow on an annual basis as required by Freddie Mac. Annual payments of all applicable fees will be required. Any unpaid interest will be deferred until cash flow is available. However, at maturity of the Viability loan, all principal and unpaid interest will be due. The Annual Permanent Loan Servicing Fee is based on 25 bps of the outstanding loan amount with a maximum of \$936 per month, subject to a minimum of \$236 per month.

FHFC SAIL

Seltzer received a SAIL Promissory Note, dated December 22, 2021, in the amount of \$2,000,000. SAIL will have a total term of 18 years, of which 3 years is for the construction/stabilization period and 15 years is for the permanent period. As required by Freddie Mac and permitted by Rule 67-48, the SAIL will be coterminous with the first mortgage plus six months (total term of 18 years). The Applicant shall not be obligated to pay more than 75% of surplus cash flow on an annual basis as required by Freddie Mac. The SAIL will be non-amortizing and will have an interest rate of 1.00% over the life of the loan with annual

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payments based upon available cash flow. Any unpaid interest will be deferred until cash flow is available. At the maturity of the SAIL, however, all principal and unpaid interest is due.

Annual payments of all applicable fees will be required. The Annual Permanent Loan Servicing Fee is based on 25 bps of the outstanding loan amount with a maximum of \$883 per month, subject to a minimum of \$222 per month. The Compliance Monitoring Fee is based on an annual multiple program fee of \$964.

Broward County Loan

Per a November 6, 2019, Gap Financing Funding Award Notification letter, Broward County will provide a loan in the amount of \$3,860,000. This loan is made through the Broward County Affordable Housing Development Program. Terms of the loan include a 30 year term following the construction period and stabilized operations. According to a draft Loan Agreement between Broward County and SP Broward, LLC, no interest shall be paid or accrued on this loan or on the unpaid principal balance of the loan so long as there is no event of default. The entire loan shall be due and payable in full upon the first to occur: (1) upon maturity of the loan by an event of default; (2) upon the 30th anniversary date of the closing date, plus construction period if applicable; or (3) upon the sale, transfer, conveyance or refinancing unless approved by Broward County. There will be no application fee or origination fee for the loan.

Based on the loan amount of \$3,860,000, no more than eighty percent (80%), as shown in the construction sources above, will be disbursed during construction. The additional twenty percent (20%) remaining will be disbursed once the HFA has been provided evidence of the final development source and use and subject to achievement of stabilized operations and release of the RJTCF stabilization capital contribution. The release of the final 20% will be subject to a reduction if the disbursement will result in a deferred Developer Fee less than 50% of the total Developer Fee. The county disbursement will be reduced to an amount that will result in a Deferred Developer Fee equal to 50% of the Developer Fee.

FHFC ELI Loan

Seltzer received an ELI Promissory Note, dated December 22, 2021, in the amount of \$600,000. The ELI Loan is in the form of a forgivable.

The ELI AMI for Broward County is 28%. Through the Average Income Test, the Borrower committed to set aside at least 15 percent of the units (14 units) at or below 30% of AMI for ELI. The ELI Loan is non-amortizing at 0.00% interest per annum over the life of the loan. The principal is forgivable at maturity provided the units for which the ELI Loan amount is awarded are targeted to ELI Households for the first 15 years of the 50 year Compliance Period. The Persons with Special Needs set-aside requirement must be maintained through the entire 50 year Compliance Period. The ELI Loan will have a total term of 18 years, of which 3 years is for the construction/stabilization period and 15 years is for the permanent period. As required by Freddie Mac and permitted by RFA 2019-116, the ELI loan will be coterminous with the first mortgage plus six months (total term of 18 years). The Applicant shall not be obligated to pay more than 75% of surplus cash flow on an annual basis as required by Freddie Mac.

Annual payments of all applicable fees will be required. The Annual Permanent Loan Servicing Fee is based on 25 bps of the outstanding loan amount with a maximum of \$883 per month, subject to a minimum of \$222 per month and the Compliance Monitoring Fee is based on an annual multiple program fee of \$964.

FHFC NHTF Loan

Seltzer received a NHTF Promissory Note dated December 22, 2021, in an amount of \$1,041,200. The Borrower was selected to receive an NHTF Loan in the form of a forgivable loan and is required to

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designate 4 units as NHTF units targeted for Persons with Special Needs at or below 22% of AMI. This set-aside requirement is in addition to the ELI set-aside commitments.

The NHTF Loan shall be a non-amortizing loan at 0.00% interest per annum over the life of the loan. The principal is forgivable at maturity provided the units for which the NHTF Loan amount is awarded are targeted as NHTF Link units for the first 30 years of the 50 year Compliance Period. After 30 years, all of the NHTF Link units may convert to serve residents at or below 60% of AMI; however, the Persons with Special Needs set-aside commitment must be maintained throughout the entire 50-year Compliance Period. The Applicant shall not be obligated to pay more than 75% of surplus cash flow on an annual basis as required by Freddie Mac. The NHTF Loan will have a total term of 30 years, of which 3 years is for the construction/stabilization period. The Annual Permanent Loan Servicing Fee is based on 25 bps of the outstanding loan amount with a maximum of \$883 per month, subject to a minimum of \$222 per month and the Compliance Monitoring Fee is based on an annual multiple program fee of \$964.

Housing Credit Equity Investment

The HC syndicator, RJTCF, will provide a net equity investment of \$19,627,568 in exchange for 99.99% ownership interest in the Borrower.

The following equity installments are based on the RJTCF projections dated September 12, 2023:

Capital Contributions	Amount	Percent of Total	When Due
1st Installment	\$2,944,135	15.00%	At closing
2nd Installment	\$696,933	3.55%	At 75% construction completion
3rd Installment	\$1,500,000	7.64%	At 99% construction completion
4th Installment	\$8,313,784	42.36%	At 100% construction completion
5th Installment	\$4,936,216	25.15%	At loan pay-down
6th Installment	\$1,136,500	5.79%	At stabilization
7th Installment	\$100,000	0.51%	At 8609
Total	\$19,627,568	100.00%	

Annual Tax Credits per Syndication Agreement: \$2,169,009
 Total HC Available to Syndicator (10 years): \$21,687,921
 Syndication Percentage (investor member interest): 99.990%
 Calculated HC Exchange Rate (per dollar): \$0.905
 Proceeds Available During Construction: \$5,141,068

The Development was required to close in 2021 to avoid losing the \$16,300,000 of Broward County carry-forward MMRN allocation that was used. A RFA waiver was approved at the January 21, 2022, FHFC Board meeting to waive the 15 percent equity requirement at closing. Based upon the updated equity investment, at least 15 percent of the total equity will be provided prior to or simultaneous with the closing of the construction financing, which meets RFA 2019-116 requirement.

The Developer will be required to defer \$6,414,207, or 99.65%, in Developer Fee after stabilization. The deferred Developer Fee meets the 30% Viability requirement as required in RFA 2023-211.

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Use of Funds

Please note the Applicant column is based on Seltzer’s conclusions in the Closing Sources and Uses / Construction Draw Schedule. The Revised Applicant column is based on the Borrower’s updated Development Summary as of September 14, 2023.

CONSTRUCTION COSTS:	Applicant Costs	Revised Applicant Costs	Underwriters Total Costs - CUR	Cost Per Unit	HC Ineligible Costs - CUR
Demolition				\$0	\$0
New Rental Units	\$15,248,042.00	\$25,101,145	\$21,443,674	\$243,678	
Off-Site Work				\$0	\$0
Recreational Amenities				\$0	
Site Work	\$1,761,150.00		\$3,657,471	\$41,562	\$548,621
Swimming Pool				\$0	
Furniture, Fixture, & Equipment				\$0	
Hard Cost Contingency - in Constr. Cont.				\$0	
Constr. Contr. Costs subject to GC Fee	\$17,009,192	\$25,101,145	\$25,101,145	\$285,240	\$548,621
General Conditions	\$1,020,551.52	\$3,514,160	\$1,506,069	\$17,114	
Overhead	\$340,183.84		\$502,022	\$5,705	
Profit	\$1,020,551.52		\$1,506,069	\$17,114	
Builder’s Risk Insurance				\$0	
General Liability Insurance				\$0	
Payment and Performance Bonds				\$0	
Contract Costs not subject to GC Fee				\$0	
Total Construction Contract/Costs	\$19,390,479	\$28,615,305	\$28,615,305	\$325,174	\$548,621
Hard Cost Contingency	\$850,459.60	\$1,255,057	\$1,255,057	\$14,262	
PnP Bond paid outside Constr. Contr.	\$208,671.00			\$0	
Fees for LOC used as Constr. Surety				\$0	
Demolition paid outside Constr. Contr.				\$0	
FF&E paid outside Constr. Contr.	\$20,000.00	\$20,000	\$20,000	\$227	
Other: Contractor GL and P&P Bond	\$274,253.00	\$592,334	\$592,334	\$6,731	
Other: BDA Design and Submittal	\$87,761.25	\$87,761	\$87,761	\$997	
Other:				\$0	
Total Construction Costs:	\$20,831,624	\$30,570,457	\$30,570,457	\$347,392	\$548,621

Notes to Construction Costs:

- The Borrower has provided an executed AIA A102 Standard Form of Agreement between Owner and JWR where the basis of payment is the Cost of the Work plus a Fee with a Guaranteed Maximum Price dated January 12, 2023, in the amount of \$28,615,305, an increase of \$9,224,826 from the previous contract of \$19,390,479 described in the CUR Update Letter. The contract provides for a commencement date on February 20, 2023, and achievement of substantial completion no later than 546 calendar days (approximately 18 months from the date of commencement). Ten percent (10%) retainage will be withheld on all work performed up to 50% completion and at 50% completion, retainage shall be reduced to five percent (5%).

Allowances in the GMP Agreement

- Irrigation - \$30,000
- Additional sod repair due to R-Tank operations - \$12,318
- Seismic monitoring of adjacent building due to VC operations - \$20,000
- Dumpster enclosure - \$5,250
- Additional ramps and stairs in garage - \$32,100
- Additional railings in garage - \$14,900

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- Millwork based on specifications - \$356,537
- Counter tops based on specifications - \$106,382
- Rood for porte cochere - \$27,000
- Overhead doors - \$6,000
- Unit signage - \$150 per unit (88 units x \$150 = \$13,200)
- Buildings letters/numbers - \$2,500
- Common area and way finding signage - \$17,500
- Toilet accessories package - \$78,562
- Fire extinguishers package - \$9,570
- Closet adjustment shelving - \$123,715
- Common area appliances - \$5,000

- Total - \$860,534

GLE is of the opinion that several of the items indicated as allowances should not be provided as an allowance. Sufficient detail has been provided on the drawings and in the specifications for JWR to complete accurate takeoffs and provide lump sum pricing based on those takeoffs.

General Contractor fees stated are within the 14% maximum per the RFA and Rules.

The hard cost contingency is within the 5% allowed by the RFA and Rules and is not included within the GC Contract or schedule of values.

2. Seltzer reviewed a PCA from GLE dated August 1, 2023, related to the updated construction contract and budget. The PCA stated the estimated value of the projected hard construction costs for the site work is \$3,657,471 or approximately \$20.99 per square foot. The estimated value of the projected hard construction costs for the vertical construction is \$21,443,693 or approximately \$145.09 per square foot. GLE is of the opinion that the costs per square foot for site work is within an acceptable range for the scope of work indicated while the vertical construction is at the high end of an acceptable range. Individual line item costs generally appear appropriate.

GLE notes that contract indicates the Contractor will achieve Substantial Completion 546 days from the date of commencement and that the proposed construction schedule indicates completion in 512 days. GLE is of the opinion that the project duration appears appropriate.

3. BDA Design and Submittal reflects the costs associated with recent fire code and other requirements of the City of Pembroke Pines. This cost is handled directly through the Owner and is not included in the GC Contract.

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GENERAL DEVELOPMENT COSTS:	Applicant Costs	Revised Applicant Costs	Underwriters Total Costs - CUR	Cost Per Unit	HC Ineligible Costs - CUR
Accounting Fees	\$30,000.00	\$20,000	\$20,000	\$227	\$10,000
Appraisal	\$4,500.00	\$4,500	\$4,500	\$51	
Architect's Fee - Landscape				\$0	
Architect's Fee - Site/Building Design	\$342,000.00	\$321,822	\$321,822	\$3,657	
Architect's Fee - Supervision	\$25,000.00	\$25,000	\$25,000	\$284	
Building Permits	\$303,614.08	\$696,081	\$696,081	\$7,910	
Builder's Risk Insurance	\$207,065.15	\$150,000	\$150,000	\$1,705	
Capital Needs Assessment/Rehab				\$0	
Engineering Fees	\$190,000.00	\$221,560	\$221,560	\$2,518	
Environmental Report	\$2,500.00	\$2,500	\$2,500	\$28	
Federal Labor Standards Monitoring				\$0	
FHFC Administrative Fees	\$128,167.00	\$128,167	\$190,245	\$2,162	\$190,245
FHFC Application Fee	\$3,000.00	\$3,000	\$3,500	\$40	\$3,500
FHFC Credit Underwriting Fee	\$56,457.50	\$33,832	\$32,757	\$372	\$32,757
FHFC Compliance Fee	\$198,244.00	\$198,244	\$198,244	\$2,253	\$198,244
FHFC Other Processing Fee(s)	\$36,412.00			\$0	
Impact Fee	\$183,791.36	\$183,791	\$183,791	\$2,089	
Lender Inspection Fees / Const Admin	\$37,200.00	\$49,289	\$49,289	\$560	
Green Building Cert. (LEED, FGBC, NGBS)	\$17,800.00	\$17,800	\$17,800	\$202	
Home Energy Rating System (HERS)				\$0	
Insurance	\$81,600.00	\$62,200	\$62,200	\$707	\$20,000
Legal Fees - Organizational Costs	\$254,695.50	\$226,697	\$226,697	\$2,576	\$226,697
Local Subsidy Underwriting Fee				\$0	
Market Study	\$5,000.00	\$5,000	\$5,000	\$57	\$5,000
Marketing and Advertising	\$15,000.00	\$15,000	\$15,000	\$170	\$15,000
Plan and Cost Review Analysis	\$3,500.00	\$7,600	\$7,600	\$86	
Property Taxes	\$40,000.00	\$20,000	\$20,000	\$227	\$5,000
Soil Test	\$18,050.00	\$10,050	\$10,050	\$114	
Survey	\$50,000.00	\$20,000	\$20,000	\$227	\$10,000
Tenant Relocation Costs				\$0	
Title Insurance and Recording Fees	\$129,436.21	\$129,436	\$129,436	\$1,471	\$64,718
Traffic Study				\$0	
Utility Connection Fees	\$296,165.76	\$296,166	\$296,166	\$3,366	
Soft Cost Contingency	\$100,000.00	\$105,000	\$105,000	\$1,193	
Other: Misc	\$5,000.00			\$0	
Other:				\$0	
Total General Development Costs:	\$2,764,199	\$2,952,735	\$3,014,238	\$34,253	\$781,161

Notes to General Development Costs:

1. The FHFC Administrative Fee is based on 9% of the recommended annual allocation of HC.
2. The FHFC Application Fee has increased by \$500 to include the Viability loan application fee of \$500.
3. The FHFC Credit Underwriting Fee includes \$23,891 for the SAIL, ELI, NHTF and HC underwriting, \$3,720 for the MMRN Increase and \$5,146 for the Viability loan underwriting.
4. Soft Cost Contingency is within the 5% as allowed per RFA 2019-116 and Rules.

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FINANCIAL COSTS:	Applicant Costs	Revised Applicant Costs	Underwriters Total Costs - CUR	Cost Per Unit	HC Ineligible Costs - CUR
Construction Loan Application Fee				\$0	
Construction Loan Underwriting Fee				\$0	
Construction Loan Origination Fee		\$393,168	\$393,168	\$4,468	
Construction Loan Commitment Fee				\$0	
Construction Loan Closing Costs	\$31,500.00	\$166,500	\$122,500	\$1,392	
Construction Loan Interest	\$414,300.00	\$1,300,000	\$1,300,000	\$14,773	
Permanent Loan Application Fee				\$0	\$0
Permanent Loan Underwriting Fee				\$0	\$0
Permanent Loan Commitment Fee				\$0	\$0
Permanent Loan Origination Fee		\$67,500	\$67,500	\$767	\$67,500
Permanent Loan Closing Costs	\$150,287.50			\$0	\$0
Permanent Loan Interest				\$0	\$0
Local HFA Application Bond Fee	\$9,000.00	\$40,563	\$40,563	\$461	\$40,563
Local HFA Bond Underwriting Fee		\$15,359	\$19,079	\$217	\$19,079
Local HFA Bond Subsidy Layering Rev.				\$0	\$0
Local HFA Bond Origination Fee		\$48,600	\$48,600	\$552	\$48,600
Local HFA Bond Commitment Fee				\$0	\$0
Local HFA Bond Trustee Fee				\$0	\$0
Local HFA Bond Credit Enh. Fee				\$0	\$0
Local HFA Bond Rating Fee				\$0	\$0
Local HFA Bond Cost of Issuance	\$644,655.95	\$343,925	\$343,925	\$3,908	\$343,925
Local HFA Bond Closing Costs				\$0	\$0
Local HFA Bond Interest				\$0	\$0
Local HFA Bond Servicing Fee				\$0	\$0
Local HFA Legal - Bond Counsel				\$0	\$0
Local HFA Legal - Borrower's Counsel				\$0	\$0
Local HFA Legal - Issuer's Counsel				\$0	\$0
Local HFA Legal - Lender's Counsel				\$0	\$0
Local HFA Legal - U/W's Counsel				\$0	\$0
SAIL Commitment Fee	\$20,000.00	\$62,412	\$20,000	\$227	\$20,000
SAIL Closing Costs			\$12,500	\$142	
SAIL Interest				\$0	
SAIL-ELI Commitment Fee	\$6,000.00		\$6,000	\$68	\$6,000
SAIL-ELI Closing Costs			\$6,500	\$74	
Misc Loan Origination Fee			\$43,000	\$489	\$43,000
Misc Loan Closing Costs			\$12,500	\$142	
Misc Loan Interest				\$0	
NHTF Subsidy Layering Review			\$2,471	\$28	\$2,471
NHTF Commitment Fee				\$0	\$0
NHTF Closing Costs			\$12,500	\$142	
Legal Fees - Financing Costs				\$0	
Placement Agent/Underwriter Fee			0	\$0	
Initial TEFRA Fee				\$0	\$0
Other: Construction Monitoring	\$15,000.00			\$0	\$0
Other: Syndicator Legal	\$25,000.00	\$25,000	\$25,000	\$284	\$25,000
Other: Truist Escrow	\$34,250.00			\$0	
Other: Truist/Grandbridge Third Parties		\$49,538	\$49,538	\$563	
Total Financial Costs:	\$1,349,993	\$2,512,565	\$2,525,344	\$28,697	\$616,138
Dev. Costs before Acq., Dev. Fee & Reserves	\$24,945,816	\$36,035,757	\$36,110,039	\$410,341	\$1,945,920

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Notes to Financial Costs:

1. Construction Loan Origination Fee is based on the Borrower's estimate which includes fees associated with the original first mortgage from STI as well as additional fees associated with the new second mortgage from STI of \$6,200,000.
2. Construction Loan Interest is based on the Borrowers's estimate and appears reasonable.
3. Misc Loan Origination Fee consists of the 1% Viability commitment fee based on the Viability loan amount.
4. Misc Loan Closing Costs are \$12,500 for the Viability loan.

DEVELOPER FEE ON NON-ACQUISITION COSTS	Applicant Costs	Revised Applicant Costs	Underwriters Total Costs - CUR	Cost Per Unit	HC Ineligible Costs - CUR
Developer Fee - Unapportioned	\$4,431,066.61	\$6,436,436	\$6,436,436	\$73,141	
DF to fund Operating Debt Reserve				\$0	
DF to Brokerage Fees - Land				\$0	
DF to Excess Land Costs				\$0	
DF to Excess Bldg Acquisition Costs				\$0	
DF to Consultant Fees	\$50,000.00	\$50,000	\$50,000	\$568	
DF to Guaranty Fees				\$0	
Other:				\$0	
Total Other Development Costs:	\$4,481,067	\$6,486,436	\$6,486,436	\$73,710	\$0

Notes to Other Development Costs:

1. Developer Fee has been limited to 18% of the Development's construction cost, exclusive of land acquisition costs and reserves, as required per RFA 2019-116 and Rule.

LAND ACQUISITION COSTS	Applicant Costs	Revised Applicant Costs	Underwriters Total Costs - CUR	Cost Per Unit	HC Ineligible Costs - CUR
Brokerage Fees - Land				\$0	\$0
Land Acquisition Cost				\$0	\$0
Land	\$1,760,000.00	\$1,760,000	\$1,760,000	\$20,000	\$1,760,000
Land Lease Payment				\$0	\$0
Land Carrying Costs				\$0	\$0
Other:				\$0	\$0
Total Acquisition Costs:	\$1,760,000	\$1,760,000	\$1,760,000	\$20,000	\$1,760,000

Notes to Land Acquisition Costs:

1. Per the Special Warranty Deed dated December 23, 2021, and accompanying Settlement Statement, reflected a purchase price of \$1,760,000.

RESERVE ACCOUNTS	Applicant Costs	Revised Applicant Costs	Underwriters Total Costs - CUR	Cost Per Unit	HC Ineligible Costs - CUR
Operating Deficit Reserve (FHFC)				\$0	\$0
Operating Deficit Reserve (Lender)				\$0	\$0
Operating Deficit Reserve (Syndicator)	\$236,500.00	\$236,500	\$236,500	\$2,688	\$236,500
Debt Service Coverage Reserve (FHFC)				\$0	\$0
Debt Service Coverage Reserve (Lender)				\$0	\$0
Debt Service Coverage Reserve (Syndicator)				\$0	\$0
Other:				\$0	\$0
Total Reserve Accounts:	\$236,500	\$236,500	\$236,500	\$2,688	\$236,500

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Notes to Reserve Accounts:

1. Operating Deficit Reserve (“ODR”) is in the amount required by the Syndicator, RJTCF, in the projections dated September 11, 2023.

TOTAL DEVELOPMENT COSTS	Applicant Costs	Revised Applicant Costs	Underwriters Total Costs - CUR	Cost Per Unit	HC Ineligible Costs - CUR
TOTAL DEVELOPMENT COSTS:	\$31,423,382	\$44,518,693	\$44,592,975	\$506,738	\$3,942,420

Notes to the Total Development Costs:

1. Total Development Costs have increased from \$31,423,382 to \$44,592,975, an increase of \$13,169,593, or 41.91%. The change in Total Development Costs is primarily due to increases in general development costs associated with construction such as building permit fees as well as increase in materials and financing costs.
2. Per RFA 2019-116, Total Development Cost (“TDC”) is limited on a per unit basis based on the construction type of the units as indicated by the Borrower. Based on the construction type of Mid-Rise – ESSC Construction, 5-6 stories, the maximum allowable per unit cost is \$465,995.59. Pembroke Tower II’s final TDC per unit is \$484,050.85. Per the TDC per Unit Template, Developer Fee would need to be reduced by \$851,433.

Operating Pro forma

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

Fort Lauderdale HMFA / Broward County

Bed Rooms	Bath Rooms	Units	Square Feet	AMI%	Low HOME Rents	High HOME Rents	Gross HC Rent	Utility Allow.	Net Restricted Rents	PBRA Contr Rents	Applicant Rents	Appraiser Rents	CU Rents	Annual Rental Income
1	1.0	4	793	22%			\$396	\$54	\$342		\$342	\$342	\$342	\$16,416
1	1.0	8	793	30%			\$540	\$54	\$486		\$486	\$486	\$486	\$46,656
1	1.0	22	793	60%			\$1,080	\$54	\$1,026		\$1,026	\$1,026	\$1,026	\$270,864
1	1.0	8	793	70%			\$1,260	\$54	\$1,206		\$1,206	\$1,206	\$1,206	\$115,776
1	1.0	8	793	80%			\$1,440	\$54	\$1,386		\$1,386	\$1,386	\$1,386	\$133,056
2	2.0	6	970	30%			\$648	\$59	\$589		\$589	\$589	\$589	\$42,408
2	2.0	20	970	60%			\$1,296	\$59	\$1,237		\$1,237	\$1,237	\$1,237	\$296,880
2	2.0	6	970	70%			\$1,512	\$59	\$1,453		\$1,453	\$1,453	\$1,453	\$104,616
2	2.0	6	970	80%			\$1,728	\$59	\$1,669		\$1,669	\$1,669	\$1,669	\$120,168
		88	76,510											\$1,146,840

The Development will be utilizing Housing Credits, SAIL, ELI and NHTF which will impose rent restrictions. Seltzer is in receipt of an appraisal from CBRE dated June 14, 2023, with an effective date of June 12, 2023. Pembroke Tower II is projected to achieve 2023 Maximum Allowable HC Rents published by Florida Housing on all units based on the appraiser’s estimate of achievable rents per comparable properties surveyed. The Borrower engaged Matern Professional Engineering, Inc. to prepare a UA Energy Consumption Model estimate. This model was approved by Florida Housing for underwriting on December 15, 2020. The Borrower has engaged Matern to provide an updated model and receipt of the updated model and approval by FHFC is a condition to close. The model reflects the residents paying for paying for water, sewer, pest control and trash pick-up and the Borrower paying for electricity. No manager/employee units are anticipated at this time.

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OPERATING PRO FORMA		ANNUAL	PER UNIT
INCOME	Gross Potential Rental Income	\$1,146,840	\$13,032
	Other Income:		
	Miscellaneous	\$25,000	\$284
	Washer/Dryer Rentals	\$0	\$0
	Cable/Satellite Income	\$0	\$0
	Gross Potential Income	\$1,171,840	\$13,316
	Less:		
Physical Vacancy Loss - Percentage: 4.0%	(\$46,874)	(\$533)	
Collection Loss - Percentage: 1.0%	(\$11,718)	(\$133)	
Total Effective Gross Revenue		\$1,113,248	\$12,651
EXPENSES	Fixed:		
	Real Estate Taxes	\$113,260	\$1,287
	Insurance	\$162,800	\$1,850
	Variable:		
	Management Fee - Percentage: 5.0%	\$55,662	\$633
	General and Administrative	\$40,000	\$455
	Payroll Expenses	\$110,000	\$1,250
	Utilities	\$82,344	\$936
	Marketing and Advertising	\$0	\$0
	Maintenance and Repairs	\$50,000	\$568
	Grounds Maintenance and Landscaping	\$0	\$0
	Resident Programs	\$0	\$0
	Reserve for Replacements	\$26,400	\$300
Total Expenses		\$640,466	\$7,278
Net Operating Income		\$472,782	\$5,373
Debt Service Payments			
DEBT SERVICE	First Mortgage - HFABC / Grandbridge	\$347,559	\$3,950
	Second Mortgage - FHFC - Viability	\$43,000	\$489
	Third Mortgage - FHFC - SAIL	\$20,000	\$227
	Fourth Mortgage - Broward County	\$0	\$0
	Fifth Mortgage - FHFC - SAIL ELI	\$0	\$0
	Sixth Mortgage - FHFC - NHTF	\$0	\$0
	First Mortgage Fees - HFABC / Grandbridge	\$15,900	\$181
	Second Mortgage Fees - FHFC - Viability	\$10,750	\$122
	Third Mortgage Fees - FHFC - SAIL	\$5,964	\$68
	Fourth Mortgage Fees - Broward County	\$0	\$0
	Fifth Mortgage Fees - FHFC - SAIL ELI	\$3,628	\$41
	Sixth Mortgage Fees - FHFC - NHTF	\$3,628	\$41
	Total Debt Service Payments		\$450,429
Cash Flow After Debt Service		\$22,353	\$254

Debt Service Coverage Ratios		
	DSC - First Mortgage plus Fees	1.301
	DSC - Second Mortgage plus Fees	1.133
	DSC - Third Mortgage plus Fees	1.067
	DSC - Fourth Mortgage plus Fees	1.067
	DSC - Fifth Mortgage plus Fees	1.058
	DSC - Sixth Mortgage and Fees	1.050

Financial Ratios		
	Operating Expense Ratio	57.5%
	Break-Even Ratio	93.3%

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Notes to the Operating Pro Forma and Ratios:

1. As noted in the CUR, and CUR Update Letter, the Debt Service Coverage (“DSC”) for the first mortgage and SAIL was lower than the minimum of 1.10 to 1.00 as required by Rule 67-48. However, with the addition of the Viability loan second mortgage, the updated DSC for the first mortgage, Viability loan and SAIL is 1.067, which does not meet the Rule requirement. Per Rule 67-48, the minimum DSC ratio shall be 1.10 to 1.00 for the SAIL, including all superior mortgages. However, per Rule 67-48, if the Applicant defers at least 35% of its Developer Fee following the last disbursement of all permanent sources of funding identified in the final credit underwriting report and, in the case of a Housing Credit Development, the final cost certification documentation, and when the primary expected source of repayment has been identified as projected cash flow, the minimum DSC shall be 1.00 to 1.00 for the SAIL, including all superior mortgages. The Applicant will be required to show permanent deferred Developer Fee of at least 35% as the SAIL DSC is 1.067.
2. The Viability loan and SAIL will be repaid from available cash flow. The Break-Even Ratio would be 89.7% if the Viability loan interest payments were excluded. If the SAIL interest payments were excluded as well, the Break-Even Ratio would be 88.0%.

Change in General Contractor

General Contractor Name: JWR Construction Services, Inc. (“JWR”)

Type: A Florida Corporation

Contact Person: Dustin DuBois, Chief Operating Officer

Telephone (216) 297-2170

E-Mail: ddubois@jwrconstruction.com

Address: 1311 W Newport Center Drive, Suite C
Deerfield Beach, FL 33442

Experience: JWR was created and licensed on July 4, 1985 as the construction division for a development subsidiary of Security Savings Bank, a publicly traded New Jersey financial institution. The resume indicates JWR has provided over 30 years of design/build, general contracting, construction management, Owner Agency and pre-construction consulting for clients throughout South Florida. In addition, an overview of JWR indicates they have a strong reputation as a full-services construction management company. They support over 35 charitable organizations throughout the United States and they have been recognized by Engineering News Record (“ENR”) as a Southeast Top Contractor since 2008.

JWR provided a list of seven FHFC developments, completed within the last few years, where they have served as the General Contractor.

Jerry W. Dubois is the president and founding partner of JWR. A resume for Mr. DuBois reflects 43 years of experience and indicates he has participated in every role within the development/construction industry and has expertise in projects that require specialized skills sensitive to unique program requirements. Prior to JWR, Mr. DuBois was a partner in International Underground Inc., a Deerfield Beach based site and utility contracting firm.

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Florida Certified General Contractor’s license No. CGC034031 is in the name of Dustin Jerry DuBois and JWR, with an expiration date of August 31, 2024.

Credit Evaluation: A comprehensive Business Credit Report for JWR, dated September 5, 2023, reflected satisfactory credit history with minor late payment activity. There were six UCC Filings shown.

Banking/Trade References: Banking, trade and business references for JWR reported satisfactory working relationships and payment history.

Financial Statements: JWR has provided a Surety Letter in lieu of financial statements.

Surety: Borrower provided Seltzer a copy of a July 18, 2023, letter from American Global, LLC (“American Global”), of Plantation, Florida, representing it has previously provided surety bonds on behalf of JWR through Liberty Mutual Insurance Company (“LMIC”). Currently, LMIC is willing to entertain bond requests in the \$80 million range for single projects with a \$150 million aggregate program for JWR. LMIC has an A (Excellent) rating and a Financial Size Category of XV (\$2 billion or greater) by A.M. Best Company, meeting FHFC Rule.

Summary: SMG recommends that JWR be accepted as the General Contractor for Pembroke Tower II, subject to the conditions thereof, if any.

HC Allocation Calculation

Section I: Qualified Basis Calculation	
Development Cost	\$44,592,975
Less Land Cost	(\$1,760,000)
Less Federal Funds	\$0
Less Other Ineligible Cost	(\$2,182,420)
Less Disproportionate Standard	\$0
Total Eligible Basis	\$40,650,555
Applicable Fraction	100.00%
DDA/QCT Basis Credit	130.00%
Qualified Basis	\$52,845,722
Housing Credit Percentage	4.00%
Annual Housing Credit Allocation	\$2,113,829

Notes to the Qualified Basis Calculation:

1. Other ineligible costs primarily include a portion of site work, accounting fees, insurance, legal fees, marketing and advertising, property taxes, survey, title and recording fees, permanent loan origination fees, FHFC loan commitment fees, FHFC administrative, application, and underwriting fees, market study and reserves.
2. The Borrower committed to a set aside of 100%. Therefore, Seltzer has utilized an Applicable Fraction of 100%.

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3. During underwriting the Development was determined to be located in a Difficult Development Area (“DDA”) and a Small Area DDA. Therefore, the 130% basis credit has been applied to the Eligible Basis.
4. Per the FY 2021 Omnibus Consolidated Appropriations Act passed by Congress as of December 21, 2020, a permanent 4% minimum HC rate was established. For purposes of this report, a HC percentage of 4.00% as therefore been applied.

Section II: Gap Calculation	
Total Development Cost (Including Land and Ineligible Costs)	\$44,592,975
Less Mortgages	(\$18,551,200)
Less Grants	\$0
Equity Gap	\$26,041,775
Percentage to Investment Partnership	99.99%
HC Syndication Pricing	\$0.9050
HC Required to Meet Gap	\$28,778,320
Annual HC Required	\$2,877,832

Notes to the GAP Calculation:

1. Mortgages include the Grandbridge first mortgage, FHFC Viability second mortgage, FHFC SAIL third mortgage, Broward County fourth mortgage, FHFC ELI fifth mortgage and FHFC NHTF sixth mortgage.
2. HC Syndication Pricing and Percentage to Investment Partnership are based upon the September 12, 2023, projections from RJTCF.

Section III: Tax-Exempt Bond 50% Test	
Total Depreciable Cost	\$40,650,555
Plus Land Cost	\$1,760,000
Aggregate Basis	\$42,410,555
Tax-Exempt Bond Amount	\$22,500,000
Less Debt Service Reserve	\$0
Less Proceeds Used for Costs of Issuance	\$0
Plus Tax-exempt GIC earnings	\$0
Tax-Exempt Proceeds Used for Building and Land	\$22,500,000
Proceeds Divided by Aggregate Basis	53.05%

Notes to 50% Test:

1. Seltzer estimates the Tax-Exempt MMRN amount to be 53.05% of Depreciable Development Costs plus Land Acquisition Costs.

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Section IV: Summary	
HC per Qualified Basis	\$2,113,829
HC per Gap Calculation	\$2,877,832
Annual HC Recommended	\$2,113,829

Notes to the Summary:

1. The Annual HC Recommended is based on the Qualified Basis calculation.

Conclusion

SMG's review indicates that an increase to the Truist first mortgage construction loan of \$6,200,000 will not adversely impact the transaction and/or Florida Housing's security position. SMG also recommends that FHFC approve a Viability Second Mortgage in the amount of \$4,300,000 and an Annual HC allocation of \$2,113,829 be awarded to Pembroke Tower II for construction and permanent financing. Accordingly, SMG provides this analysis for FHFC consideration to approve the Borrower's request, subject to the following:

- Receipt and satisfactory review of the updated Market Study reflecting the requested change in set-asides to Average Income and that the rents are achievable.
- Receipt and satisfactory review of the updated Utility Allowance Model from Matern and approved by Florida Housing.
- FHFC approval of the revised MOU.
- Review and approval of all loan documents consistent with the terms outlined above by Florida Housing, its Legal Counsel and Servicer.
- Payment of any outstanding arrearages to the Corporation, its Legal Counsel and Servicer of any agent or assignee of the Corporation for past due issues applicable to the development team (Applicant or Developer or Principal, Affiliate or Financial Beneficiary, as described in 67-21.0025 (5) F.A.C. and 67-48.0075 (5) F.A.C., of an Applicant or a Developer).
- Satisfactory resolution of any outstanding past due and/or noncompliance items, if applicable.
- Payment of all costs and fees to Florida Housing, its Legal Counsel and Servicer, as applicable.
- For the Viability loan, Guarantors are to provide the standard FHFC Operating Deficit Guaranty. If requested in writing by Applicant, the Servicer will consider a recommendation to release the Operating Deficit Guaranty if all conditions are met, including achievement of a 1.15x Debt Service Coverage ("DSC") Ratio on the combined permanent first mortgage and Viability loan, as determined by the FHFC or Servicer and 90% occupancy and 90% of the Gross Potential Rental Income, net of Utility Allowances, if applicable, for a period of 12 consecutive months, all certified by an independent Certified Public Accountant ("CPA"), and verified by the Servicer. The calculation of the DSC Ratio shall be made by FHFC or the Servicer. Notwithstanding the above, the Operating Deficit Guaranty shall not terminate earlier than three (3) years following the final Certificate of Occupancy ("C/O").
- For the SAIL, Guarantors are to provide the standard FHFC Operating Deficit Guaranty. If requested in writing by Applicant, the Servicer will consider a recommendation to release the

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Operating Deficit Guaranty if all conditions are met, including achievement of a 1.15x Debt Service Coverage (“DSC”) Ratio on the combined permanent first mortgage, Viability loan and SAIL, as determined by the FHFC or Servicer and 90% occupancy and 90% of the Gross Potential Rental Income, net of Utility Allowances, if applicable, for a period of 12 consecutive months, all certified by an independent Certified Public Accountant (“CPA”), and verified by the Servicer. The calculation of the DSC Ratio shall be made by FHFC or the Servicer. Notwithstanding the above, the Operating Deficit Guaranty shall not terminate earlier than three (3) years following the final Certificate of Occupancy (“C/O”).

- All other due diligence required by FHFC, its Legal Counsel and Servicer.

Should you have any questions please feel free to contact me directly.

Sincerely,

SELTZER MANAGEMENT GROUP, INC.

A handwritten signature in black ink, appearing to read "Brian Barth", written over a horizontal line.

Brian Barth
Senior Credit Underwriter

Exhibit 1
Pembroke Tower II
15 Year Income and Expense Projection

FINANCIAL COSTS:		Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11	Year 12	Year 13	Year 14	Year 15
OPERATING PRO FORMA																
INCOME	Gross Potential Rental Income	\$1,146,840	\$1,169,777	\$1,193,172	\$1,217,036	\$1,241,376	\$1,266,204	\$1,291,528	\$1,317,359	\$1,343,706	\$1,370,580	\$1,397,992	\$1,425,951	\$1,454,470	\$1,483,560	\$1,513,231
	Rent Subsidy (ODR)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	Other Income:															
	Ancillary Income-Parking	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	Miscellaneous	\$25,000	\$25,500	\$26,010	\$26,530	\$27,061	\$27,602	\$28,154	\$28,717	\$29,291	\$29,877	\$30,475	\$31,084	\$31,706	\$32,340	\$32,987
	Washer/Dryer Rentals	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	Cable/Satellite Income	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	Rent Concessions	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	Alarm Income	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	Gross Potential Income	\$1,171,840	\$1,195,277	\$1,219,182	\$1,243,566	\$1,268,437	\$1,293,806	\$1,319,682	\$1,346,076	\$1,372,997	\$1,400,457	\$1,428,466	\$1,457,036	\$1,486,176	\$1,515,900	\$1,546,218
	Less:															
	Economic Loss - Percentage:															
	Physical Vacancy Loss - Percentage: 4.0%	(\$46,874)	(\$47,811)	(\$48,767)	(\$49,743)	(\$50,737)	(\$51,752)	(\$52,787)	(\$53,843)	(\$54,920)	(\$56,018)	(\$57,139)	(\$58,281)	(\$59,447)	(\$60,636)	(\$61,849)
Collection Loss - Percentage: 1.0%	(\$11,718)	(\$11,953)	(\$12,192)	(\$12,436)	(\$12,684)	(\$12,938)	(\$13,197)	(\$13,461)	(\$13,730)	(\$14,005)	(\$14,285)	(\$14,570)	(\$14,862)	(\$15,159)	(\$15,462)	
Total Effective Gross Revenue	\$1,113,248	\$1,135,513	\$1,158,223	\$1,181,388	\$1,205,015	\$1,229,116	\$1,253,698	\$1,278,772	\$1,304,347	\$1,330,434	\$1,357,043	\$1,384,184	\$1,411,868	\$1,440,105	\$1,468,907	
EXPENSES	Fixed:															
	Ground Lease	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
	Sub-Ground Lease	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
	Real Estate Taxes	\$113,260	\$116,658	\$120,158	\$123,762	\$127,475	\$131,299	\$135,238	\$139,296	\$143,474	\$147,779	\$152,212	\$156,778	\$161,482	\$166,326	\$171,316
	Insurance	\$162,800	\$167,684	\$172,715	\$177,896	\$183,233	\$188,730	\$194,392	\$200,223	\$206,230	\$212,417	\$218,790	\$225,353	\$232,114	\$239,077	\$246,250
	Other	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
	Variable:															
	Management Fee - Percentage: 5.0%	\$55,662	\$56,776	\$57,911	\$59,069	\$60,251	\$61,456	\$62,685	\$63,939	\$65,217	\$66,522	\$67,852	\$69,209	\$70,593	\$72,005	\$73,445
	General and Administrative	\$40,000	\$41,200	\$42,436	\$43,709	\$45,020	\$46,371	\$47,762	\$49,195	\$50,671	\$52,191	\$53,757	\$55,369	\$57,020	\$58,711	\$60,504
	Payroll Expenses	\$110,000	\$113,300	\$116,699	\$120,200	\$123,806	\$127,520	\$131,346	\$135,286	\$139,345	\$143,525	\$147,831	\$152,266	\$156,834	\$161,539	\$166,385
	Utilities	\$82,344	\$84,814	\$87,359	\$89,980	\$92,679	\$95,459	\$98,323	\$101,273	\$104,311	\$107,440	\$110,663	\$113,983	\$117,403	\$120,925	\$124,553
	Marketing and Advertising	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
	Maintenance and Repairs	\$50,000	\$51,500	\$53,045	\$54,636	\$56,275	\$57,964	\$59,703	\$61,494	\$63,339	\$65,239	\$67,196	\$69,212	\$71,288	\$73,427	\$75,629
	Grounds Maintenance and Landscaping	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
	Resident Programs	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
	Contract Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
	Security	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Other-Pest Control	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0		
Reserve for Replacements	\$26,400	\$27,192	\$28,008	\$28,848	\$29,713	\$30,605	\$31,523	\$32,469	\$33,443	\$34,446	\$35,479	\$36,544	\$37,640	\$38,769	\$39,932	
Total Expenses	\$640,466	\$659,124	\$678,330	\$698,101	\$718,453	\$739,404	\$760,971	\$783,174	\$806,030	\$829,558	\$853,780	\$878,715	\$904,384	\$930,810	\$958,014	
Net Operating Income	\$472,782	\$476,389	\$479,894	\$483,287	\$486,563	\$489,712	\$492,727	\$495,598	\$498,318	\$500,876	\$503,263	\$505,469	\$507,484	\$509,295	\$510,893	
Debt Service Payments																
DEBT SERVICE	First Mortgage - HFABC / Grandbridge	\$347,559	\$347,559	\$347,559	\$347,559	\$347,559	\$347,559	\$347,559	\$347,559	\$347,559	\$347,559	\$347,559	\$347,559	\$347,559	\$347,559	\$347,559
	Second Mortgage - FHFC - Viability	\$43,000	\$43,000	\$43,000	\$43,000	\$43,000	\$43,000	\$43,000	\$43,000	\$43,000	\$43,000	\$43,000	\$43,000	\$43,000	\$43,000	\$43,000
	Third Mortgage - FHFC - SAIL	\$20,000	\$20,000	\$20,000	\$20,000	\$20,000	\$20,000	\$20,000	\$20,000	\$20,000	\$20,000	\$20,000	\$20,000	\$20,000	\$20,000	\$20,000
	Fourth Mortgage - Broward County	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	Fifth Mortgage - FHFC - SAIL ELI	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	Sixth Mortgage - FHFC - NHTF	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	First Mortgage Fees - HFABC / Grandbridge	\$15,900	\$15,730	\$15,553	\$15,369	\$15,178	\$14,980	\$14,774	\$14,560	\$14,338	\$14,108	\$13,869	\$13,620	\$13,362	\$13,095	\$12,817
	Second Mortgage Fees - FHFC - Viability	\$10,750	\$10,750	\$10,750	\$10,750	\$10,750	\$10,750	\$10,750	\$10,750	\$10,750	\$10,750	\$10,750	\$10,750	\$10,750	\$10,750	\$10,750
	Third Mortgage Fees - FHFC - SAIL	\$5,964	\$5,964	\$5,964	\$5,964	\$5,964	\$5,964	\$5,964	\$5,964	\$5,964	\$5,964	\$5,964	\$5,964	\$5,964	\$5,964	\$5,964
	Fourth Mortgage Fees - Broward County	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	Fifth Mortgage Fees - FHFC - SAIL ELI	\$3,628	\$3,628	\$3,628	\$3,628	\$3,628	\$3,628	\$3,628	\$3,628	\$3,628	\$3,628	\$3,628	\$3,628	\$3,628	\$3,628	\$3,628
	Sixth Mortgage Fees - FHFC - NHTF	\$3,628	\$3,628	\$3,628	\$3,628	\$3,628	\$3,628	\$3,628	\$3,628	\$3,628	\$3,628	\$3,628	\$3,628	\$3,628	\$3,628	\$3,628
Total Debt Service Payments	\$450,429	\$450,259	\$450,082	\$449,898	\$449,707	\$449,509	\$449,303	\$449,089	\$448,867	\$448,637	\$448,398	\$448,149	\$447,892	\$447,624	\$447,346	
Cash Flow After Debt Service	\$22,353	\$26,131	\$29,812	\$33,389	\$36,856	\$40,203	\$43,424	\$46,509	\$49,450	\$52,239	\$54,865	\$57,320	\$59,592	\$61,672	\$63,548	
Debt Service Coverage Ratios																
DSC - First Mortgage plus Fees	1.301	1.311	1.322	1.332	1.341	1.351	1.360	1.369	1.377	1.385	1.392	1.399	1.406	1.412	1.418	
DSC - Second Mortgage plus Fees	1.133	1.142	1.151	1.160	1.168	1.176	1.184	1.192	1.199	1.206	1.212	1.218	1.224	1.229	1.234	
DSC - Third Mortgage plus Fees	1.067	1.075	1.084	1.092	1.100	1.107	1.115	1.122	1.128	1.135	1.141	1.146	1.152	1.157	1.161	
DSC - Fourth Mortgage plus Fees	1.067	1.075	1.084	1.092	1.100	1.107	1.115	1.122	1.128	1.135	1.141	1.146	1.152	1.157	1.161	
DSC - Fifth Mortgage plus Fees	1.058	1.067	1.075	1.083	1.091	1.098	1.106	1.113	1.119	1.126	1.132	1.137	1.142	1.147	1.151	
DSC - Sixth Mortgage and Fees	1.050	1.058	1.066	1.074	1.082	1.089	1.097	1.104	1.110	1.116	1.122	1.128	1.133	1.138	1.142	
Financial Ratios																
Operating Expense Ratio	57.5%	58.0%	58.6%	59.1%	59.6%	60.2%	60.7%	61.2%	61.8%	62.4%	62.9%	63.5%	64.1%	64.6%	65.2%	
Break-Even Ratio	93.3%	93.1%	92.8%	92.6%	92.3%	92.1%	92.0%	91.8%	91.6%	91.5%	91.4%	91.3%	91.2%	91.2%	91.1%	

Mr. Tim Kennedy
Pembroke Tower II
October 12, 2023

Exhibit 2 – Viability Sizing Chart

Viability Loan Sizing Parameters and Metrics				Cash Flow Assumptions			
Select the Development	Pembroke Tower II			Net Operating Income:			
RFA of Active Award	RFA 2019-116			Total Effective Gross Income in CUR Yr 1	\$ 1,113,248.00		
Demographic Commitment	Elderly, Non-ALF			Total Operating Expenses in CUR Yr 1	\$ 640,466.40		
Total Number of Units	88			Net Operating Income in CUR Yr 1	\$ 472,781.60		
Existing Competitive Active Awards:		Set-Aside Units		Actual Traditional 1st Mortgage:			
9% HC Allocation	NA	NA	NA	Proposed Amount of Traditional 1st Mortgage	\$ 6,750,000.00		
SAIL	\$ 2,000,000	88		Traditional 1st Mtg Amortization (Years)	35.00		
ELI	\$ 600,000	9		Traditional 1st Mtg Interest Rate	3.770%		
NHTF	\$ 1,041,200	4		Traditional 1st Mtg Mortgage Constant	5.14902%		
HOME	NA	NA		Local HFA Bond Fees, if applicable	\$ 15,900.00		
Tax Exempt Bond Financing:				Traditional 1st Mtg DSCR (w/ fees)	1.21x		
If MMRB, how much is the Perm Amount?	\$ 6,750,000	NA		Net Cash Flow (NCF) after 1st Mtg Debt Service	\$ 82,574.54		
Viability Funding Limits:				Debt Service (DS) on FHFC Subsidy Loans (w/ fees)	\$ 33,733.00		
Gross Per Development Limit	\$ 4,300,000			NCF after FHFC Subsidy Loans DS & Fees	\$ 48,841.54		
Maximum Per Unit Limit	\$ 125,000			RFA 2023-211 Minimum 1st Mortgage:			
Net Per Development Limit (same as gross)	\$ 4,300,000			Maximum 1st Mtg DSCR from Viability RFA	1.30x		
Maximum Limit from PU Limit (88 units x \$125,000 PU)	\$ 11,000,000		Does the stated Eligible Request Amount need to be adjusted?	Sized Debt Service from maximum DSCR	\$ 363,678.15		
Lesser of Net Per Development or PU Limit	\$ 4,300,000			MMRB Fees to be included in Sized Debt Service	\$ 42,648.00		
Viability Loan Sizing Parameters				Sized Debt Service to be incorporated, net of fees	\$ 321,030.15		
a. Eligible Request Amount:	<select one>			Mortgage Constant to be incorporated	5.14902%		
Applicant's Request Amount	\$ 4,300,000		If so, how much should be deducted?	Resulting minimum 1st Mtg	\$ 6,234,777.80		
Per Development/PU Limit	\$ 4,300,000			NCF after resulting minimum 1st Mtg	\$ 109,103.45		
Eligible Request Amount:	\$ 4,300,000			NCF after FHFC Subsidy Loans DS & Fees	\$ 75,370.45		
b. Gap Analysis for Viability Sizing Purposes Only:				Rule Chapter 67-48.0072(28)(g)2. Variables and Process:			
Permanent Funding Sources:							
		DS w/ Fees	DSCR	NCF			
Traditional First Mortgage	\$ 6,972,182.55	\$ 385,747	1.2256x	\$ 87,034	Total Vacancy & Collection Rate in CUR	5.000%	
Viability	\$ 4,300,000.00	\$ 53,750	1.0757x	\$ 33,284	Revenue Growth Rate in CUR	2.000%	
SAIL	\$ 2,000,000.00	\$ 26,023	1.0156x	\$ 7,261	Operating Expense Growth Rate in CUR	3.000%	
ELI	\$ 600,000.00	\$ 3,855	1.0073x	\$ 3,406	Amortization to be incorporated (Years)	35.00	
NHTF	\$ 1,041,200.00	\$ 3,855	0.9991x	\$ (449)	Interest Rate to be incorporated	7.000%	
Broward County	\$ 3,860,000.00	\$ -	0.9991x	\$ (449)	Resulting Mortgage Constant for qualifying debt	7.66628%	
<additional source>	\$ -	\$ -	0.9991x	\$ (449)	Revenue Growth Rate to be incorporated	2.000%	
<additional source>	\$ -	\$ -	0.9991x	\$ (449)	Operating Expense Growth Rate to be incorporated	3.000%	
<additional source>	\$ -	\$ -	0.9991x	\$ (449)	Vacancy Rate to be incorporated	7.000%	
<additional source>	\$ -	\$ -	0.9991x	\$ (449)	Maximum DSCR for Year 1 NOI	1.50x	
HC Equity	\$ 19,627,568.00	\$ -			Maximum DSCR for Year 15 NOI	1.25x	
Deferred Developer Fee (95.46%)	\$ 6,192,024.45	\$ -			Minimum NCF PU Year 1 (after 1st Mtg DS Only)	\$1,000	
Total Sources	\$ 44,592,975.00	\$ 473,230	0.9991x	\$ (449)	Net Operating Income Year 1	NA	
Additional First Mortgage (Min 1st Sizing)	\$ -	\$ -			Net Operating Income Year 15	NA	
Additional First Mortgage (DCR Sizing)	\$ 222,182.55	\$ -			(a) Resulting Debt for Year 15 DSCR Limitations	NA	
					(b)(i) Resulting Debt for Year 1 DSCR Limitation	NA	
					(b)(ii) Resulting Debt for Year 1 NCS Limitation	NA	
					(b) Greater of (b)(i) or (b)(ii)	NA	
					Lesser of (a) or (b)	NA	
					Sized Minimum 1st Mortgage per Rule	NA	
					Resulting DSCR from Sized Minimum 1st Mortgage per Rule (using actual 1st mortgage debt structure)	NA	
Total Development Costs	\$ 44,592,975.00				Verification Debt Coverage Ratio is Not Enhanced		
Maximum Developer Fee Percentage	18%				Prior Overall Debt Coverage Ratio		
Total Developer Fee	\$ 6,486,436				Did the Proposed Development have a DSCR prior to the RFA 2023-211 Application Deadline?	Yes	
Minimum 30% Deferred Developer Fee	\$ 1,945,930.80				If yes, what was the Net Operating Income used in calculating the DSCR?	\$ 432,009.00	
<i>*Set-Asides for MMRB are expressed as the greater of MMRB Set-Asides or 4%HC Set-Asides for purposes of calculating Compliance Monitoring Fees on the MMRB loan.</i>					If yes, what was the total of all debt service and servicing fees of all applicable Permanent Sources of Funding used in calculating the DSCR?	\$ 432,419.00	
Total FHFC Servicing Fees				Add'l MMRB Fees for Add'l 1st Mtg Funding	If yes, what was the overall Debt Coverage Ratio, inclusive of all applicable Permanent Sources of Funding?	0.9991x	
Permanent Loan Servicing					The actual overall Debt Coverage Ratio, inclusive of all actual applicable Permanent Sources of Funding (excludes any additional sized 1st Mtg) is:	1.0238x	
MMRB Annual Fee	0.023%	\$ 1,552.50			The actual overall Debt Coverage Ratio, inclusive of all applicable Permanent Sources of Funding (inclusive of actual debts and applicable additional gap sized 1st Mtg) is:	1.0238x	
MMRB Annual Minimum	\$2,832	\$ 2,832.00			With the Debt Coverage Ratio preliminarily enhanced after Viability, the RFA requires the insertion of an additional first mortgage amount in the gap analysis so the resulting inclusive debt service creates an updated Debt Coverage Ratio that is equal to the prior Debt Coverage Ratio with the Viability Loan re-sized accordingly. Given the loan structure of the proposed Traditional First Mortgage, it is recommended the 1st Mtg be artificially increased by an amount of \$222,182.55 for DCR sizing to achieve the intended DCR of 0.9991x.		
MMRB Permanent Loan Servicing Fee		\$ 2,832.00			The existing debt coverage ratio of 0.9991x is being enhanced with the Viability Loan sizing process, but Additional First Mortgage sizing has been included in the gap process to size the Viability Loan per RFA requirements.		
Non-MMRB Annual Fee(s)	0.25%	\$ 19,853.00					
Non-MMRB Annual Minimum(s)	\$2,832	\$ 11,328.00					
Non-MMRB Annual Maximum(s)	\$11,232	\$ 44,928.00					
Non-MMRB Permanent Loan Servicing Fee(s)		\$ 21,414.00					
Compliance Monitoring							
MMRB Annual Base Fee	\$2,196	\$ 2,196.00					
Additional MMRB PSAU Fee	\$11.24	\$ -					
MMRB Minimum Annual Fee	\$3,216	\$ 3,216.00					
MMRB Compliance Monitoring Fee		\$ 3,216.00					
Non-MMRB Annual Base(s)	\$2,196	\$ -					
Additional Non-MMRB PSAU Fee(s)	\$11.24	\$ -					
Non-MMRB Annual Minimum(s)	\$3,432	\$ -					
Multiple Program Fee(s)	\$1,023	\$ 3,069.00					
Non-MMRB Compliance Monitoring Fee(s)		\$ 3,069.00					
FHFC MMRB Ongoing Issuer Fees							
MMRB Annual Fee	0.24%	\$ 16,200.00	\$ 533.24				
MMRB Annual Minimum	\$10,000	\$ 10,000.00					
FHFC MMRB Trustee Fees							
Flat Rate	\$4,500	\$ 4,500.00					

The Village of Casa Familia, Ltd.

October 5, 2023

Mr. Tim Kennedy
Florida Housing Finance Corporation
227 North Bronough Street, #5000
Tallahassee, FL 32301

RE: The Village of Casa Familia, RFA 2019-107, 2019-422CGN/2021-325CGN,
RFA 2021-211/2022-230V - Request to Change the Applicant Entity

Dear Mr. Kennedy:

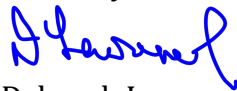
The Village of Casa Familia ("Casa Familia") is a proposed affordable housing community located in Unincorporated Miami-Dade County for persons with developmental disabilities. We respectfully request the Corporation's approval of the following:

1. A change to The Village at Casa Familia, Ltd. Applicant entity from a co-GP structure to a single general partner with APC and CFI as members. This was requested by our equity investor, Truist Bank.
2. A change to the Developer entity - Casa Familia Developer, LLC - to replace Casa Familia, Inc. at the first principal level with Casa Familia Housing Developer, LLC, a wholly owned subsidiary of Casa Familia, Inc.

Included with this request are the new organizational charts for pre- and post-change to the applicant entity as well as the proposed Principal Disclosure Form (pre- and post- as well) for reference.

Should you require any additional information, please let us know and we will get it to you right away. Thank you for your consideration and assistance with this request.

Sincerely,



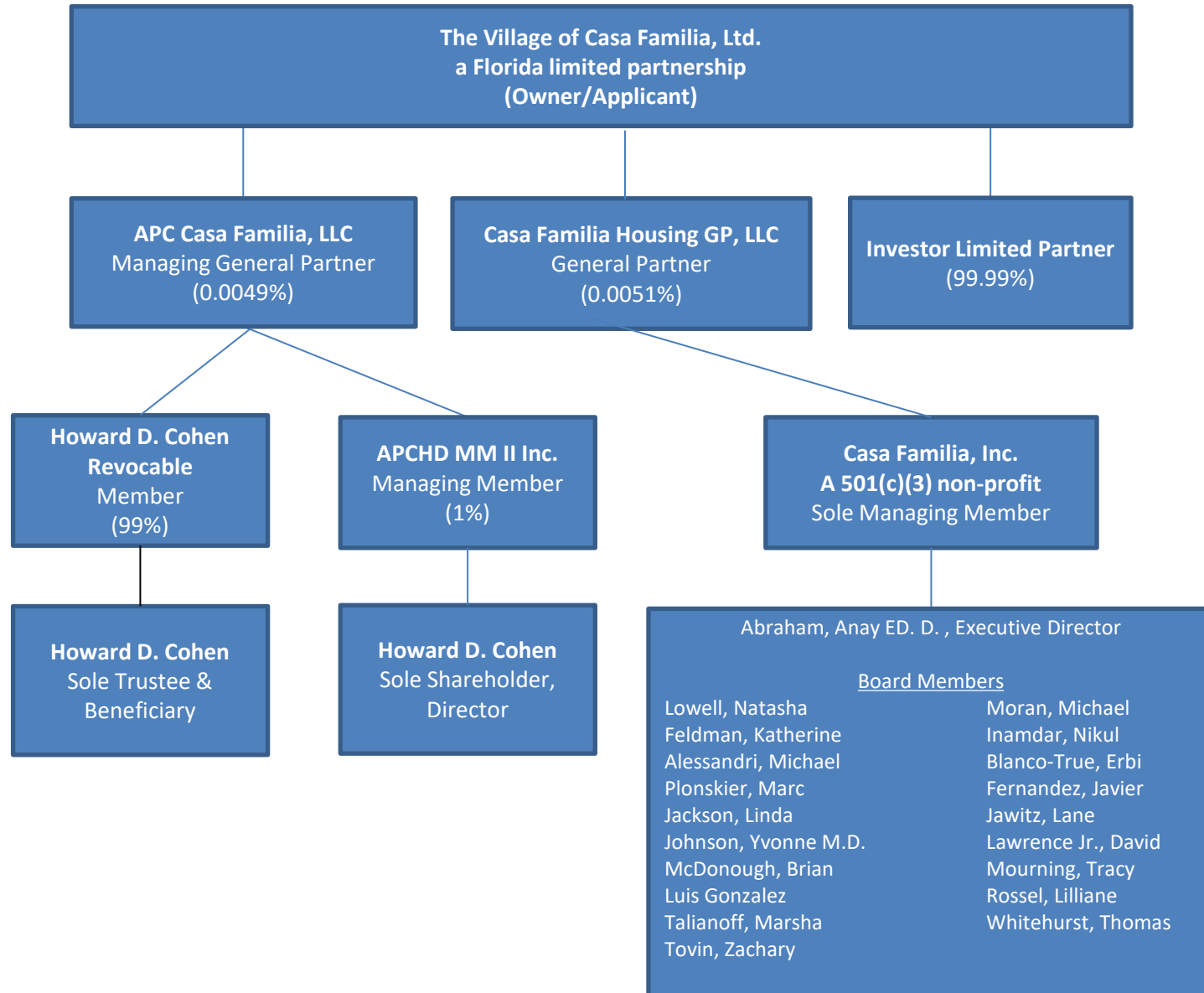
Deborah Lawrence
Authorized Principal Representative

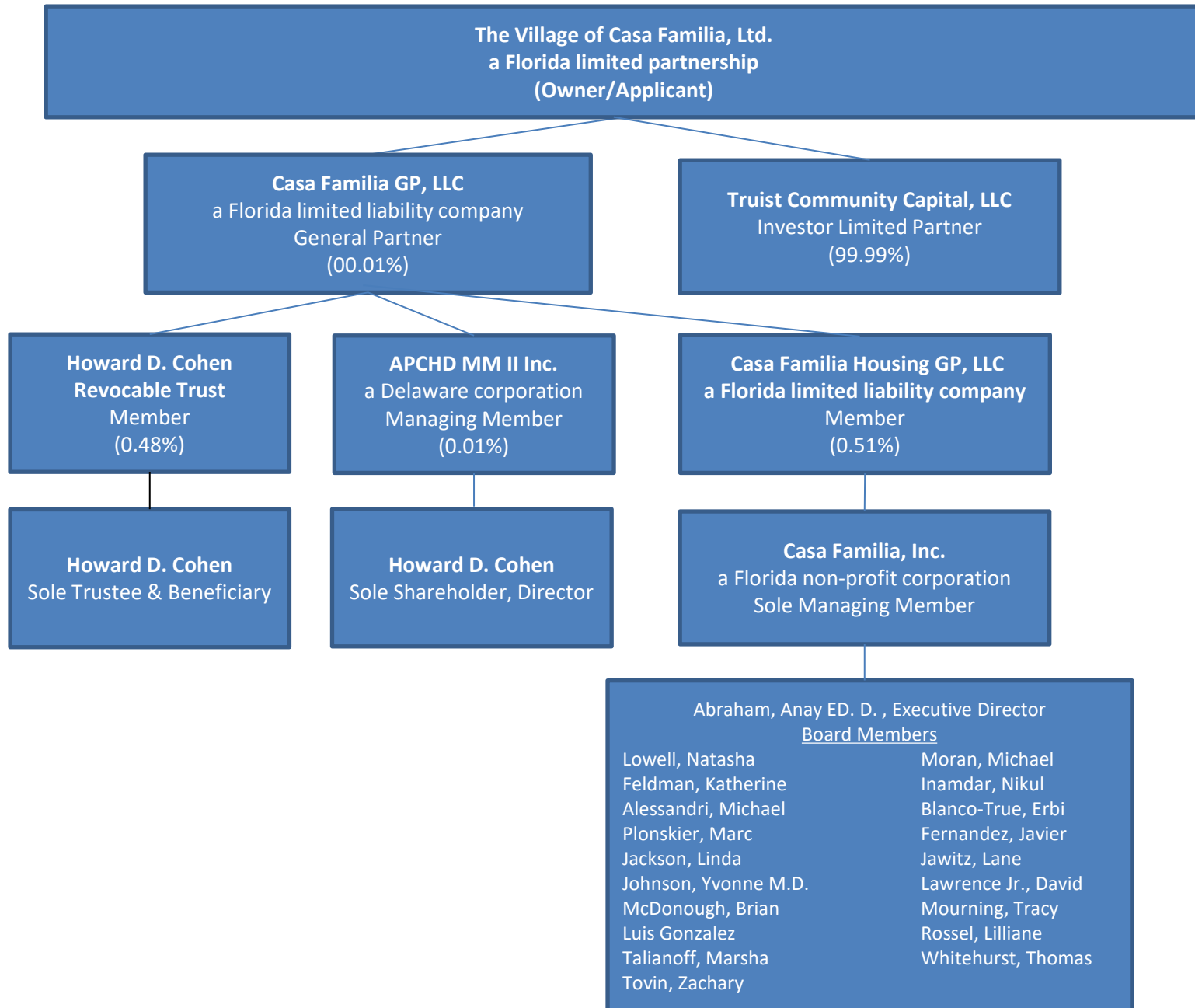
cc:

Heather Strickland, FHFC
Jade Grubbs, FHFC
Tammy Bearden, FHFC
Greg Griffith, APC
Brian Jaffe, APC

Sarah Garner, FHFC
Josh Scribner, SMG
Marc Plonskier, Casa Familia, Inc.

ORIGINAL





Principal Disclosures for Applicant

APPROVED for HOUSING CREDIT APPLICATION
FHFC Advance Review 3.15.19

Select the organizational structure for the Applicant entity:

The Applicant is a: Limited Partnership

Provide the name of the Applicant Limited Partnership:

The Village of Casa Familia, Ltd.

% Ownership input features will not be made available until invitation to credit underwriting

First Principal Disclosure Level:

[Click here for Assistance with Completing the Entries for the First Level Principal Disclosure for the Applicant](#)

First Level Entity #	Select Type of Principal of Applicant	Enter Name of First Level Principal	Select organizational structure of First Level Principal identified	% Ownership of Applicant
1.	<u>General Partner</u>	<u>Casa Familia Housing GP, LLC</u>	<u>Limited Liability Company</u>	<u>0.0051%</u>
2.	<u>General Partner</u>	<u>APC Casa Familia, LLC</u>	<u>Limited Liability Company</u>	<u>0.0049%</u>
3.	<u>Investor LP</u>	<u>Howard D. Cohen Revocable Trust</u>	<u>Trust</u>	<u>99.9900%</u>

Second Principal Disclosure Level:

The Village of Casa Familia, Ltd.

[Click here for Assistance with Completing the Entries for the Second Level Principal Disclosure for the Applicant](#)

Select the corresponding First Level Principal Entity # from above for which the Second Level Principal is being identified

Second Level Entity #	Select the type of Principal being associated with the corresponding First Level Principal Entity	Enter Name of Second Level Principal	Select organizational structure of Second Level Principal identified	Second Level Principal % Ownership of First Level Principal
<u>1. (Casa Familia Housing GP, LLC)</u>	<u>1.A. Managing Member</u>	<u>Casa Familia, Inc.</u>	<u>Non-Profit Corporation</u>	<u>100.0000%</u>
<u>2. (APC Casa Familia, LLC)</u>	<u>2.A. Managing Member</u>	<u>APCHD MM II Inc.</u>	<u>For-Profit Corporation</u>	<u>1.0000%</u>
<u>2. (APC Casa Familia, LLC)</u>	<u>2.B. Member</u>	<u>Howard D. Cohen Revocable Trust</u>	<u>Trust</u>	<u>99.0000%</u>

Third Principal Disclosure Level:

The Village of Casa Familia, Ltd.

[Click here for Assistance with Completing the Entries for the Third Level Principal Disclosure for the Applicant](#)

Select the corresponding Second Level Principal Entity # from above for which the Third Level Principal is being identified

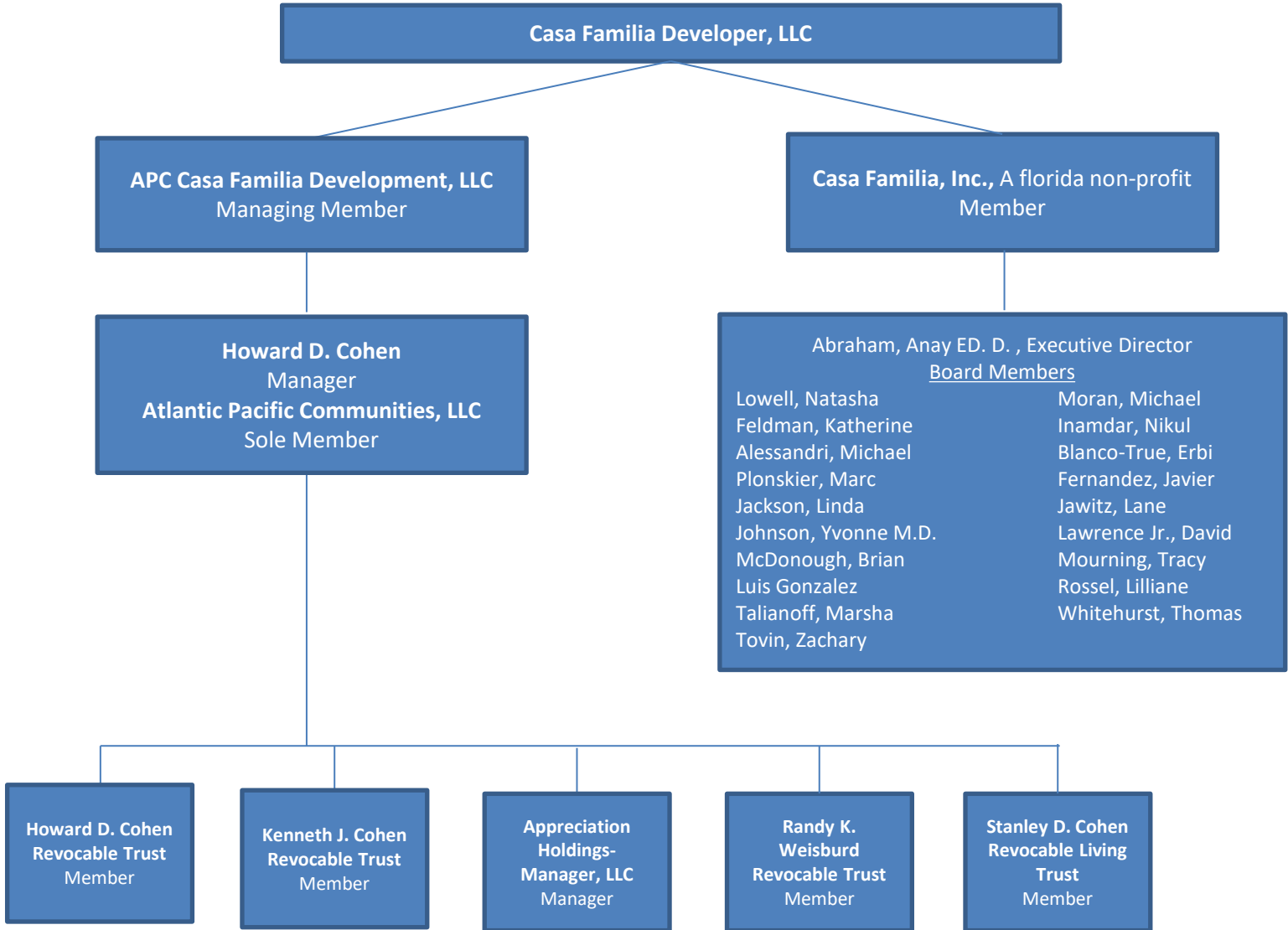
Select the type of Principal being associated with the corresponding Second Level Principal Entity

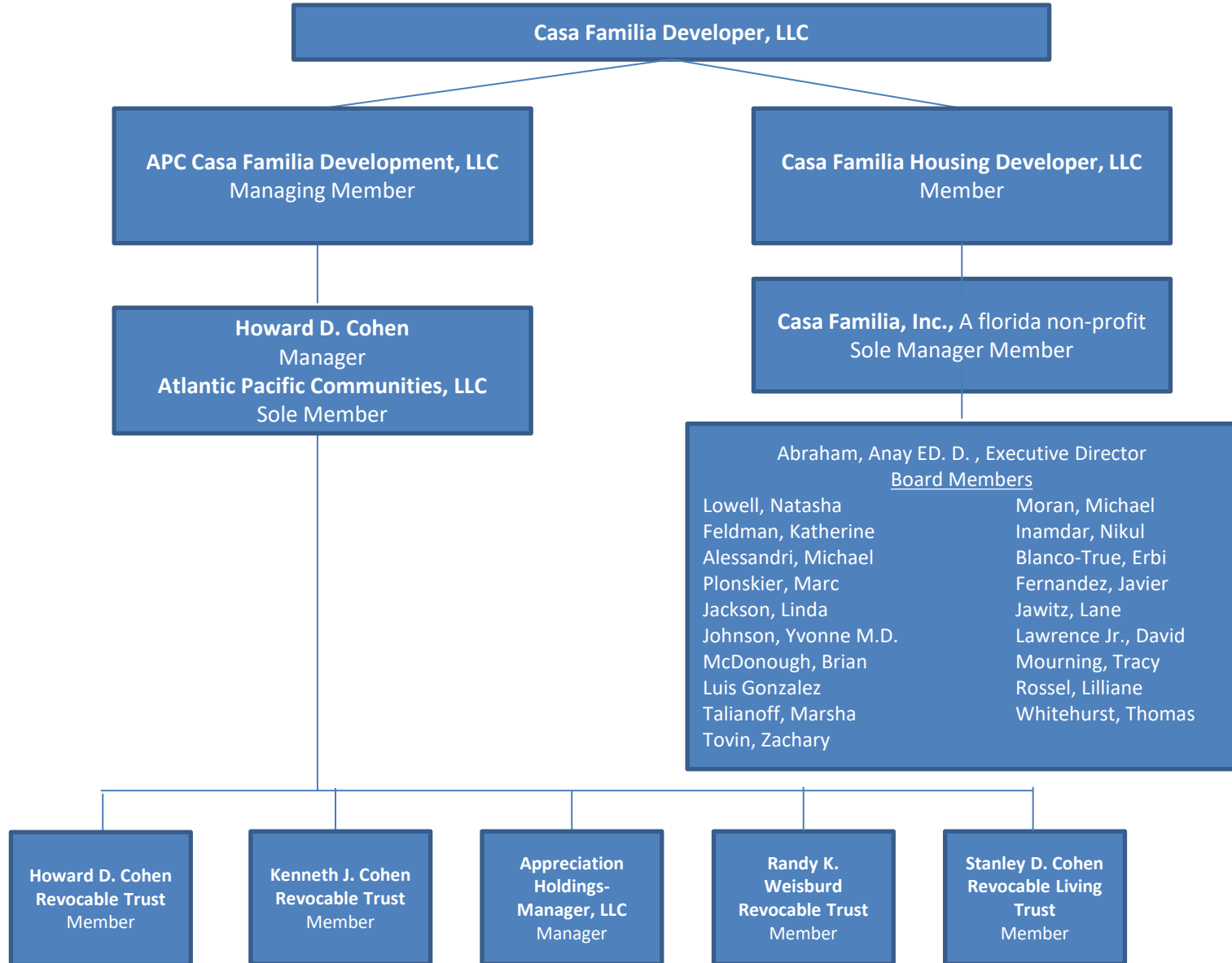
Enter Name of Third Level Principal who must be a Natural Person

The organizational structure of Third Level Principal identified Must Be a Natural Person

3rd Level Principal % Ownership of 2nd Level Principal

<u>1.A. (Casa Familia, Inc.)</u>	<u>Executive Director</u>	<u>Plonskier, Marc</u>	<u>Natural Person</u>	<u>0.0000%</u>
<u>1.A. (Casa Familia, Inc.)</u>	<u>Executive Director</u>	<u>Jawitz, Karin</u>	<u>Natural Person</u>	<u>0.0000%</u>
<u>1.A. (Casa Familia, Inc.)</u>	<u>Officer</u>	<u>Lawrence, Deborah</u>	<u>Natural Person</u>	<u>0.0000%</u>
<u>1.A. (Casa Familia, Inc.)</u>	<u>Officer</u>	<u>Tandon, Vinita</u>	<u>Natural Person</u>	<u>0.0000%</u>
<u>1.A. (Casa Familia, Inc.)</u>	<u>Officer</u>	<u>Whitehurst, Marie-Ilene</u>	<u>Natural Person</u>	<u>0.0000%</u>
<u>1.A. (Casa Familia, Inc.)</u>	<u>Director</u>	<u>Plonskier, Marc</u>	<u>Natural Person</u>	<u>0.0000%</u>
<u>1.A. (Casa Familia, Inc.)</u>	<u>Director</u>	<u>Jawitz, Karin</u>	<u>Natural Person</u>	<u>0.0000%</u>
<u>1.A. (Casa Familia, Inc.)</u>	<u>Director</u>	<u>Whitehurst, Marie-Ilene</u>	<u>Natural Person</u>	<u>0.0000%</u>
<u>1.A. (Casa Familia, Inc.)</u>	<u>Director</u>	<u>Lawrence, Deborah</u>	<u>Natural Person</u>	<u>0.0000%</u>
<u>1.A. (Casa Familia, Inc.)</u>	<u>Director</u>	<u>Tandon, Vinita</u>	<u>Natural Person</u>	<u>0.0000%</u>
<u>1.A. (Casa Familia, Inc.)</u>	<u>Director</u>	<u>Sanchez, Lourdes</u>	<u>Natural Person</u>	<u>0.0000%</u>
<u>1.A. (Casa Familia, Inc.)</u>	<u>Director</u>	<u>Perez, Maria M.</u>	<u>Natural Person</u>	<u>0.0000%</u>
<u>1.A. (Casa Familia, Inc.)</u>	<u>Director</u>	<u>Feldman, Kathy</u>	<u>Natural Person</u>	<u>0.0000%</u>
<u>1.A. (Casa Familia, Inc.)</u>	<u>Director</u>	<u>De Rojas, Oscar</u>	<u>Natural Person</u>	<u>0.0000%</u>
<u>1.A. (Casa Familia, Inc.)</u>	<u>Director</u>	<u>Martinez, Analeen</u>	<u>Natural Person</u>	<u>0.0000%</u>
<u>1.A. (Casa Familia, Inc.)</u>	<u>Director</u>	<u>Abraham, Anay</u>	<u>Natural Person</u>	<u>0.0000%</u>
<u>1.A. (Casa Familia, Inc.)</u>	<u>Director</u>	<u>Lawrence Jr., David</u>	<u>Natural Person</u>	<u>0.0000%</u>
<u>1.A. (Casa Familia, Inc.)</u>	<u>Director</u>	<u>Alessandri, Michael</u>	<u>Natural Person</u>	<u>0.0000%</u>
<u>1.A. (Casa Familia, Inc.)</u>	<u>Director</u>	<u>Diaz De la Portilla, Miguel</u>	<u>Natural Person</u>	<u>0.0000%</u>
<u>1.A. (Casa Familia, Inc.)</u>	<u>Director</u>	<u>Blanco-True, Erbi</u>	<u>Natural Person</u>	<u>0.0000%</u>
<u>1.A. (Casa Familia, Inc.)</u>	<u>Director</u>	<u>Plana, Nestor</u>	<u>Natural Person</u>	<u>0.0000%</u>
<u>1.A. (Casa Familia, Inc.)</u>	<u>Director</u>	<u>Barrera, Agustin</u>	<u>Natural Person</u>	<u>0.0000%</u>
<u>2.A. (APCHD MM II Inc.)</u>	<u>Shareholder</u>	<u>Cohen, Howard D.</u>	<u>Natural Person</u>	<u>100.0000%</u>
<u>2.A. (APCHD MM II Inc.)</u>	<u>Executive Director</u>	<u>Cohen, Howard D.</u>	<u>Natural Person</u>	<u>0.0000%</u>
<u>2.A. (APCHD MM II Inc.)</u>	<u>Executive Director</u>	<u>Weisburd, Randy K.</u>	<u>Natural Person</u>	<u>0.0000%</u>
<u>2.A. (APCHD MM II Inc.)</u>	<u>Officer</u>	<u>Cohen, Kenneth J.</u>	<u>Natural Person</u>	<u>0.0000%</u>
<u>2.A. (APCHD MM II Inc.)</u>	<u>Officer</u>	<u>Cohen, Stanley D.</u>	<u>Natural Person</u>	<u>0.0000%</u>
<u>2.A. (APCHD MM II Inc.)</u>	<u>Officer</u>	<u>Naylor, Kenneth</u>	<u>Natural Person</u>	<u>0.0000%</u>
<u>2.A. (APCHD MM II Inc.)</u>	<u>Director</u>	<u>Cohen, Howard D.</u>	<u>Natural Person</u>	<u>0.0000%</u>
<u>2.B. (Howard D. Cohen Revocable Trust)</u>	<u>Beneficiary</u>	<u>Cohen, Howard D.</u>	<u>Natural Person</u>	<u>0.0000%</u>
<u>2.B. (Howard D. Cohen Revocable Trust)</u>	<u>Trustee</u>	<u>Cohen, Howard D.</u>	<u>Natural Person</u>	<u>0.0000%</u>





Principal Disclosures for the Developer

APPROVED for HOUSING CREDIT APPLICATION
FHFC Advance Review 3.15.19

How many Developers are part of this Application structure?

1

Select the organizational structure for the Developer entity:

The Developer is a: Limited Liability Company

Provide the name of the Developer Limited Liability Company:

Casa Familia Developer, LLC

First Principal Disclosure Level:

Casa Familia Developer, LLC

[Click here for Assistance with Completing the Entries for the First Level Principal Disclosure for a Developer](#)

First Level Entity #	Select Type of Principal of Developer	Enter Name of First Level Principal	Select organizational structure of First Level Principal identified
1.	<u>Managing Member</u>	<u>APC Casa Familia Development, LLC</u>	<u>Limited Liability Company</u>
2.	<u>Member</u>	<u>Casa Familia, Inc.</u>	<u>Non-Profit Corporation</u>

Second Principal Disclosure Level:

Casa Familia Developer, LLC

[Click here for Assistance with Completing the Entries for the Second Level Principal Disclosure for a Developer](#)

Select the corresponding First Level Principal Entity # from above for which the Second Level Principal is being identified

Second Level Entity #	Select the type of Principal being associated with the corresponding First Level Principal Entity	Enter Name of Second Level Principal	Select organizational structure of Second Level Principal identified
<u>1. (APC Casa Familia Development</u>	<u>1.A. <u>Manager</u></u>	<u>Cohen, Howard D.</u>	<u>Natural Person</u>
<u>1. (APC Casa Familia Development</u>	<u>1.B. <u>Sole Member</u></u>	<u>Atlantic Pacific Communities, LLC</u>	<u>Limited Liability Company</u>
<u>2. (Casa Familia, Inc.)</u>	<u>2.A. <u>Officer</u></u>	<u>Plonskier, Marc</u>	<u>Natural Person</u>
<u>2. (Casa Familia, Inc.)</u>	<u>2.B. <u>Officer</u></u>	<u>Jawitz, Karin</u>	<u>Natural Person</u>
<u>2. (Casa Familia, Inc.)</u>	<u>2.C. <u>Officer</u></u>	<u>Lawrence, Deborah</u>	<u>Natural Person</u>
<u>2. (Casa Familia, Inc.)</u>	<u>2.D. <u>Officer</u></u>	<u>Tandon, Vinita</u>	<u>Natural Person</u>
<u>2. (Casa Familia, Inc.)</u>	<u>2.E. <u>Officer</u></u>	<u>Whitehurst, Marie-Ilene</u>	<u>Natural Person</u>
<u>2. (Casa Familia, Inc.)</u>	<u>2.F. <u>Director</u></u>	<u>Plonskier, Marc</u>	<u>Natural Person</u>
<u>2. (Casa Familia, Inc.)</u>	<u>2.G. <u>Director</u></u>	<u>Jawitz, Karin</u>	<u>Natural Person</u>
<u>2. (Casa Familia, Inc.)</u>	<u>2.H. <u>Director</u></u>	<u>Whitehurst, Marie-Ilene</u>	<u>Natural Person</u>
<u>2. (Casa Familia, Inc.)</u>	<u>2.I. <u>Director</u></u>	<u>Lawrence, Deborah</u>	<u>Natural Person</u>
<u>2. (Casa Familia, Inc.)</u>	<u>2.J. <u>Director</u></u>	<u>Tandon, Vinita</u>	<u>Natural Person</u>
<u>2. (Casa Familia, Inc.)</u>	<u>2.K. <u>Director</u></u>	<u>Sanchez, Lourdes</u>	<u>Natural Person</u>
<u>2. (Casa Familia, Inc.)</u>	<u>2.L. <u>Director</u></u>	<u>Perez, Maria M.</u>	<u>Natural Person</u>
<u>2. (Casa Familia, Inc.)</u>	<u>2.M. <u>Director</u></u>	<u>Feldman, Kathy</u>	<u>Natural Person</u>
<u>2. (Casa Familia, Inc.)</u>	<u>2.N. <u>Director</u></u>	<u>De Rojas, Oscar</u>	<u>Natural Person</u>
<u>2. (Casa Familia, Inc.)</u>	<u>2.O. <u>Director</u></u>	<u>Martinez, Analeen</u>	<u>Natural Person</u>
<u>2. (Casa Familia, Inc.)</u>	<u>2.P. <u>Director</u></u>	<u>Abraham, Anay</u>	<u>Natural Person</u>
<u>2. (Casa Familia, Inc.)</u>	<u>2.Q. <u>Director</u></u>	<u>Lawrence Jr., David</u>	<u>Natural Person</u>
<u>2. (Casa Familia, Inc.)</u>	<u>2.R. <u>Director</u></u>	<u>Alessandri, Michael</u>	<u>Natural Person</u>
<u>2. (Casa Familia, Inc.)</u>	<u>2.S. <u>Director</u></u>	<u>Diaz De la Portilla, Miguel</u>	<u>Natural Person</u>
<u>2. (Casa Familia, Inc.)</u>	<u>2.T. <u>Director</u></u>	<u>Blanco-True, Erbi</u>	<u>Natural Person</u>
<u>2. (Casa Familia, Inc.)</u>	<u>2.U. <u>Director</u></u>	<u>Plana, Nestor</u>	<u>Natural Person</u>
<u>2. (Casa Familia, Inc.)</u>	<u>2.V. <u>Director</u></u>	<u>Barrera, Agustin</u>	<u>Natural Person</u>

Principal Disclosures for the Developer

How many Developers are part of this Application structure?

1

Select the organizational structure for the Developer entity:

The Developer is a: Limited Liability Company

Provide the name of the Developer Limited Liability Company:

Casa Familia Developer, LLC

First Principal Disclosure Level:

Casa Familia Developer, LLC

[Click here for Assistance with Completing the Entries for the First Level Principal Disclosure for a Developer](#)

First Level Entity #	Select Type of Principal of Developer	Enter Name of First Level Principal	Select organizational structure of First Level Principal identified
1.	<u>Managing Member</u>	<u>APC Casa Familia Development, LLC</u>	<u>Limited Liability Company</u>
2.	<u>Member</u>	<u>Casa Familia Housing Developer, LLC</u>	<u>Limited Liability Company</u>
3.	<u><Select an option></u>		<u><Select an option></u>
4.	<u><Select an option></u>		<u><Select an option></u>
5.	<u><Select an option></u>		<u><Select an option></u>
6.	<u><Select an option></u>		<u><Select an option></u>
7.	<u><Select an option></u>		<u><Select an option></u>
8.	<u><Select an option></u>		<u><Select an option></u>
9.	<u><Select an option></u>		<u><Select an option></u>
10.	<u><Select an option></u>		<u><Select an option></u>
11.	<u><Select an option></u>		<u><Select an option></u>
12.	<u><Select an option></u>		<u><Select an option></u>
13.	<u><Select an option></u>		<u><Select an option></u>
14.	<u><Select an option></u>		<u><Select an option></u>
15.	<u><Select an option></u>		<u><Select an option></u>
16.	<u><Select an option></u>		<u><Select an option></u>
17.	<u><Select an option></u>		<u><Select an option></u>
18.	<u><Select an option></u>		<u><Select an option></u>
19.	<u><Select an option></u>		<u><Select an option></u>
20.	<u><Select an option></u>		<u><Select an option></u>

Second Principal Disclosure Level:

Casa Familia Developer, LLC

[Click here for Assistance with Completing the Entries for the Second Level Principal Disclosure for a Developer](#)

Select the corresponding First Level Principal Entity # from above for which the Second Level Principal is being identified	Second Level Entity #	Select the type of Principal being associated with the corresponding First Level Principal Entity	Enter Name of Second Level Principal	Select organizational structure of Second Level Principal identified
<u>1. (APC Casa Familia Development,</u>	1.A.	<u>Manager</u>	<u>Cohen, Howard D.</u>	<u>Natural Person</u>
<u>1. (APC Casa Familia Development,</u>	1.B.	<u>Sole Member</u>	<u>Atlantic Pacific Communities, LLC</u>	<u>Limited Liability Company</u>
<u>2. (Casa Familia Housing Developer</u>	2.A.	<u>Managing Member</u>	<u>Casa Familia, Inc.</u>	<u>Non-Profit Corporation</u>
<u><Select a #></u>		<u><Select an option></u>		<u><Select an option></u>
<u><Select a #></u>		<u><Select an option></u>		<u><Select an option></u>
<u><Select a #></u>		<u><Select an option></u>		<u><Select an option></u>
<u><Select a #></u>		<u><Select an option></u>		<u><Select an option></u>
<u><Select a #></u>		<u><Select an option></u>		<u><Select an option></u>
<u><Select a #></u>		<u><Select an option></u>		<u><Select an option></u>
<u><Select a #></u>		<u><Select an option></u>		<u><Select an option></u>
<u><Select a #></u>		<u><Select an option></u>		<u><Select an option></u>
<u><Select a #></u>		<u><Select an option></u>		<u><Select an option></u>
<u><Select a #></u>		<u><Select an option></u>		<u><Select an option></u>
<u><Select a #></u>		<u><Select an option></u>		<u><Select an option></u>
<u><Select a #></u>		<u><Select an option></u>		<u><Select an option></u>
<u><Select a #></u>		<u><Select an option></u>		<u><Select an option></u>
<u><Select a #></u>		<u><Select an option></u>		<u><Select an option></u>



September 29, 2023

Tim Kennedy
Florida Housing Finance Corporation
227 North Bronough Street, #5000
Tallahassee, FL 32301

RE: The Village of Casa Familia, RFA 2019-107, 2019-422CGN/2021-325CGN, RFA 2021-211/2022-230V, CHIRP ITP, LPA, Viability Loan, and Grant funding Closing Deadlines - Extension Request

Dear Mr. Kennedy:

The Village of Casa Familia (“Casa Familia”) is a proposed affordable housing community located in Unincorporated Miami-Dade County for persons with developmental disabilities. We kindly request an extension to Casa Familia’s CHIRP ITP, LPA, Viability Loan, and Grant funding closing deadlines to 12/15/23.

Casa Familia has incurred substantial delays caused by concerns raised by HUD’s Fair Housing and Equal Opportunity (“FHEO”) office since early 2021. For more than two years we have coordinated with HUD, Florida Housing, and Miami-Dade County Public Housing and Community Development department (“PHCD”) to address FHEO’s concerns with the proposed development. During this time period, we were unable to progress the Miami-Dade County Surtax loan and General Obligation Bond grant underwriting, and we were unable to progress the project-based voucher subsidy layering review process with HUD and PHCD.

We have since received guidance from HUD that allows all parties to proceed towards a closing. We are currently conducting weekly closing calls and working with the various funding parties to draft loan documents. The Subsidy Layering Review for the project-based vouchers was submitted to HUD on 06/23/23 and is still pending HUD approval. Please note that there could be additional delays in the approval process due to the impending federal government shut down this weekend.

We are working diligently to complete these items and expect to obtain the necessary Miami-Dade Board of County Commission approvals by early November which should allow us to

Dedicated to creating sustainable, enriched and affordable housing communities, with features, amenities and services designed to benefit adults with intellectual, developmental and other related disabilities.



close in the 4th quarter this year. We are therefore requesting the deadlines listed above be extended to 12/15/23 to ensure all necessary approvals are obtained, the financing is closed, and construction is started.

Should you and/or staff have any questions or comments please do not hesitate to contact us. We appreciate your assistance and consideration of our request.

Sincerely,

A handwritten signature in blue ink, appearing to read "Deborah Lawrence", is positioned above the printed name.

Deborah Lawrence
Senior Housing Director

Dedicated to creating sustainable, enriched and affordable housing communities, with features, amenities and services designed to benefit adults with intellectual, developmental and other related disabilities.

1550 Douglas Road
Suite 280
Coral Gables, FL 33134
(786) 505-8887 ~ www.casafamiliainc.org



September 22, 2023

Ms. Melissa Levy
Managing Director, Multi-Family Programs
Florida Housing Finance Corporation
227 North Bronough Street, Suite 5000
Tallahassee, FL 32301

Re: Pinnacle at La Cabana – RFA 2021-202, Application 2022-131C;
RFA 2023-211, Application 2023-233V
Change of Owner Principal Disclosure

Dear Ms. Levy:

I submit this request in my capacity as President of PC-Cabana, LLC, which is one of the two Co-General Partners of Pinnacle at La Cabana, LLLP (Owner Entity).

At the September 8, 2023 Board Meeting, FHFC approved a change of ownership structure to add a second general partner (Everglades Housing Trust, Incorporated, a Florida non-profit corporation exempt under Internal Revenue Code Section 501(c)(3)) in order to enhance the operational and management team for the development and also to allow the development to be exempt from ad valorem taxes pursuant to Florida Statutes Section 196.1975. That ad valorem exemption specifically requires that the sole general partner of a limited partnership providing affordable housing to the elderly must be a non-profit corporation.

In order to avoid the necessity of requesting FHFC to approve a change in ownership structure after completion of the affordable housing complex in order for Everglades Housing Trust, Incorporated to be the sole general partner of the Owner Entity, we are instead currently requesting FHFC approval of re-designation of PC-Cabana, LLC from its current status as co-General Partner to that of Class B Limited Partner. Approving this structure prior to closing will remove the necessity of having to request FHFC approval of such reclassification of the interest of PC-Cabana, LLC from General Partner to Class B Limited Partner status after completion of construction. There will be no change in the economic rights, ownership percentages or managerial roles of PC-Cabana, LLC or Everglades Housing Trust, Incorporated as a result of this request to change; all that is requested is to reclassify the interest of PC-Cabana, LLC from General Partner to Class B Limited Partner. All parties concerned (debt and equity providers and principals) desire to have this structure approved prior to closing rather than waiting until completion of construction to request FHFC approval.

Attached are two diagrams reflecting the current ownership structure of the Owner Entity, and the revised ownership structure being requested hereby. Also attached is a revised principal disclosure form reflecting the revised ownership structure being requested hereby.

Melissa Levy
Page 2

We respectfully request this matter to be placed on the October 27, 2023 agenda for consideration and approval by the Board of Directors. Thank you very much for your consideration of this request and please contact us if additional information is required.

Sincerely,

A handwritten signature in blue ink, appearing to read "David O. Deutch, President".

David O. Deutch

President of General Partner

cc: Steven Kirk
Gary J. Cohen
Timothy P. Wheat
Coral Rodriguez
Lilybeth De Leon
Lisa Nickerson
Sarah Garner

Current Applicant

Principal Disclosures for the Applicant

Select the organizational structure for the Applicant entity:

The Applicant is a: Limited Partnership

Provide the name of the Applicant Limited Partnership:

Pinnacle at La Cabana, LLLP

% Ownership input features will not be made available until invitation to credit underwriting

First Principal Disclosure Level:

[Click here for Assistance with Completing the Entries for the First Level Principal Disclosure for the Applicant](#)

First Level Entity #	Select Type of Principal of Applicant	Enter Name of First Level Principal	Select organizational structure of First Level Principal identified	% Ownership of Applicant
1.	General Partner	PC Cabana, LLC	Limited Liability Company	0.0090%
2.	General Partner	Everglades Housing Trust, Incorporated	Non-Profit Corporation	0.0010%
3.	Non-Investor LP	Deutch, David O. (placeholder)	Natural Person	99.9900%
4.	<Select an option>		<Select an option>	

Second Principal Disclosure Level:

Pinnacle at La Cabana, LLLP

[Click here for Assistance with Completing the Entries for the Second Level Principal Disclosure for the Applicant](#)

Select the corresponding First Level Principal Entity # from above for which the Second Level Principal is being identified	Second Level Entity #	Select the type of Principal being associated with the corresponding First Level Principal Entity	Enter Name of Second Level Principal	Select organizational structure of Second Level Principal identified	Second Level Principal % Ownership of First Level Principal
1. (PC Cabana, LLC)	1.A.	Managing Member	DOD Affordable, LLC	Limited Liability Company	33.3400%
1. (PC Cabana, LLC)	1.B.	Managing Member	Wolfpack Affordable, LLC	Limited Liability Company	33.3300%
1. (PC Cabana, LLC)	1.C.	Member	MMF Affordable, LLC	Limited Liability Company	33.3300%
2. (Everglades Housing Trust, Incor)	2.A.	Executive Director	Kirk, Steven	Natural Person	
2. (Everglades Housing Trust, Incor)	2.B.	Officer/Director	Kirk, Steven	Natural Person	
2. (Everglades Housing Trust, Incor)	2.C.	Officer/Director	Vidales, Fabiola	Natural Person	
2. (Everglades Housing Trust, Incor)	2.D.	Officer/Director	Townsel, Alphonso	Natural Person	
2. (Everglades Housing Trust, Incor)	2.E.	Officer/Director	McDougal, Peter	Natural Person	
2. (Everglades Housing Trust, Incor)	2.F.	Officer/Director	Rubio-Riviera, Susan	Natural Person	
2. (Everglades Housing Trust, Incor)	2.G.	Officer/Director	Alegre, Pinita	Natural Person	
<Select a #>		<Select an option>		<Select an option>	

Third Principal Disclosure Level:

Pinnacle at La Cabana, LLLP

[Click here for Assistance with Completing the Entries for the Third Level Principal Disclosure for the Applicant](#)

Select the corresponding Second Level Principal Entity # from above for which the Third Level Principal is being identified	Third Level Entity #	Select the type of Principal being associated with the corresponding Second Level Principal Entity	Enter Name of Third Level Principal who must be either a Natural Person or a Trust	The organizational structure of Third Level Principal identified. Must be either a Natural Person or a Trust	3rd Level Principal % Ownership of 2nd Level Principal
1.A. (DOD Affordable, LLC)	1.A.(1)	Manager	Deutch, David O.	Natural Person	
1.A. (DOD Affordable, LLC)	1.A.(2)	Member	The 2017 Jennifer L. Deutch Family Trust	Trust	50.0000%
1.A. (DOD Affordable, LLC)	1.A.(3)	Member	The 2017 Matthew K. Deutch Family Trust	Trust	50.0000%
1.B. (Wolfpack Affordable, LLC)	1.B.(1)	Manager	Wolfson, Louis III	Natural Person	
1.B. (Wolfpack Affordable, LLC)	1.B.(2)	Member	Trust for Randi Faith Wolfson	Trust	33.3400%
1.B. (Wolfpack Affordable, LLC)	1.B.(3)	Member	Trust for Lindsey Paige Wolfson	Trust	33.3300%
1.B. (Wolfpack Affordable, LLC)	1.B.(4)	Member	Trust for Louis Wolfson IV	Trust	33.3300%
1.C. (MMF Affordable, LLC)	1.C.(1)	Manager	Friedman, Chad	Natural Person	
1.C. (MMF Affordable, LLC)	1.C.(2)	Manager	Schumacher, Robyn	Natural Person	
1.C. (MMF Affordable, LLC)	1.C.(3)	Member	The Estate of Mitchell M. Friedman	Natural Person	100.0000%
<Select a #>		<Select an option>		<Select an option>	

Fourth Principal Disclosure Level:

Pinnacle at La Cabana, LLLP

[Click here for Assistance with Completing the Entries for the Fourth Level Principal Disclosure for the Applicant](#)

Select the corresponding Third Level Principal Entity # from above for which the Fourth Level Principal is being identified	Select the type of Principal being associated with the corresponding Third Level Principal Entity	Enter Name of Fourth Level Principal who must be a Natural Person	The organizational structure of Fourth Level Principal identified. Must Be a Natural Person	4th Level Principal % Ownership of 3rd Level Principal
1.A.(2) (The 2017 Jennifer L. Deutch Family Trust)	Trustee	Deutch, Debra K.	Natrual Person	
1.A.(2) (The 2017 Jennifer L. Deutch Family Trust)	Beneficiary	Deutch, Jennifer L.	Natrual Person	100.0000%
1.A.(3) (The 2017 Matthew K. Deutch Family Trus	Trustee	Deutch, Debra K.	Natrual Person	
1.A.(3) (The 2017 Matthew K. Deutch Family Trus	Beneficiary	Deutch, Matthew K.	Natrual Person	100.0000%
1.B.(1) (Trust for Randi Faith Wolfson)	Trustee	Wolfson, Ellen D.	Natrual Person	
1.B.(1) (Trust for Randi Faith Wolfson)	Trustee	Wolfson, Randi Faith	Natrual Person	
1.B.(1) (Trust for Randi Faith Wolfson)	Beneficiary	Wolfson, Randi Faith	Natrual Person	100.0000%
1.B.(2) (Trust for Lindsey Paige Wolfson)	Trustee	Wolfson, Ellen D.	Natrual Person	
1.B.(2) (Trust for Lindsey Paige Wolfson)	Trustee	Wolfson, Lindsey Paige	Natrual Person	
1.B.(2) (Trust for Lindsey Paige Wolfson)	Beneficiary	Wolfson, Lindsey Paige	Natrual Person	100.0000%
1.B.(3) (Trust for Louis Wolfson IV)	Trustee	Wolfson, Ellen D.	Natrual Person	
1.B.(3) (Trust for Louis Wolfson IV)	Trustee	Wolfson, Louis IV	Natrual Person	
1.B.(3) (Trust for Louis Wolfson IV)	Beneficiary	Wolfson, Louis IV	Natrual Person	100.0000%
<Select a #>	<Select an option>		Natrual Person	

Principal Disclosures for the Applicant

Proposed Applicant

Select the organizational structure for the Applicant entity:

The Applicant is a: Limited Partnership

Provide the name of the Applicant Limited Partnership:

Pinnacle at La Cabana, LLLP

% Ownership input features will not be made available until invitation to credit underwriting

First Principal Disclosure Level:

[Click here for Assistance with Completing the Entries for the First Level Principal Disclosure for the Applicant](#)

First Level Entity #	Select Type of Principal of Applicant	Enter Name of First Level Principal	Select organizational structure of First Level Principal identified	% Ownership of Applicant
1.	<u>Non-Investor LP</u>	<u>PC - Cabana, LLC</u>	<u>Limited Liability Company</u>	<u>0.0090%</u>
2.	<u>General Partner</u>	<u>Everglades Housing Trust, Incorporated</u>	<u>Non-Profit Corporation</u>	<u>0.0010%</u>
3.	<u>Non-Investor LP</u>	<u>Deutch, David O. (placeholder)</u>	<u>Natural Person</u>	<u>99.9900%</u>
4.	<u><Select an option></u>		<u><Select an option></u>	

Second Principal Disclosure Level:

Pinnacle at La Cabana, LLLP

[Click here for Assistance with Completing the Entries for the Second Level Principal Disclosure for the Applicant](#)

Select the corresponding First Level Principal Entity # from above for which the Second Level Principal is being identified

Second Level Entity #	Select the type of Principal being associated with the corresponding First Level Principal Entity	Enter Name of Second Level Principal	Select organizational structure of Second Level Principal identified	Second Level Principal % Ownership of First Level Principal
<u>1. (PC - Cabana, LLC)</u>	<u>1.A. Managing Member</u>	<u>DOD Affordable, LLC</u>	<u>Limited Liability Company</u>	<u>33.3400%</u>
<u>1. (PC - Cabana, LLC)</u>	<u>1.B. Managing Member</u>	<u>Wolfpack Affordable, LLC</u>	<u>Limited Liability Company</u>	<u>33.3300%</u>
<u>1. (PC - Cabana, LLC)</u>	<u>1.C. Member</u>	<u>MMF Affordable, LLC</u>	<u>Limited Liability Company</u>	<u>33.3300%</u>
<u>2. (Everglades Housing Trust, Incor</u>	<u>2.A. Executive Director</u>	<u>Kirk, Steven</u>	<u>Natural Person</u>	
<u>2. (Everglades Housing Trust, Incor</u>	<u>2.B. Officer/Director</u>	<u>Kirk, Steven</u>	<u>Natural Person</u>	
<u>2. (Everglades Housing Trust, Incor</u>	<u>2.C. Officer/Director</u>	<u>Vidales, Fabiola</u>	<u>Natural Person</u>	
<u>2. (Everglades Housing Trust, Incor</u>	<u>2.D. Officer/Director</u>	<u>Townsel, Alphonso</u>	<u>Natural Person</u>	
<u>2. (Everglades Housing Trust, Incor</u>	<u>2.E. Officer/Director</u>	<u>McDougal, Peter</u>	<u>Natural Person</u>	
<u>2. (Everglades Housing Trust, Incor</u>	<u>2.F. Officer/Director</u>	<u>Rubio-Riviera, Susan</u>	<u>Natural Person</u>	
<u>2. (Everglades Housing Trust, Incor</u>	<u>2.G. Officer/Director</u>	<u>Alegre, Pinita</u>	<u>Natural Person</u>	
<u><Select a #></u>	<u><Select an option></u>		<u><Select an option></u>	

Third Principal Disclosure Level:

Pinnacle at La Cabana, LLLP

[Click here for Assistance with Completing the Entries for the Third Level Principal Disclosure for the Applicant](#)

Select the corresponding Second Level Principal Entity # from above for which the Third Level Principal is being identified

Third Level Entity #	Select the type of Principal being associated with the corresponding Second Level Principal Entity	Enter Name of Third Level Principal who must be either a Natural Person or a Trust	The organizational structure of Third Level Principal identified Must be either a Natural Person or a Trust	3rd Level Principal % Ownership of 2nd Level Principal
<u>1.A. (DOD Affordable, LLC)</u>	<u>1.A.(1) Manager</u>	<u>Deutch, David O.</u>	<u>Natural Person</u>	
<u>1.A. (DOD Affordable, LLC)</u>	<u>1.A.(2) Member</u>	<u>The 2017 Jennifer L. Deutch Family Trust</u>	<u>Trust</u>	<u>50.0000%</u>
<u>1.A. (DOD Affordable, LLC)</u>	<u>1.A.(3) Member</u>	<u>The 2017 Matthew K. Deutch Family Trust</u>	<u>Trust</u>	<u>50.0000%</u>
<u>1.B. (Wolfpack Affordable, LLC)</u>	<u>1.B.(1) Manager</u>	<u>Wolfson, Louis III</u>	<u>Natural Person</u>	
<u>1.B. (Wolfpack Affordable, LLC)</u>	<u>1.B.(2) Member</u>	<u>Trust for Randi Faith Wolfson</u>	<u>Trust</u>	<u>33.3400%</u>
<u>1.B. (Wolfpack Affordable, LLC)</u>	<u>1.B.(3) Member</u>	<u>Trust for Lindsey Paige Wolfson</u>	<u>Trust</u>	<u>33.3300%</u>
<u>1.B. (Wolfpack Affordable, LLC)</u>	<u>1.B.(4) Member</u>	<u>Trust for Louis Wolfson IV</u>	<u>Trust</u>	<u>33.3300%</u>
<u>1.C. (MMF Affordable, LLC)</u>	<u>1.C.(1) Manager</u>	<u>Friedman, Chad</u>	<u>Natural Person</u>	
<u>1.C. (MMF Affordable, LLC)</u>	<u>1.C.(2) Manager</u>	<u>Schumacher, Robyn</u>	<u>Natural Person</u>	
<u>1.C. (MMF Affordable, LLC)</u>	<u>1.C.(3) Member</u>	<u>The Estate of Mitchell M. Friedman</u>	<u>Natural Person</u>	<u>100.0000%</u>
<u><Select a #></u>	<u><Select an option></u>		<u><Select an option></u>	

Fourth Principal Disclosure Level:

Pinnacle at La Cabana, LLLP

[Click here for Assistance with Completing the Entries for the Fourth Level Principal Disclosure for the Applicant](#)

Select the corresponding Third Level Principal Entity # from above for which the Fourth Level Principal is being identified

Fourth Level Entity #	Select the type of Principal being associated with the corresponding Third Level Principal Entity	Enter Name of Fourth Level Principal who must be a Natural Person	The organizational structure of Fourth Level Principal identified Must Be a Natural Person	4th Level Principal % Ownership of 3rd Level Principal
<u>1.A.(2) (The 2017 Jennifer L. Deutch Family Trust</u>	<u>Trustee</u>	<u>Deutch, Debra K.</u>	<u>Natural Person</u>	
<u>1.A.(2) (The 2017 Jennifer L. Deutch Family Trust</u>	<u>Beneficiary</u>	<u>Deutch, Jennifer L.</u>	<u>Natural Person</u>	<u>100.0000%</u>
<u>1.A.(3) (The 2017 Matthew K. Deutch Family Tru</u>	<u>Trustee</u>	<u>Deutch, Debra K.</u>	<u>Natural Person</u>	
<u>1.A.(3) (The 2017 Matthew K. Deutch Family Tru</u>	<u>Beneficiary</u>	<u>Deutch, Matthew K.</u>	<u>Natural Person</u>	<u>100.0000%</u>
<u>1.B.(2) (Trust for Randi Faith Wolfson)</u>	<u>Trustee</u>	<u>Wolfson, Ellen D.</u>	<u>Natural Person</u>	
<u>1.B.(2) (Trust for Randi Faith Wolfson)</u>	<u>Trustee</u>	<u>Wolfson, Randi Faith</u>	<u>Natural Person</u>	
<u>1.B.(2) (Trust for Randi Faith Wolfson)</u>	<u>Beneficiary</u>	<u>Wolfson, Randi Faith</u>	<u>Natural Person</u>	<u>100.0000%</u>

Principal Disclosures for the Applicant

1.B.(3) (Trust for Lindsey Paige Wolfson)	Trustee	Wolfson, Ellen D.	Natrual Person	
1.B.(3) (Trust for Lindsey Paige Wolfson)	Trustee	Wolfson, Lindsey Paige	Natrual Person	
1.B.(3) (Trust for Lindsey Paige Wolfson)	Beneficiary	Wolfson, Lindsey Paige	Natrual Person	100.0000%
1.B.(4) (Trust for Louis Wolfson IV)	Trustee	Wolfson, Ellen D.	Natrual Person	
1.B.(4) (Trust for Louis Wolfson IV)	Trustee	Wolfson, Louis IV	Natrual Person	
1.B.(4) (Trust for Louis Wolfson IV)	Beneficiary	Wolfson, Louis IV	Natrual Person	100.0000%
<Select a #>	<Select an option>		Natrual Person	



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CHIEF EXECUTIVE OFFICER

Ashon Nesbitt

October 2, 2023

Mr. Robert Dearduff
Florida Housing Finance Corporation
227 N. Bronough Street Ste. 5000
Tallahassee, FL 32301-1329

RE: Development Plan Approval for Charm Little Haiti PLP 2023-004P-09

Dear Mr. Dearduff:

This letter provides notice that this project has my approval to go forward for consideration of FHFC approval of the loan amount of \$650,000 and execution of loan documents. Caring and Sharing Inc. will build one building with six homeownership units in Miami, FL (Miami-Dade County) for low- and moderate-income families. PLP funds will be used for both site acquisition and site predevelopment expenses. The applicant has expressed a desire to have the FHFC Board consider this request at their next meeting.

I have provided a Development Plan which provides information on the project, the project timeline, and a budget which details how PLP funds will be spent.

After reviewing all documents pertaining to this project, and discussing the project specifics with the applicant, I believe that \$650,000 is sufficient to complete the proposed predevelopment activities for this project.

Should you need any further information please feel free to contact me at plancher@flhousing.org or call 850-274-9764.

Elissa Plancher
Technical Advisor



Predevelopment Loan Program

Development Plan

Development Name	Charm Little Haiti Development
Development File Number	2023-004P-09

A. General Information	
Applicant Entity Name	Caring and Sharing, Inc.
Development Name	Charm Little Haiti Condos
Development Address	20 NW 76 th Street, Miami, Florida 33150
Tax Assessor Parcel Id Number	01-3112-064-0600
Development Co-Developers	Yanis Development Group, LLC
Primary Contact	Nehemiah Davis: (305) 431-0896 Keston White-Marin: (305) 458-8170
Development Type	Rental <input type="checkbox"/> Homeownership <input checked="" type="checkbox"/>
Number of Buildings	1
Number of Units	6
Target Population	Family
Construction Type	New <input checked="" type="checkbox"/> Rehab <input type="checkbox"/> Both <input type="checkbox"/>
Applicant Comments: The project site is located within the Little Haiti neighborhood of the City of Miami and is an Eligible Block Grant area. The Property is also located in a Federal Opportunity Zone and considered part of the NRSA (Neighborhood Revitalization Strategy Area) in the City of Miami. The 20 NW 76 th Street property is zoned T-5, which allows for a five-story zero-lot-line building. The T-5 zoning also allows for 65 units per acre.	
TAP Comments: This project will help residents in the City of Miami obtain affordable housing for homeownership. The property is well suited for affordable housing and has various designations overlaid that are intended to support revitalization and redevelopment of historically underserved areas of the community.	

B. Development Finance Information	
PLP Loan Recommended Amount	650,000
Total Predevelopment Costs	366,000
PLP Loan Amount for Acquisition	284,000
Estimated Total Development Costs	2,105,000
Will the Development be pursuing Tax Credits or Bonds? Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>	
If "Yes" selected above, please state name of entity that will own the property?	N/A
Applicant Comments:	
TAP Comments: The applicant intends to use PLP to purchase the property and construct a mid-rise with four levels in an affordable for sale development.	

C. Development Team		
Developer	Caring and Sharing, Inc.	Owner of project
Co-Developer	Yanis Development Group, LLC	Under contract
Contractor	Building and Remodeling Inc.	Contract pending
Architect	TBD	
Engineer	TBD	
Consultant	DCM Developments, Inc.	Under contract
Other		
<p>Applicant Comments: Upon acquisition of the lot, contracts with the various professionals will be finalized. The Co-Developer and Consultant have been involved with several similar projects in the area.</p>		
<p>TAP Comments: The consultant, Nehemiah Davis, has several affordable housing projects in Miami-Dade County that are in various stages of completion.</p>		

D. Market/Feasibility		
Type of Study	Performed By	Status
Appraisal	A state certified appraisal company	To be completed
<p>Provide narrative of anticipated marketing and lease up of property: This residential development is a homeownership project. The units will be marketed as affordable and workforce homeownership condominium and will use various subsidies from the City of Miami, Miami-Dade County, and down payment assistance offered through the State of Florida.</p>		
<p>Applicant Comments: The three-bedroom, two-bath condo-models will sell at or below 80% AMI at \$394,000.00, and for qualified buyers on the workforce side whose income is at or below 120% AMI, up to \$445,000. Adhering to the PLP Rule, the plan is to sell 50% affordable and 50% workforce. The average selling price will be \$419,500. The affordable three-bedroom is Model-A at 1,183 square feet and the workforce three-bedroom unit, Model-B, will have 1,260 square feet.</p>		
<p>TAP Comments: An appraisal will be ordered by the construction lender. The consultant and co-developer have a pipeline of qualified buyers and experienced staff to prepare the homebuyers to qualify for down payment assistance programs.</p>		

E. Development Site and Site Control	
<p>A description of the development site is required in order to complete this development plan. Please provide (or attach) a legal description if available; if not, please identify the site by location or some other means such as street address:</p>	
Site Control Questions	Applicant Response

Applicant currently owns the site (recorded deed)	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
The Applicant has or will have prior to loan closing, a contract to purchase the site	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
The Applicant has or will have prior to loan closing, a long-term lease on the site	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Are there existing liens on the property?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
If no liens exist, how was that verified?	N/A
List all existing mortgages and liens on the property: PHH Mortgages (Mortgage) \$93,000 Ygrene Renovations (Lien) \$16,000	
Are there currently any mortgages or liens, or will there be any mortgages or liens at PLP closing, that will prevent the PLP Loan from being in a first mortgage or a second mortgage position?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
If the PLP will be a second mortgage, please provide details on the first mortgage, including the Lender, amount of mortgage and proposed closing date.	The construction lender will be superior to the PLP loan.
If the development site will be titled in the name of a special purpose entity (SPE) formed by the Applicant, please provide the name of the SPE. If not yet formed, please advise when the entity will be formed and list as "SPE to be formed" (Note: If an SPE will hold title to the development site, the SPE must be owned by the Applicant and it (the SPE) will be required to execute the note and mortgage, as borrower, and the Applicant will be required to act as guarantor of the PLP Loan).	N/A
Applicant Comments:	
TAP Comments: The PLP Applicant has entered into a Purchase and Sale Agreement with a private seller and the property will be purchased with PLP funds.	

F. Development Readiness	
Item	Status
Current Zoning on Property	T-5 High Density Residential
Current Use of Property	Residential – Single Family Home
Future Land Use Plan	High Density Residential
Site Plan Approval	To be completed
Property Survey	In process
Soil Testing	To be completed

Permits	To be completed
Availability of Utilities to property	Yes – FPL
Availability of Water to property	Yes – City of Miami
Availability of Sewer to property	Yes – City of Miami
Availability of Road access to property	Yes – Public Road, accessed from 76 th Street
Environmental Assessments Performed	In process
Appraisal	To be completed
Financial Statements available for review	Yes
Plans, Specs for Development	To be completed
Applicant Comments: The condominium building will be a concrete block and steel (CBS) structure with a flat roof, hurricane impact windows and doors, and engineered steel concrete floor systems, along with truss steel system. The interior features will consist of concrete floor with hard tiles throughout the building, tank-less water heaters in every unit, central air conditioning system, and full kitchens with double-sink granite-countertop with stainless steel appliances, range, hood, mounted microwave, refrigerator, and dishwasher.	
TAP Comments: The project is in the early design stage and will be developed in accordance with the Miami 21 Comprehensive Plan. A Pre-application meeting will be conducted upon acquisition of the property.	

G. Financing Sources		
Name of Source	Amount	Status
Miami-Dade County Public Housing and Community Development	\$1,785,000	Will Apply for in next 12 months
Applicant Comments:		
Is the Applicant applying for any other FHFC financing? If so, has it been approved?	No	
Is the Applicant entity under the other FHFC financing the same applicant entity as the PLP applicant entity? If not, provide the name of the Applicant entity.	No	
Will any of the other financing be closing in conjunction with the PLP loan?	N/A	
Will any of the financing closing in conjunction with the PLP loan be permanent or construction financing?	N/A	
TAP Comments: The Applicant intends to use the Miami-Dade County Surtax program to finance the project.		

H. Narrative
<p>Provide Additional narrative not covered in comments above: This proposed six-unit condominium building will be all three-bedroom, two-bath units. The Little Haiti property that Caring and Sharing Inc. has targeted for acquisition and development is 5,278 square feet, which allows for 7.8758 units. However, we are proposing six units for this project site mainly to meet the parking requirements using structured parking methods or an automatic elevated parking system. The current proposed design includes parking on the first floor and residential units on floors 2, 3, and 4. Condos will be between 1,183 to 1,260 square feet per unit and can sell for HUD'S maximum affordable and workforce selling prices in Miami-Dade County, which is currently ranging from \$394,000 to \$445,000. The total six-unit four-story condominium building is 12,066 square feet. The residential condominium building is a CBS (concrete, block and steel) construction building. We estimate the construction costs to be around \$160 sq ft to \$170 sq ft. The building is designed with one set of stairs and one elevator.</p>

I. Predevelopment Loan Request Budget	
Item	Amount
Land acquisition	284,000
Closing Costs	14,200
Surveys	3,000
Environmental Phase-1 Assessment	3,000
Appraisal	6,000
Market Study	3,000
Architectural/Engineering	85,000
Consultant Fees	35,000
Legal	5,000
Geo-Tech Ground Density Test	2,000
Building Plan Expeditor Service	7,000
Impact Fees	72,000
Site, Building, Processing, Allocation, Review Fees for Permitting	98,000
Credit Underwriting	5,500
Commitment Fee	20,800
Contingency	6,500
PLP Loan Total	\$650,000

J. Total Development Costs	
Acquisition costs not covered by PLP	0
Acquisition closing costs not covered by PLP	0
Other Predevelopment costs not covered by PLP	5,000
Rehabilitation	0

Hard Construction	1,255,000
Construction Contingency	125,000
Developer Fees	70,000
Other construction costs	0
Total Development Cost	\$2,105,000

K. Timeline		
Timeline Item	Date	Status
PLP Loan Approval	October 2023	Anticipated
Survey	October 2023	Anticipated
PLP Loan Closing	October 2023	Anticipated
Zoning Approval	October 2023	Complete
Site Acquisition	February 2024	Anticipated
Applying for Construction Financing	February 2024	Anticipated
Construction Start	June 2024	Anticipated
Construction Completion	February 2025	Anticipated
Lease-up/Sale	April 2025	Anticipated



October 2, 2023

Mr. Robert Dearduff
Florida Housing Finance Corporation
227 N. Bronough Street Ste. 5000
Tallahassee, FL 32301-1329

RE: Development Plan Approval for One Mission Lehigh Residences PLP
2023-012P-09

Dear Mr. Dearduff:

This letter provides notice that this project has my approval to go forward for consideration of FHFC approval of the loan amount of \$379,500 and execution of loan documents. The Affordably Lavish Foundation, Inc. will develop five buildings, totaling seven homeownership units, in Lehigh Acres, FL (Lee County) for low- and moderate-income families. PLP funds will be used for site predevelopment expenses. The applicant has expressed a desire to have the FHFC Board consider this request at their next meeting.

I have provided a Development Plan which provides information on the project, the project timeline, and a budget which details how PLP funds will be spent.

After reviewing all documents pertaining to this project, and discussing the project specifics with the applicant, I believe that \$379,500 is sufficient to complete the proposed predevelopment activities for this project.

Should you need any further information please feel free to contact me at plancher@filhousing.org or call 850-274-9764.

A handwritten signature in black ink that reads "Elissa Plancher".

Elissa Plancher
Technical Advisor

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Fifth Third Bank

A.J. Meyer
ANF Group

Tammy Paycer
Truist

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Bank of America

Thais Sullivan
Valley National Bank

CHIEF EXECUTIVE OFFICER

Ashon Nesbitt



Predevelopment Loan Program

Development Plan

Development Name	One Mission Lehigh Residences
Development File Number	2023-012P-09

A. General Information	
Applicant Entity Name	Affordably Lavish Foundation, Inc.
Development Name	One Mission Lehigh Residences
Development Address	1) 3216 42 nd St. W, Lehigh Acres, FL 33971 2) 3217 40 th St. W, Lehigh Acres, FL 33971 3) 557 Columbus Blvd., Lehigh Acres 33974 4) 553/555 Nimitz Blvd., Lehigh Acres 33974 5) 551/553 Ladd St., Lehigh Acres, FL 33974
Tax Assessor Parcel Id Number	1) 10312825 2) 10312866 3) 10413464 4) 10432777 5) 10433090
Development Co-Developers	N/A
Primary Contact	Christina Anthony
Development Type	Rental <input type="checkbox"/> Homeownership <input checked="" type="checkbox"/>
Number of Buildings	5
Number of Units	7
Target Population	Family
Construction Type	New <input checked="" type="checkbox"/> Rehab <input type="checkbox"/> Both <input type="checkbox"/>
<p>Applicant Comments: Target population includes four very low 50% and three low 80% income families. Four of the selected homebuyer applicants must have special needs as described per F/S 393.063(12) Developmental disability, F.S. 420.0004 (7) Disabling condition, or other special needs such as young adult formerly in foster care, survivor of domestic violence, and person receiving disability benefits. Our construction strategy is to integrate modular homes built by Steel Homes with 80% of the units being developed off-site to assist with expediting the construction lead time and building more sustainable homes.</p> <p>TAP Comments: The PLP Applicant is a newly formed nonprofit located in Boynton Beach. They have acquired county-owned surplus land in Lee County and received SHIP funding for the development project. The Applicant is working with Steel Homes on the design/build.</p>	

B. Development Finance Information	
PLP Loan Recommended Amount	379,500
Total Predevelopment Costs	379,500
PLP Loan Amount for Acquisition	0
Estimated Total Development Costs	1,965,500
Will the Development be pursuing Tax Credits or Bonds? Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>	

If “Yes” selected above, please state name of entity that will own the property?	N/A
Applicant Comments: N/A	
TAP Comments: The Applicant owns the land and is working with various lenders to provide construction financing.	

C. Development Team		
Developer	Affordably Lavish Foundation	Contract Pending
Contractor	Turn Two Construction	Contract Pending
Architect	Steel Homes	Contract Pending
Engineer	Steel Homes	Contract Pending
Consultant	Business Briefings	Contract Pending
Other		
Applicant Comments: N/A		
TAP Comments: Steel Homes is providing all the design/build services for the development including architectural, engineering, and construction services for the project. The homeownership units will be constructed at the factory and assembled on site.		

D. Market/Feasibility		
Type of Study	Performed By	Status
Appraisal to include market study	To be engaged by Construction Lender	To be ordered
<p>Provide narrative of anticipated marketing and lease up of property: Lee County thrives with a robust 95.9% employment rate, fostering a dynamic economy. The region's favorable educational achievements span high school graduates to bachelor's degree holders, empowering a skilled workforce. A notable prevalence of married couples with children reflects stability and community engagement, boosting long-term economic growth. The county's significant veteran population adds to its economic resilience and diversity. Supported by strategic land use planning and subsidies, Lee County offers an attractive environment for businesses and families, promoting sustainable development and fostering a vibrant economic ecosystem. The Affordably Lavish Foundation, Inc. (ALF) has established relationships with local organizations such as the Center for Independent Living who aids people with disabilities, and a local HUD Agency Affordable Homeowners Foundation Inc. (AHF) to collaborate with their local efforts on identifying buyers for these homes. These efforts contribute to ALF’s goal to create a pipeline of eligible buyers for our efforts in the Lee County market.</p>		

Applicant Comments: ALF has initiated the marketing of the units, which includes the creation of an MLS listing and scheduled meetings with the neighborhood for homebuyer workshops. ALF will be collaborating with AHF to collectively host workshops and include other industry experts and sponsors that support this initiative. AHF is a certified HUD Agency with 23 years in the housing counseling industry, and ALF with 1 year is pending its certification as a HUD approved agency.

TAP Comments: There is considerable demand for homes in Lee County. The appraisal will be ordered by the construction lender.

E. Development Site and Site Control

A description of the development site is required in order to complete this development plan. Please provide (or attach) a legal description if available; if not, please identify the site by location or some other means such as street address:

Site Control Questions	Applicant Response
Applicant currently owns the site (recorded deed)	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
The Applicant has or will have prior to loan closing, a contract to purchase the site	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
The Applicant has or will have prior to loan closing, a long-term lease on the site	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Are there existing liens on the property?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
If no liens exist, how was that verified?	County-owned surplus land conveyed to the Applicant, and acquisition of sites is complete. Title search was conducted during the site acquisition process.
List all existing mortgages and liens on the property: N/A	
Are there currently any mortgages or liens, or will there be any mortgages or liens at PLP closing, that will prevent the PLP Loan from being in a first mortgage or a second mortgage position?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
If the PLP will be a second mortgage, please provide details on the first mortgage, including the Lender, amount of mortgage and proposed closing date.	The Applicant is in process of identifying a Lender for construction financing. SELF, NLP, and FCLF have been identified as interested lenders and the

	Applicant is working towards an approval.
If the development site will be titled in the name of a special purpose entity (SPE) formed by the Applicant, please provide the name of the SPE. If not yet formed, please advise when the entity will be formed and list as "SPE to be formed" (Note: If a SPE will hold title to the development site, the SPE must be owned by the Applicant and it (the SPE) will be required to execute the note and mortgage, as borrower, and the Applicant will be required to act as guarantor of the PLP Loan).	N/A
Applicant Comments:	
TAP Comments: The Borrower is currently negotiating with SELF and is also having discussions with Florida Community Loan Fund to provide a construction loan for the project.	

F. Development Readiness	
Item	Status
Current Zoning on Property	RS-1 for 3 lots RM-2 for 2 lots
Current Use of Property	Agricultural
Future Land Use Plan	Urban Community
Site Plan Approval	Complete
Property Survey	Ordered
Soil Testing	Ordered
Permits	Anticipated
Availability of Utilities to property	Yes-Lee County
Availability of Water to property	Yes-Lee County
Availability of Sewer to property	Yes-Lee County
Availability of Road access to property	Yes-Public Roads
Environmental Assessments Performed	To be completed
Appraisal	To be completed
Financial Statements available for review	No-Newly formed organization as of January 2023
Plans, Specs for Development	Completed
Applicant Comments: Steel Homes is a builder of modular homes located in Miami, FL and is working with ALF, Inc. to develop the modular home project. The applicant will provide the soil test, survey, and make the initial payment so that their in-house engineers can produce the	

units. About 80% of the homes will be built in a factory with standards that meet the Miami Dade County criteria (most stringent in the state). The homes will be shipped to sites where Turn Two Construction will have prepared the lots by clearing, grading, and adding septic tanks. Then the units are assembled, and finishes will be added to the home for the Certificate of Occupancy.

TAP Comments: The final contract with Steel Homes is currently being negotiated.

G. Financing Sources		
Name of Source	Amount	Status
Solar Energy Loan Fund (SELF)	\$1.5 million	Applied For
SHIP	\$875,000	Awarded
Applicant Comments: SHIP funds have been awarded to Affordably Lavish Foundation by Lee County and will be released at issuance of the CO.		
Is the Applicant applying for any other FHFC financing? If so, has it been approved?	No	
Is the Applicant entity under the other FHFC financing the same applicant entity as the PLP applicant entity? If not, provide the name of the Applicant entity.	No	
Will any of the other financing be closing in conjunction with the PLP loan?	No	
Will any of the financing closing in conjunction with the PLP loan be permanent or construction financing?	No	
TAP Comments: The project has received a commitment for SHIP funding from Lee County and is negotiating with SELF for financing of this manufactured housing development.		

H. Narrative
Provide Additional narrative not covered in comments above: The Applicant owns the land and is contracting with Steel Homes Modular for the design and building which will reduce the design and construction time frame. Steel Homes is a Florida company headquartered in Miami Dade County, with a 14-year track record in building faster, stronger, sustainable, and cost-effective real estate. This building vendor is approved by Miami Dade County and meets all Florida Building codes.

I. Predevelopment Loan Request Budget	
Item	Amount
Architect/Engineer	235,000
Consultant	5,000
Commitment Fees to Secure Financing	3,000
Credit Underwriting Fees	1,200
Environmental Testing	17,500
Insurance	13,000
Legal Fees	5,800
Market Study & Appraisal	5,000
Survey	7,200
Closing Costs	5,000
Soil Test	7,500
Other – Permitting Expediter	5,000
Other – Impact Fees	62,800
Marketing Expenses	6,500
PLP Loan Total	\$379,500

J. Total Development Costs	
Acquisition costs not covered by PLP	0
Acquisition closing costs not covered by PLP	500
Other Predevelopment costs not covered by PLP	0
Rehabilitation	0
Hard Construction	1,310,375
Construction Contingency	189,625
Developer Fees	85,500
Other construction costs	0
Total Development Cost	\$1,965,500

K. Timeline		
Timeline Item	Date	Status
PLP Loan Approval	October 2023	Anticipated
Site Acquisition	June 2023	Complete
Survey	September 2023	Scheduled
Zoning Approval	June 2023	Complete
PLP Loan Closing	November 2023	Anticipated
Applying for Construction Financing	October 2023	Anticipated
Construction Start	November 2023	Anticipated
Construction Completion	December 2024	Anticipated
Lease-up/Sale	March 2024	Anticipated

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CHIEF EXECUTIVE OFFICER

Ashon Nesbitt

October 2, 2023

Mr. Robert Dearduff
Florida Housing Finance Corporation
227 N. Bronough Street Ste. 5000
Tallahassee, FL 32301-1329

RE: PLP Loan Increase-Budget Revision Request Cornerstone at Sixth PLP 2018-005P-09

Dear Mr. Dearduff:

This letter provides notice that Hannibal Square Community Land Trust (HSCLT) has requested a revision to the PLP Budget of the 350 East Sixth PLP 2018-005P-09 loan. HSCLT is developing 24 homeownership units for low-income families in Apopka, FL (Orange County). The 350 East Sixth PLP loan of \$614,000 matures on March 28, 2024, with a principal amount owed of \$614,000. The Borrower is requesting approval to revise the PLP loan to increase the bifurcated PLP Loan to the maximum allowable amount from \$614,000 to \$750,000.

The Borrower has secured construction financing through LISC-BEDF and closed on the loan that totals \$6.4 million. Orange County has also committed \$1.5 million as a forgivable loan. Construction is anticipated to commence within the fourth quarter of 2023. HSCLT is currently working with the City of Apopka to finalize the infrastructure that can be used for the development project and identify what must be replaced. The project requires a replat, and although the plats received a recommendation of approval from the Planning Commission on September 12th and was expected to obtain final approval by the Apopka City Council on October 2nd the final approval has still not been obtained. The item was pulled from the agenda so the City Attorney and City Surveyor could review and approve prior to consideration for the City Council agenda. This is expected to extend the review period by a minimum of another two weeks. Upon approval from the City Attorney, City Surveyor, then the City Council, it can then be recorded. These additional predevelopment activities extended the proposed development timeline and increase costs, in addition to the increased construction loan.

As TAP for this project, I am recommending that the request to revise the PLP Budget to increase the PLP Loan to the maximum amount allowable of \$750,000. The updated Development Plan that includes the revised PLP Budget is included with this request.

Should you need any further information please feel free to contact me at plancher@flhousing.org or call 850-274-9764.

Elissa Plancher
Technical Advisor



Predevelopment Loan Program

Development Plan

Development Name	Cornerstone at Sixth
Development File Number	2018-005P-09

REVISED PLP BUDGET

A. General Information			
	ORIGINAL	ADJUSTED NOV. 2022	ADJUSTED SEPT 2023
Applicant Entity Name	Hannibal Square Community Land Trust, Inc.	Hannibal Square Community Land Trust, Inc.	Hannibal Square Community Land Trust, Inc.
Development Name	350 East Sixth	Cornerstone at Sixth	No change
Development Address	350 E. 6 th St. Apopka, FL	350 E. 6 th St. Apopka, FL	No change
Development Co-Developers	N/A	N/A	N/A
Primary Contact	Camille Reynolds, ED	Camille Reynolds, ED	No change
Development Type	Rental <input type="checkbox"/> Homeownership <input checked="" type="checkbox"/>	Rental <input type="checkbox"/> Homeownership <input checked="" type="checkbox"/>	Rental <input type="checkbox"/> Homeownership <input checked="" type="checkbox"/>
Number of Buildings	24 6	24 6	No change
Number of Units	24	24	No change
Target Population	Family	LMI Families	No change
Construction Type	New <input checked="" type="checkbox"/> Rehab <input type="checkbox"/> <input type="checkbox"/> Both	New <input checked="" type="checkbox"/> Rehab <input type="checkbox"/> <input type="checkbox"/> Both	New <input checked="" type="checkbox"/> Rehab <input type="checkbox"/> <input type="checkbox"/> Both
Applicant Comments:			
<p>TAP Comments: The applicant is an experienced single-family developer based in Orange County. The homes will be under a community land trust and will remain affordable in perpetuity.</p> <p>The Borrower is awaiting final approval for the replat, which is anticipated to be complete with approvals from the City Attorney, City Surveyor, and City Council by the end of October 2023. The City of Apopka and Hannibal Square CLT are currently negotiating an agreement about what infrastructure must be replaced.</p>			

B. Development Finance Information			
	ORIGINAL	ADJUSTED NOV. 2022	ADJUSTED SEPT. 2023
PLP Loan Recommended Amount	\$614,000	\$614,000	\$750,000
Total Predevelopment Costs	\$614,000	\$614,000	\$800,000
PLP Loan Amount for Acquisition	\$450,000	\$450,000	\$450,000
Estimated Total Development Costs	\$6,933,150	\$7,484,586	\$8,671,531
Applicant Comments: We have worked to find cost savings, including sending the project out for new bids and eventually changing the GC. We have reduced the construction budget (GMP) from \$7.8M in March to just under \$6.4M. We have also been able to secure \$1.5M in subsidies from Orange County Government.			

The total costs have increased due to increases in the loan fees and other costs. In addition, the current budget of \$8.7 million, now includes the land cost of \$450,000.

TAP Comments: Orange County Housing and Community Development has offered the applicant to apply for their 1% interest construction loan program for which the county is in partnership with Neighborhood Lending Partners. The applicant intends to use PLP for acquisition and predevelopment activities which will be repaid when the homes are sold. The applicant may also apply for SHIP New Construction financing (Code 10) that is available for nonprofit developers of single-family homes.

C. Development Team

	ORIGINAL VENDOR	ORIGINAL STATUS	ADJUSTED VENDOR NOV. 2022	ADJUSTED STATUS NOV. 2022	ADJUSTED STATUS SEPT. 2023
Developer	Hannibal Square CLT		No Change	No change	No change
Contractor	Interviews in process	CTG/CTCM	DCM/BUILDING & REMODELING INC.		Under Contract
Architect	Interviews in process	Canin Assoc.	Canin Assoc.		Under Contract (Kimley-Horne (formerly Canin Assoc.))
Engineer	Interviews in process	Harris Civil	Harris Civil		Under Contract
Consultant			Davis Consulting & Management, Inc.		Under Contract
Other Construction Management			Davis Consulting & Management, Inc.		Under Contract

Applicant Comments: Development Committee is currently screening potential A/E companies and will send out an RFP for the design of the development.

TAP Comments: Project has completed design and is in for permitting. A new construction manager has been hired. Final Permitting is underway, and construction is anticipated to commence in Q4 2023.

D. Market/Feasibility		
ORIGINAL Type of Study	ORIGINAL Performed By	ORIGINAL Status
None contemplated for single family development		
ADJUSTED SEPT 2023 Type of Study	ADJUSTED SEPT 2023 Performed By	ADJUSTED SEPT 2023 Status
None	None	None
<p>Provide narrative of anticipated marketing and lease up of property: Prior to groundbreaking, billboards will be erected on the site announcing new homes coming soon with conceptual images of the homes and providing contact information to apply. In addition, information will be placed on the “coming soon” icon on the HSCLT website. HSCLT will also work with church leaders and area employers to provide information to parishioners and staff regarding the homes available. PSAs through the media outlets will also be a source for generating interest. Since all the homes will be exactly the same, prices will not be announced in order to encourage buyers of varying incomes. Applicants who need down payment assistance or are first-time home buyers will participate in our first-time home buyer classes and will also be required to attend an 8-hour first time homeowner training class. Applicants will receive training on what it means to own a community land trust home. Applicants who need assistance with qualifying will be taken through a program to help them with credit issues to prepare them to qualify. Twelve (12) of the 24 units will be set aside for buyers earning 80% or less of AMI.</p>		
Applicant Comments:		
TAP Comments: Currently four units are under contract. There are nine approved buyers that will convert to contract once construction begins.		

E. Site Control			
	ORIGINAL	ADJUSTED NOV. 2022	ADJUSTED SEPT. 2023
Is the property owned by the Applicant Entity?	No	Yes	No change
Are there existing liens on the property? If no, how was that verified?	At this time, the sellers have indicated that there are no liens on the property. However, a title search and verification of no liens will be conducted prior to closing.	Lien from FHFC for acquisition of the land.	Yes, documentation in file.
List all existing liens	N/A	PLP	LISC-BEDF Orange County PLP
Will the property be owned by a single purpose entity	No	No	No change

other than the Applicant Entity?			
If the property is going to be acquired, is there an executed contract for sale or lease agreement?	Yes	Yes. Contract for sale and purchase of the improvements; CLT maintains ownership	No change
Applicant Comments: N/A			
TAP Comments: N/A			

F. Development Readiness			
Item	ORIGINAL Status	ADJUSTED NOV. 2022	ADJUSTED SEPT. 2023
Current Zoning on Property	R-3	No change	No change
Current Use of Property	Vacant	No change	No change
Future Land Use Plan	Medium Density Residential	No change	No change
Site Plan Approval	To be completed in October/November 2018	Approved 10/6/2021	No change
Property Survey	To be completed in October/November 2018	Updated 6/29/2022	No change
Soil Testing	To be completed in October/November 2018	6/3/2019	No change
Permits	2019	In process-Anticipated Q1 2023	Anticipated by end of 2023
Availability of Utilities to property	There are underground utilities stubbed out from a prior development plan. HSCLT plans to use the same footprint for this development.	Verified by utility providers 5/17/2022 and 6/9/2022	No change
Availability of Water to property	City of Apopka	No change	No change
Availability of Sewer to property	City of Apopka	No change	No change
Availability of Road access to property	Yes	No change	No change
Environmental Assessments Performed	To be completed during PLP process	Completed 10/23/2018; last updated 10/26/2022	No change
Appraisal	To be completed during PLP process	Updated 6/8/2022	No change
Financial Statements available for review	Yes	Yes	No change
Plans, Specs for Development	To be prepared during PLP process. HSCLT plans to use the footprint from an	Completed 5/29/2019; approved 10/6/2021	No change

	existing development plan with modifications.	
Applicant Comments: The seller has provided full engineering and site plan drawings from the previous developer.		
TAP Comments: The final plat was on the agenda to be approved at the October 2, 2023 City Council meeting. However, the City requires that the City Attorney and City Surveyor review and approve prior to the City Council's approval. Therefore, on October 4 th , the Borrower was advised that the item was pulled so the approval process would comply with the City's Plat Review Requirements Process. This process, resulting in the final approval which will enable the Borrower to commence construction, is expected to be completed by the end of October.		

G. Financing Sources Committed							
ORIGINAL			ADJUSTED NOV. 2022			ADJUSTED SEPT. 2023	
Name of Source	Amount	Status	Name of Source	Amount	Status	Amount	Status
Orange County Loan Program	7,000,000	Will Apply for in next 12 months	BEDF	\$5,500,000	LOI; working to close	\$6,425,000	Closed
		Choose an item.	Orange County	\$1,500,000	Executed agreement 9/20/2022	No Change	Closed
Applicant Comments: Loan from LISC-BEDF is for \$6,425,000 and closed in Feb 2023.							
TAP Comments: BEDF Loan closed February 2023. Orange County financing approved and executed October 2022.							

H. Narrative
Provide Additional narrative not covered in comments above: Project was delayed for some time negotiating with the School board due to concurrency mitigation. The City of Apopka also took extra time on various issues and to determine if the existing infrastructure could be used. The final plat revisions must be reviewed by the City Attorney and Surveyor before being placed on the agenda to be approved by the City Council. This is expected to occur in October 2023.

I. Predevelopment Loan Request Budget			
Item	ORIGINAL	REVISED NOV. 2022	REVISED SEPT. 2023
Accounting	2,500	No change	No change
Acquisition	450,000	No change	No change
Acquisition Closing Costs	10,000	No change	No change

Appraisal	4,750	No change	No change
Architect/Engineer	100,000	No change	190,000
Administration	0	No change	No change
Consultant		No change	No change
Commitment Fees	4,500	No change	No change
Credit Underwriting Fees	4,750	No change	No change
Environmental Testing	10,000	No change	No change
Insurance		No change	No change
Legal Fees	10,000	No change	No change
Market Study	0	No change	No change
Surveys	6,000	No change	11,400
Title Insurance		No change	No change
Contingency	6,500	No change	No change
Soil Tests	5,000	No change	No change
Other (Concurrency Mitigation)	0	No change	40,600
PLP Loan Total	614,000	No change	750,000

TAP COMMENTS SEPT 2023 REVISED PLP BUDGET: The Borrower is requesting a revision to the existing PLP Loan Budget to increase the PLP Loan Total to the maximum allowable bifurcated PLP Loan amount to support the remaining predevelopment expenses and add a new use. The requested revision will increase the PLP Loan Budget from \$614,000 to \$750,000.

Architect/Engineer: The Architect/Engineer approved PLP use is being increased by \$90,000, from \$100,000 to \$190,000. The Borrower has paid the expenses and intends to use these funds as a reimbursement for services rendered.

Surveys: The Borrower has requested to increase the approved Survey line item from \$6,000 to \$11,400, which is an increase of \$5,400 for this use. The additional funds will be applied to the replat expenses.

Other (Concurrency Mitigation): This new PLP Budget line item in the amount of \$40,600 will apply to concurrency and will be issued as an advance, in which the Borrower will provide proof of payment to the TAP.

J. Total Development Costs			
	ORIGINAL	ADJUSTED NOV. 2022	ADJUSTED SEPT 2023
Acquisition costs not covered by PLP	0	No change	No change
Acquisition closing costs not covered by PLP	0	No change	No change
Additional Predevelopment costs not covered by PLP	0	No change	50,000
Rehabilitation	0	No change	No change
Hard Construction	4,800,000	6,377,261	6,377,261
Construction Contingency	48,000	-	318,863
Developer Fees	756,900	0	

Other Construction Costs	1,328,250	1,107,325	1,975,407
Total Development Cost	6,933,150	7,484,586	\$8,671,531

TAP Comment: The costs have continued to increase due to increased loan costs as well as delays in finalizing permits and financing. The total costs have now increased to \$8,671,531.

K. Timeline						
Timeline Item	ORIGINAL Date	ORIGINAL Status	ADJUSTED NOV. 2022 Date	ADJUSTED NOV. 2022 Status	ADJUSTED SEP 2023 Date	ADJUSTED SEP 2023 Status
PLP Loan Approval	October 26,2018	Anticipated	11/2/2018	Complete	Jan 2023	No change
Site Acquisition	December, 2018	Scheduled	3/29/2019	Complete	No change	No change
Survey	October, 2018	Anticipated	6/29/2022	Complete	No change	No change
Zoning Approval	October, 2018	Anticipated	6/13/2022	Complete	No change	No change
PLP Loan Closing	November, 2018	Anticipated	3/29/2019	Complete	Jan 2023	No change
Applying for Construction Financing	November, 2018	Anticipated	LOI on 3/29/2022	Closing- Anticipated Jan 2023	Feb 2023	Complete
Construction Start	April, 2019	Anticipated	1Q 2023	Anticipated	4 th Q 2023	Anticipated
Construction Completion	December, 2019	Anticipated	2Q 2024	Anticipated	1 st Q 2025	Anticipated
Lease-up/Sale	November, 2019	Anticipated	3Q 2023	Anticipated	3 rd Q 2025	Anticipated

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Florida Power and Light

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CHIEF EXECUTIVE OFFICER

Ashon Nesbitt

October 2, 2023

Mr. Robert Dearduff
Florida Housing Finance Corporation
227 N. Bronough Street Ste. 5000
Tallahassee, FL 32301-1329

RE: Approval of 2nd One-Year Extension Mercy Village PLP 2018-001P-09

Dear Mr. Dearduff:

This letter provides notice that the above referenced PLP has my approval to go forward for consideration for a second extension to the Mercy Village PLP Loan 2018-001P-09 (previously Saving Mercy PLP/Mercy Oaks). As of the date on this letter, the Borrower has expended \$174,503.62 of the \$500,000 PLP Loan. This loan matures on November 20, 2023. The Borrower

The Saving Mercy Corporation entered into a long-term land lease in January 2023 which stipulates an agreement to develop Mercy Village under the Developer, Mercy Village, LLLP (wholly owned by Carrfour Supportive Housing, Inc.). Mercy Village LLLP's PLP Loan Assumption request was approved at the April 2023 FHFC Board meeting. The PLP Borrower was awaiting assignment to the FHFC Legal Department to complete the PLP Loan Assumption and the transaction was completed in October 2023. Until the completion of the PLP Loan Assumption, Mercy Village, LLLP has been unable to draw on the PLP Loan funds.

Mercy Village, LLLP submitted an application responding to RFA 2023-103 Housing Credit and SAIL Financing for Homeless Housing Developments Located in Medium and Large Counties. The application was selected for financing and the Developer is engaged in credit underwriting. The Borrower has provided an updated Development Plan to demonstrate progress. Upon the closing of FHFC financing, the Borrower intends to repay the PLP Loan prior to the next PLP Loan maturity date.

As TAP for this project, I am recommending that the request for a one-year extension be approved.

Should you need any further information please feel free to contact me at plancher@flhousing.org or call 850-274-9764.

Elissa Plancher
Technical Advisor



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- Robert Beatty
- Seth Gordon

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August 31, 2023

Mr. Robert Dearduff
Florida Housing Finance Corporation
227 North Bronough Street, Suite 5000
Tallahassee, Florida 32301

Re: Mercy Village PLP 2018-001P-09 Loan Extension Request

Dear Mr. Dearduff,

Mercy Village, LLLP (wholly owned by Carrfour Supportive Housing) is requesting a second one year extension to the Mercy Village PLP Loan 2018-001P-09. The PLP Loan will mature on November 20, 2023, and there is a principal amount owed of \$174,503.62 of the \$500,000 PLP Loan, which was expended under the original Borrower, Saving Mercy Corporation. The FHFC Board approved the Assumption of the Saving Mercy PLP Loan by Mercy Village, LLLP on April 28, 2023. As of the date of this written request, we are awaiting the completion of the PLP Loan Assumption transaction, which will then allow Mercy Village, LLLP to execute PLP Loan extension documents and draw down predevelopment funds.

Selected for financing under FHFC RFA 2023-103, Mercy Village, LLLP is engaged in the credit underwriting process and anticipates completion by the end of year. Our development team is working on completing remaining predevelopment activities and we have met with the City of Ocala regarding the site plan approval.

Upon the PLP Loan Assumption, we intend to utilize the remaining funds to support Mercy Village and repay the PLP Loan back at the time of closing on FHFC financing. As we anticipate closing on construction financing at the end of the year, we will be able to repay the PLP Loan in full before the extended maturity date next year.

In light of the extended time it has taken to complete the Loan Assumption, we respectfully request a one (1) year extension of the maturity date to November 20, 2024.

Thank you for considering this request. Please contact me if you have any questions.

Sincerely,

Stephanie Berman
President/CEO



Predevelopment Loan Program

Development Plan

	ORIGINAL	MARCH 2023 PLP Loan Assignment & Assumption	ADJUSTED SEPT 2023 2nd PLP Loan Extension
Development Name	Mercy Oaks Phase 1	Mercy Village	No change
Development File Number	2018-001P-09	No change	No change

2nd Extension Request

A. General Information		
	ORIGINAL	ADJUSTED SEPT 2023
Applicant Entity Name	Saving Mercy Corporation	Mercy Village, LLLP
Development Name	Mercy Oaks – Phase 1	Mercy Village
Development Address	3601 W. Silver Springs Blvd., Ocala, FL 34475	No change
Development Co-Developers	N/A	No change
Primary Contact	Jason Halstead	James Petrone
Development Type	Rental <input checked="" type="checkbox"/> Homeownership <input type="checkbox"/>	No change
Number of Buildings	TBD	1
Number of Units	30 (proposed)	59
Target Population	Homeless	Homeless
Construction Type	New <input checked="" type="checkbox"/> Rehab <input type="checkbox"/> Both <input type="checkbox"/>	No Change
Applicant Comments:		
TAP Comments: The PLP Loan Assumption is complete, and the new Borrower is Mercy Village, LLLP (wholly owned by Carrfour Supportive Housing).		

B. Development Finance Information		
	ORIGINAL	ADJUSTED SEPT 2023
PLP Loan Recommended Amount	\$500,000	No change
Total Predevelopment Costs	\$500,000	500,000
PLP Loan Amount for Acquisition	0	0
Estimated Total Development Costs	5,800,000	23,218,266
Applicant Comments: N/A		
TAP Comments: N/A		

C. Development Team				
	ORIGINAL VENDOR	ORIGINAL STATUS	ADJUSTED SEPT 2023 VENDOR	ADJUSTED SEPT 2023 STATUS
Developer	Saving Mercy Corporation		Carrfour Supportive Housing Inc.	No change
Co-Developer			N/A	N/A
Contractor	Boyle Construction Inc.		TBD	
Architect	Martinez Architecture, LLC		CMA Architects	Under contract
Engineer	Pigeon-Roberts and Associates, LLC		Ardurra – Chuck A. Pigeon, P.E. Principal Engineer	Under contract
Engineering Consultant	John Esbenshade, PE		TBD	
Construction Consultant	Brian Ehlers Construction Company		N/A	
Property Management			Crossroads Management LLC	No change
Other				
Applicant Comments: N/A				
TAP Comments: N/A				

D. Market/Feasibility		
ORIGINAL		
Type of Study	Performed By	Status
Ocala/Marion County Home Matters Report	Florida Housing Coalition	Completed September 2017; homelessness remains critical issue in Marion County
ADJUSTED MARCH 2023		
Type of Study	Performed By	Status
Market Study	As required by Lender	To be engaged
ADJUSTED SEPT 2023		
Type of Study	Performed By	Status
Market Study	Meridian	Complete
Provide narrative of anticipated marketing and lease up of property: Saving Mercy will utilize its relationship with the Continuum of Care, accepting referrals through its coordinated entry		

<p>system, and will collaborate with other agencies to market the units. The location is also near several employers such as UPS, Closet Maid, Goodwill, Cheney Brothers, Gander Mountain, and Chariot Eagle, which will serve both as attractors to the location and potential employment opportunities for tenants. Additionally, current tenants of the operating motel may choose to return as tenants of the redeveloped property.</p>
<p>Applicant Comments: Market study vendor is Meridian.</p>
<p>TAP Comments: N/A</p>

E. Site Control		
	ORIGINAL	ADJUSTED SEPT 2023
Is the property owned by the Applicant Entity?	Yes	Yes
Are there existing liens on the property? If no, how was that verified?	Yes	Yes
List all existing liens	First Mortgage of \$1,170,000	First Mortgage of \$610,977.77
Will the property be owned by a single purpose entity other than the Applicant Entity?	TBD	Yes
If the property is going to be acquired, is there an executed contract for sale or lease agreement?	N/A	Lease Agreement
<p>Applicant Comments: Confirmed by James Petrone, Housing Developer, Carrfour Supportive Housing, Inc., Developer.</p>		
<p>TAP Comments: The construction of the 59 units to be known as Mercy Village will be developed by Carrfour and is considered as Phase 2 of Saving Mercy’s overall project.</p>		

F. Development Readiness		
Item	ORIGINAL STATUS	ADJUSTED SEPT 2023 STATUS
Current Zoning on Property	B-2, multifamily allowed with special exception	No change
Current Use of Property	Motel (weekly rental) and RV park	No change
Future Land Use Plan	Employment Center (residential allowed)	No change

Site Plan Approval	TBD	No change
Property Survey	Soliciting bids, complete in August 2018	To be updated
Soil Testing	TBD	In process
Permits	TBD	To be completed
Availability of Utilities to property	Electric on site	Yes
Availability of Water to property	Private – need to connect to public	Yes-City of Ocala
Availability of Sewer to property	Private – need to connect to public	Yes-City of Ocala
Availability of Road access to property	Yes – direct access to main arterial	No change
Environmental Assessments Performed	Completed March 2018 – no issues	Completed – July 15, 2023
Appraisal	TBD	In Process
Financial Statements available for review	Yes	Yes
Plans, Specs for Development	In process	In process
Applicant Comments:		
TAP Comments: Third Party report(s) are available upon request.		

G. Financing Sources Committed				
Name of Source	ORIGINAL Amount	ORIGINAL Status	ADJUSTED SEPT 2023 Amount	ADJUSTED SEPT 2023 Status
LIHTC	N/A		\$17,338,266	Awarded
SAIL	\$4,000,000	Will Apply for in next 12 months	\$4,200,000	Awarded
Conventional Loan	\$1,400,000	Will Apply for in next 12 months	\$12,500,000	Will Apply for in next 12 months
City/County SHIP	\$200,000	Will Apply for in next 12 months	N/A	N/A
NHTF Funds	N/A		\$1,650,000	Awarded
Private Donations	\$200,000	Committed	0	N/A
Applicant Comments: No additional financing at this time				
TAP Comments: This development project has been selected for funding for RFA 2023-103.				

H. Narrative
Provide Additional narrative not covered in comments above: Saving Mercy will serve the community through this development by providing both housing and on-site case management accomplished through relationships with local government agencies, social service providers, churches and other entities. Phase I of the development will focus on homeless individuals. Phase II will focus on homeless

families. Saving Mercy will operate the entire development in accordance with the principles of Housing First, recognizing that homelessness is first and foremost a housing crisis to be addressed through the provision of safe and affordable housing.

As the City of Ocala has grown and prospered, a segment of the population has been left behind. They are the forgotten faces of the Ocala community that are struggling to survive staggering socioeconomic factors, such as a poverty rate nearly 50% higher than the state average and a suicide rate that is ten points higher. The United Way’s ALICE Report shows that 37% of the households in Marion County and 55% of the households in the City of Ocala do not earn enough money to pay for basic necessities such as food, housing, and health care. Similarly, Florida’s Shimberg Center reports there are only 23 affordable housing units for every 100 extremely low-income households (those earning less than 30% of the AMI) in Marion County. A typical family earning 30% of the AMI pays between 74% to 78% of its income for housing and transportation in Marion County. This overall lack of affordable housing has empowered landlords to be more selective in who they offer housing to, pushing the most vulnerable onto the streets and into homelessness.

I. Predevelopment Loan Request Budget			
	ORIGINAL Amount	REVISED MARCH 2023	SEPT 2023 *NO REVISION*
Appraisal	6,000	0	No change
Architect/Engineer	200,000	378,734	No change
Consultant	10,000	0	No change
FHFC Application Fee	1,500	3,000	No change
Credit Underwriting	20,000	27,000	No change
Plan and Cost Review	3,000	0	No change
Impact Fees	200,000	221	No change
Environmental Testing	5,000	5,000	No change
Insurance	19,000	5,000	No change
Legal Fees	10,000	0	No change
Market Study	5,000	6,500	No change
Surveys	3,000	33,700	No change
Title Insurance	10,000	21,072	No change
Soil Testing	0	3,500	No change
Contingency	7,500	16,273	No change
PLP Loan Total	500,000	500,000	No change

J. Total Development Costs		
	ORIGINAL	ADJUSTED SEPT 2023
Acquisition costs not covered by PLP	700,000	175,000
Acquisition closing costs not covered by PLP		5,000
Additional Predevelopment costs not covered by PLP		TBD
Rehabilitation		0
Hard Construction	3,400,000	13,979,138
Construction Contingency	340,000	620,000
Developer Fees	600,000	3,015,500
Other Development Costs (including PLP total)	760,000	5,603,628
Total Development Cost	5,800,000	\$23,218,266

Timeline				
Timeline Item	ORIGINAL Date	ORIGINAL Status	ADJUSTED SEPT 2023 Date	ADJUSTED SEPT 2023 Status
Site Acquisition	May 2018	Complete	No change	Complete
PLP Approval	July 2018	Anticipated	April 2023	Anticipated
Survey	August 2018	Anticipated	April 2023	Anticipated
PLP Loan Closing	August 2018	Anticipated	No change	Complete
Applying for Construction Financing (Conventional and Local Funding)	September 2018	Anticipated	September 2023	Anticipated
Zoning Approval	November 2018	Anticipated	September 2023	Anticipated
Conventional and Local Funding Approval	February 2019	Anticipated	February 2024	Anticipated
Applying for FHFC Funding	March 2019	Anticipated	January 2023	Complete
FHFC Funding Approval	May 2019	Anticipated	March 2024	Anticipated
FHFC Closing and Construction Start	October 2019	Anticipated	April 2024	Anticipated
Construction Completion	October 2020	Anticipated	December 2025	Anticipated
Lease-up/Sale	December 2020	Anticipated	April 2026	Anticipated



October 11, 2023

Mr. Todd Fowler
Director of Special Assets
Florida Housing Finance Corporation
City Centre Building
227 North Bronough Street, Suite 5000
Tallahassee, Florida 32301-1329

Re: Teal Pointe Apartments
HOME 93 HD-014 / 9% Housing Credits (“HC”) 93L-097

Transfer of Ownership/Assumption of the HOME Loan Documents and Extended Low
Income Housing Agreement (“ELIHA”) / Release and Replacement of Guarantors

Dear Mr. Fowler:

First Housing Development Corporation of Florida (“First Housing”, FHDC”, or “Servicer”) has reviewed a request dated August 25, 2023, from Richard Grammig on behalf of 151 SE 8th ST LLC (“Buyer” or “Proposed Owner”), which is owned by Lewis Swezy, requesting Florida Housing Finance Corporation (“Florida Housing” or “FHFC”) approve the transfer of ownership from JJR Apartments, LLC (“Seller”) to Buyer, assumption of the HOME Loan Documents and ELIHA, and release and replacement of Guarantors. First Housing has been requested to determine if the Proposed Owner has the prerequisite financial strength and experience to successfully own and operate Teal Pointe Apartments (“Development”).

On behalf of FHFC, First Housing has reviewed the request, performed certain due diligence, and formulated recommendations and conditions which are outlined at the end of this report. For the purposes of this analysis, First Housing has reviewed the following:

- Credit Underwriting Report, dated November 3, 1993 (“Original CUR”), Transfer of Ownership Interest CUR, dated March 31, 2006, Restructure and Extension of the HOME CUR, dated November 25, 2008, Transfer of Ownership Interest CUR, dated July 21, 2015.
- Development Unaudited Profit and Loss Statements for 2021, 2022, and January through May of 2023.

- HOME Promissory Note, dated December 21, 1993, and Allonge to Promissory Note, dated May 4, 2006, and Second Allonge to Promissory Note, dated December 21, 2008.
- ELIHA, dated October 21, 1994, Assignment and Assumption of ELIHA, dated May 4, 2006, and the Second Assignment and Assumption of ELIHA, dated September 8, 2015.
- HOME Land Use Restriction Agreement (“LURA”), dated December 21, 1993, First Amendment to HOME LURA, dated May 4, 2006, and Second Amendment to HOME LURA, dated December 21, 2008.
- FHFC Past Due Report, dated August 28, 2023.
- FHFC Asset Management Noncompliance Report, dated May 24, 2023.

Background

Teal Pointe Apartments is an existing 45-unit multifamily development located at 151 SE 8th Street, Homestead, Miami-Dade County, Florida 33033 and contains one (1) one-bed/one-bath unit, thirty-nine (39) two-bed/one-bath units and five (5) three-bed/two-bath units.

The existing first mortgage is payable to FHFC under its HOME loan program in the original amount of \$1,000,000. The HOME loan bears interest at a rate of 1.5% per annum. All accrued and unpaid interest, plus interest at the 1.5% rate, together with principal based on a 30 year amortization shall be due and payable monthly. Monthly payments of principal and interest in the amount of \$3,451.20 are required. The final payment of all outstanding principal and accrued interest is due and payable on December 21, 2038. As of September 12, 2023, the outstanding HOME loan principal was \$564,227.62. As of September 12, 2023, the HOME loan interest was paid through October 1, 2023.

The Development has a second mortgage with Eastern National Bank in the amount of \$1,100,000. It is First Housing’s understanding that the subordinate loan will be paid off by the Seller at closing.

The Development also received an allocation of HC’s.

Operation of the Development is restricted by terms and conditions detailed in various loan documents, including but not limited to Florida Housing’s ELIHA and HOME LURA.

ELIHA requires the following set asides for a term of fifty (50) years:

- 50% of the units (23 units) set aside at or below 50% Area Median Income (“AMI”)
- 50% of the units (22 units) set aside at or below 60% AMI

HOME LURA requires the following set asides for a term of forty-five (45) years:

- 50% of the units (23 units) set aside as HOME Assisted Units at or below 50% AMI
- 50% of the units (22 units) set aside as HOME Assisted Units at or below 80% AMI

First Housing has not received a recent rent roll and the Development is not on the recent FHFC Occupancy Reports.

A recent Annual Management Review and Physical Site Inspection was not available.

Status of the Development Team Noncompliance/Past Due

The development team was reported on Florida Housing's September 18, 2023 Past Due Report for the following:

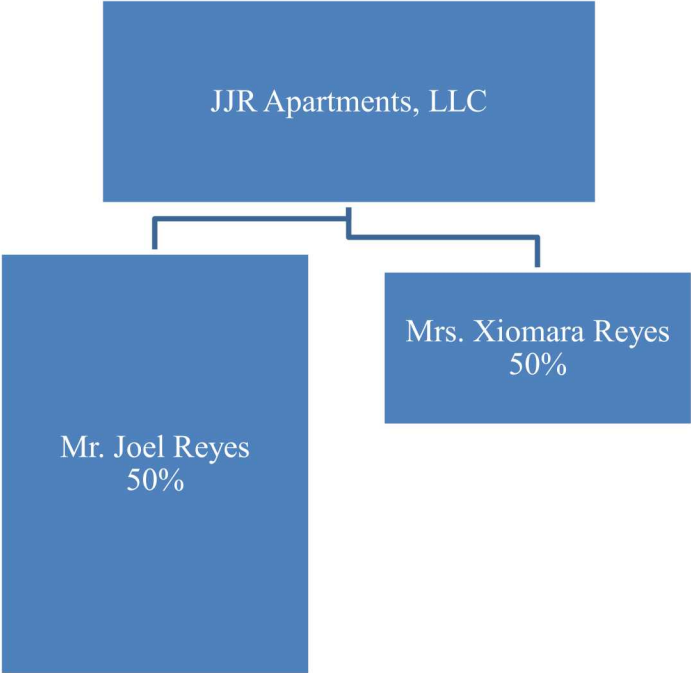
- None

The development team was reported on Florida Housing's May 24, 2023 Asset Management Noncompliance Report for the following:

- Country Club Villas – Failure to document eligibility upon initial certification. (Proposed Owner). Please note First Housing received a close out letter, dated September 8, 2023, for the January 26, 2023 management review and physical inspection.
- Teal Pointe – various noncompliance from 2011 through 2022 including failure to document eligibility upon initial occupancy, failure to meet overall set-aside requirements, failure to meet uniform physical condition standards for units, failure to meet UPCS for common area, and failure to execute all instruments reasonably required to comply with the loan agreement and LURA and carry out the provisions of the compliance monitoring and servicing agreement. (Seller)

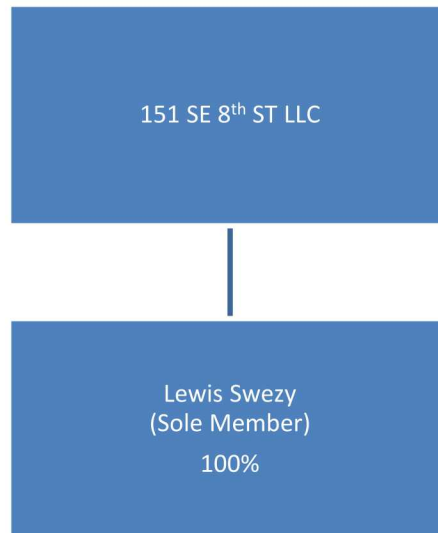
The Development has various non-compliance from 2011 through 2022. It is First Housing's understanding that the Seller will not be curing the current items and that the Buyer intends to cure the items once they acquire the Development. The Buyer believes it will take approximately 18 months to bring the Development current with compliance requirements. If the non-compliance items are not corrected in this period, the HOME loan will be due in its entirety.

Current Ownership Structure:



JJR Apartments, LLC was formed as a Florida Limited Liability Company on February 4, 2015 for the purpose of acquiring and operating the Development.

Proposed Ownership Structure:



The Proposed Owner is a single-purpose entity. The development experience lies with Lewis Swezy. Lewis Swezy has over 35 years of experience in property acquisition, land development, construction, real estate finance, real estate brokerage, and property management specializing in affordable housing development and management. Lewis Swezy owns and manages over 3,700 apartments, about 900,000 square feet of warehouses, and over two hundred acres of vacant land. Lewis Swezy has developed and constructed or rehabilitated over one hundred million dollars in real property.

First Housing received a satisfactory trade reference, bank statements, and financials for Lewis Swezy. First Housing received a credit report for Lewis Swezy, dated February 3, 2023.

First Housing has received a Commercial Contract, with an effective date of June 23, 2023, between JJR Apartments LLC and Lewis Swezy. First Housing also received Addendum No. 1 to Contract, executed June 27, 2023, Addendum No. 2 to the Contract, executed July 20, 2023, and Addendum No. 3 to the Contract, executed August 8, 2023. According to the Contract and Addendums, the purchase price for the Development is \$4,975,000 and closing must occur within 30 calendar days of Florida Housing’s written approval.

The Proposed Owner will be paying cash for the purchase of the property and the closing costs.

Proposed Management Company

The proposed management company is Centennial Management Corp. Centennial Management Corp. is part of a family of companies owned and operated by Lewis Swezy. Centennial Management Corp. currently manages over 3,500 units in Florida. Centennial Management Corp. has been managing units for 40 years. The selection of the management company is subject to approval by Florida Housing’s Asset Management Department.

Recommendation

First Housing's review indicates that the proposed ownership entities through their principal have the prerequisite financial strength and experience to successfully own and operate the Development. First Housing recommends approval of the transfer of ownership to 151 SE 8th ST LLC, which is owned by Lewis Swezy, assumption of the existing HOME Loan Documents and ELIHA, release and replacement of Guarantors, and the modification of any other loan documents required to effectuate the transaction, subject to the following conditions:

1. 151 SE 8th ST LLC, which is owned by Lewis Swezy, and its entities and principals shall agree that through the regulatory period, Florida Housing and their compliance monitoring agent shall have access to the Development to perform their annual management review and physical inspection during the remaining affordability period.
2. 151 SE 8th ST LLC, which is owned by Lewis Swezy, and its entities and principals and any other parties, as well as withdrawing entities, to execute any assignment and assumption documents FHFC deems necessary to effectuate the ownership change including, but not limited to, new and other existing guarantees as determined by FHFC.
3. Lewis Swezy to execute any guarantees that FHFC deems necessary.
4. Review and approval of all loan documents consistent with the terms outlined above by FHFC, its legal counsel, and Servicer.
5. Payment of any outstanding arrearages to the Corporation, its legal counsel, Servicer or any agent or assignee of the Corporation for past due issues applicable to the development team (Applicant or Developer or Principal, Affiliate or Financial Beneficiary, as described in 67-48.0075 (5) F.A.C., of an Applicant or a Developer).
6. Payment of outstanding HOME Loan deferred and accrued interest as determined by FHFC and its Servicer; if applicable.
7. Confirmation that the second mortgage will be paid off at closing.
8. Verification that all Insurance Certificates are current and acceptable to First Housing and FHFC.
9. Receipt of a non-refundable transfer and assumption fee equal to one-tenth of one percent of the outstanding principal balance of the HOME Loan on the date of closing.

10. Confirmation of FHFC Asset Management's approval of the selection of the management company.
11. Receipt of an executed Management Agreement.
12. Consent of the HC Equity Provider, if applicable.
13. Transfer of existing tax, insurance, replacement reserve and debt service escrow accounts or establishment of new accounts in like or greater amounts satisfactory to FHFC prior to closing, if applicable.
14. Prepayment of any required compliance monitoring fees and servicing fees, if applicable.
15. If the non-compliance items are not corrected in 18 months from closing, the HOME loan will be due in its entirety.
16. All other due diligence required by FHFC, its legal counsel and Servicer.

Prepared by:



Taylor Arruda
Senior Credit Underwriter

Reviewed By:



Ed Busansky
Senior Vice President

LIVE LOCAL

Information

I. LIVE LOCAL

A. Viability Loan Program

1. Background/Present Situation:

- a) \$100 million dedicated for development viability loans.
- b) FHFC added SAIL program income to overall funding, issued a Request for Applications (RFA) in April 2023, and approximately \$121 million was awarded to 30 developments (totaling 3,606 units) invited to enter underwriting in June 2023.

B. Additional Traditional SAIL Funding

1. Background/Present Situation:

- a) \$109 million in SAIL financing distributed under s. 420.5087, F.S.
- b) RFA 2023-205 was issued in July, and funding recommendations were presented at the September 8, 2023 FHFC Board meeting. The Board approved preliminary funding recommendations for 15 developments.
- c) RFAs 2024-102 (Smaller developments for Persons with Special Needs), 2024-103 (Homeless Households) and 2024-106 (Persons with Disabling Conditions/Developmental Disabilities) will be issued before the end of 2023.

C. Live Local Tax Credit Contribution Program

1. Background/Present Situation:

- a) Florida Department of Revenue (DOR) opened requests for credit allocation on October 2, 2023.
- b) FHFC contribution webpage went live October 2, 2023.
- c) As of October 6, 2023, \$51,450,000 in credit allocation has been requested from DOR; no contributions have been received by FHFC yet.
- d) FHFC will begin RFA development for transformative housing developments.

D. Multifamily Middle Market Certification (Component of Missing Middle Tax Exemption)

1. Background/Present Situation:

- a) Portal for certification requests opened October 2, 2023.
- b) To date, 30 registrants have enrolled in portal.

LIVE LOCAL

Information

E. Florida Hometown Heroes

1. Background/Present Situation:

- a) \$100 million was fully committed on August 22, 2023.
- b) Over 6,400 loans totaling almost \$2 billion in first mortgages paired with the \$100 million of down payment and closing cost assistance.
- c) FHFC continues to monitor any loan reservation fall- out and will periodically open reservation requests as appropriate.

F. Additional SAIL – Innovative Multifamily Development Opportunities

1. Background/Present Situation:

- a) \$150 million in SAIL financing for innovative developments.
- b) An RFA workshop held October 3, 2023, and an additional workshop is being planned for November 1, 2023.
- c) Staff anticipates that the initial RFA will be issued in November with applications submitted in December.

LEGAL

Action

I. LEGAL

Archway Princeton Oaks, LLC vs. Florida Housing Finance Corporation, ECG Town Oaks, LP, and Cardinal Pointe, LLC. FHFC Case No. 2023-047BP; DOAH Case No. 23-2528BID.

CORE Oak Park, LLLP vs. Florida Housing Finance Corporation, and Hermosa NFTM 41, II, LTD FHFC Case No. 2023-048BP; DOAH Case No. 23-2527BID; and

Amaryllis Park Place III, LLC vs. Florida Housing Finance Corporation, Blue Ian, LLC, and MHP Sarasota I, LTD FHFC Case No. 2023-050BP; DOAH Case No. 23-2526BID;

1. Background:

- a) This consolidated case concerns multiple protests filed against the preliminary awards for RFA 2023-304: Rental Recovery Loan Program (“RRLP”) Financing to be Used for Rental Developments in Hurricane Ian and Hurricane Nicole Impacted Counties (the “RFA”). Florida Housing received 36 applications in response to the RFA. At the June 9, 2023 Board meeting, nine applicants were preliminarily recommended for funding, including MHP Sarasota I, LTD (“MHP Sarasota”), Hermosa NFTM 41, II, LTD (“Hermosa”), and Cardinal Pointe, LLC (“Cardinal Pointe”). Amaryllis Park Place III, LLC (“Amaryllis”), CORE Oak Park, LLLP (“Oak Park”), and Archway Princeton Oaks, LLC (“Archway”) were deemed eligible for funding but, according to the funding selection process outlined in the RFA, were not selected for funding.
- b) Archway, Oak Park and Amaryllis (collectively, “Petitioners”), timely filed notices of intent to protest and Formal Written Protests and Petitions for Administrative Hearing (the “Petitions”). A Notice to Bidders was issued by Florida Housing informing all bidders that their substantial interests might be affected by the Petition. All intervenors timely filed Notices of Appearance and intervened in the matter. The Petitions were referred to the Division of Administrative Hearings (“DOAH”) and consolidated.
- c) Before the Final Hearing, MHP Sarasota and Hermosa conceded that, while they remained eligible for funding, they were not eligible for the proximity funding preference under the terms of the RFA.

2. Present Situation:

- a) The Final Hearing was conducted as scheduled on August 2, 2023, via Zoom technology, before DOAH Administrative Law Judge (“ALJ”) Robert L. Kilbride. Because of the MHP Sarasota’s and Hermosa’s pre-hearing concessions, only one issue was heard: Archway’s challenge to Cardinal Pointe’s eligibility for failing to properly complete its Verification of Environmental Safety – Phase I Site Assessment form (“ESA Form”). At Hearing, Cardinal Pointe did not dispute that the submitted ESA form was missing information but instead argued that the missing information fell under Florida Housing’s Rule 67-60.008, F.A.C., allowing the waiver of Minor Irregularities. Archway and Florida Housing argued that the missing information was a material requirement of the RFA and was not a minor irregularity under the Rule.
- b) After the Final Hearing, the parties filed Proposed Recommended Orders. After reviewing the Proposed Recommended Orders, the ALJ issued a Recommended

LEGAL

Action

Order on September 1, 2023, a copy of which is attached as [Exhibit A](#). The ALJ found:

- (1) MHP Sarasota and Hermosa validly conceded that they were not eligible for the proximity funding preference under the terms of the RFA but remained eligible for funding.
 - (2) Cardinal Pointe omitted a required and material disclosure within its Application by failing to fully and properly complete the ESA form and the omission could not be considered a minor irregularity. Therefore, Cardinal Pointe's application is ineligible for funding under the terms of the RFA.
- c) The ALJ recommended that Florida Housing enter a final order finding: (i) MHP Sarasota and Hermosa were not eligible for the proximity funding preference under the terms of the RFA but remained eligible for funding; (ii) Cardinal Pointe was not eligible for funding.
- d) On September 11, 2023, Cardinal Pointe filed Exceptions to the Recommended Order, a copy of which is attached as [Exhibit B](#). On September 21, 2023, Archway and Florida Housing filed a Joint Response to those Exceptions, a copy of which is attached as [Exhibit C](#). On October 18, 2023, Cardinal Pointe withdrew its Exceptions to the Recommended Order, a copy of Cardinal Pointe's Notice of Withdrawal is attached as [Exhibit E](#). No other exceptions were filed in this matter.
- e) The preliminarily funded applicants not impacted by this litigation were previously offered invitations to credit underwriting. Attached as [Exhibit D](#) is a spreadsheet listing the applications that have been or will be invited to credit underwriting if the Board adopts the Recommended Order.

3. **Recommendation:**

- a) Staff recommends the Board:
- (1) Adopt the Findings of Fact, Conclusions of Law, and Recommendation of the Recommended Order as its own, and;
 - (2) Issue a Final Order consistent with those actions in this matter.

MULTIFAMILY PROGRAMS - ALLOCATIONS

Action

II. MULTIFAMILY PROGRAMS - ALLOCATIONS

A. RFA 2023-201 Housing Credit Financing For Affordable Housing Developments Located In Small and Medium Counties

1. **Background:**

- a) On July 7, 2023, Florida Housing Finance Corporation (Florida Housing) issued RFA 2023-201 offering \$22,538,230 in 9 Percent Housing Credits (HC) for Applicants proposing the development of affordable, multifamily housing for Families and the Elderly in small and medium counties.
- b) The deadline for receipt of Applications was 3:00 p.m., Eastern Time, September 12, 2023.

2. **Present Situation:**

- a) Florida Housing received 71 Applications in response to this RFA. The Review Committee members, designated by the Acting Executive Director, were Tracy Willis, Development Finance Administrator (Chair), Obi Okeke, Multifamily Programs Manager, and Lenard Randolph, Multifamily Programs Manager. Each member of the Review Committee independently evaluated and scored their assigned portions of the submitted Applications, consulting with non-committee staff and legal counsel as necessary and appropriate.
- b) At its October 11, 2023, Review Committee meeting, the individual committee members presented their scores and the Committee carried out the funding selection process in accordance with Section Five, B. of the RFA. The individual scores are set forth on the RFA webpage and can be accessed [here](#).
- c) The RFA 2023-201 All Applications chart (provided as [Exhibit A](#)) lists the eligible and ineligible Applications. The eligible Applications (i.e., Applications that met all criteria to be eligible to be considered for funding) and the ineligible Applications are listed in assigned Application Number order.
- d) The Review Committee considered the following motions:
 - (1) A motion for the Review Committee to approve the scoring results set out on Exhibit A and recommendations for funding as set out on Exhibit B;
 - (2) A motion to recommend that the Board approve the scoring results set out on Exhibit A and recommendations for funding as set out on Exhibit B.
- e) The motions passed unanimously.

3. **Recommendation:**

- a) Approve the Committee's recommendations that the Board, adopt the scoring results of the 71 Applications and authorize the tentative selection of the 11 Applications ([set out on Exhibit B](#)) for funding.

MULTIFAMILY PROGRAMS - ALLOCATIONS

Action

- b) If no notice of protest or formal written protest is filed in accordance with Section 120.57(3), Fla. Stat., et. al., staff will proceed to issue an invitation to enter credit underwriting to the Applications set out on the Exhibit B.
- c) If a notice of protest or formal written protest is filed in accordance with Section 120.57(3), Fla. Stat., et. al., then at the completion of all litigation for those Applicants impacted by litigation, staff will present all Recommended Orders for Board approval prior to issuing invitations to enter credit underwriting to those Applicants in the resulting funding range. For those Applications in the funding range but not impacted by litigation, staff will issue invitations to underwriting as outlined in rule 67-48.0072(1), F.A.C.
- d) There is \$6,810 in HC funding remaining. As provided in Section Five, B. of the RFA, any remaining funding will be distributed as approved by the Board.

MULTIFAMILY PROGRAMS - ALLOCATIONS

Action

B. 2023-202 Housing Credit Financing For Affordable Housing Developments Located In Broward, Duval, Hillsborough, Orange, Palm Beach, And Pinellas Counties

1. Background:

- a) On July 7, 2023, Florida Housing Finance Corporation (Florida Housing) issued RFA 2023-202 offering \$24,011,240 in 9 Percent Housing Credits for Applicants proposing the development of affordable, multifamily housing for Families and the Elderly in Broward, Duval, Hillsborough, Orange, Palm Beach, and Pinellas counties.
- b) The deadline for receipt of Applications was 3:00 p.m., Eastern Time, September 13, 2023.

2. Present Situation:

- a) Florida Housing received 30 Applications in response to this RFA. The Review Committee members, designated by the Acting Executive Director, were Tracy Willis, Development Finance Administrator (Chair), Mandy Atkins, Multifamily Programs Coordinator, and Mitch Englert, Multifamily Programs Manager. Each member of the Review Committee independently evaluated and scored their assigned portions of the submitted Applications, consulting with non-committee staff and legal counsel as necessary and appropriate.
- b) At its October 10, 2023, Review Committee meeting, the individual committee members presented their scores and the Committee carried out the funding selection process in accordance with Section Five, B. of the RFA. The individual scores are set forth on the RFA webpage and can be accessed [here](#).
- c) The RFA 2023-202 All Applications chart (provided as [Exhibit C](#)) lists the eligible and ineligible Applications. The eligible Applications (i.e., Applications that met all criteria to be eligible to be considered for funding) and the ineligible Applications are listed in assigned Application Number order.
- d) The Review Committee considered the following motions:
 - (1) A motion for the Review Committee to approve the scoring results set out on Exhibit C and recommendations for funding as set out on Exhibit D;
 - (2) A motion to recommend that the Board approve the scoring results set out on Exhibit C and recommendations for funding as set out on Exhibit D.
- e) The motions passed unanimously.

3. Recommendation:

- a) Approve the Committee's recommendations that the Board, adopt the scoring results of the 30 Applications and authorize the tentative selection of the 8 Applications (set out on [Exhibit D](#)) for funding.
- b) If no notice of protest or formal written protest is filed in accordance with Section

MULTIFAMILY PROGRAMS - ALLOCATIONS

Action

120.57(3), Fla. Stat., et. al., staff will proceed to issue an invitation to enter credit underwriting to the Applications set out on the Exhibit D.

- c) If a notice of protest or formal written protest is filed in accordance with Section 120.57(3), Fla. Stat., et. al., then at the completion of all litigation for those Applicants impacted by litigation, staff will present all Recommended Orders for Board approval prior to issuing invitations to enter credit underwriting to those Applicants in the resulting funding range. For those Applications in the funding range but not impacted by litigation, staff will issue invitations to underwriting as outlined in rule 67-48.0072(1), F.A.C.
- d) There is \$2,180,850 in HC funding remaining. As provided in Section Five, B. of the RFA, any remaining funding will be distributed as approved by the Board.

MULTIFAMILY PROGRAMS - ALLOCATIONS

Action

C. 2023-203 Housing Credit Financing For Affordable Housing Developments Located In Miami-Dade County

1. **Background:**

- a) On July 7, 2023, Florida Housing Finance Corporation (Florida Housing) issued RFA 2023-203 offering \$9,481,390 in 9 Percent Housing Credits for Applicants proposing the development of affordable, multifamily housing for Families and the Elderly in Miami-Dade County.
- b) The deadline for receipt of Applications was 3:00 p.m., Eastern Time, September 14, 2023.

2. **Present Situation:**

- a) Florida Housing received 49 Applications in response to this RFA. The Review Committee members, designated by the Acting Executive Director, were Lisa Walker, Multifamily Programs Manager (Chair), Bryan Barber, Multifamily Programs Manager, and Lisa Nickerson, Multifamily Tax Credits Director. Each member of the Review Committee independently evaluated and scored their assigned portions of the submitted Applications, consulting with non-committee staff and legal counsel as necessary and appropriate.
- b) At its October 10, 2023, Review Committee meeting, the individual committee members presented their scores and the Committee carried out the funding selection process in accordance with Section Five, B. of the RFA. The individual scores are set forth on the RFA webpage and can be accessed [here](#).
- c) The RFA 2023-203 All Applications chart (provided as [Exhibit E](#)) lists the eligible and ineligible Applications. The eligible Applications (i.e., Applications that met all criteria to be eligible to be considered for funding) and the ineligible Applications are listed in assigned Application Number order.
- d) The Review Committee considered the following motions:
 - (1) A motion for the Review Committee to approve the scoring results set out on Exhibit E and recommendations for funding as set out on Exhibit F;
 - (2) A motion to recommend that the Board approve the scoring results set out on Exhibit E and recommendations for funding as set out on Exhibit F.
- e) The motions passed unanimously.

3. **Recommendation:**

- a) Approve the Committee's recommendations that the Board, adopt the scoring results of the 49 Applications and authorize the tentative selection of the 3 Applications ([set out on Exhibit F](#)) for funding.
- b) If no notice of protest or formal written protest is filed in accordance with Section 120.57(3), Fla. Stat., et. al., staff will proceed to issue an invitation to enter credit

MULTIFAMILY PROGRAMS - ALLOCATIONS

Action

underwriting to the Applications set out on the Exhibit F.

- c) If a notice of protest or formal written protest is filed in accordance with Section 120.57(3), Fla. Stat., et. al., then at the completion of all litigation for those Applicants impacted by litigation, staff will present all Recommended Orders for Board approval prior to issuing invitations to enter credit underwriting to those Applicants in the resulting funding range. For those Applications in the funding range but not impacted by litigation, staff will issue invitations to underwriting as outlined in rule 67-48.0072(1), F.A.C.
- d) There is no funding remaining. As provided in Section Five, B. of the RFA, any remaining funding will be distributed as approved by the Board.

MULTIFAMILY PROGRAMS - ALLOCATIONS

Action

D. Request for Approval to issue a Request for Applications (RFA) for Community Development Block Grant-Disaster Recovery (CDBG-DR) financing for affordable Developments located in Hurricane Ian impacted areas.

1. Background:

- a) In September 2022 Hurricane Ian devastated southwest Florida, making landfall as a Category 5 hurricane with strong winds, heavy rainfall and severe flooding. Four impacted counties will receive direct CDBG-DR funding allocations. Twenty remaining Ian impacted counties are eligible for CDBG-DR assistance from the State of Florida.
- b) Florida Department of Commerce (FL Commerce) has been appropriated Community Development Block Grant – Disaster Relief (CDBG-DR) funding to support long-term recovery and mitigation efforts following Hurricane Ian. FL Commerce developed an action plan to guide how this funding will address unmet recovery and mitigation needs following Hurricane Ian.

2. Present Situation:

- a) Similar to CDBG-DR funding received from FL Commerce for Hurricane Irma recovery, FL Commerce has asked Florida Housing to work in partnership as a subrecipient to manage a program called Workforce Affordable Housing Construction Program that will result in the construction of new affordable, or the rehabilitation of rental housing, in areas impacted by Hurricane Ian.
- b) FL Commerce has allocated \$100 million in the Hurricane Ian Action Plan to the Workforce Affordable Housing Construction Programs.
- c) Staff anticipates offering CDBG-DR as stand-alone funding or in conjunction with Tax-Exempt Bond Financing and Non-Competitive Housing Credits for these Developments.

3. Recommendation:

- a) Authorize staff to continue to work with FL Commerce on the Workforce Affordable Housing Construction Programs for Hurricane Ian, to enter into a subrecipient agreement with FL Commerce to administer the new CDBG-DR funding for Hurricane Ian, and to issue Requests for Applications to fund rental developments in the Hurricane Ian designated areas.

PROFESSIONAL SERVICES SELECTION (PSS)

Action

III. PROFESSIONAL SERVICES SELECTION (PSS)

A. Request for Qualifications (RFQ) 2023-07, for Investment Manager Services

1. Background:

- a) On August 21, 2023, Florida Housing staff issued a competitive solicitation for Investment Manager Services. The Acting Executive Director established a review committee to make a recommendation to the Board.

2. Present Situation:

- a) The deadline for receipt of responses was 2:00 p.m., September 13, 2023. A copy of the RFQ is provided as [Exhibit A](#).
- b) Seven responsive proposals were received from:
- Chandler Asset Management, Inc.
 - Federated Investment Counseling
 - Galliard Capital Management, LLC
 - Garcia, Hamilton & Associates, L.P.
 - Lord Abbett
 - Neuberger Berman Group LLC
 - PFM Asset Management LLC
- c) Members of the review committee were Denise Monzingo (Chairperson), Assistant Comptroller; Michelle Connelly, Financial Manager; Kenny Derrickson, Assistant Comptroller; Dinee Haddan, Accounting Administrator; and Tammy Mixon, Program Accounting Manager.
- d) Each member of the review committee individually reviewed the proposals prior to convening for the Review Committee meeting which was held at 2:00 p.m., Tuesday, October 3, 2023.
- e) At the October 3rd meeting, the review committee provided final scores for the response. The score sheet is provided as [Exhibit B](#).

3. Recommendation:

- a) The review committee recommends that the Board reject all bids. Staff plans to revise and re-issue the solicitation to provide clarification on several submission requirements.
- b) In an effort to ensure continuity of services during the rebidding process, staff also recommends that the Board approve an extension of the current Investment Manager contracts for a period of six months, as permitted by s. 287.057(13), Fla. Stat.

FISCAL

Action

IV. FISCAL

A. Allocation of Available Funds

1. Background:

- a) Florida Housing draws appropriated documentary stamp taxes from the state treasury and invests these funds until they are used in programs. Income earned on these funds remains with Florida Housing for use in programs.
- b) Additionally, certain federal programs allow program income such as investment income and repayments to be used by Florida Housing in other programs or for administration.

2. Present Situation:

- a) At the September 2023 board meeting, two requests were presented:
 - Redirect \$92 million of Homeownership Assistance Program (HAP) repayments to Hometown Heroes; and
 - Direct staff to identify additional program income of up to \$100 million to supplement CDBG-DR disaster recovery funding for Hurricane Ian.
- b) The board provisionally redirected \$50 million in repayments held in the HAP Fund to the Hometown Heroes Program, pending a legal review of the statutory requirements for use of those funds. The result of this review is that funds held in the HAP Fund can only be used to support HAP, and the funds cannot be redirected to Hometown Heroes under current law. The legal memo is attached as [Exhibit A](#).
- c) Staff has identified a total of \$112.3 million in available funds that may be used for other Florida Housing programs, as shown in the chart below. Of this total, \$15.8 million is from repayments on loans made in a federal program; these must be used at least one time for housing for families whose income is 80% or below area median income. Subsequent repayments of those funds are not subject to the AMI restriction. The remaining \$96.5 million is not restricted to specific income levels but must be used for affordable housing purposes.

Guarantee Program	\$ 23,000,000
State Housing Fund	20,000,000
Local Government Housing Fund	16,000,000
Federal Programs Fund – Unrestricted	37,500,000
Federal Programs Fund – Restricted	15,800,000
Total	\$ 112,300,000

- d) Most of the funds in the chart are an accumulation of investment income or unrestricted repayments from inactive programs such as the Hardest Hit Program. There has been an increase in available funds in recent years, with most of these funds having been received in the last 2-4 years.

FISCAL

Action

- e) The Board may allocate these funds to Hometown Heroes, to supplement disaster recovery funding, for other programmatic uses (such as demonstration or special needs developments), or to be held in reserve for future use or to offset shortfalls in revenues such as documentary stamp taxes.

3. Recommendation:

- a) Staff recommends that the Board allocate funds listed above to the following activities:

Hometown Heroes	\$36,000,000
Disaster Recovery	\$53,300,000

- b) Staff further recommends that any funding allocated to Disaster Recovery be “up to” the specific amount referenced, that funds initially be allocated to Hurricane Ian RFAs, and that funds not used for Hurricane Ian be available to be paired with other Disaster Recovery RFAs.
- c) This would result in \$23,000,000 in program income remaining unallocated. This provides the Board with the ability to review needs for allocation again after appropriation amounts from the 2024 legislative session are known to determine needs for use or continue earning investment income and allocate at a later date.

RFA 2023-201 - Applications Received

Application Number	Name of Development	County	County Size	Name of Authorized Principal Representative	Name of Developers	Demo	Total Units	Competitive HC Request Amount	Eligible For Funding?	Priority Level	PHA Area of Opportunity	Qualifies for LGAO Goal?	LGAO/continuous support since 2021?	LGAO/continuous support since 2022?	LGAO - lower preference?	Qualifies for the SunRail Goal?	Family Dev in Medium County that qualifies for the Geographic Area of Opportunity / SADDA Funding Goal?	Total Points	Development Category Funding Preference	Leveraging Classification	Proximity Funding Preference	Florida Job Creation Preference	Lottery Number
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Eligible Applications

2024-066C	Parkside Village	Alachua	M	Michael Ruane	CORE Parkside Village Developer LLC	F	90	\$2,110,000	Y	1	N	N	N	N	N	N	Y	15	Y	A	Y	Y	19
2024-067C	Azalea Bloom	Osceola	M	Michael Ruane	CORE Azalea Bloom Developer LLC	F	70	\$2,142,000	Y	1	N	N	N	N	N	N	Y	15	Y	A	Y	Y	10
2024-068C	Clermont Ridge Senior Villas II	Lake	M	Susan Wiemer	Turnstone Development Corporation; Provident Housing Solutions, Incorporated	E, Non-ALF	81	\$2,142,000	Y	1	N	Y	Y	Y	N	N	N	15	Y	A	Y	Y	60
2024-069C	Stoney Creek Apartments	Leon	M	C. Hunter Nelson	ECG Stoney Creek Developer, LLC	F	74	\$2,142,000	Y	1	N	N	N	N	N	N	Y	15	Y	B	Y	Y	22
2024-070C	Cypress Point Estates	Jackson	S	Clifton E. Phillips	Roundstone Development, LLC	E, Non-ALF	56	\$1,596,400	Y	1	N	N	N	N	N	N	N	15	Y	A	Y	Y	59
2024-071C	Forest Glen	Brevard	M	Matthew A. Rieger	HTG Hermosa Developer, LLC	E, Non-ALF	82	\$2,140,000	Y	1	N	Y	N	Y	N	N	N	15	Y	A	Y	Y	35
2024-072C	Longwood Gardens	Citrus	M	Oscar Sol	Longwood Gardens Dev, LLC	E, Non-ALF	76	\$2,141,800	Y	1	N	Y	N	Y	N	N	N	15	Y	B	Y	Y	18
2024-073C	Cardinal Oaks	Citrus	M	Paula McDonald Rhodes	Invictus Development, LLC; Urban Affordable Development, LLC; ADC Communities II, LLC	F	80	\$2,142,000	Y	1	N	Y	N	Y	N	N	Y	15	Y	A	Y	Y	25
2024-074C	New River Place	Bradford	S	Paula McDonald Rhodes	Invictus Development, LLC; Urban Affordable Development, LLC; ADC Communities II, LLC	F	52	\$1,559,000	Y	1	N	N	N	N	N	N	N	15	Y	A	Y	Y	32
2024-075C	Vero Village	Indian River	M	Matthew A. Rieger	HTG Vero Village Developer, LLC	E, Non-ALF	79	\$2,140,000	Y	1	N	Y	N	Y	N	N	N	15	Y	B	Y	Y	27
2024-076C	Kelli Grove	Clay	M	James R. Hoover	TVC Development, Inc.	E, Non-ALF	84	\$2,142,000	Y	1	N	Y	N	N	N	N	N	15	Y	A	N	Y	65
2024-077C	Avon Park Apartments	Highlands	M	Timothy M. Morgan	JIC Florida Development, LLC	F	80	\$2,141,000	Y	1	N	Y	N	Y	N	N	N	15	Y	A	Y	Y	26
2024-078C	Rockledge Apartments	Brevard	M	Timothy M. Morgan	JIC Florida Development, LLC	F	80	\$2,142,000	Y	1	N	N	N	N	N	N	Y	15	Y	A	Y	Y	62
2024-079C	College Crossing	Clay	M	Jeffrey J. Woda	The Woda Group, Inc.	F	66	\$2,142,000	Y	1	N	N	N	N	N	N	Y	15	Y	B	Y	Y	58
2024-081C	Flagler Pointe Apartments	Flagler	M	Donald W Paxton	BCP Development 23 LLC	F	76	\$2,140,000	Y	1	N	N	N	N	N	N	Y	15	Y	A	Y	Y	17
2024-082C	Magnolia Senior	Leon	M	Carmen Chubb	New Affordable Housing Partners, LLC; Tallahassee Housing Economic Corporation	E, Non-ALF	90	\$2,142,000	Y	1	N	Y	N	N	N	N	N	15	Y	A	Y	Y	6
2024-083C	Riverbend Landings	Seminole	M	Jay P. Brock	Atlantic Housing Partners, L.L.P.	F	81	\$2,130,000	Y	1	N	Y	N	N	N	N	Y	15	Y	A	Y	Y	41
2024-084C	Pine Island Apartments	Hernando	M	Donald W Paxton	BCP Development 23 LLC	F	76	\$2,140,000	Y	1	N	N	N	N	N	N	Y	15	Y	A	Y	Y	63
2024-085C	Woodland Park Phase II	Alachua	M	Brian Evjen	Newstar Development, LLC; GHA Development, LLC	F	96	\$2,142,000	Y	1	N	Y	Y	Y	N	N	N	15	Y	A	Y	Y	68
2024-086C	Oak Hill Townhomes	Hernando	M	Donald W Paxton	BCP Development 23 LLC	F	76	\$2,140,000	Y	1	N	N	N	N	N	N	Y	15	Y	A	Y	Y	29
2024-087C	Kupfrian Manor, LLC	Escambia	M	Renee Sandell	Paces Preservation Partners, LLC	E, Non-ALF	94	\$2,142,000	Y	1	N	Y	N	Y	N	N	N	15	Y	A	Y	Y	50
2024-090C	Leah Gardens	Escambia	M	James R. Hoover	TVC Development, Inc.	F	84	\$2,142,000	Y	1	N	N	N	N	N	N	Y	15	Y	A	Y	Y	54

RFA 2023-201 - Applications Received

Application Number	Name of Development	County	County Size	Name of Authorized Principal Representative	Name of Developers	Demo	Total Units	Competitive HC Request Amount	Eligible For Funding?	Priority Level	PHA Area of Opportunity	Qualifies for LGAO Goal?	LGAO/ continuous support since 2021?	LGAO/ continuous support since 2022?	LGAO - lower preference?	Qualifies for the SunRail Goal?	Family Dev in Medium County that qualifies for the Geographic Area of Opportunity / SADDA Funding Goal?	Total Points	Development Category Funding Preference	Leveraging Classification	Proximity Funding Preference	Florida Job Creation Preference	Lottery Number
2024-091C	York River Apartments	Volusia	M	Terri Murray	ACRUVA Community Developers, LLC; Neighborhood Renaissance, Inc.	F	60	\$2,142,000	Y	1	N	N	N	N	N	N	Y	15	Y	B	Y	Y	21
2024-092C	Babcock Family Apartments	Brevard	M	Dan E Coakley	1450 S. Babcock Family Developer, LLC	F	88	\$2,142,000	Y	1	N	N	N	N	N	N	Y	15	Y	A	Y	Y	13
2024-093C	Woodlock Manor	Osceola	M	Scott Zimmerman	BDG Woodlock Manor Developer, LLC	E, Non-ALF	80	\$2,142,000	Y	1	N	N	N	N	N	Y	N	15	Y	A	Y	Y	38
2024-094C	Twin Lakes Estates - Phase III	Polk	M	Matthew A. Rieger	HTG Twin Lakes III Developer, LLC; Polk County Housing Developers, Inc.	F	86	\$2,142,000	Y	1	Y	Y	N	N	N	N	Y	15	Y	A	Y	Y	30
2024-095C	Ekos at Golden Gate	Collier	M	Christopher L. Shear	MHP Collier IV Developer, LLC	F	84	\$2,142,000	Y	1	N	N	N	N	N	N	Y	15	Y	A	Y	Y	15
2024-096C	Sunrise Village	St. Lucie	M	Shawn Wilson	Blue SR Developer, LLC	F	68	\$2,142,000	Y	1	N	Y	N	Y	N	N	N	15	Y	B	Y	Y	66
2024-097C	Ava Greens	Lee	M	Michael Allan	Revital Development Group, LLC; DDER Development, LLC	F	96	\$2,142,000	Y	1	N	N	N	N	N	N	Y	15	Y	A	Y	Y	52
2024-098C	Autumn Palms at Bayshore	Lee	M	Michael Allan	Revital Development Group, LLC; LCHA Developer, LLC	F	60	\$1,650,000	Y	1	N	N	N	N	N	N	N	15	Y	A	Y	Y	43
2024-099C	Lakeside Flats	Leon	M	Brett Green	Lakeside Flats Developer, LLC	F	72	\$2,142,000	Y	1	N	N	N	N	N	N	Y	15	Y	B	Y	Y	36
2024-100C	Parkside Park Apartments	Leon	M	Brett Green	Parkside Park Developer, LLC	F	72	\$2,142,000	Y	1	N	N	N	N	N	N	Y	15	Y	B	Y	Y	33
2024-101C	Westside Phase II	Volusia	M	Darren J. Smith	NSBHDC Developer, LLC; Westside Phase II Fortis Developer, LLC	F	72	\$2,142,000	Y	1	Y	Y	N	Y	N	N	Y	15	Y	A	Y	Y	40
2024-102C	Madison Oaks East	Marion	M	Patrick E. Law	American Residential Communities, LLC; New South Residential, LLC	E, Non-ALF	88	\$2,142,000	Y	1	N	Y	N	N	N	N	N	15	Y	A	N	Y	71
2024-103C	Madison Cove	Volusia	M	Patrick E. Law	American Residential Communities, LLC; New South Residential, LLC	E, Non-ALF	84	\$2,142,000	Y	1	N	Y	N	N	N	N	N	15	Y	A	N	Y	28
2024-104C	Sunset Ridge	Leon	M	Michael Ruane	CORE Sunset Ridge Developer LLC	F	84	\$2,142,000	Y	1	N	N	N	N	N	N	Y	15	Y	A	Y	Y	53
2024-105C	Pebble Crossing	Escambia	M	Jeffrey J. Woda	The Woda Group, Inc.	F	60	\$2,142,000	Y	1	N	N	N	N	N	N	Y	15	Y	B	Y	Y	23
2024-106C	Ekos at Arbor Park Phase II	Sarasota	M	Christopher L. Shear	MHP Arbor Park Phase II Developer, LLC	F	66	\$1,850,000	Y	1	N	N	N	N	N	N	Y	15	Y	A	Y	Y	64
2024-107C	Bromley Square	Volusia	M	Jonathan L. Wolf	Bromley Square Developer, LLC	F	80	\$2,142,000	Y	1	N	N	N	N	N	N	Y	15	Y	A	Y	Y	57
2024-111C	Harwick Place	Volusia	M	Jonathan L. Wolf	Harwick Place Developer, LLC	F	80	\$2,142,000	Y	1	N	N	N	N	N	N	Y	15	Y	A	Y	Y	61
2024-112C	Grove Manor Phase II	Polk	M	Darren J. Smith	LWHA Development, LLC; SHAG Grove Manor Phase I Developer, LLC	F	78	\$2,142,000	Y	1	N	Y	Y	Y	N	N	N	15	Y	A	Y	Y	37
2024-113C	Blue Deep Creek	Charlotte	M	Shawn Wilson	Blue DC Developer, LLC	F	70	\$2,142,000	Y	1	N	Y	N	N	N	N	Y	15	Y	A	N	Y	2
2024-114C	Ardent at West Melbourne	Brevard	M	Doak D. Brown	Brownstone Affordable Housing, Ltd. ; Mears Development & Construction, Inc.	F	72	\$2,085,000	Y	1	N	N	N	N	N	N	Y	15	Y	B	Y	Y	42
2024-115C	Stafford Point	Seminole	M	Jonathan L. Wolf	Stafford Point Developer, LLC	F	80	\$2,142,000	Y	1	N	N	N	N	N	N	Y	15	Y	A	Y	Y	45

RFA 2023-201 - Applications Received

Application Number	Name of Development	County	County Size	Name of Authorized Principal Representative	Name of Developers	Demo	Total Units	Competitive HC Request Amount	Eligible For Funding?	Priority Level	PHA Area of Opportunity	Qualifies for LGAO Goal?	LGAO/continuous support since 2021?	LGAO/continuous support since 2022?	LGAO - lower preference?	Qualifies for the SunRail Goal?	Family Dev in Medium County that qualifies for the Geographic Area of Opportunity / SADDA Funding Goal?	Total Points	Development Category Funding Preference	Leveraging Classification	Proximity Funding Preference	Florida Job Creation Preference	Lottery Number
2024-116C	Bayside Gardens	Okaloosa	M	Carol Gardner	TEDC Affordable Communities Inc.; Bayside Development of Fort Walton, LLC; 42 Partners, LLC	F	72	\$2,050,000	Y	1	N	Y	Y	Y	N	N	N	15	Y	A	Y	Y	44
2024-117C	Poinciana Parc II	Osceola	M	Oscar Sol	Poinciana Parc 2 Dev, LLC	E, Non-ALF	70	\$2,135,200	Y	2	N	N	N	N	N	Y	N	15	Y	A	Y	Y	48
2024-118C	The Beacon at Bayside	Okaloosa	M	Carol Gardner	TEDC Affordable Communities Inc.; Bayside Development of Fort Walton, LLC; 42 Partners, LLC	E, Non-ALF	80	\$2,142,000	Y	1	N	Y	N	N	N	N	N	15	Y	A	Y	Y	9
2024-119C	Magnolia Trail	Escambia	M	J. David Page	Southport Development, Inc., a WA corporation doing business in FL as Southport Development Services, Inc.; Galveztown, LLC	E, Non-ALF	88	\$2,142,000	Y	1	N	Y	N	N	N	N	N	15	Y	A	Y	Y	67
2024-120C	Misty Creek Preserve	St. Lucie	M	J. David Page	Southport Development, Inc., a WA corporation doing business in FL as Southport Development Services, Inc.	F	96	\$2,142,000	Y	1	N	N	N	N	N	N	Y	15	Y	A	Y	Y	47
2024-121C	The Atrium	Polk	M	J. David Page	Southport Development, Inc., a WA corporation doing business in FL as Southport Development Services, Inc.	F	84	\$2,080,000	Y	1	N	N	N	N	N	N	Y	15	Y	A	Y	Y	14
2024-122C	Tranquility at the Crossing	Escambia	M	Todd M. Wind	Timshel Hill Tide Developers, LLC	F	82	\$2,142,000	Y	1	N	N	N	N	N	N	Y	15	Y	A	Y	Y	16
2024-123C	Tranquility at Shady Hills	Pasco	M	Todd M. Wind	Timshel Hill Tide Developers, LLC	F	84	\$2,142,000	Y	1	N	N	N	N	N	N	Y	15	Y	A	Y	Y	49
2024-124C	Tranquility at Saint Andrews	Bay	M	Todd M. Wind	Timshel Hill Tide Developers, LLC	F	82	\$2,142,000	Y	1	N	N	N	N	N	N	Y	15	Y	A	Y	Y	12
2024-125C	Summit Villas	Hernando	M	Darren J. Smith	BHA Development, LLC; Summit Fortis Development Developer, LLC	E, Non-ALF	68	\$2,142,000	Y	1	N	Y	N	N	N	N	N	15	Y	A	Y	Y	69
2024-126C	Residences at Dade City	Pasco	M	Robert Hoskins	NuRock Development Partners Inc.; R Howell Development, LLC; R Block Development, LLC	F	80	\$2,142,000	Y	1	N	N	N	N	N	N	Y	15	Y	A	Y	Y	51
2024-127C	United Commons	Polk	M	Oscar Sol	United Commons Dev, LLC	E, Non-ALF	76	\$2,141,900	Y	1	N	Y	N	N	N	N	N	15	Y	A	Y	Y	5
2024-128C	Sweetwater Apartments Phase II	Columbia	S	Michael Allan	ReVital Development Group, LLC; DDER Development, LLC; The Greater Lake City Community Development Corporation, Inc.	F	48	\$1,596,420	Y	1	N	N	N	N	N	N	N	15	Y	A	Y	Y	24
2024-129C	Trinity Village	Polk	M	Charles E Anderson	Trinity Village Dev, LLC; GM Trinity Village Dev, LLC	E, Non-ALF	76	\$2,142,000	Y	1	N	Y	N	Y	N	N	N	15	Y	B	Y	Y	55
2024-130C	Bayonet Gardens	Pasco	M	Christopher L. Shear	MHP Sarasota I Developer, LLC	E, Non-ALF	114	\$2,142,000	Y	1	N	Y	Y	Y	N	N	N	15	Y	A	Y	Y	20
2024-132C	Pasco Pointe	Pasco	M	Joseph F Chapman, IV	Royal American Properties, LLC	F	84	\$2,142,000	Y	1	N	N	N	N	N	N	Y	15	Y	A	Y	Y	11

RFA 2023-201 - Applications Received

Application Number	Name of Development	County	County Size	Name of Authorized Principal Representative	Name of Developers	Demo	Total Units	Competitive HC Request Amount	Eligible For Funding?	Priority Level	PHA Area of Opportunity	Qualifies for LGAO Goal?	LGAO/continuous support since 2021?	LGAO/continuous support since 2022?	LGAO - lower preference?	Qualifies for the SunRail Goal?	Family Dev in Medium County that qualifies for the Geographic Area of Opportunity / SADDAs Funding Goal?	Total Points	Development Category Funding Preference	Leveraging Classification	Proximity Funding Preference	Florida Job Creation Preference	Lottery Number
2024-133C	Williston Pointe	Alachua	M	Joseph F Chapman, IV	Royal American Properties, LLC	F	80	\$2,142,000	Y	1	N	N	N	N	N	N	Y	15	Y	A	Y	Y	8
2024-134C	Lake Sumter Reserve - Phase II	Sumter	M	Jay P. Brock	Atlantic Housing Partners, L.L.L.P.	F	83	\$1,950,000	Y	1	N	Y	N	N	N	N	Y	15	Y	A	N	Y	1
2024-135C	The Fountains	Pasco	M	Clifton E. Phillips	Roundstone Development, LLC	F	72	\$2,142,000	Y	1	N	N	N	N	N	N	Y	15	Y	A	Y	Y	4
2024-136C	Mallard Bay	Highlands	M	Clifton E. Phillips	Roundstone Development, LLC	F	72	\$2,142,000	Y	1	N	N	N	N	N	N	Y	15	Y	A	Y	Y	31

Ineligible Applications

2024-080C	Oliva Vista Apartments	Leon	M	Terri Murray	ACRUVA Community Developers, LLC; Neighborhood Renaissance, Inc.	F	66	\$2,142,000	N	1	N	N	N	N	N	N	Y	15	Y	A	Y	Y	3
2024-088C	Parc West	Okeechobee	S	Steven Kirk	Rural Neighborhoods, Incorporated; Odyssey Development Group 1, LLC	F	56	\$1,595,750	N	1	N	N	N	N	N	N	N	10	Y	A	Y	Y	39
2024-089C	Azalea Pointe	Putnam	S	Steven Kirk	Rural Neighborhoods, Incorporated; Odyssey Development Group 1, LLC	F	56	\$1,596,000	N	1	N	N	N	N	N	N	N	15	Y	A	Y	Y	70
2024-108C	Grove at Theater Road	Hardee	S	Eric C Miller	NDA Developer, LLC	F	35	\$1,225,000	N	1	N	N	N	N	N	N	N	15	Y	B	Y	Y	34
2024-109C	St. Raphael Apartments	Lee	M	Eric C Miller	NDA Developer, LLC; St. Raphael Housing Developer, LLC	F	60	\$1,900,000	N	1	N	N	N	N	N	N	Y	15	Y	B	Y	Y	46
2024-110C	St. Agnes Place	Collier	M	Eric C Miller	NDA Developer, LLC; St. Agnes Housing Developer, LLC	F	56	\$1,650,000	N	1	N	Y	N	N	N	N	Y	15	Y	A	Y	Y	7
2024-131C	Southward Village CNI Phase 2	Lee	M	Vincent R Bennett	Fort Myers Developer, LLC; Southwest Florida Affordable Development, LLC	F	105	\$2,142,000	N	1	N	Y	N	Y	N	N	N	15	Y	A	N	Y	56

RFA 2023-201 - Review Committee Recommendations

Total HC for Medium Counties in RFA	20,941,810
Total HC Allocated to Medium Counties	20,935,000
Plus Unallocated Small County funding	
Total HC for Medium Counties Remaining	6,810

Total HC for Small Counties in RFA	1,596,420
Total HC Allocated to Small Counties	1,596,420
Total HC for Small Counties Remaining	-

Application Number	Name of Development	County	County Size	Name of Authorized Principal Representative	Name of Developers	Demo	Total Units	Competitive HC Request Amount	Eligible For Funding?	Priority Level	PHA Area of Opportunity	Qualifies for LGAO Goal?	LGAO/ continuous support since 2021?	LGAO/ continuous support since 2022?	LGAO - lower preference?	Qualifies for the SunRail Goal?	Family Dev in Medium County that qualifies for the Geographic Area of Opportunity / SADDA Funding Goal?	Total Points	Development Category Funding Preference	Leveraging Classification	Proximity Funding Preference	Florida Job Creation Preference	Lottery Number
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Goal to fund six Applications that qualify for the Local Government Area of Opportunity Goal

2024-130C	Bayonet Gardens	Pasco	M	Christopher L. Shear	MHP Sarasota I Developer, LLC	E, Non-ALF	114	\$2,142,000	Y	1	N	Y	Y	Y	N	N	N	15	Y	A	Y	Y	20
2024-112C	Grove Manor Phase II	Polk	M	Darren J. Smith	LWHA Development, LLC; SHAG Grove Manor Phase I Developer, LLC	F	78	\$2,142,000	Y	1	N	Y	Y	Y	N	N	N	15	Y	A	Y	Y	37
2024-073C	Cardinal Oaks	Citrus	M	Paula McDonald Rhodes	Invictus Development, LLC; Urban Affordable Development, LLC; ADC Communities II, LLC	F	80	\$2,142,000	Y	1	N	Y	N	Y	N	N	Y	15	Y	A	Y	Y	25
2024-077C	Avon Park Apartments	Highlands	M	Timothy M. Morgan	JIC Florida Development, LLC	F	80	\$2,141,000	Y	1	N	Y	N	Y	N	N	N	15	Y	A	Y	Y	26
2024-134C	Lake Sumter Reserve - Phase II	Sumter	M	Jay P. Brock	Atlantic Housing Partners, L.L.P.	F	83	\$1,950,000	Y	1	N	Y	N	N	N	N	Y	15	Y	A	N	Y	1
2024-113C	Blue Deep Creek	Charlotte	M	Shawn Wilson	Blue DC Developer, LLC	F	70	\$2,142,000	Y	1	N	Y	N	N	N	N	Y	15	Y	A	N	Y	2

Goal to fund one Application that qualifies for the SunRail Goal

2024-093C	Woodlock Manor	Osceola	M	Scott Zimmerman	BDG Woodlock Manor Developer, LLC	E, Non-ALF	80	\$2,142,000	Y	1	N	N	N	N	N	Y	N	15	Y	A	Y	Y	38
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Small County Applications

2024-128C	Sweetwater Apartments Phase II	Columbia	S	Michael Allan	ReVital Development Group, LLC; DDER Development, LLC; The Greater Lake City Community Development Corporation, Inc.	F	48	\$1,596,420	Y	1	N	N	N	N	N	N	N	15	Y	A	Y	Y	24
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Goal to fund AT LEAST three Family Demographic Applications that qualify for the Geographic Area of Opportunity / HUD-designated SADDA Funding Goal

2024-133C	Williston Pointe	Alachua	M	Joseph F. Chapman, IV	Royal American Properties, LLC	F	80	\$2,142,000	Y	1	N	N	N	N	N	N	Y	15	Y	A	Y	Y	8
2024-124C	Tranquility at Saint Andrews	Bay	M	Todd M. Wind	Timshel Hill Tide Developers, LLC	F	82	\$2,142,000	Y	1	N	N	N	N	N	N	Y	15	Y	A	Y	Y	12
2024-106C	Ekos at Arbor Park Phase II	Sarasota	M	Christopher L. Shear	MHP Arbor Park Phase II Developer, LLC	F	66	\$1,850,000	Y	1	N	N	N	N	N	N	Y	15	Y	A	Y	Y	64

RFA 2023-202 All Applications Received

Application Number	Name of Development	County	Demo	Total Units	HC Funding Amount	Eligible For Funding?	Priority Level	Qualifies for the Revitalization Goal	Qualifies for the Geographic Areas of Opportunity / SADD Goal	Qualifies for the LGAO Goal	If Broward LGAO, demonstrates continuous LGAO support since 2022 or earlier	Total Points	Development Category Funding Preference	Total Corp Funding Per Set-Aside	Leveraging Classification	Proximity Funding Preference	Florida Job Creation Preference	Lottery Number
2024-137C	Avalon Apartments	Hillsborough	F	90	\$2,992,490	Y	1	Y	N	N	N	20	Y	\$221,294.64	B	Y	Y	4
2024-138C	Berkshire Square	Pinellas	F	71	\$2,353,680	Y	1	N	Y	N	N	20	Y	\$238,802.38	B	Y	Y	5
2024-139C	Cardinal Pointe	Orange	E, Non-ALF	120	\$2,992,500	Y	1	N	N	Y	N	20	Y	\$179,639.78	A	Y	Y	25
2024-140C	Cathedral Apartments	Duval	E, Non-ALF	80	\$2,353,680	Y	1	Y	N	N	N	20	Y	\$195,811.47	A	Y	Y	27
2024-141C	District House	Hillsborough	F	86	\$2,992,500	Y	1	N	N	N	N	15	Y	\$215,377.01	A	Y	Y	28
2024-142C	Ekos at Progresso Village	Broward	F	90	\$3,175,000	Y	1	N	Y	N	N	20	Y	\$199,323.96	A	Y	Y	26
2024-143C	Ekos Lauderhill	Broward	F	120	\$3,458,400	Y	1	N	Y	N	N	20	Y	\$168,794.13	A	Y	Y	18
2024-144C	Ekos on Pinellas	Pinellas	F	96	\$2,353,680	Y	1	N	N	N	N	15	Y	\$176,614.26	A	Y	Y	1
2024-145C	Gavin Point	Duval	F	105	\$2,353,680	Y	1	N	N	Y	N	20	Y	\$191,549.49	A	N	Y	17
2024-146C	Grand Oaks	Pinellas	F	82	\$2,353,680	Y	1	Y	N	N	N	20	Y	\$192,294.16	A	Y	Y	15
2024-147C	Hollywood Vista	Broward	E, Non-ALF	84	\$3,455,000	Y	1	Y	N	N	N	20	Y	\$216,127.49	A	Y	Y	30
2024-148C	Las Brisas	Orange	F	90	\$2,992,500	Y	1	N	N	N	N	20	Y	\$221,295.38	B	Y	Y	9
2024-149C	Madison Highlands II	Hillsborough	E, Non-ALF	88	\$2,650,000	Y	1	N	N	Y	N	20	Y	\$200,421.31	A	Y	Y	13
2024-150C	Madison Terrace	Palm Beach	E, Non-ALF	91	\$2,800,000	Y	1	N	N	Y	N	20	Y	\$204,784.62	A	N	Y	7
2024-151C	Madison Trails	Orange	E, Non-ALF	110	\$2,950,000	Y	1	N	N	N	N	15	Y	\$205,159.09	A	Y	Y	20
2024-152C	Oasis at Hollywood	Broward	F	82	\$3,175,000	Y	1	N	Y	N	N	20	Y	\$218,770.20	A	Y	Y	24
2024-153C	Palm Lake Urban Sanctuary	Pinellas	F	86	\$2,353,680	Y	1	N	Y	N	N	20	Y	\$183,350.25	A	Y	Y	6
2024-154C	Pine Island Park	Broward	F	120	\$3,290,000	Y	1	N	Y	N	N	15	Y	\$160,575.03	A	Y	Y	23
2024-155C	Residences at Foxcroft Cove	Broward	F	84	\$2,868,450	Y	1	N	Y	N	N	20	Y	\$200,000.63	A	Y	Y	3
2024-156C	Residences at Marina Village	Palm Beach	E, Non-ALF	120	\$2,992,500	Y	1	N	N	Y	N	20	Y	\$160,113.71	A	Y	Y	8
2024-157C	Residences at Mirror Tower	Pinellas	F	72	\$2,353,680	Y	1	N	Y	N	N	20	Y	\$209,889.41	A	Y	Y	22
2024-158C	Ridgecrest Oaks	Pinellas	E, Non-ALF	80	\$2,353,680	Y	1	Y	N	N	N	20	Y	\$197,101.52	A	Y	Y	2
2024-159C	Roseland Gardens Phase II	Palm Beach	F	124	\$2,992,500	Y	1	N	N	Y	N	20	Y	\$161,675.80	A	Y	Y	12
2024-160C	Tallman Pines - Phase I	Broward	F	80	\$2,750,000	Y	1	N	N	N	Y	20	Y	\$202,655.28	A	Y	Y	29
2024-161C	The Flats on Main Street	Pinellas	F	72	\$2,353,680	Y	1	N	Y	N	N	20	Y	\$235,485.68	B	Y	Y	14
2024-162C	The Pantry Lofts	Broward	E, Non-ALF	90	\$3,458,400	Y	1	N	N	N	Y	20	Y	\$217,115.59	A	Y	Y	21
2024-163C	Thornton Place	Orange	E, Non-ALF	82	\$2,900,000	Y	1	N	N	N	N	20	Y	\$235,377.44	B	Y	Y	11

RFA 2023-202 All Applications Received

Application Number	Name of Development	County	Demo	Total Units	HC Funding Amount	Eligible For Funding?	Priority Level	Qualifies for the Revitalization Goal	Qualifies for the Geographic Areas of Opportunity / SADDA Goal	Qualifies for the LGAO Goal	If Broward LGAO, demonstrates continuous LGAO support since 2022 or earlier	Total Points	Development Category Funding Preference	Total Corp Funding Per Set-Aside	Leveraging Classification	Proximity Funding Preference	Florida Job Creation Preference	Lottery Number
2024-164C	Union Senior Apartments	Palm Beach	E, Non-ALF	75	\$2,992,500	Y	2	Y	N	N	N	20	Y	\$265,554.45	A	Y	Y	10
2024-165C	Waterview Appartments	Palm Beach	E, Non-ALF	113	\$2,992,500	Y	1	N	N	Y	N	15	Y	\$218,863.56	A	Y	Y	19
2024-166C	Zion Village	Hillsborough	E, Non-ALF	75	\$2,400,000	Y	1	N	N	N	N	20	Y	\$212,976.00	A	Y	Y	16

RFA 2023-202 Review Committee Recommendations

Total HC Available for RFA	24,011,240
Total HC Allocated	21,830,390
Total HC Remaining	2,180,850

Application Number	Name of Development	County	Name of Authorized Principal Representative	Developers	Demo	Total Units	HC Funding Amount	Eligible For Funding?	Priority Level	Qualifies for the Revitalization Goal	Qualifies for the Geographic Areas of Opportunity / SADDA Goal	Qualifies for the LGAO Goal	If Broward LGAO, demonstrates continuous LGAO support since 2022 or earlier	Total Points	Development Category Funding Preference	Leveraging Classification	Proximity Funding Preference	Florida Job Creation Preference	Lottery Number
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One Application proposing a Development that is part of a Local Government Revitalization Plan

2024-158C	Ridgecrest Oaks	Pinellas	Brian Evjen	Newstar Development, LLC; PCHA Development, LLC	E, Non-ALF	80	\$2,353,680	Y	1	Y	N	N	N	20	Y	A	Y	Y	2
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One Family Application proposing a Development located in Broward County that qualifies for the Geographic Areas of Opportunity / SADDA Goal

2024-155C	Residences at Foxcroft Cove	Broward	Robert Hoskins	NuRock Development Partners Inc.; R Howell	F	84	\$2,868,450	Y	1	N	Y	N	N	20	Y	A	Y	Y	3
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One Family Application proposing a Development located in Pinellas County that qualifies for the Geographic Areas of Opportunity / SADDA Goal

2024-153C	Palm Lake Urban Sanctuary	Pinellas	Brian Evjen	Newstar Development, LLC; PCHA Development, LLC;	F	86	\$2,353,680	Y	1	N	Y	N	N	20	Y	A	Y	Y	6
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One Application proposing a Development located in Duval County that qualifies for the Local Government Areas of Opportunity Designation

2024-145C	Gavin Point	Duval	James R. Hoover	TVC Development, Inc.	F	105	\$2,353,680	Y	1	N	N	Y	N	20	Y	A	N	Y	17
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One Application proposing a Development located in Hillsborough County that qualifies for the Local Government Areas of Opportunity Designation

2024-149C	Madison Highlands II	Hillsborough	Patrick E. Law	American Residential Communities, LLC; New	E, Non-ALF	88	\$2,650,000	Y	1	N	N	Y	N	20	Y	A	Y	Y	13
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One Application proposing a Development located in Orange County that qualifies for the Local Government Areas of Opportunity Designation

2024-139C	Cardinal Pointe	Orange	Deion R. Lowery	DDER Development, LLC	E, Non-ALF	120	\$2,992,500	Y	1	N	N	Y	N	20	Y	A	Y	Y	25
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One Application proposing a Development located in Palm Beach County that qualifies for the Local Government Areas of Opportunity Designation

2024-150C	Madison Terrace	Palm Beach	Patrick E. Law	American Residential Communities, LLC; New	E, Non-ALF	91	\$2,800,000	Y	1	N	N	Y	N	20	Y	A	N	Y	7
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One Application proposing a Development located in Broward County that qualifies for the Local Government Areas of Opportunity Designation and demonstrates continuous Local Government Area of Opportunity support since 2022 or earlier

2024-162C	The Pantry Lofts	Broward	Maureen E Luna	The Pantry Lofts GM Dev, LLC; The Pantry Lofts NP	E, Non-ALF	90	\$3,458,400	Y	1	N	N	N	Y	20	Y	A	Y	Y	21
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RFA 2023-203 All Applications

Application Number	Name of Development	Name of Authorized Principal Representative	Name of Developers	Demo	Total Units	HC Request Amount	Eligible For Funding?	Priority Level	Family Demo and qualifies for the Geographic Area of Opportunity / HUD-designated SADDA Funding Goal?	Urban Center/ MetroRail Station Designation?	Tier of Urban Center/ MetroRail Station?	Total Points	Development Category Funding Preference	Leveraging Classification	Proximity Funding Preference	Florida Job Creation Preference	Lottery Number
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Eligible Applications

2024-167C	4440 Apartments	Charles F Sims	Unified Development LLC; Calston, LLC	E, Non-ALF	88	\$2,802,600	Y	1	N	Y	2	20	Y	A	Y	Y	43
2024-168C	Broadway Rising	Amanda Bartle	Broadway Rising Dev, LLC; SFCLT Broadway Rising Dev, LLC	E, Non-ALF	90	\$2,950,000	Y	1	N	N	N	20	Y	A	Y	Y	40
2024-169C	Brownsville 54	Oliver L. Gross	Brownsville 54 Developers, LLC	F	75	\$2,750,000	Y	1	N	Y	2	20	Y	B	Y	Y	4
2024-170C	Cannery Row at Redlands Crossing Phase II	David O. Deutch	Pinnacle Communities, LLC; Rural Neighborhoods, Incorporated	E, Non-ALF	106	\$3,458,400	Y	1	N	Y	1	20	Y	A	Y	Y	32
2024-171C	Catalyst at Goulds	Oscar Sol	Catalyst at Goulds Dev, LLC	E, Non-ALF	106	\$3,458,000	Y	1	N	Y	1	20	Y	A	Y	Y	38
2024-172C	Catherine Flon Estates	Nikul A. Inamdar	Catherine Flon Estates Developer, LLC	F	100	\$3,350,000	Y	1	N	N	N	20	Y	B	Y	Y	47
2024-173C	Cauley Point	Shawn Wilson	Blue CP Developer, LLC	F	102	\$3,458,400	Y	1	Y	N	N	20	Y	B	Y	Y	17
2024-174C	Citrus Haven Residences	Jennifer Sanz	Next Development Group, LLC; Calston Developer, LLC; Aconcagua Developers, LLC	E, Non-ALF	108	\$3,362,000	Y	1	N	Y	1	20	Y	A	Y	Y	28
2024-175C	CM Redevelopment II	Aaron Gornstein	Preservation of Affordable Housing LLC	F	113	\$1,950,000	Y	1	Y	N	N	20	Y	A	Y	Y	34
2024-176C	CM Redevelopment Senior	Aaron Gornstein	Preservation of Affordable Housing LLC	E, Non-ALF	80	\$1,900,000	Y	1	N	N	N	20	Y	A	Y	Y	11
2024-177C	Coco Palm Place	Jacob Morrow	Coco Palm Place Developer, LLC	E, Non-ALF	120	\$3,458,000	Y	1	N	Y	1	20	Y	A	Y	Y	9
2024-178C	Coral Breeze Estates	Jennifer Sanz	TEDC Affordable Communities Inc.; Next Development Group, LLC	E, Non-ALF	108	\$3,360,000	Y	1	N	Y	1	20	Y	A	Y	Y	44

RFA 2023-203 All Applications

Application Number	Name of Development	Name of Authorized Principal Representative	Name of Developers	Demo	Total Units	HC Request Amount	Eligible For Funding?	Priority Level	Family Demo and qualifies for the Geographic Area of Opportunity / HUD-designated SADDA Funding Goal?	Urban Center/ MetroRail Station Designation?	Tier of Urban Center/ MetroRail Station?	Total Points	Development Category Funding Preference	Leveraging Classification	Proximity Funding Preference	Florida Job Creation Preference	Lottery Number
2024-179C	Culmer Apartments II	Kenneth Naylor	APC Culmer Development II, LLC	E, Non-ALF	98	\$3,458,400	Y	1	N	Y	1	20	Y	B	Y	Y	49
2024-181C	Ekos Kendall	Christopher L. Shear	MHP Miami I Developer, LLC	F	120	\$3,458,400	Y	1	Y	N	N	20	Y	A	Y	Y	6
2024-182C	Everglades Vista	Jennifer Sanz	Next Development Group, LLC; Calston LLC	F	110	\$3,300,000	Y	1	Y	N	N	20	Y	A	Y	Y	33
2024-183C	Freedom Pointe (f.k.a. Little Havana Senior)	Kimberly Black King	Volunteers of America National Services Corporation	E, Non-ALF	75	\$2,324,124	Y	1	N	N	N	20	Y	A	Y	Y	31
2024-184C	Garden House II	Christopher L. Shear	MHP FL North Parcel Developer, LLC; MJHS FL North Parcel Developer, LLC	F	126	\$3,458,400	Y	1	Y	N	N	20	Y	A	Y	Y	22
2024-185C	Heritage at Midtown Crossing	Robert Hoskins	NuRock Development Partners Inc.; R Howell Development, LLC; R Block Development, LLC	E, Non-ALF	130	\$3,458,400	Y	1	N	Y	2	20	Y	A	Y	Y	10
2024-186C	Metro Grande I	Mara S. Mades	Cornerstone Group Partners, LLC	F	108	\$3,360,000	Y	1	N	Y	1	20	Y	A	Y	Y	41
2024-187C	Metro Grande II	Mara S. Mades	Cornerstone Group Partners, LLC	E, Non-ALF	94	\$2,960,000	Y	1	N	Y	1	20	Y	A	Y	Y	48
2024-188C	Metro Vista	Darren Smith	Metro Vista Developer, LLC	E, Non-ALF	75	\$2,625,000	Y	1	N	Y	2	20	Y	B	Y	Y	7
2024-189C	Moody Village	Kenneth Naylor	Moody Village I Development, LLC	E, Non-ALF	100	\$3,458,400	Y	2	N	N	N	20	Y	A	Y	Y	13
2024-190C	North Bay Senior Apartments	Donald W Paxton	BCP Development 23 LLC	E, Non-ALF	114	\$3,458,400	Y	1	N	N	N	20	Y	A	Y	Y	35
2024-191C	Osprey Landing	Michael Ruane	ACRUA Community Developers, LLC; CORE Osprey Landing Developer, LLC	E, Non-ALF	110	\$3,458,400	Y	1	N	N	N	20	Y	A	Y	Y	5
2024-192C	Palm Grove	Matthew A. Rieger	HTG Palm Grove Developer, LLC	E, Non-ALF	104	\$3,400,000	Y	1	N	Y	1	20	Y	A	Y	Y	39

RFA 2023-203 All Applications

Application Number	Name of Development	Name of Authorized Principal Representative	Name of Developers	Demo	Total Units	HC Request Amount	Eligible For Funding?	Priority Level	Family Demo and qualifies for the Geographic Area of Opportunity / HUD-designated SADDA Funding Goal?	Urban Center/ MetroRail Station Designation?	Tier of Urban Center/ MetroRail Station?	Total Points	Development Category Funding Preference	Leveraging Classification	Proximity Funding Preference	Florida Job Creation Preference	Lottery Number
2024-193C	Perrine Village IV	Kenneth Naylor	Perrine Development IV, LLC	E, Non-ALF	98	\$3,458,399	Y	1	N	Y	1	20	Y	A	Y	Y	15
2024-194C	Pinnacle at Tropical Crossings	David O. Deutch	Pinnacle Communities, LLC	E, Non-ALF	108	\$3,458,400	Y	1	N	Y	1	20	Y	A	Y	Y	46
2024-195C	Princeton Manor	Lewis V Swezy	RS Development Corp	E, Non-ALF	132	\$3,458,400	Y	1	N	Y	1	20	Y	A	Y	Y	1
2024-196C	Promenade on Palm	Elena M. Adames	Ambar3, LLC	F	120	\$3,458,400	Y	1	Y	N	N	20	Y	A	Y	Y	20
2024-197C	Quail Roost Transit Village III	Kenneth Naylor	Quail Roost III Development, LLC	F	106	\$3,458,400	Y	2	N	Y	1	20	Y	A	Y	Y	30
2024-198C	Quail Roost Transit Village V	Kenneth Naylor	Quail Roost V Development, LLC	E, Non-ALF	106	\$3,458,400	Y	1	N	Y	1	20	Y	A	Y	Y	2
2024-199C	Residences at Goulds Park	Robert Hoskins	NuRock Development Partners Inc.; R Howell Development, LLC; R Block Development, LLC	F	110	\$3,178,400	Y	1	N	Y	1	20	Y	A	Y	Y	18
2024-200C	Residences at Westview Landing	Robert Hoskins	NuRock Development Partners Inc.; R Howell Development, LLC; R Block Development, LLC	F	130	\$3,458,400	Y	1	Y	Y	2	20	Y	A	Y	Y	16
2024-201C	Sage Pointe	Nikul A. Inamdar	Sage Pointe Developer, LLC	E, Non-ALF	100	\$3,400,000	Y	1	N	Y	2	20	Y	B	Y	Y	24
2024-202C	Santa Cruz Isles	Lewis V Swezy	RS Development Corp	E, Non-ALF	132	\$3,458,400	Y	1	N	Y	2	20	Y	A	Y	Y	19
2024-203C	Serenity Grove	Oliver L. Gross	Serenity Grove Developers, LLC	E, Non-ALF	150	\$3,458,400	Y	1	N	N	N	20	Y	A	Y	Y	8
2024-204C	Silver Creek Phase 2	Oscar Sol	Silver Creek 2 Dev, LLC	E, Non-ALF	90	\$3,070,000	Y	1	N	Y	1	20	Y	B	Y	Y	23
2024-205C	Skyview Lofts	Matthew A. Rieger	HTG Skyview Developer, LLC	E, Non-ALF	106	\$3,450,000	Y	1	N	Y	1	20	Y	A	Y	Y	3
2024-206C	Southpointe Vista II	Christopher L. Shear	MHP FL IX Developer, LLC	E, Non-ALF	132	\$3,458,400	Y	1	N	Y	1	20	Y	A	Y	Y	27

RFA 2023-203 All Applications

Application Number	Name of Development	Name of Authorized Principal Representative	Name of Developers	Demo	Total Units	HC Request Amount	Eligible For Funding?	Priority Level	Family Demo and qualifies for the Geographic Area of Opportunity / HUD-designated SADDA Funding Goal?	Urban Center/ MetroRail Station Designation?	Tier of Urban Center/ MetroRail Station?	Total Points	Development Category Funding Preference	Leveraging Classification	Proximity Funding Preference	Florida Job Creation Preference	Lottery Number
2024-207C	The Arbors at Naranja	Michael Ruane	ACRUVA Community Developers, LLC; CORE Miami Dade Developer, LLC	E, Non-ALF	111	\$3,458,400	Y	1	N	Y	1	20	Y	A	Y	Y	45
2024-208C	The Enclave at Rio	Joseph F Chapman, IV	Royal American Properties, LLC	E, Non-ALF	100	\$3,259,999	Y	1	N	N	N	20	Y	A	Y	Y	14
2024-209C	The Station Senior Apartments	Donald W Paxton	BCP Development 23 LLC	E, Non-ALF	102	\$3,250,000	Y	1	N	Y	1	20	Y	A	Y	Y	26
2024-210C	Tropical Terrace	Jacob Morrow	Tropical Terrace Developer, LLC	E, Non-ALF	120	\$3,458,000	Y	1	N	N	N	20	Y	A	Y	Y	12
2024-211C	Villa Esperanza II	Mara S. Mades	Cornerstone Group Partners, LLC	F	112	\$3,458,400	Y	1	Y	N	N	20	Y	A	Y	Y	21
2024-212C	Villa Mallorca	Matthew A. Rieger	HTG Villa Mallorca Developer, LLC	F	92	\$3,075,000	Y	1	Y	Y	1	20	Y	B	Y	Y	42
2024-213C	Villa Valencia	Lewis V Swezy	RS Development Corp	E, Non-ALF	132	\$3,458,400	Y	1	N	Y	1	20	Y	A	Y	Y	25
2024-214C	Vineyard Villas	Marc S. Plonskier	The Gatehouse Group, LLC; Magellan Housing, LLC	E, Non-ALF	97	\$3,000,000	Y	1	N	Y	1	20	Y	B	Y	Y	36
2024-215C	David M. Pemberton Senior Residences	Willie Logan	Opa-locka Community Development Corporation, Inc. d/b/a Ten North Group	E, Non-ALF	145	\$3,458,400	Y	1	N	Y	1	20	Y	A	Y	Y	29

Ineligible Application

2024-180C	Edison Towers II	Carol Gardner	TEDC Affordable Communities, Inc.	E, Non-ALF	96	\$3,100,000	N	1	N	N	N	20	Y	A	Y	Y	37
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**RFA 2023-203 Review Committee
Recommendations**

Total HC Available for RFA	9,481,390.00
Total HC Allocated	10,375,200.00
Total HC Remaining	(893,810.00)

Application Number	Name of Development	Name of Authorized Principal Representative	Name of Developers	Demo	Total Units	HC Request Amount	Eligible For Funding?	Priority Level	Family Demo and qualifies for the Geographic Area of Opportunity / HUD-designated SADDA Funding Goal?	Urban Center/ MetroRail Station Designation?	Tier of Urban Center/ MetroRail Station?	Total Points	Development Category Funding Preference	Leveraging Classification	Proximity Funding Preference	Florida Job Creation Preference	Lottery Number
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One proposed Family Development that qualifies for the Geographic Areas of Opportunity/SADDA Goal

2024-181C	Ekos Kendall	Christopher L. Shear	MHP Miami I Developer, LLC	F	120	\$3,458,400	Y	1	Y	N	N	20	Y	A	Y	Y	6
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One proposed Development that selected the Demographic Commitment of Elderly (Non-ALF)

2024-195C	Princeton Manor	Lewis V Swezy	RS Development Corp	E, Non-ALF	132	\$3,458,400	Y	1	N	Y	1	20	Y	A	Y	Y	1
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One proposed Development that qualifies for the Urban Center/MetroRail Station Designation

2024-198C	Quail Roost Transit Village V	Kenneth Naylor	Quail Roost V Development, LLC	E, Non-ALF	106	\$3,458,400	Y	1	N	Y	1	20	Y	A	Y	Y	2
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**STATE OF FLORIDA
DIVISION OF ADMINISTRATIVE HEARINGS**

MHP LEE II, LLC,

Petitioner,

vs.

Case No. 23-2523BID

FLORIDA HOUSING FINANCE CORPORATION,

Respondent,

and

HTG LEGACY II, LTD.; HERMOSA NFTM
41, II, LTD.; AND SP PINELLAS III, LLC,

Intervenors.

MHP LEE I, LLC,

Petitioner,

vs.

Case No. 23-2524BID

FLORIDA HOUSING FINANCE CORPORATION,

Respondent,

and

HTG LEGACY II, LTD.; HERMOSA NFTM
41, II, LTD.; AND SP PINELLAS III, LLC,

Intervenors.

/

AMARYLLIS PARK PLACE III, LLC,

Petitioner,

vs.

Case No. 23-2526BID

FLORIDA HOUSING FINANCE CORPORATION,

Respondent,

and

BLUE IAN, LLC; MHP SARASOTA I, LTD.;
AND SP PINELLAS III, LLC,

Intervenors.

CORE OAK PARK, LLLP,

Petitioner,

vs.

Case No. 23-2527BID

FLORIDA HOUSING FINANCE CORPORATION,

Respondent,

and

HERMOSA NFTM 41, II, LTD.; AND
SP PINELLAS III, LLC,

Intervenors.

ARCHWAY PRINCETON OAKS, LLC,

Petitioner,

vs.

Case No. 23-2528BID

FLORIDA HOUSING FINANCE CORPORATION,

Respondent,

and

ECG TOWN OAKS, LP; CARDINAL POINTE,
LLC; AND SP PINELLAS III, LLC,

Intervenors.

RECOMMENDED ORDER

A final hearing was held before Administrative Law Judge (“ALJ”) Robert L. Kilbride of the Division of Administrative Hearings (“DOAH”) on August 2, 2023, by Zoom video conference.

APPEARANCES

For Respondent, Florida Housing Finance Corporation (“Florida Housing”):

Ethan Katz, Esquire
Betty Zachem, Esquire
Florida Housing Finance Corporation
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For MHP Lee II, LLC (“MHP Lee II”); MHP Lee I, LLC (“MHP Lee I”); and MHP Sarasota I, Ltd. (“MHP Sarasota”):

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Maureen McCarthy Daughton, LLC
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For SP Pinellas III, LLC (“SP Pinellas”):
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For ECG Town Oaks, LP (“Town Oaks”); Hermosa NFTM 41, II, Ltd.
 (“Hermosa”); and Blue Ian, LLC (“Blue Ian”):
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For Cardinal Pointe, LLC (“Cardinal Pointe”):
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For Core Oak Park, LLLP (“Oak Park”); and Archway Princeton Oaks
 (“Archway”), LLC:

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For HTG Legacy II, Ltd. (“HTG Legacy”):
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STATEMENT OF THE ISSUE

Whether Florida Housing's notice of intent to award funding under Request for Applications 2023-304: Rental Recovery Loan Program (RRLP) Financing to be Used for Rental Developments in Hurricane Ian and Hurricane Nicole Impacted Counties ("RFA") was issued contrary to governing statutes, Florida Housing rules, or the RFA specifications, or was clearly erroneous, contrary to competition, arbitrary or capricious.

PRELIMINARY STATEMENT

On April 12, 2023, Florida Housing issued the RFA to solicit applications for allocations of Rental Recovery Loan Program ("RRLP") financing to be used for rental developments in Hurricane Ian and Hurricane Nicole impacted counties.

On June 9, 2023, Florida Housing issued its notice of intended decision to award funding to nine applicants, including HTG Legacy, Hermosa, Blue Ian, MHP Sarasota, Town Oaks, and Cardinal Pointe. Petitioners timely filed Notices of Protest followed by Petitions for a Formal Administrative Hearing. Intervenors timely intervened.

The Petitions were referred to DOAH and, upon motion, were consolidated by the undersigned. A telephonic status conference was held on July 12, 2023, with all parties in attendance and a related procedural Order was issued by the undersigned.

Prior to the final hearing, MHP II and MHP I voluntarily dismissed their petitions, Amaryllis voluntarily withdrew the Blue Ian issue, and Archway voluntarily withdrew the Town Oaks issue. MHP Sarasota also filed a concession that it should not have been granted the Proximity Funding

Preference, and Hermosa stipulated before the hearing that it also should not have been granted the Proximity Funding Preference.

The remaining primary issue for the final hearing was whether Florida Housing's decision to award funding to Cardinal Pointe was contrary to governing statutes, Florida Housing rules, or the RFA specifications.

The final hearing commenced on August 2, 2023. During the hearing, Archway offered the testimony of Marisa Button, and Cardinal Pointe offered the testimony of Stephen Auger. The parties offered 13 joint exhibits; eleven were admitted into evidence as Exhibits J-1 through J-11. Amaryllis offered three exhibits; all were admitted into evidence as APP-1 through APP-3. Oak Park offered 17 exhibits; all were admitted into evidence as OP-1 through OP-17. Archway offered seven exhibits; all were admitted into evidence as AR-1 through AR-7. Hermosa offered five exhibits; all were admitted into evidence as H-1 through H-5. Blue Ian offered four exhibits; all were admitted into evidence as BI-1 through BI-4. Cardinal Pointe offered eight exhibits; seven of which were admitted into evidence as CP-1 and CP-3 through CP-8. In addition, the parties stipulated to a number of facts in a Joint Pre-Hearing Stipulation, filed on July 31, 2023.

The final hearing Transcript was filed with DOAH on August 11, 2023. Proposed recommended orders were due on or before August 21, 2023.

All timely filed proposed recommended orders were reviewed and considered in preparing this Recommended Order. The record also reflects that several parties or intervenors joined in the Proposed Recommended Order filed by Florida Housing. Unless otherwise noted, references to Florida Statutes and Florida Administrative Code are to the 2023 versions.

References to Exhibits are denoted as “Ex. J-#,” for Joint Exhibits; “Ex. APP-#,” for Amaryllis’s Exhibits; “Ex. OP-#,” for Oak Park’s Exhibits; “Ex. AR-#,” for Archway’s Exhibits; “Ex. H-#,” for Hermosa’s Exhibits; “Ex. BI-#,” for Blue Ian’s Exhibits; and “Ex. CP-#,” for Cardinal Pointe’s Exhibits. References to the Joint Pre-Hearing Stipulation are denoted as “Stip.”

FINDINGS OF FACT

The Undersigned makes the following findings of material and relevant fact:

1. Florida Housing is a public corporation created under section 420.504, Florida Statutes. Its purpose is to promote public welfare by administering the governmental function of financing affordable housing in Florida under section 420.5099. Stip. at ¶ 1. For the purpose of this proceeding, Florida Housing is an agency of the State of Florida. Stip. at ¶ 5.

2. Florida Housing is authorized to allocate housing credits and other funding, such as the RRLP, by competitive solicitation under section 420.507(48), and Florida Administrative Code Chapter 67-60. Stip. at ¶ 12. Chapter 67-60 provides that Florida Housing allocate its competitive funding through the bid protest provisions of section 120.57(3), Florida Statutes. Stip. at ¶ 12.

3. The issuance of a Request for Applications commences the competitive application process. Stip. at ¶ 13. A request for application is equivalent to a “request for proposal” as indicated in rule 67-60.009(4). Stip. at ¶ 13.

4. The RFA was issued on April 12, 2023, and responses were due May 3, 2023 (“Application Deadline”). Stip. at ¶ 14.

5. Florida Housing received 36 applications in response to the RFA. Stip. at ¶ 16. All 36 applications for the RFA were received, processed, deemed eligible or ineligible, scored, and ranked under the terms of the RFA, chapter 67, and applicable federal regulations. Stip. at ¶ 29.

6. A review committee was appointed to review the applications and make recommendations to Florida Housing's Board of Directors ("Board"). The review committee found all applications eligible for consideration for funding. Through the ranking and selection process outlined in the RFA, nine applications were preliminarily recommended for funding. The review committee developed charts listing its eligibility and funding recommendations to be presented to the Board (Ex. J-2 and J-3, respectively). Stip. at ¶ 17.

7. On June 9, 2023, the Board met and considered the recommendations of the review committee for the RFA. Also, on June 9, 2023, Petitioners and all other applicants in the RFA received notice that the Board determined whether applications were eligible or ineligible for consideration for funding and that certain eligible applicants were preliminarily selected for funding (subject to satisfactory completion of the credit underwriting process). Such notice was provided by posting two spreadsheets, one listing the Board-approved scoring results in the RFA and one identifying the applications Florida Housing proposed to fund, on the Florida Housing website, www.floridahousing.org. (Ex. J-4 and J-5, respectively). Stip. at ¶ 18.

8. In the June 9, 2023, posting, Florida Housing announced its intention to award funding to nine applicants, including HTG Legacy, Hermosa, Blue Ian, MHP Sarasota, Town Oaks, and Cardinal Pointe. Stip. at ¶ 19.

9. Petitioners timely filed Notices of Protest and Petitions for Formal Administrative Proceedings. Intervenors timely intervened. The petitions filed were referred to DOAH and consolidated. Stip. at ¶ 20.

10. No challenges were made to the terms or specifications of the RFA. Stip. at ¶ 21.

The RFA

11. The RFA contemplates a structure in which the applicant is scored on eligibility items and obtains points for other items. Only applications that

meet all the eligibility items are eligible for funding and considered for funding selection. Stip. at ¶ 22; Ex. J-1, at 61-64.

12. The RFA awards points for meeting certain requirements outlined in the RFA. Ex. J-1, at 64. There were no challenges to the total points awarded to any application. Stip. at ¶ 23.

13. A Proximity Funding Preference was used to break ties in the funding selection process. Ex. J-1, at 65; Stip. at ¶ 28. Applicants could earn proximity points based on the distance between the Development Location Point and a qualifying transit or community service. *Id.* Proximity points were not applied toward the total application score. Ex. J-1, at 19; Stip. at ¶ 28. There was no minimum eligibility requirement for total proximity score. *Id.* Proximity points were only used to determine whether an Applicant meets the Proximity Funding Preference. *Id.*

MHP Lee II's Petition, DOAH Case No. 23-2523BID

14. On July 27, 2023, MHP Lee II voluntarily dismissed all of its claims upon filing MHP Lee II, LLC's Notice of Voluntary Dismissal. No evidence or testimony was presented in MHP Lee II's case at the August 2, 2023, hearing.

MHP Lee I's Petition, DOAH Case No. 23-2524BID

15. On July 27, 2023, MHP Lee I voluntarily dismissed all of its claims upon filing MHP Lee I, LLC's Notice of Voluntary Dismissal. No evidence or testimony was presented in MHP Lee I's case at the August 2, 2023, hearing.

Issues Raised in Amaryllis's Petition, DOAH Case No. 23-2526BID

16. Petitioner Amaryllis raised two issues within its petition relating to (i) Blue Ian's application; and (ii) MHP Sarasota's application.

(i) Blue Ian

17. On July 28, 2023, Amaryllis notified all parties that it was voluntarily withdrawing its claim that Blue Ian was ineligible for funding upon filing Amaryllis Park Place III, LLC's Notice of Withdrawal of Issue Against

Intervenor Blue Ian, LLC. No evidence or testimony relating to this issue was presented at the August 2, 2023, hearing.

(ii) MHP Sarasota

18. In response to the RFA, MHP Sarasota timely submitted an application for a new development located in Sarasota County, Florida. Stip. at ¶ 30. Florida Housing’s review committee deemed MHP Sarasota’s application eligible for funding and preliminarily selected the application for funding. Stip. at ¶ 31. MHP Sarasota received a Proximity Funding Preference based on its application responses, including the identification of a grocery store within a certain distance from the Development Location Point. Ex. J-10, at 6-7. Amaryllis contested MHP Sarasota’s entitlement to the Proximity Funding Preference.

19. On July 27, 2023, MHP Sarasota served all parties with MHP Sarasota I, Ltd.’s Concession of Issue and docketed the notice on that same date. This tribunal took judicial notice of the filing at the August 2, 2023 hearing. MHP Sarasota I, Ltd.’s Concession of Issue specifically states:

Based on information discovered [in] this proceeding, MHP Sarasota agrees that it is not entitled to 2.5 points for the grocery store identified in Application No. 2023-223BR, and further that MHP Sarasota did not achieve the Minimum Total Proximity Points available in RFA 2023-304, and is therefore not eligible to receive the Proximity Funding Preference.

20. As a result, MHP Sarasota was not entitled to receive the Proximity Funding Preference.

21. A development’s proximity to a grocery store is one of several community services listed in the RFA that can earn an applicant proximity points toward the Proximity Funding Preference. Ex. J-1, at 21. The RFA defines the term “Grocery Store,” in relevant part, as:

A retail food store consisting of 4,500 square feet or more of contiguous air conditioned space available to the public, that has been issued a food permit,

current and in force as of the dates outlined below, issued by the Florida Department of Agriculture and Consumer Service (FDACS) which designates the store as a Grocery Store or Supermarket within the meaning of those terms for purposes of FDACS-issued food permits.

Ex. J-1, at 99.

22. For the purposes of determining proximity points, Sarasota County, Florida (the location of MHP Sarasota's development), is considered a medium-sized county. Ex. J-1, at 18. To receive the Proximity Funding Preference for a medium county, an applicant must achieve a minimum of nine proximity points. Ex. J-1, at 19.

23. MHP Sarasota claimed a total of nine proximity points in its application. Ex. J-10, at 7. Two and a half of MHP Sarasota's nine points were attained from the development's proximity to Sunflower Market Discount Grocery ("Sunflower Market"). Ex. J-10, at 6.

24. David Marshal of the Florida Department of Agriculture and Consumer Services confirmed during his deposition that Sunflower Market did not hold a grocery store or supermarket permit as of the Application Deadline. Ex. APP-3, at 65.

25. By stipulation, Florida Housing now agrees with Amaryllis that Sunflower Market did not meet the definition of Grocery Store or Supermarket under the terms of the RFA, and MHP Sarasota was not eligible to receive the Proximity Funding Preference under the terms of the RFA. Stip. at ¶ 32.

Issues Raised in Oak Park's Petition, DOAH Case No. 23-2527BID

26. Oak Park raised two issues relating to Hermosa's application in its Petition: (i) Hermosa does not qualify for the Proximity Funding Preference, and (ii) Hermosa failed to properly identify the address of the development site.

27. In response to the RFA, Hermosa timely submitted an application for a new development located in Lee County, Florida. Stip. at ¶ 34. Florida

Housing’s review committee deemed Hermosa’s application eligible for funding and preliminarily selected the application for funding. Stip. at ¶ 35.

28. Hermosa received a Proximity Funding Preference based on its application responses, including the identification of a bus transfer station within a certain distance from the Development Location Point. Oak Park contests Hermosa’s entitlement to the Proximity Funding Preference.

29. Hermosa’s proposed development is located in Lee County, Florida, a “Medium” county under the terms of the RFA. Ex. J-9, at 5. To receive the proximity funding preference for a medium county, an applicant must achieve a minimum of nine proximity points. Ex. J-1, at 19. In its application, Hermosa claimed 13 proximity points, including four and a half points for the development’s proximity to a Public Bus Transfer Stop. Ex. J-9, at 6.

30. By stipulation, all parties now agree that the Public Bus Transfer Stop identified in Hermosa’s Application did not meet the definition of a Public Bus Transfer Stop as identified in the RFA. Without those points, Hermosa is not eligible to receive the Proximity Funding Preference under the terms of the RFA. Stip. at ¶ 39.

Issues Raised in Archway’s Petition, DOAH Case No. 23-2528BID

31. Petitioner Archway raised two issues in its petition relating to (i) Town Oaks’ application; and (ii) Cardinal Pointe’s application.

(i) Town Oaks

32. On July 26, 2023, Archway notified all parties that it was voluntarily withdrawing the issue relating to Town Oaks upon filing Archway Princeton Oaks, LLC’s Notice of Withdrawal of Issue. As a result, no testimony regarding the issue was necessary or presented at the August 2, 2023, hearing.

(ii) Cardinal Pointe

33. In response to the RFA, Cardinal Pointe timely submitted an application for a new development located in Orange County, Florida. Stip. at ¶ 42. Florida Housing’s review committee deemed Cardinal Pointe’s

application eligible for funding and preliminarily selected the application for funding under the terms of the RFA. Stip. at ¶ 43.

34. The RFA contains several threshold requirements or conditions that an applicant must demonstrate or meet in order to be eligible for funding consideration. Ex. J-1, at 61.

35. One such condition requires applicants to demonstrate an Environmental Site Assessment. Stip. at ¶ 44. That requirement is achieved by “providing the applicable *properly completed* and executed Florida Housing Finance Corporation Verification of Environmental Safety – Phase I Site Assessment form (Form Rev. 07-2022)” as an attachment to the application. Ex. J-1, at 35 (emphasis added); Stip. at ¶ 44.

36. It was undisputed that an applicant was responsible to accurately complete, execute, and submit the completed form with its application. Applicants were not permitted to amend their applications after the application deadline.

37. There was no dispute that Cardinal Pointe submitted a Florida Housing Finance Corporation Verification of Environmental Safety Phase I Environmental Site Assessment form (“ESA Form”) as attachment 11 to its application. Ex. J-16, at 105.

38. Likewise, Cardinal Pointe self-reported in its application that its proposed development required the demolition of three occupied, existing residential structures. Ex. J-16, at 4 and 26; Stip. at ¶ 46.

39. This is relevant because, for developments with existing buildings, the ESA Form requires applicants to verify that the presence or absence of asbestos or asbestos containing materials and lead based paint has been addressed either as a part of the Phase I Environmental Site Assessment (“ESA”) or as a separate report by checking either box “a” or box “b” under Item 2 of the ESA Form. Ex. J-16, at 106; Stip. at ¶ 47.

40. Significantly, in the ESA Form Cardinal Pointe submitted with its application, neither box “a” nor “b” was checked under Item 2, as was

required for developments with existing buildings. *See* Ex. J-16, at 106; Stip. at ¶ 48.

41. At the final hearing, Cardinal Pointe did not dispute that the ESA Form submitted to Florida Housing did not contain the required certification or checked boxes under Item 2. Instead, Cardinal Pointe explained that the omission was an error possibly caused by the electronic compilation and “compression” process followed during the submission of its application. It also asserted that the omission was not material information needed to evaluate applications for funding.

42. Notably, an Applicant is not required to submit the ESA report itself, or any testing reports as part of the RFA. Ex. J-1.

43. Instead, Marisa Button of Florida Housing testified that Florida Housing relies solely on the ESA Form to confirm that all the requirements of the form have been completed. Of particular significance in this case is that there is nowhere else in the application where Florida Housing can verify whether the requirements of the form have been completed.¹

44. Button further testified that the properly completed and executed ESA Form is an eligibility item that all applicants must provide in order to be considered eligible for funding.

45. Florida Housing initially scored the application eligible for funding. However, Button acknowledged that, after reviewing all the evidence presented and revealed during this proceeding, Florida Housing has now determined that its decision to deem Cardinal Pointe’s application eligible was erroneous, and Cardinal Pointe’s application should have been deemed ineligible during the application review process.

¹ This fact distinguishes this case from the undersigned’s reasoning in *HTF Management, Inc. v. Broward County*, Case No. 22-1650BID (Fla. DOAH Oct. 13, 2022). Unlike the *HTF Management* case, the information related to box “a” and “b” was not located, stated or covered in any other area(s) of the application. Further, Cardinal Pointe had a full and fair opportunity to review its application before submission and could have discovered its error. To the extent Cardinal Pointe believes *HTF Management* compels a different conclusion, its argument is not persuasive.

46. Button admitted at the hearing that Florida Housing has the ability to assess irregularities in the application and the discretion to waive irregularities that are deemed minor under its Minor Irregularity Rule.

47. Florida Housing's right to waive minor irregularities is expressly outlined in rule 67-60.008, and states:

Minor irregularities are those irregularities in an Application, such as computation, typographical, or other errors, that do not result in the omission of any material information; do not create any uncertainty that the terms and requirements of the competitive solicitation have been met; do not provide a competitive advantage or benefit not enjoyed by other Applicants; and do not adversely impact the interests of the Corporation or the public. Minor irregularities may be waived or corrected by the Corporation.

Ex. CP-7.

48. Button noted that Florida Housing's scorers did not originally identify the application and ESA Form problem. Presumably then, Florida Housing did not perform a minor irregularity analysis at that time.

49. However, during the pendency of this proceeding, and as a result of the objections raised by other parties or Intervenors, Florida Housing has reviewed and evaluated the issue and determined that Florida Housing's minor irregularity rule does not cover, permit or allow Cardinal Pointe's particular omission related to the ESA Form it submitted.

50. Button credibly and persuasively explained why Cardinal Pointe's failure to properly complete the ESA Form by checking the appropriate boxes could not be considered a minor irregularity under Florida Housing's rules.

51. More specifically, she explained that the error was material because the error itself renders the application ineligible and correcting the error would require information not otherwise found or located within the four

corners of the application.² Also, to allow a correction now would amount to an improper amendment of the application after the Application Deadline.

52. Button correctly pointed out that rule 67-60.008, precludes an irregularity from being waived if any one of the four factors outlined in rule 67-60.008 is met. Therefore, she correctly points out, the analysis by Florida Housing stopped there.

53. However, Button went on to explain that the error also created uncertainty within the application as to whether other requirements had been met. Without the omitted information, Florida Housing could not otherwise verify that the ESA provider had actually performed the testing required by the form.

54. Furthermore, she explained that allowing material omissions of this nature would negatively affect competition and adversely impact the interest of Florida Housing and the public.

55. Button's explanation detailing why Cardinal Pointe's application should not have been eligible for funding is credible and persuasive. Button persuasively testified that Cardinal Pointe failed to include with its application material information required by the terms of the RFA.

56. Therefore, the undersigned finds that Florida Housing's initial selection of Cardinal Pointe for a funding award was improper.

CONCLUSIONS OF LAW

57. DOAH has jurisdiction over the parties and subject matter of this proceeding. *See* § 120.569, 120.57(1), and 120.57(3), Fla. Stat.; *Dep't of Lottery v. Gtech Corp.*, 816 So. 2d 648, 651 (Fla. 1st DCA 2001); *see also* Fla. Admin. Code R. 67-60.009(2).

58. Petitioners challenge Florida Housing's ranking and scoring of several applications in the RFA. Under section 120.57(3)(f), the burden of proof in

² As noted previously, the fact that the omitted information cannot be found elsewhere in the application is significant.

this matter rests on Petitioners as the parties protesting the proposed agency action. *See State Contracting & Eng'g Corp. v. Dep't of Transp.*, 709 So. 2d 607, 609 (Fla. 1st DCA 1998).

59. Section 120.57(3)(f) further provides that in a bid protest:

[T]he administrative law judge shall conduct a de novo proceeding to determine whether the agency's proposed action is contrary to the agency's governing statutes, the agency's rules or policies, or the solicitation specifications. The standard of proof for such proceedings shall be whether the proposed agency action was clearly erroneous, contrary to competition, arbitrary, or capricious.

60. The ALJ's objective at the hearing is to "evaluate the action taken by the agency." *J.D. v. Fla. Dep't of Child. & Fams.*, 114 So. 3d 1127, 1132 (Fla. 1st DCA 2013); and *State Contracting*, 709 So. 2d at 609.

61. The ALJ may receive evidence, as with any hearing involving disputed issues of material fact under section 120.57(1), but the object of the proceeding is to evaluate the action taken by the agency. *State Contracting*, 709 So. 2d at 609.

62. Accordingly, Petitioners, as the party protesting the intended award, must prove by a preponderance of the evidence that Florida Housing's proposed action is either: (a) contrary to its governing statutes; (b) contrary to its rules or policies; or (c) contrary to the specifications of the RFA.

63. In doing so, the standard of proof that Petitioners must meet to establish that Florida Housing's ranking and selection process violates this statutory standard is that Florida Housing's decision was: (a) clearly erroneous; (b) contrary to competition; or (c) arbitrary or capricious. § 120.57(3)(f) and 120.57(1)(j), Fla. Stat.; and *AT & T Corp. v. State, Dep't of Mgmt. Servs.*, 201 So. 3d 852, 854 (Fla. 1st DCA 2016).

64. The "clearly erroneous" standard has been defined to mean "the interpretation will be upheld if the agency's construction falls within the

permissible range of interpretations.” *Colbert v. Dep’t of Health*, 890 So. 2d 1165, 1166 (Fla. 1st DCA 2004).

65. A factual determination may be found to be “clearly erroneous” when the reviewer or ALJ is “left with a definite and firm conviction that [the fact-finder] has made a mistake.” *Tropical Jewelers Inc. v. Bank of Am., N.A.*, 19 So. 3d 424, 426 (Fla. 3d DCA 2009); *see also Holland v. Gross*, 89 So. 2d 255, 258 (Fla. 1956) (when a finding of fact by the trial court “is without support of any substantial evidence, is clearly against the weight of the evidence or ... the trial court has misapplied the law to the established facts, then the decision is ‘clearly erroneous.’”).

66. An agency action is “contrary to competition” if it unreasonably interferes with the purpose of competitive procurement. As described in *Wester v. Belote*, 138 So. 721, 723-24 (Fla. 1931):

[T]he object and purpose [of the bidding process] ... is to protect the public against collusive contracts; to secure fair competition upon equal terms to all bidders; to remove not only collusion but temptation for collusion and opportunity for gain at public expense; to close all avenues to favoritism and fraud in its various forms; to secure the best values ... at the lowest possible expense; and to afford an equal advantage to all desiring to do business ..., by affording an opportunity for an exact comparison of bids.

67. In other words, the “contrary to competition” test forbids agency actions that: (a) create the appearance and opportunity for favoritism; (b) reduce public confidence that contracts are awarded equitably and economically; (c) cause the procurement process to be genuinely unfair or unreasonably exclusive; or (d) are abuses, i.e., dishonest, fraudulent, illegal, or unethical. *See* § 287.001, Fla. Stat.; and *Harry Pepper & Assoc. v. City of Cape Coral*, 352 So. 2d 1190, 1192 (Fla. 2d DCA 1977).

68. Finally, section 120.57(3)(f) requires an agency action be set aside if it is “arbitrary, or capricious.” An “arbitrary” decision is one that is “not

supported by facts or logic, or is despotic.” *Agrico Chemical Co. v. Dep’t of Env’t Regul.*, 365 So. 2d 759, 763 (Fla. 1st DCA 1978), *cert. denied*, 376 So. 2d 74 (Fla. 1979). A “capricious” action is one which is “taken without thought or reason or irrationally.” *Id.* See also *Hadi v. Liberty Behav. Health Corp.*, 927 So. 2d 34, 40 (Fla. 1st DCA 2006).

69. To determine whether an agency acted in an “arbitrary” or “capricious” manner, consideration must be given to “whether the agency: (1) has considered all relevant factors; (2) given actual, good faith consideration to the factors; and (3) has used reason rather than whim to progress from consideration of these factors to its final decision.” *Adam Smith Enter. v. Dep’t of Env’t Regul.*, 553 So. 2d 1260, 1273 (Fla. 1st DCA 1989).

70. Likewise, the standard has also been stated by the court in *Dravo Basic Materials Co. v. Department of Transportation*, 602 So. 2d 632, 632 n.3 (Fla. 2d DCA 1992), as follows: “If an administrative decision is justifiable under any analysis that a reasonable person would use to reach a decision of similar importance, it would seem that the decision is neither arbitrary nor capricious.”

71. It is axiomatic that Applicants are not permitted to submit information that should have been, but was not, included in the application submitted in response to the RFA. Notably, section 120.57(3) expressly states that “no submissions made after the bid or proposal opening which amend or supplement the bid or proposal shall be considered.”

72. It is clear then that, under the law, the application must stand on its own as originally submitted. § 120.57(3), Fla. Stat.

73. Florida Housing’s governing statutes, rules, or policies in this matter include chapter 67-60, which Florida Housing implemented according to its rulemaking authority under section 420.507(12).

74. Florida Housing adopted chapter 67-60 to administer the competitive solicitation process. According to rule 67-60.006(1):

The failure of an Applicant to supply required information in connection with any competitive solicitation pursuant to this rule chapter shall be grounds for a determination of nonresponsiveness with respect to its Application. If a determination of nonresponsiveness is made by [Florida Housing], the Application shall be considered ineligible.

75. Florida Housing is required to interpret the RFA consistent with its plain and unambiguous language. *Brownsville Manor, L.P. v. Redding Dev. Partners, LLC, and Fla. Hous. Fin. Corp.*, 224 So. 3d 891, 894 (Fla. 1st DCA 2017).

MHP Sarasota's Proximity Points

76. MHP Sarasota has conceded that it was not entitled to the proximity points for Sunflower Market, Florida Housing has stipulated that MHP Sarasota is not eligible to receive the Proximity Funding Preference, and the record evidence shows that issuing MHP Sarasota's proximity points for Sunflower Market was clearly erroneous.

77. Therefore, Amaryllis has met its burden to demonstrate that Florida Housing's decision to grant MHP Sarasota the Proximity Funding Preference was contrary to Florida Housing's RFA specifications, rules, and/or its governing statutes.

Hermosa's Proximity Points

78. The parties agree that Hermosa was not entitled to the proximity points for its bus transfer stop and that issuing Hermosa proximity points for the bus transfer stop was clearly erroneous.

79. As a result, Oak Park has met its burden to demonstrate that Florida Housing's decision to grant Hermosa the Proximity Funding Preference was contrary to Florida Housing's RFA specifications, rules, and/or its governing statutes.

Cardinal Pointe's Eligibility

80. Section 4(A)(1) of the RFA and rule 67-60.006(1) clearly establish that it is the applicant's responsibility to submit an application that complies with

the requirements of the RFA. *See also Clear Lake Vill., L.P. v. Fla. Hous. Fin. Corp, et al.* Case No 15-2394BID, ¶ 49 (Fla. DOAH June 25, 2015; Fla. Hous. Fin. Corp. Aug. 7, 2015); *HTG Grand East, LTD. v. Fla. Hous. Fin. Corp, et al.* Case No 23-0670BID, ¶ 64 (Fla. DOAH May 8, 2023; Fla. Hous. Fin. Corp. June 9, 2023).

81. It is incumbent upon and the sole responsibility of the Applicant, to review the documentation submitted to Florida Housing *before* the application deadline to ensure that all documents convey and include what the applicant intended them to convey or include. *Clear Lake Village, L.P.*, Case No. 15-2394BID, RO at ¶ 49.

82. Ultimately, the responsibility for an omission or error in its application falls on the applicant, not Florida Housing. *HTG Grand East, LTD.*, Case No. 23-0670BID, RO at ¶ 64; The burden is not on Florida Housing to guess the applicant's intent, and to do so would be improper. *Clear Lake Village, L.P.*, Case No. 15-2394BID, RO at ¶ 50; *Vistas at Fountainhead L.P. v. Fla. Hous. Fin. Corp.*, Case No. 19-2328BID, RO at ¶ 52-57 (Fla. DOAH July 16, 2019), *adopted in part*,³ Case No. 2019-030BP (Fla. Hous. Fin. Corp. Aug. 2, 2019).

83. The RFA required a properly and fully completed ESA Form for an applicant to be eligible for funding. Cardinal Pointe's application clearly and unambiguously states that Cardinal Pointe had existing buildings on its proposed development site.

84. The express language of the ESA Form states that Item 2 must be completed if the proposed development site contains existing buildings. The evidence presented shows that Cardinal Pointe failed to check two separate boxes which would have provided material information to Florida Housing. Therefore, it is clear from the evidence that Cardinal Pointe failed to submit a properly completed ESA Form as part of its application.

³ The modifications in Florida Housing's Final Order do not alter the analysis applicable in this case.

85. Based on the competent substantial evidence in the record, Florida Housing's decision to award funding to Cardinal Pointe under the RFA was contrary to the RFA specifications, Florida Housing's rules, and/or its governing statutes.

86. Similarly, the evidence and testimony presented at the final hearing clearly demonstrate that Cardinal Pointe's application did not comply with the criteria set forth in the RFA. Therefore, it was not eligible to receive funding under the RFA.

87. Cardinal Pointe naturally takes the position that Florida Housing should waive the missing checked boxes as a "minor irregularity," claiming that the error was not material. No one disputes that Florida Housing reserved the right to treat errors in applications as "minor irregularities" as outlined in rule 67-60.008, which provides:

Minor irregularities are those irregularities in an Application, such as computation, typographical, or other errors, that do not result in the omission of any material information; do not create any uncertainty that the terms and requirements of the competitive solicitation have been met; do not provide a competitive advantage or benefit not enjoyed by other Applicants; and do not adversely impact the interests of the Corporation or the public. Minor irregularities may be waived or corrected by the Corporation.

See also *Flagship Manor, LLC v. Fla. Hous. Fin. Corp.*, 199 So. 3d 1090, 1094 (Fla. 1st DCA 2016) ("Florida Housing's regulations give it discretion to ignore 'minor irregularities' in an application."); *Heritage Oaks, LLP v. Madison Pointe, LLC*, 277 So. 3d 215, 218-19 (Fla. 1st DCA 2019) (a "minor irregularity" refers to variation "that does not provide a competitive advantage or benefit to the applicant over other applicants ... Minor irregularities are errors that do not result in the omission of any material information."); *Tropabest Foods, Inc. v. Fla. Dep't of Gen. Servs.*, 493 So. 2d 50, 52 (Fla. 1st DCA 1986) (a deviation in a response to an invitation to bid is

“material if it gives the bidder a substantial advantage over the other bidders and thereby restricts or stifles competition.”).

88. As noted, the failure to fully and properly complete and submit the ESA Form with the proper boxes checked is not a minor irregularity. Other recent cases at DOAH support this conclusion. *HTG Grand East, Ltd. v. Fla. Hous. Fin. Corp. and Beacon at Creative Vill. Phase II Partners, Ltd.*, Case No. 23-0670BID (Fla. DOAH May 8, 2023; Fla. Hous. Fin. Corp. June 12, 2023) (failure to attach a signed Sewer Form was not a minor irregularity that could be waived, even when the metadata embedded in the pdf document submitted to the agency did bear the individual’s signature.).

89. The undersigned concludes that the error here by Cardinal Pointe—the omission of a required and material disclosure—is not the type of error that should be considered a minor irregularity. *See* Fla. Admin Code. R. 67-60.008.

90. As Button credibly testified, this error resulted in the omission of material information required by the RFA and created uncertainty regarding whether the terms of the RFA had been met.

91. Also, if Florida Housing accepted this type of error, Cardinal Pointe would enjoy a competitive benefit not enjoyed by other applicants that complied with the RFA terms. It also adversely impacts the interests and goals of Florida Housing to fairly and consistently administer its programs.

92. As alluded to by Button in her testimony, excusing Cardinal Pointe’s omission could start Florida Housing down the slippery slope in which mandatory requirements in RFAs cease to be mandatory, and applicants would lose confidence that the terms of the RFA are being fairly and consistently applied.

93. In the above scenario, applicants for future RFAs would be left wondering whether eligibility items are actually material requirements demanding compliance or whether the failure of their competitors to comply with such requirements would lead to their ineligibility.

94. Accordingly, based on the facts in the record, Archway has demonstrated by a preponderance of the evidence that Florida Housing's decision finding Cardinal Pointe's application eligible for funding was clearly erroneous, contrary to competition, arbitrary, or capricious. Therefore, Archway has met its burden of proving that Florida Housing's decision to award funding to Cardinal Pointe is contrary to Florida Housing's RFA specifications, rules or policies, or its governing statutes.

RECOMMENDATION

Based on the foregoing Findings of Fact and Conclusions of Law, it is RECOMMENDED that Florida Housing Finance Corporation enter a final order finding that:

- (a) MHP Sarasota I, Ltd.'s application remains eligible for funding under the RFA, but has not attained the Proximity Funding Preference;
- (b) Hermosa NFTM 41, III, Ltd.'s application remains eligible for funding under the RFA but has not attained the Proximity Funding Preference; and
- (c) Cardinal Pointe, LLC's application is deemed ineligible for funding under the RFA.

DONE AND ENTERED this 1st day of September, 2023, in Tallahassee, Leon County, Florida.



ROBERT L. KILBRIDE
Administrative Law Judge
1230 Apalachee Parkway
Tallahassee, Florida 32399-3060
(850) 488-9675
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Filed with the Clerk of the
Division of Administrative Hearings
this 1st day of September, 2023.

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NOTICE OF RIGHT TO SUBMIT EXCEPTIONS

All parties have the right to submit written exceptions within 10 days from the date of this Recommended Order. Any exceptions to this Recommended Order should be filed with the agency that will issue the Final Order in this case.

BEFORE THE FLORIDA HOUSING FINANCE CORPORATION

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Petitioner,

FLORIDA HOUSING
FINANCE CORPORATION

vs.

FLORIDA HOUSING FINANCE CORPORATION,

DOAH Case No. 23-2523BID
FHFC Case No. 2023-056BP

Respondent,

and

HTG LEGACY II, LTD. and HERMOSA NFTM 41 II, LTD.,

Intervenors.

MHP LEE I, LLC,

Petitioner,

vs.

FLORIDA HOUSING FINANCE CORPORATION,

DOAH Case No. 23-2524BID
FHFC Case No. 2023-055BP

Respondent,

and

HTG LEGACY II, LTD. and HERMOSA NFTM 41 II, LTD.,

Intervenors.

AMARYLLIS PARK PLACE III, LLC,

Petitioner,

vs.

FLORIDA HOUSING FINANCE CORPORATION,

Respondent,

and

BLUE IAN, LLC and MHP SARASOTA I, LTD.

Intervenors.

DOAH Case No. 23-2526BID
FHFC Case No. 2023-050BP

CORE OAK PARK, LLLP,

Petitioner,

vs.

FLORIDA HOUSING FINANCE CORPORATION,

Respondent,

and

HERMOSA NFTM 41 II, LTD.,

Intervenor.

DOAH Case No. 23-2527BID
FHFC Case No. 2023-048BP

ARCHWAY PRINCETON OAKS, LLC,

Petitioner,

vs.

FLORIDA HOUSING FINANCE CORPORATION,

Respondent,

and

ECG TOWN OAKS, LP and CARDINAL POINTE, LLC,

Intervenors.

DOAH Case No. 23-2528BID
FHFC Case No. 2023-047BP

INTERVENOR CARDINAL POINTE, LLC'S EXCEPTIONS TO RECOMMENDED ORDER AND REQUEST FOR APPEARANCE BEFORE THE BOARD

Pursuant to Section 120.57(3)(e), Fla. Stat., and Rules 28-106.207(1) and 67-60.009(2), Fla. Admin. Code, Intervenor Cardinal Pointe, LLC (“Intervenor” or “Cardinal Pointe”) hereby files its Exceptions to the Recommended Order entered in this matter on Friday, September 1, 2023. Cardinal Pointe requests the opportunity to appear in person before the Board at its October 27 meeting to present argument on these Exceptions.

Introduction, Overview, and Relief Requested

1. The Administrative Procedure Act (Chapter 120, Florida Statutes) guarantees the right of parties to an administrative proceeding to file exceptions to recommended orders entered by Administrative Law Judges (ALJs). A state agency (which includes Florida Housing Finance Corporation for Chapter 120 proceedings) may reject or modify findings of fact if they are not supported by competent substantial evidence. An agency may reject or modify conclusions of law over which it has substantive jurisdiction, as long as its reasons for doing so are stated with particularity and the substituted conclusion of law is as or more reasonable than the ALJ’s conclusion of law. *See* § 120.57(1)(l), Fla. Stat. Florida law is clear that Florida Housing is not bound by the judge’s conclusions of law. § 120.57(1)(l), Fla. Stat.; *B.J. v. Dep’t of Children & Family Servs.*, 983 So. 2d 11 (Fla. 1st DCA 2008) (explaining that an agency may disregard an ALJ’s conclusions of law without limitation). Florida Housing is also free to interpret administrative rules over which it has substantive jurisdiction. *See id.* Additionally, Florida Housing has no duty to accept conclusions of law that have been mis-labeled as findings of fact.

2. The interpretation and application of Florida Housing’s minor irregularity rule, Rule 67-60.008, is within Florida Housing’s substantive jurisdiction. That rule reads in its entirety as follows:

Minor irregularities are those irregularities in an Application, such as computation, typographical, or other errors, that do not result in the omission of any material information; do not create any uncertainty that the terms and requirements of the competitive solicitation have been met; do not provide a competitive advantage or benefit not enjoyed by other Applicants; and do not adversely impact the interests of the Corporation or the public. Minor irregularities may be waived or corrected by the Corporation.

Florida Housing's Board of Directors, in entering its Final Order, is not bound by the ALJ's interpretation of the minor irregularity rule, and may substitute another interpretation that is as reasonable or more reasonable than the ALJ's.

3. Florida law is well established that how an administrative law judge characterizes his or her statements in a recommended order as being "findings of fact or conclusions of law" is not dispositive. An agency is free to reject conclusions of law even when they are characterized as factual findings. *See Harloff v. City of Sarasota*, 575 So. 2d 1324 (Fla. 2nd DCA 1991); *McPherson v. Sch. Bd. of Monroe Cty.*, 505 So. 2d 682 (Fla. 3rd DCA 1987). The distinction between findings of fact and conclusions of law does not depend upon how such findings and conclusions are labeled in the Recommended Order. *See Kinney v. Dep't of State, Div. of Licensing*, 501 So. 2d 129, 132 (Fla. 5th DCA 1987) (holding that erroneously labeling a factual finding as a conclusion of law does not make it so). To the extent a finding of fact is mislabeled as a conclusion of law, the finding should be considered a part of the "conclusion of law" section, and vice versa. *See Baptist Hosp., Inc. v. State, Dep't of Health & Rehab. Servs.*, 500 So. 2d 620, 623 (Fla. 1st DCA 1986) ("The label affixed to a particular finding by the hearing officer or the agency is not necessarily determinative of its nature."). So, a "finding of fact" which is in actuality a conclusion of law is not limited in review to whether it is supported by competent substantial evidence. Instead, if it is a conclusion of law, this Board may reject or modify with a different conclusion that is as reasonable or more reasonable than the ALJ's conclusion.

4. This case presents yet another situation where an applicant, attempting to follow the instructions and technical constraints of Florida Housing's online application submission process, saw one of its documents modified to delete information. It is in some ways similar to the facts that were presented in *HTG Grand East, Ltd. vs. Florida Housing and Beacon at Creative Village Phase II Partners Ltd.*, FHFC Case No. 2023-014BID decided by this Board on June 9, 2023, where the signature of a Sewer Service provider was inadvertently and inexplicably deleted from a Sewer Availability Form.

5. In Cardinal Pointe's case, the deleted information was checkmarks on certain boxes on a Verification of Environmental Safety Phase I Environmental Site Assessment form ("ESA form"), which verifies that a Phase I Environmental Site Assessment has been conducted on the applicant's proposed Development Site. Cardinal Pointe's ESA form, as received by Florida Housing, had all other required information filled in, including the signature of the environmental professional who conducted the ESA. [Joint Exh. 11, Cardinal Pointe Application, p. 106 of 116]

6. The evidence was undisputed that Cardinal Pointe's ESA form, as received by Cardinal Pointe from its environmental consulting firm, was properly filled out, and that all relevant boxes were checked on the form. [Final Hearing Transcript ("Transcript"), p. 109; Cardinal Pointe Exh. 3] Florida Housing requires that all Attachments to an application, including the ESA form, be compiled into a single "All Attachments" document, such as an Adobe pdf document, and that such document be submitted electronically through Florida Housing's online application portal. [Joint Exh. 1, RFA 2023-304, at pp. 4-5] That portal limits uploaded documents to a total of 15 megabytes (MB) in size. [RFA 2023-304 at p. 5] In order for Cardinal Pointe's "All Attachments" document to meet that size limitation, Cardinal Pointe had to compress it twice before submission, and during that compression process the check marks disappeared from

Cardinal Pointe's ESA form. [Auger Testimony, Transcript at pp. 100-101; see Finding of Fact 41]

7. As stipulated by the parties, and as found by the ALJ, Florida Housing does not require submission of any actual Environmental Site Assessment report with the application, only the one-page form verifying that an ESA has been performed. [See Finding of Fact 42] As Ms. Button acknowledged, the substantive information that is conveyed by the "checked boxes" on the ESA Verification form is not used in the scoring, ranking, and selection of applications for funding awards. [Transcript, pp. 50-51] Instead, that information, and the ESA reports, are submitted during the credit underwriting process, as part of the comprehensive evaluation of the projected Development costs and timeline. [Transcript, p. 68]

8. Specifically, Item 2 of the ESA form asks the environmental professional signing the form whether, for a site containing existing buildings, "the presence or absence of asbestos or asbestos containing materials and lead-based paint" is addressed in the Phase 1 ESA or in a separate report. [Cardinal Pointe Exh. 1, ESA Form (emphasis added)] Item 2 does not ask whether the listed substances are in fact present or absent. There are no eligibility or scoring criteria in the selection process in the preliminary application selection process related to the presence of the listed substances. The actual presence or absence is not asked for in the selection process, and, as noted, the actual ESA document (as opposed to the ESA form) is not submitted to Florida Housing with the application.

9. For these reasons, Cardinal Pointe contended below, and still contends here, that the deletion of checkmarks on the ESA Verification Form did not result in the omission of material information. Because the information that would be conveyed by the checkmarks has no bearing on the ranking and selection of applications, it is not material. The absence of the checkmarks

from Cardinal Pointe's ESA Verification Form should be treated as a waivable minor irregularity and should be waived.

Exception #1: Finding of Fact 51

51. More specifically, she explained that the error was material because the error itself renders the application ineligible and correcting the error would require information not otherwise found or located within the four corners of the application. Also, to allow a correction now would amount to an improper amendment of the application after the Application Deadline.

10. Several of the paragraphs in the Findings of Fact portion contain statements, such as some of those in paragraph 51 regarding the testimony of Florida Housing's Marisa Button, that are actually just recitations of testimony, and are not stated in such a way as to indicate that the ALJ adopts the substance of testimony as fact. The difference may be subtle but it is significant. For example, a statement like "the form omitted certain information" is statement of fact; a statement that "Ms. Smith said the form omitted certain information" is simply a recitation of testimony.

11. Moreover, though, the testimony cited by the ALJ here appears to go to the issue whether the absence of checkmarks from Cardinal Pointe's ESA form could qualify as a minor irregularity. When undersigned counsel for Cardinal Pointe sought to cross-examine Ms. Button regarding the various elements of the "minor irregularity" rule, the ALJ ruled that "what this rule means or doesn't mean is a legal opinion," and the ALJ instructed the undersigned to "move on" with his questions to another area of inquiry. See, Transcript at pages 73-74. As a result, and as noted in paragraph 2 of these exceptions, the determination of whether the minor irregularity rule applies to Cardinal Pointe's ESA form involves interpretations of Florida Housing rule which this Board may make.

12. If paragraph 51 constitutes the ALJ's agreement with Ms. Button's legal opinion

that the Minor Irregularity rule is inapplicable to because “the error itself renders the application ineligible,” Cardinal Pointe respectfully disagrees. The statement that “the error itself renders the application ineligible” means that the minor irregularity rule could not apply to eligibility questions. The minor irregularity rule is not limited by whether the error is in an eligibility item, a point scoring item, or a funding preference item. Ms. Button herself acknowledged in her testimony that an error in an eligibility item could still be considered a waivable minor irregularity. [Transcript at page 72, line 24, to page 73, line 6]

13. If the error is a minor irregularity, then it does not need correction. No searching within the four corners of the application, and no amendment to the application, would be necessary for the application to be eligible. As discussed in paragraph 7 of these exceptions, the information conveyed by the checked boxes in sections 2 and 3 of the ESA form is not information used by Florida Housing in the scoring and ranking of applications. Paragraph 51, a conclusion of law labeled as a finding of fact, should be deleted in its entirety.

Exception #2: Finding of Fact 53

53. However, Button went on to explain that the error also created uncertainty within the application as to whether other requirements had been met. Without the omitted information, Florida Housing could not otherwise verify that the ESA provider had actually performed the testing required by the form.

14. As in the first Exception above, paragraph 53 is essentially a recitation of testimony, rather than a factual finding made by the trier of fact upon considering the evidence received. But assuming the substance of the testimony is intended to be a factual finding by the ALJ, it overlooks the fact that the ESA form, even in its altered form as received by Florida Housing, bore the signature of the environmental professional. [Joint Exhibit 11, p. 106 of 116]

15. As explained by Mr. Auger in his testimony, the environmental professional would

not sign the ESA verification form for a site containing existing buildings without conducting the assessments required for such a site. [Transcript at pp. 96-97] Cardinal Pointe's developer, of which Mr. Auger is president, was well aware of this from prior experience developing housing on sites for Florida Housing-financed developments. [Transcript at p. 97] It is not reasonable to infer that the environmental professional would not have performed the required assessment before signing the ESA form. In fact, the unrebutted testimony at the final hearing was that Cardinal Pointe's environmental consultant did investigate the specific potential hazards of lead-based paint and asbestos when conducting the assessment of the Cardinal Pointe site. [Transcript at p. 98]

16. Finding of Fact Paragraph 53 should be stricken.

Exception #3: Finding of Fact 54

54. Furthermore, she explained that allowing material omissions of this nature would negatively affect competition and adversely impact the interest of Florida Housing and the public.

17. As with the first exception, because the ALJ indicated that interpretation of provisions of the minor irregularity rule is a legal opinion, Cardinal Pointe disagrees with Ms. Button's legal opinion here. The question is not whether FHFC's waiver of the irregularity provides a competitive advantage, or adversely impacts Florida Housing's interest of the public's interest; it is whether the error itself provides a competitive advantage or impacts interests.

18. Cardinal Pointe gained no competitive advantage by the unintended deletion of checkmarks from its ESA form. Cardinal Pointe expended the same effort and resources in having the ESA conducted for its site; and in fact likely expended more resources precisely because the site contained existing buildings which required further professional assessment.

19. Further, because, as disclosed in Cardinal Pointe's application (Joint Exh. 11) at page 26 of 116, the buildings on the Cardinal Pointe site will be demolished and disposed of before

the new housing is constructed on the site, any potential contamination will have been removed. See also Finding of Fact 38. There was no evidence offered that there would be any lingering contamination following demolition and removal, to the extent someone may suggest the one-time presence of asbestos or lead based paint is adverse to Florida Housing or the public. The testimony was un rebutted that no remediation of the site will be necessary. [Transcript at p. 103]

20. Paragraph 54, which is a summary of Ms. Button's legal opinions, should be stricken.

Exception #4: Finding of Fact 55

55. Button's explanation detailing why Cardinal Pointe's application should not have been eligible for funding is credible and persuasive. Button persuasively testified that Cardinal Pointe failed to include with its application material information required by the terms of the RFA.

21. Again, Cardinal Pointe disagrees with Ms. Button's legal opinion that the unintended absence of checkmarks from Cardinal Pointe's ESA form was constituted the omission of "material omission." It is information that is not used by Florida Housing in the scoring, ranking, or selection process; it is only relevant, if at all, during credit underwriting. Paragraph 55 should be stricken.

Exception #5: Finding of Fact 56

56. Therefore, the undersigned finds that Florida Housing's initial selection of Cardinal Pointe for a funding award was improper.

22. For all of the reasons set forth in the exceptions discussed above, the initial selection of Cardinal Pointe was not improper. The absence of check marks on the ESA form under these circumstances was a minor irregularity which should be waived. Paragraph 56 should be modified to state that the initial selection of Cardinal Pointe for a funding award was "proper."

Exception #6: Conclusions of Law 84, 85, and 86

84. The express language of the ESA Form states that Item 2 must be completed if the proposed development site contains existing buildings. The evidence presented shows that Cardinal Pointe failed to check two separate boxes which would have provided material information to Florida Housing. Therefore, it is clear from the evidence that Cardinal Pointe failed to submit a properly completed ESA Form as part of its application.

85. Based on the competent substantial evidence in the record, Florida Housing's decision to award funding to Cardinal Pointe under the RFA was contrary to the RFA specifications, Florida Housing's rules, and/or its governing statutes.

86. Similarly, the evidence and testimony presented at the final hearing clearly demonstrate that Cardinal Pointe's application did not comply with the criteria set forth in the RFA. Therefore, it was not eligible to receive funding under the RFA.

23. If the intent of Conclusion of Law 84 is to state that Cardinal Pointe's ESA Form as received by Florida Housing did not contain checkmarks in boxes in Items 2 and 3 of the ESA Form, Cardinal Pointe does not dispute that. However, the omission of such checkmarks did not deprive Florida Housing of material information, and as a result, the ESA form was adequately completed, and the absence of the checkmarks should be waived. Further, the absence of the checkmarks, if waived, does not necessarily lead to the conclusion that the selection of Cardinal Pointe for funding was contrary to the RFA, and that Cardinal Pointe is ineligible to receive funding, as stated in Conclusions of Law 85 and 86.

24. As addressed previously in these exceptions, and as discussed more fully in the following Exception, Florida Housing's "minor irregularity" rule exists to address errors and omissions in applications and when they may be waived. As discussed, the absence of checkmarks should be waived, and Cardinal Pointe should be deemed eligible to receive funding. Waiving the

absence of checkmarks, and thus finding Cardinal Pointe eligible and awarding it funding, would be consistent with the RFA.

25. The second and third sentences of Conclusion of Law 84 should be modified as follows, with suggested deletions shown in struck-through type, and suggested additions shown in underlined type:

The evidence presented shows that Cardinal Pointe failed to submit an ESA Form ~~check~~ with two separate boxes checked, which would have provided no material information to Florida Housing. Therefore, it is clear from the evidence that Cardinal Pointe ~~failed to submit a properly~~ submitted an acceptably completed ESA Form as part of its application.

26. Conclusion of Law 85 should be modified to state that Florida Housing’s decision to award funding to Cardinal Pointe under the RFA “...was not contrary to the RFA specifications...”.

27. Conclusion of Law 86 should be modified to state that “...Cardinal Pointe’s application did ~~not~~ comply with the criteria set forth in the RFA,” and that “...it was ~~not~~ eligible to receive funding...”

Exception #7: Conclusions of Law 88, 90, and 91

88. As noted, the failure to fully and properly complete and submit the ESA Form with the proper boxes checked is not a minor irregularity. [Citations to other cases omitted]

90. As Button credibly testified, this error resulted in the omission of material information required by the RFA and created uncertainty regarding whether the terms of the RFA had been met.

91. Also, if Florida Housing accepted this type of error, Cardinal Pointe would enjoy a competitive benefit not enjoyed by other applicants that complied with the RFA terms. It also adversely

impacts the interests and goals of Florida Housing to fairly and consistently administer its programs.

28. As discussed previously in these exceptions, Cardinal Pointe disagrees with the conclusion that the absence of checkmarks from the two sections of the ESA form is not a minor irregularity. The absence of checkmarks is a minor irregularity, and should be waived.

29. The absence of the checkmarks did not deprive Florida Housing of any information that is material to the scoring, ranking, and preliminary selection for funding of competing applications. The presence or absence of the potential contaminant materials is only evaluated during the credit underwriting process.

30. Cardinal Pointe gained no competitive advantage from the absence of checkmarks on the form's boxes. It is not disputed that Cardinal Pointe had an Environmental Site Assessment performed for its site, as did all other applicants (presumably). It does not adversely impact the interests of Florida Housing to waive errors or omissions in applications; if it did, Florida Housing could never waive an error or omission, and its minor irregularity rule would be pointless.

31. Conclusion of Law 88 should be modified to read:

As noted, the failure to fully and properly complete and submit the ESA Form with the proper boxes checked ~~is not~~ may be a minor irregularity. [Balance of paragraph should be deleted]

32. Conclusion of Law 90 should be modified to read:

~~As Button credibly testified,~~ [T]his error resulted in the omission of no material information required by the RFA and created no uncertainty regarding whether the terms of the RFA had been met.

33. Conclusion of Law 91 should be modified to read:

~~Also, if Florida Housing accepted this type of error,~~ Cardinal Pointe would enjoy a no competitive benefit not enjoyed by other applicants that complied with the RFA terms. It ~~also~~ would not adversely impacts the interests and goals of Florida Housing to fairly and consistently administer its programs.

Exception #8: Conclusions of Law 92 and 93

92. As alluded to by Button in her testimony, excusing Cardinal Pointe’s omission could start Florida Housing down the slippery slope in which mandatory requirements in RFAs cease to be mandatory, and applicants would lose confidence that the terms of the RFA are being fairly and consistently applied.

93. In the above scenario, applicants for future RFAs would be left wondering whether eligibility items are actually material requirements demanding compliance or whether the failure of their competitors to comply with such requirements would lead to their ineligibility.

34. Cardinal Pointe takes exception to conclusions of law 92 and 93. Both conclusions ignore the undisputed testimony of Ms. Button that Florida Housing’s minor irregularity rule does not exclude eligibility items from its application. When asked the specific question of whether an error in an eligibility item could still be a waivable minor irregularity, her response was “Absolutely, yes.” [Transcript at p. 73, lines 3 through 6]

35. So, the premise does not exist for the ALJ’s conclusions that waiving eligibility items would start Florida Housing down a “slippery slope” or would leave applicants wondering whether eligibility requirements “demand[ed] compliance” or whether failure to comply would lead to ineligibility. Eligibility items may indeed be waived.

36. Further, as to the “slippery slope” argument – applicants in Florida Housing programs are entitled to have disputes heard and, where necessary, adjudicated. All persons whose substantial interests are determined by an agency of the State of Florida are entitled to the same. A “slippery slope” argument is simply another way of saying that Florida Housing may have to defend its decisions or consider an applicant’s specific facts, circumstances, and arguments to the contrary.

37. The customary rebuttal to this response to the “slippery slope” argument is that it

will open the floodgate of litigation. But that is not always the case, and this particular RFA illustrates that. Eleven notices of protest were filed in response to the notices of preliminary award decisions. Only six of those were actually followed by formal written protest. And by the commencement of the final hearing, one case remained in dispute. Cardinal Pointe suggests that one case in dispute is not an inordinate price to pay for the correct funding decisions to be reached.

38. Conclusions of Law 92 and 93 should be deleted in their entirety.

Exception #9: Conclusion of Law 94

94. Accordingly, based on the facts in the record, Archway has demonstrated by a preponderance of the evidence that Florida Housing’s decision finding Cardinal Pointe’s application eligible for funding was clearly erroneous, contrary to competition, arbitrary, or capricious. Therefore, Archway has met its burden of proving that Florida Housing’s decision to award funding to Cardinal Pointe is contrary to Florida Housing’s RFA specifications, rules or policies, or its governing statutes.

39. For all of the reasons discussed in these Exceptions, the absence of checkmarks from Cardinal Pointe’s ESA form should be deemed a waivable minor irregularity. Conclusion of Law 94 should be modified to read “..., Archway has not demonstrated...” in the first sentence, and “Therefore, Archway has not met its burden...” in the second sentence.

Exception #10: Recommendation

RECOMMENDATION

(c) Cardinal Pointe, LLC’s application is deemed ineligible for funding under the RFA.

40. For all the reasons set forth in these Exceptions, the appropriate disposition is to deem Cardinal Pointe eligible for funding.

FILED AND SERVED this 11th day of September, 2023.

/s/ M. Christopher Bryant
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Attorney for Intervenor, Cardinal Pointe, LLC

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that the foregoing has been filed electronically with Corporation Clerk, Florida Housing Finance Corporation (CorporationClerk@floridahousing.org), and copies have been furnished to the following by e-mail this 11th day of September, 2023:

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/s/ M. Christopher Bryant
ATTORNEY

**STATE OF FLORIDA
FLORIDA HOUSING FINANCE CORPORATION**

AMARYLLIS PARK PLACE III, LLC,

Petitioner,
v.

**DOAH Case No. 23-2526BID
FHFC Case No. 2023-050BP**

FLORIDA HOUSING FINANCE CORPORATION,

Respondent,
and

BLUE IAN, LLC AND MHP SARASOTA I, LTD.,

Intervenor.
_____ /

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**FLORIDA HOUSING
FINANCE CORPORATION**

CORE OAK PARK, LLLP,

Petitioner,
v.

**DOAH Case No. 23-2527BID
FHFC Case No. 2023-048BP**

FLORIDA HOUSING FINANCE CORPORATION,

Respondent,
and

HERMOSA NFTM 41 II, LTD.,

Intervenor.
_____ /

ARCHWAY PRINCETON OAKS, LLC,

Petitioner,
v.

**DOAH Case No. 23-2528BID
FHFC Case No. 2023-047BP**

FLORIDA HOUSING FINANCE CORPORATION,

Respondent,
and

**ECG TOWN OAKS, LP AND CARDINAL POINTE,
LLC,**

Intervenor.

_____/

PETITIONER ARCHWAY PRINCETON OAKS, LLC AND RESPONDENT FLORIDA HOUSING FINANCE CORPORATION’S JOINT RESPONSE TO EXCEPTIONS FILED BY CARDINAL POINTE, LLC

Pursuant to Florida Administrative Code Rule 28-106.217, Petitioner, Archway Princeton Oaks, LLC (“Archway”) and Respondent, Florida Housing Finance Corporation (“Florida Housing”), respond to the Exceptions to Recommended Order and Request for Appearance Before the Board filed by Intervenor, Cardinal Pointe, LLC (“Cardinal Pointe”) (the “Exceptions”). The Exceptions were filed on September 11, 2023, and challenge the Recommended Order entered on September 1, 2023 by Administrative Law Judge Robert L. Kilbride (the “ALJ”). In sum, the Exceptions challenge five (5) Findings of Fact and nine (9) Conclusions of Law. Archway and Florida Housing respond to each of these many Exceptions and requests that all be denied.

Introduction

This case involves a protest of the Notice of Intent to Award issued by Florida Housing to allocate funding pursuant to the Request for Applications 2023-304: Rental Recovery Loan Program (RRLP) Financing to be Used for Rental Developments in Hurricane Ian and Hurricane Nicole Impacted Counties (the “RFA”). Stip., p. 3. On April 12, 2023, Florida Housing issued the RFA, and responses were due on May 3, 2023 (the “Application Deadline”). Stip., p. 12, ¶ 14. Through the RFA, Florida Housing expects to award an estimated \$81,600,000 in RRLP funding appropriated by the 2022 Florida Legislature. Stip. p. 12, ¶ 15.

On June 9, 2023, Florida Housing’s Board of Directors (the “Board”) met and considered the recommendations made by the Review Committee for the RFA. Stip., p. 12, ¶ 18. On the same day, all Applicants were notified that the Board had preliminarily selected nine

Applicants for funding, including Cardinal Pointe, LLC (“Cardinal Pointe”). Stip., p. 13, ¶¶ 18-19. Archway Princeton Oaks, LLC (“Archway”) timely filed a Notice of Protest and Petition for Formal Administrative Proceeding (the “Petition”). *See* Stip., p. 13, ¶ 20. Archway’s Petition contends that Cardinal Pointe is ineligible for funding because it failed to submit a properly completed and executed Verification of Environmental Safety Phase I Environmental Site Assessment form (the “ESA form”), as required by the RFA.

The parties to this case prepared and submitted a detailed Joint Pre-Hearing Stipulation (“Stipulation”) with information about each party, the RFA funding process, and disputed issues remaining to be resolved by the ALJ. At the hearing, Joint Exhibits J-1 – J-11 were admitted into evidence. Similarly accepted into evidence were Archway’s Exhibits A-1 – A-5 and A-7, and Cardinal Pointe’s Exhibits CP-1, CP-3 – CP-8. Archway and Florida Housing presented the testimony of Marisa Button, Florida Housing’s former Director of Multifamily Allocations. In addition, Cardinal Pointe offered the testimony of Stephen Auger, CEO of DDER Development, LLC d/b/a Birdsong Housing Partners.

A transcript of the hearing was filed on August 11, 2023. The parties timely submitted Proposed Recommended Orders on August 21, 2023. The ALJ issued a Recommended Order on September 1, 2023. The ALJ recommended that Cardinal Pointe’s Application is ineligible for funding. The ALJ concluded that Cardinal Pointe omitted a required and material disclosure within its Application by failing to fully and properly complete and submit the ESA form with the proper boxes checked. The omission of this material information from Cardinal Pointe’s Application created uncertainty in whether the terms of the RFA had been met. The ALJ concluded that, like other recent Florida Housing cases, Cardinal Pointe’s failure to fully and

properly complete and submit the ESA form was not a waivable minor irregularity. Accordingly, Cardinal Pointe is ineligible for funding.

Cardinal Pointe filed Exceptions on September 11, 2023, and asserts that the ALJ's Findings of Fact are not statements of fact but, instead, are "recitations of testimony" and the Conclusions of Law are simply wrong because the errors in Cardinal Pointe's Application should be deemed a waivable minor irregularity.

As shown herein, the Board should adopt the Recommended Order in its entirety. The ALJ's Findings of Fact are all supported by competent, substantial evidence and the Conclusions of Law are reasonable and consistent with the RFA, Florida Housing's policies, Florida Administrative Code, and Florida Statutes. For these reasons, the Board should reject all of Cardinal Pointe's Exceptions and adopt the Recommended Order.

Standard of Review

The rules of decision applicable in bid protests are set forth in section 120.57(3)(f), Florida Statutes, which provides for:

. . . a de novo proceeding to determine whether the agency's proposed action is contrary to the agency's governing statutes, the agency's rules or policies, or the solicitation specifications. The standard of proof for such proceedings shall be whether the proposed agency action was clearly erroneous, contrary to competition, arbitrary, or capricious.

Section 120.57, Florida Statutes, establishes the specific and limited parameters for Florida Housing and the Board's review of a Recommended Order and issuance of a Final Order. Florida Housing may adopt a Recommended Order in its entirety or may, under certain limited, prescribed circumstances, modify or reject findings of fact and conclusions of law. *See* § 120.57(1)(1), Fla. Stat. Florida Housing's Final Order must include an explicit ruling on each exception. § 120.57(1)(k), Fla. Stat.

Section 120.57(1)(l), Florida Statutes provides, in pertinent part:

The agency may not reject or modify the findings of fact unless the agency first determines from a review of the entire record, and states with particularity in the order, that the findings of fact were not based upon competent substantial evidence or that the proceedings on which the findings were based did not comply with essential requirements of law.

At this stage of review, Florida Housing is not free to reweigh the evidence or to reject factual findings unless there is no competent substantial evidence to support them. *See Health Care & Ret. Corp. of Am. v. Dep't of Health & Rehab. Servs.*, 516 So. 2d 292, 296 (Fla. 1st DCA 1987); *Schumacher v. Dep't of Prof. Regul.*, 611 So. 2d 75, 76 (Fla. 4th DCA 1992); *Baptist Hosp., Inc. v. State, Dep't of Health & Rehab. Servs.*, 500 So. 2d 620, 623 (Fla. 1st DCA 1986) (“It is well settled that an agency may not reject a hearing officer’s factual findings on the conclusionary ground that they are not supported by competent substantial evidence, without offering specific reasons for such rejection.”).

“Competent” evidence is evidence that is sufficiently relevant and material that a reasonable mind would accept it as adequate to support the conclusion reached. *Schrimsher v. Sch. Bd. of Palm Beach Cnty.*, 694 So. 2d 856, 861 (Fla. 4th DCA 1997) (citing *DeGroot v. Sheffield*, 95 So. 2d 912, 916 (Fla. 1957)). “Substantial” evidence is evidence from which the fact at issue can be reasonably inferred, and which a reasonable mind would accept as adequate to support a conclusion. *Id.* Thus, the term “substantial evidence” does not relate to the quality, character, convincing power, probative value, or weight of the evidence. Rather, “competent substantial evidence” refers to the existence of some evidence as to each essential element and as to its admissibility under legal rules of evidence. *Scholastic Book Fair, Inc. v. Unemployment Appeals Comm’n*, 671 So. 2d 287, 289 n.3 (Fla. 5th DCA 1996).

Similarly, Florida Housing may not substitute its findings simply because it would have determined factual questions differently. *F.U.S.A., FTP-NEA v. Hillsborough Cmty. Coll.*, 440 So. 2d 593, 595-96 (Fla. 1st DCA 1983); *see also Resnick v. Flagler Cnty. Sch. Bd.*, 46 So. 3d 1110, 1112-13 (Fla. 5th DCA 2010) (agency may not reject findings of fact supported by competent substantial evidence even if alternate findings were also supported by competent substantial evidence); *Heifetz v. Dep't of Bus. Regul., Div. of Alcoholic Bevs. & Tobacco*, 475 So. 2d 1277, 1281 (Fla. 1st DCA 1985) (“If, as is often the case, the evidence presented supports two inconsistent findings, it is the hearing officer’s role to decide the issue one way or the other.”). “Factual inferences are to be drawn by the hearing officer as trier of fact.” *Id.* at 1283. Rejection or modification of conclusions of law may not form the basis for rejecting or modifying findings of fact. § 120.57(1)(1), Fla. Stat. Therefore, if the record contains any competent substantial evidence supporting a challenged factual finding of the ALJ, the agency is bound by such factual finding in preparing its Final Order. *See e.g., Walker v. Bd. of Pro. Eng’rs*, 946 So. 2d 604, 605 (Fla. 1st DCA 2006); *Fla. Dep’t of Corr. v. Bradley*, 510 So. 2d 1122, 1123 (Fla. 1st DCA 1987).

In addition, an agency has no authority to make independent or supplemental findings of fact. *See e.g., City of N. Port, Fla. v. Consol. Minerals, Inc.*, 645 So. 2d 485, 487 (Fla. 2d DCA 1994) (“The agency’s scope of review of the facts is limited to ascertaining whether the hearing officer’s factual findings are supported by competent substantial evidence. The agency makes no factual findings in reviewing the recommended order.”) (citations omitted). Florida Housing may not attempt to resolve evidentiary conflicts or judge the credibility of witnesses. *See Belleau v. Dep’t of Env’tl Prot.*, 695 So. 2d 1305, 1306-07 (Fla. 1st DCA 1997); *Dunham v. Highlands Cnty. Sch. Bd.*, 652 So. 2d 894, 896 (Fla. 2d DCA 1995).

Florida Housing may modify or reject conclusions of law over which it has substantive jurisdiction. § 120.57(1)(1), Fla. Stat.; *see generally Barfield v. Dep't of Health*, 805 So. 2d 1008, 1010-11 (Fla. 1st DCA 2001). When modifying or rejecting conclusions of law, Florida Housing must state with particularity the reasons for the modification or rejection, and must make a finding that its substituted conclusion of law is as or more reasonable than the conclusion modified or rejected. § 120.57(1)(1), Fla. Stat.

The labeling of a legal conclusion as a “finding of fact” does not convert the conclusion into a factual finding. *See Pillsbury v. Dep't of Health and Rehab. Servs.*, 744 So. 2d 1040, 1041-42 (Fla. 2d DCA 1999). Rather, the true nature and substance of the ALJ's statement controls. *JJ Taylor Cos., Inc. v. Dep't of Bus. & Pro. Regul.*, 724 So. 2d 192, 193 (Fla. 1st DCA 1999); *see also Baptist Hosp., Inc.*, 500 So. 2d at 623; *Holmes v. Turlington*, 480 So. 2d 150, 153 (Fla. 1st DCA 1985). Matters that are susceptible to ordinary methods of proof – such as weighing the evidence or determining a witness's credibility – are factual matters to be determined by the ALJ. *See id.*

“Ultimate facts are those found in that vaguely defined area lying between evidentiary facts on the one side and conclusions of law on the other and are the final resulting effects which are reached by the process of logical reasoning from the evidentiary facts.” *Feldman v. Dep't of Transp.*, 389 So. 2d 692, 694 (Fla. 4th DCA 1980). The question whether the facts establish a violation of a rule or statute, for example, involves a question of ultimate fact that Florida Housing may not reject without adequate explanation. *See Goin v. Comm'n on Ethics*, 658 So. 2d 1131, 1138 (Fla. 1st DCA 1995).

Response to Exception Number One

In Exception No. 1, Cardinal Pointe takes exception to the ALJ's Finding of Fact in paragraph 51 as follows:

51. More specifically, she [Marisa Button] explained that the error was material because the error itself renders the application ineligible and correcting the error would require information not otherwise found or located within the four corners of the application. Also, to allow a correction now would amount to an improper amendment of the application after the Application Deadline.

Paragraph 51 also contains a footnote stating, “[a]s noted previously, the fact that the omitted information cannot be found elsewhere in the application is significant.” *Recommended Order*, ¶ 51, n.2. Cardinal Pointe alleges that Finding of Fact 51 is simply a recitation of the testimony by Florida Housing’s Marisa Button, and is a Conclusion of Law incorrectly labeled as a Finding of Fact.

Contrary to Cardinal Pointe’s assertions, this finding is amply rooted in competent, substantial evidence received at final hearing based on the clear testimony of Marisa Button. Cardinal Pointe suggests that the ALJ’s finding is simply a recitation of testimony; however, read in the context of the immediately preceding paragraph, the ALJ found that Ms. Button’s testimony was credible and persuasive and she “credibly and persuasively explained why Cardinal Pointe’s failure to properly complete the ESA Form by checking the appropriate boxes could not be considered a minor irregularity under Florida Housing’s rules.” *Recommended Order*, ¶ 50. Paragraph 51 expands on the ALJ’s finding that Ms. Button’s testimony was credible and persuasive, and highlights that Cardinal Pointe’s omission of material information was a significant issue because the omitted information cannot be found anywhere else in its

Application.¹ This is the cornerstone of this case – Cardinal Pointe omitted material information from its Application that cannot be found anywhere else within the Application.

The parties expressly stipulated that a “properly completed and executed” ESA form must be submitted in order for an Applicant to be eligible for funding. Stip., p. 17, ¶ 44; Exh., J-1, p. 35; *see also* Tr. p. 42, ln. 20-25; p. 43, ln. 1-2. In addition, the parties stipulated that Cardinal Pointe failed to submit a completed ESA form to Florida Housing with disclosures under Section 2 of the form. Stip., p. 18, ¶ 48; *see also* Exh. J-11, p. 106. In other words, Cardinal Pointe failed to submit a properly completed and executed ESA form as required by the RFA eligibility items. As a result, the only remaining issue for the ALJ to consider is whether Cardinal Pointe’s error is a waivable minor irregularity. In considering this issue, the ALJ heard the testimony of Marisa Button and Stephen Auger. The ALJ then determined that Ms. Button’s testimony regarding (1) the severity of Cardinal Pointe’s error, and (2) Florida Housing’s inability to find the omitted information elsewhere in the Application, was credible and persuasive. Matters that are susceptible to ordinary methods of proof – such as weighing the evidence or determining a witness’s credibility – are factual matters to be determined by the ALJ. *Holmes*, 480 So. 2d at 153.

¹ Like the ALJ, the Board has also found Ms. Button to be persuasive and credible. In fact, across multiple previous orders, the Board has concluded that Ms. Button’s testimony is persuasive and credible. *See Ambar Riverview, Ltd. v. Fla. Hous. Fin. Corp.*, Case No. 19-1261BID (Fla. DOAH May 21, 2019) (Recommended Order), No. 2019-014BP (FHFC June 24, 2019) (Final Order) (rejecting exceptions to findings that Ms. Button’s testimony was credible and persuasive); *HTG Addison II, LLC v. Fla. Hous. Fin. Corp.*, Case No. 20-1770BID (Fla. DOAH June 19, 2020) (Recommended Order), No. 2020-020BP (FHFC July 17, 2020) (Final Order) (adopting all Findings of Fact, Conclusions of Law, and Recommendation, including findings that Ms. Button’s testimony was credible and persuasive that an error was a waivable minor irregularity because Florida Housing had the required information elsewhere within the Application).

Ms. Button testified that, generally, the purpose of the ESA form is to demonstrate that an Environmental Site Assessment was completed. Tr. p. 56, ln. 19-23. Ms. Button further testified that Florida Housing relies on the properly completed and executed ESA form to ensure that an ESA has been completed by the Applicant. *Id.* No testing reports are submitted to Florida Housing, so Florida Housing relies on the ESA form disclosures to confirm that all testing requirements are met. Tr. p. 57, ln. 1-12. There is nowhere else in the Application where Florida Housing could glean the information found in the ESA form. Tr. p. 57, ln. 2. As a result, Ms. Button indicated that the omission of information in the ESA form, such as the required disclosures in Sections 2 and 3, creates uncertainty regarding whether the Applicant completed all the required testing. Tr. p. 58, ln. 10-25, p. 59, ln. 1-12. The ALJ found this testimony by Ms. Button to be credible and persuasive.

In addition, the ALJ's Finding of Fact 51 finds credibility in Ms. Button's testimony that, following submission, an Applicant has an opportunity to review the submitted Application and withdraw the Application, as needed, to correct any errors and resubmit prior to the Application Deadline. Tr. p. 46, ln. 8-13. But, no changes can be made to an Application after the Application Deadline. *Id.* Cardinal Pointe had a full and fair opportunity to review its Application before submission and could have discovered its error – it did not identify or rectify the error. Tr. p. 108, ln. 19-25; p. 109, ln. 1-25.

The determination in paragraph 51 is based on competent, substantial evidence – the testimony of Ms. Button. Although Cardinal Pointe's Exceptions suggest that there should be a renewed analysis of the applicability of the minor irregularity rule, Cardinal Pointe has overlooked the fact that Ms. Button clearly testified that “[t]o understand whether or not the Environmental Site Assessment provider who signed the form actually performed the

requirements in question 2A or B would require a modification or, you know, adjustment or additional information than what was submitted in the four corners of the application itself.” Tr. p. 52, ln. 7-13.

Against this backdrop, it is easy to see how the ALJ found Ms. Button’s testimony to be persuasive. That is the sole province of an ALJ in these proceedings: to weigh the evidence and determine the credibility of the witnesses. *Heifetz*, 475 So. 2d at 1281 (“It is the hearing officer’s function to consider all the evidence presented, resolve conflicts, judge credibility of witnesses, draw permissible inferences from the evidence, and reach ultimate findings of fact based upon competent, substantial evidence.”).

Simply put, there is ample competent substantial evidence to support the ALJ’s findings in paragraph 51. For all these reasons, Finding of Fact 51 is supported by competent substantial evidence in the record. Cardinal Pointe’s Exception No. 1 should be rejected.

Response to Exception Number Two

In Exception No. 2, Cardinal Pointe takes exception to the ALJ’s Finding of Fact in paragraph 53 as follows:

53. However, Button went on to explain that the error also created uncertainty within the application as to whether other requirements had been met. Without the omitted information, Florida Housing could not otherwise verify that the ESA provider had actually performed the testing required by the form.

Cardinal Pointe asserts that Finding of Fact 53 is simply a recitation of the testimony at the final hearing. Cardinal Pointe then suggests that Florida Housing should be able to verify that the ESA provider actually performed the required testing because an environmental professional would not have signed the ESA form without conducting the required tests. In other words, Cardinal Pointe asks Florida Housing to make an inference and assume that an

eligibility item is met when the submitted form – that should act as verification of the eligibility item – is not properly completed and executed.

There is nothing in the record that supports this broad assertion. Like Exception No. 1, when read in the context of the preceding paragraphs, it is clear that the ALJ found Ms. Button’s testimony regarding Florida Housing’s inability to verify that the ESA provider had actually performed the required testing credible and persuasive. In footnote 2, the ALJ highlights the significance of this fact. *Recommended Order*, ¶ 51, n.2. Cardinal Pointe’s suggestion that Florida Housing can infer an Applicant’s intentions after failing to properly complete and execute a required form is contradictory not only to the evidence presented at final hearing, but common-sense application of Florida Housing’s rules regarding the Application and scoring process.

Florida Housing’s rules indicate that “[t]he failure of an Applicant to supply required information in connection with any competitive solicitation ... shall be grounds for a determination of nonresponsiveness with respect to its Application. If a determination of nonresponsiveness is made by the Corporation, the Application shall be considered ineligible.” Fla. Admin. Code R. 67-60.006(1). The burden is on the Applicant to provide a complete and responsive response to the RFA. *Clearlake Village, L.P. v. Fla. Hous. Fin. Corp.*, Case No. 15-2394BID, ¶¶ 47-49 (Fla. DOAH June 25, 2015) (Recommended Order), No. 2015-010BP (FHFC Aug. 7, 2015) (Final Order) (concluding that the Applicant failed to provide appropriate documentation to demonstrate site control, and the burden was on the Applicant to provide an Application that satisfied all RFA requirements). It is incumbent on Applicants “to review the documentation submitted to Florida Housing before submitting its application to ensure that all documents conveyed what [the Applicant] intended for them to convey.” *Id.* at ¶ 49.

In this case, Ms. Button credibly testified, and Cardinal Pointe did not dispute, that a “properly completed and executed” ESA form requires that “all information must be accurately supplied in the form.” Tr. p. 44, ln. 21-23. However, Cardinal Pointe failed to accurately supply all information in the ESA form. *See* Stip., p. 18, ¶ 48. Cardinal Pointe admitted at final hearing that it compiled and compressed its Application materials the day before the Application was due. Tr. p. 108, ln. 15-18. No one with Cardinal Pointe reviewed the Application after its compression before it was submitted to Florida Housing on May 3, 2023 – the Application Deadline. Tr. p. 108, ln. 19-22. Cardinal Pointe maintains a checklist that is reviewed to ensure that the Application is complete following the submission of an Application. Tr. p. 108, ln. 23-25; p. 109, ln. 1-3. Cardinal Pointe updates this checklist, as needed, in light of recent Florida Housing litigation. Tr. p. 109, ln. 8-20. Cardinal Pointe’s team reviewed this checklist following the submission of this Application, and did not see that it was missing material disclosures from the ESA form. Tr. p. 109, ln. 21-25. Cardinal Pointe had an opportunity to review its Application to ensure it accurately supplied all information, but still failed to notice the error. As a result, Cardinal Pointe failed to meet its burden, as the Applicant, to provide a complete and responsive response to the RFA. *See Clearlake Village, L.P. v. Fla. Hous. Fin. Corp.*, Case No. 15-2394BID, ¶¶ 47-49 (Fla. DOAH June 25, 2015) (Recommended Order), No. 2015-010BP (FHFC Aug. 7, 2015) (Final Order). Florida Housing is not required to make inferences or assumptions in order to cobble together a responsive Application.

The remainder of Cardinal Pointe’s Exception No. 2 appears to ask the Board to reweigh the evidence and provide greater deference to the testimony provided by Cardinal Pointe. This is an improper request. Again, it is the sole province of the ALJ in these proceedings to weigh the evidence and determine the credibility of the witnesses, and, as acknowledged by the ALJ

on the record, Cardinal Pointe's testimony was entitled to "very little" weight. Tr. p. 107, ln. 8-9; *see also Heifetz*, 475 So. 2d at 1281.

For these reasons, Finding of Fact 53 is supported by competent substantial evidence and Cardinal Pointe's Exception No. 2 should be rejected.

Response to Exception Number Three

In Exception No. 3, Cardinal Pointe takes exception to the ALJ's Finding of Fact in paragraph 54 as follows:

54. Furthermore, she explained that allowing material omissions of this nature would negatively affect competition and adversely impact the interest of Florida Housing and the public.

In Exception No. 3, Cardinal Pointe argues that it gained no competitive advantage in submitting an ESA form that did not meet the requirements of the RFA. Further, Cardinal Pointe argues that there is no adverse impact to Florida Housing or the public because the existing structures at the development site will be demolished.

There is nothing in the record supporting this argument. Rather, the record reflects that the ESA form considers and accounts for the safety of all individuals involved in the proposed development, not just tenants. Tr. p. 83, ln. 1-5. As a result, the lack of required disclosures within the ESA form is not resolved simply by demolishing the existing structures. The safety of demolition contractors is also a concern, and lenders require information regarding the presence or absence of asbestos and lead-based paint. Tr. p. 110, ln. 22-25; p. 111, ln. 1-9. Cardinal Pointe admitted at final hearing that both a demolition contractor and lender would require the completion of this environmental testing whether or not the existing buildings were demolished. *Id.* This admission contradicts any assertion that the interest of the public is not adversely impacted by the failure to make these required disclosures.

Moreover, Ms. Button credibly testified that Cardinal Pointe receives a competitive advantage because it failed to properly complete and execute the ESA form as required by the RFA. Since the required disclosures within the ESA form cannot be found anywhere else within the Application, allowing Cardinal Pointe to later submit the required disclosures would constitute a modification to the Application – providing a competitive advantage not enjoyed by other Applicants. Tr. pp. 59-60.

For these reasons, Finding of Fact 54 is supported by competent substantial evidence and Cardinal Pointe’s Exception No. 3 should be rejected.

Response to Exception Number Four

In Exception No. 4, Cardinal Pointe takes exception to the ALJ’s Finding of Fact in paragraph 55 as follows:

55. Button’s explanation detailing why Cardinal Pointe’s application should not have been eligible for funding is credible and persuasive. Button persuasively testified that Cardinal Pointe failed to include with its application material information required by the terms of the RFA.

Cardinal Pointe takes exception to this paragraph asserting that it is a legal opinion on whether Cardinal Pointe made a material omission from its Application. Cardinal Pointe then seems to suggest that the omission cannot be material because the substantive responses contained within the ESA form are not used by Florida Housing during the scoring, ranking, or selection process.

As Cardinal Pointe notes, Ms. Button testified that the substance of the ESA form does not impact the scoring of an Application. Tr. p. 84, ln. 22-23. However, Ms. Button further testified that even though whether “box A or box B” was checked in the ESA form does not impact any scoring, the requirement is that the “form itself is completed based on the information in the application.” Tr. p. 51, ln. 5-10. In other words, the proper completion and

execution of the ESA form is an eligibility item which is a threshold requirement that the Applicant must demonstrate to be eligible for funding. Tr. p. 42, ln. 15-17.

Moreover, the parties stipulated that “[i]n order to be eligible for funding under the terms of the RFA, Applicants must demonstrate Ability to Proceed including an Environmental Site Assessment.” Stip., p. 17, ¶ 44. The demonstration of an Environmental Site Assessment is completed by submitting a “properly completed and executed” ESA form. *Id.* This stipulation is binding and forms the basis for the ALJ’s findings in paragraph 55. *E.g., Palm Beach Cmty. Coll. v. State of Fla., Dep’t of Admin.*, 579 So. 2d 300, 302 (Fla. 4th DCA 1991) (“When the parties agree that a case is to be tried upon stipulated facts, the stipulation is binding not only upon the parties but also upon the trial and reviewing courts. In addition, no other or different facts will be presumed to exist.”). The ALJ was not persuaded by Cardinal Pointe’s testimony that “[t]he information that was omitted is not relevant to the scoring of the application...The Phase I was done and whether we checked 2A or 2B, it didn’t matter to the scoring at all.” Tr. p. 106, ln. 1-2, 10-12. The ALJ accordingly gave the evidence the weight it deserves. Tr. p. 107; ln. 6-9.

It is the ALJ’s role, and the ALJ only, to weigh the evidence and determine a witness’s credibility. *Prysi v. Dep’t of Health*, 823 So. 2d 823, 825 (Fla. 1st DCA 2002) (“An agency is not authorized to weigh evidence, judge credibility or otherwise interpret the evidence to fit its desired conclusion.”); *Heifetz*, 475 So. 2d at 1281; *Baptist Hosp., Inc.*, 500 So. 2d at 623 (“Matters that are susceptible of ordinary methods of proof, such as determining the credibility of witnesses or the weight to accord evidence, are factual matters to be determined by the hearing officer.”). When the evidence presented supports two inconsistent findings, it is the ALJ’s role to decide the issue. *Heifetz*, 475 So. 2d at 1281.

For these reasons, Finding of Fact 55 is supported by competent substantial evidence and Cardinal Pointe's Exception No. 4 should be rejected.

Response to Exception Number Five

In Exception No. 5, Cardinal Pointe takes exception to the ALJ's Finding of Fact in paragraph 56 as follows:

56. Therefore, the undersigned finds that Florida Housing's initial selection of Cardinal Pointe for a funding award was improper.

Cardinal Pointe takes exception to the ultimate finding that Cardinal Pointe's selection for funding was improper. The ALJ's Finding of Fact is supported by competent, substantial evidence. For all of the reasons addressed above in this Response, Finding of Fact 56 is well-founded and should stand. Accordingly, Cardinal Pointe's Exception No. 5 should be rejected.

Response to Exception Number Six

In Exception No. 6, Cardinal Pointe takes exception to the ALJ's Conclusions of Law in paragraphs 84, 85, and 86 which are as follows:

84. The express language of the ESA Form states that Item 2 must be completed if the proposed development site contains existing buildings. The evidence presented shows that Cardinal Pointe failed to check two separate boxes which would have provided material information to Florida Housing. Therefore, it is clear from the evidence that Cardinal Pointe failed to submit a properly completed ESA Form as part of its application.

85. Based on the competent substantial evidence in the record, Florida Housing's decision to award funding to Cardinal Pointe under the RFA was contrary to the RFA specifications, Florida Housing's rules, and/or its governing statutes.

86. Similarly, the evidence and testimony presented at the final hearing clearly demonstrate that Cardinal Pointe's application did not comply with the criteria set forth in the RFA. Therefore, it was not eligible to receive funding under the RFA.

Cardinal Pointe argues that despite its failure to submit a properly completed and executed ESA form as required by the RFA, the error should be waived as a minor irregularity. Essentially, Cardinal Pointe attempts to re-argue its case.

As Cardinal Pointe concedes and the parties have expressly stipulated, the RFA requires that a “properly completed and executed” ESA form must be submitted in order for an Applicant to be eligible for funding. Stip., p. 17, ¶ 44; Exh., J-1, p. 35; *see also* Tr. p. 42, ln. 20-25; p. 43, ln. 1-2. In addition, the parties stipulated that Cardinal Pointe failed to submit a completed ESA form with disclosures checked under item 2. Stip., p. 18, ¶ 48; *see also* Exh. J-11, p. 106. In other words, Cardinal Pointe failed to submit a properly completed and executed ESA form as required by the RFA eligibility items. These stipulations are binding. *Palm Beach Cmty. Coll.*, 579 So. 2d at 302.

Although Cardinal Pointe dedicates the majority of its Exception to arguing that the minor irregularity rule must apply, the fact remains that the ESA form as submitted by Cardinal Pointe did not meet the eligibility requirements and omitted information that could not be gleaned elsewhere within the Application.²

For these reasons, Cardinal Pointe’s Exception No. 6 should be rejected.

Response to Exception Number Seven

In Exception No. 7, Cardinal Pointe takes exception to the ALJ’s Conclusions of Law in paragraphs 88, 90, and 91 which are as follows:

² Nearly the entirety of Cardinal Pointe’s Exception No. 6 is devoted to a discussion of the minor irregularity rule. But, the minor irregularity rule is not discussed in paragraphs 84 through 86. As a result, the exception is improper to the extent that appropriate and specific citations to the record have not been made. *See* Fla. Admin. Code R. 28-106.217(1). Nonetheless, as stated more fully in responses to Exception Nos. 7 and 8, there is competent, substantial evidence supporting the ALJ’s conclusion that Cardinal Pointe did not comply with the requirements of the RFA, it was not eligible to receive funding under the RFA, and its error was not a waivable minor irregularity.

88. As noted, the failure to fully and properly complete and submit the ESA Form with the proper boxes checked is not a minor irregularity. Other recent cases at DOAH support this conclusion. *HTG Grand East, Ltd. v. Fla. Hous. Fin. Corp. and Beacon at Creative Vill. Phase II Partners, Ltd.*, Case No. 23-0670BID (Fla. DOAH May 8, 2023; Fla. Hous. Fin. Corp. June 12, 2023) (failure to attach a signed Sewer Form was not a minor irregularity that could be waived, even when the metadata embedded in the pdf document submitted to the agency did bear the individual's signature.).

...

90. As Button credibly testified, this error resulted in the omission of material information required by the RFA and created uncertainty regarding whether the terms of the RFA had been met.

91. Also, if Florida Housing accepted this type of error, Cardinal Pointe would enjoy a competitive benefit not enjoyed by other applicants that complied with the RFA terms. It also adversely impacts the interests and goals of Florida Housing to fairly and consistently administer its programs.

Cardinal Pointe's Exception to paragraphs 88, 90, and 91 continues to argue that its failure to properly complete and execute the ESA form as required by the RFA must be considered a waivable minor irregularity. However, Cardinal Pointe fails to distinguish its failure to provide all required information from the holding in *HTG Grand East, Ltd. v. Fla. Hous. Fin. Corp.*, Case No. 23-0670BID. Instead, Cardinal Pointe simply asserts that there is no adverse impact to Florida Housing and the presence or absence of any contaminants will be addressed during the credit underwriting process. In other words, Cardinal Pointe asserts that the issue of contaminants can be addressed at a later juncture. This is not supported by the terms of the RFA or recent case law.

The analysis articulated in *HTG Grand East, Ltd. v. Fla. Hous. Fin. Corp.*, Case No. 23-0670BID (Fla. DOAH May 8, 2023) (Recommended Order), No. 2023-014BID (FHFC June 12, 2023) (Final Order) is applicable here. The Recommended Order in *HTG Grand East* concluded that an Applicant's failure to provide a Sewer Form with a visible signature rendered the

Application “nonresponsive and ineligible to receive funding,” even though the Applicant showed that metadata within the form suggested a signature. *Id.* at ¶¶ 57-58.³ Similarly here, there are no visible disclosures under Sections 2 or 3 of the ESA form as required by the RFA. But, in this case, there is not even a suggestion that the required information is contained elsewhere in other sections of the RFA or that the disclosures can be seen in the metadata. Cardinal Pointe’s error is therefore incapable of being considered a minor irregularity. *See id.*

Although Cardinal Pointe’s Exception attempts to raise issues about credit underwriting, the fact remains that credit underwriting is a completely separate process that has absolutely nothing to do with whether Cardinal Pointe’s Application met the requirements of the RFA. Tr. p. 39, ln. 24-25; p. 40, ln. 1-12. “Credit underwriting is a de novo review of all information supplied, received or discovered during or after any competitive solicitation scoring and funding preference process...” Fla. Admin. Code R. 67-48.0072. As such, those portions of the Exceptions warrant no further response.

For these reasons, Cardinal Pointe’s Exception No. 7 should be rejected.

Response to Exception Number Eight

In Exception No. 8, Cardinal Pointe takes exception to the ALJ’s Conclusions of Law in paragraphs 92 and 93 which are as follows:

92. As alluded to by Button in her testimony, excusing Cardinal Pointe’s omission could start Florida Housing down the slippery slope in which mandatory requirements in RFAs cease to be mandatory, and applicants would lose confidence that the terms of the RFA are being fairly and consistently applied.

³ Unlike the applicant in the *HTG Grand East* Final Order, Cardinal Pointe has never maintained that metadata in its form reveals the required disclosures in the ESA. Instead, Cardinal Pointe has admitted that any such information was “wiped” from the form and, as such, it is simply not there. Tr. p. 64, ln. 6-10, p. 114, ln. 2-5.

93. In the above scenario, applicants for future RFAs would be left wondering whether eligibility items are actually material requirements demanding compliance or whether the failure of their competitors to comply with such requirements would lead to their ineligibility.

Cardinal Pointe takes exception to Conclusions of Law 92 and 93 because the conclusions “ignore the undisputed testimony of Ms. Button that Florida Housing’s minor irregularity rule does not exclude eligibility items from its application.” Cardinal Pointe continues to re-argue its case and asserts that the minor irregularity rule must apply to its failure to meet an eligibility requirement. But, the minor irregularity rule does not require Florida Housing to waive any and all errors. Rule 67-60.008 states:

Minor irregularities are those irregularities in an Application, such as computation, typographical, or other errors, that do not result in the omission of any material information; do not create any uncertainty that the terms and requirements of the competitive solicitation have been met; do not provide a competitive advantage or benefit not enjoyed by other Applicants; and do not adversely impact the interests of the Corporation or the public. Minor irregularities may be waived or corrected by the Corporation.

Exh. A-7; Fla. Admin. Code R. 67-60.008 (emphasis added).

Florida Housing is not required to waive an Applicant’s failure to meet an eligibility item in the RFA; it may be waived. Nonetheless, Ms. Button’s testimony describes at length why Cardinal Pointe’s failure to make all required disclosures in its ESA form should not and could not be a waivable minor irregularity:

1. Cardinal Pointe’s Application had a material omission of information. “To understand whether or not the Environmental Site Assessment provider who signed the form actually performed the requirements in question 2A or B would require a modification or, you know, adjustment or additional information than what was submitted in the four corners of the application itself.” (Tr. p. 52, ln. 7-13);
2. Cardinal Pointe’s ESA form created uncertainty that the terms of the RFA had been met. The ESA form confirms to Florida Housing that the requirement to address environmental site assessments had been completed prior to the Application Deadline, and Cardinal Pointe’s Application did not include those disclosures. (Tr. pp. 58-59);

3. Cardinal Pointe's error negatively affects competition because, in order to resolve Cardinal Pointe's failure to make the required disclosures pursuant to the RFA, a modification to the Application would be required after the Application Deadline since the information cannot be found elsewhere within the Application. (Tr. pp. 59-60); and
4. It is against the interest of the Corporation and the public to allow an Applicant to modify an Application after the Application Deadline. Applications must include all required material pieces of information. Allowing an Applicant to modify their Application at any time to correct a material omission that cannot be found elsewhere in the Application creates a slippery slope wherein the integrity of the Application process is undermined. (Tr. pp. 61-62)

Cardinal Pointe suggests that litigation should be expected by Florida Housing, so there is no "slippery slope" concern. However, this interpretation glosses over the key issue as highlighted by Ms. Button and the ALJ: the material information omitted from Cardinal Pointe's Application cannot be found anywhere else in its Application. Ms. Button's testimony does not suggest that the "slippery slope" is a hypothetical chance of increased litigation. Rather, she testified that, "[i]t really creates a slippery slope of, if we allow an application to be modified with that information at this point, what wouldn't [Florida Housing] allow?" Tr. p. 61, ln. 16-19. In other words, if the failure to include material information in an Application is waived as a minor irregularity and that missing information cannot be found anywhere else in the Application, a slippery slope is created wherein Applicants could modify their Application after the Application Deadline when they fail to meet the RFA requirements. The terms of the RFA would be rendered meaningless.

The burden is on the Applicant to provide a complete and responsive response to the RFA. *Clearlake Village, L.P. v. Fla. Hous. Fin. Corp.*, Case No. 15-2394BID, ¶¶ 47-49 (Fla. DOAH June 25, 2015) (Recommended Order), No. 2015-010BP (FHFC Aug. 7, 2015) (Final Order) (concluding that the Applicant failed to provide appropriate documentation to

demonstrate site control, and the burden was on the Applicant to provide an Application that satisfied all RFA requirements). Cardinal Pointe failed to meet this burden.

For these reasons, Cardinal Pointe's Exception No. 8 should be rejected.

Response to Exception Number Nine

In Exception No. 9, Cardinal Pointe takes exception to the ALJ's Conclusion of Law in paragraph 94 as follows:

94. Accordingly, based on the facts in the record, Archway has demonstrated by a preponderance of the evidence that Florida Housing's decision finding Cardinal Pointe's application eligible for funding was clearly erroneous, contrary to competition, arbitrary, or capricious. Therefore, Archway has met its burden of proving that Florida Housing's decision to award funding to Cardinal Pointe is contrary to Florida Housing's RFA specifications, rules or policies, or its governing statutes.

Cardinal Pointe takes exception to the ultimate conclusion that Cardinal Pointe's selection for funding was clearly erroneous, contrary to competition, arbitrary, or capricious. The ALJ's Conclusion of Law is reasonable and based on the competent, substantial evidence received at final hearing. For all of the reasons addressed above in this Response, Conclusion of Law 94 is well-founded and should stand. Accordingly, Cardinal Pointe's Exception No. 9 should be rejected.

Response to Exception Number Ten

In Exception No. 10, Cardinal Pointe takes exception to the ALJ's Recommendation in subparagraph (c), as follows:

(c) Cardinal Pointe, LLC's application is deemed ineligible for funding under the RFA.

Cardinal Pointe takes exception to the ultimate recommendation that Cardinal Pointe is ineligible for funding under the RFA. The ALJ's recommendation is based on Findings of Fact supported by competent, substantial evidence and reasonable Conclusions of Law. For all of the

reasons addressed above in this Response, the recommendation is well-founded and should stand. Accordingly, Cardinal Pointe's Exception No. 10 should be rejected.

/s/ Christopher B. Lunny

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CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true and correct copy of the foregoing has been served via e-mail this 21st day of September, 2023 to:

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RFA 2023-304 List of Applications Awarded if Recommended Order is Adopted

Total RRLP Funding	81,600,000
Total RRLP Allocated	78,801,000
Total RRLP Remaining	2,799,000

Application Number	Name of Development	County	County Size	Tier	Name of Authorized Principal Representative	Name of Developer	Dev Category	Development Type	Demo	Units	Total RRLP Request Amount (RRLP plus ELI)	Eligible For Funding?	Funding Test Met?	County Award Tallies	Priority Level	Total Points	PHA Goal?	A/B Leveraging	Proximity Funding Preference	Florida Job Creation Preference	Lottery Number
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goal to fund one Priority I, Tier 1 Application that qualifies for the PHA Goal

2023-201R	Lofts on Lemon Phase II	Sarasota	M	1	Darren Smith	Lofts II Fortis Developer, LLC; SHA Affordable Development, LLC	NC	HR	F	93	10,657,100	Y	Y	1	1	10	Y	A	Y	Y	28
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goal to fund three Applications in Lee County, with a preference that they be Priority I Applications

2023-216BR	Palms Landing	Lee	M	1	J. David Page	Southport Development, Inc., a	NC	G	F	88	8,096,200	Y	Y	1	1	10	N	A	Y	Y	10
2023-220BR	Legacy Park II	Lee	M	1	Matthew A Rieger	HTG Legacy II Developer, LLC	NC	MR 5/6	E, Non-ALF	80	8,950,600	Y	Y	2	1	10	N	A	Y	Y	12
2023-202BR	Oak Park	Lee	M	1	Michael Ruane	CORE Oak Park Developer LLC	NC	MR 4	E, Non-ALF	144	10,721,600	Y	Y	3	1	10	N	A	Y	Y	13

Remaining Funding

2023-226BR	New York Avenue Apartments	Volusia	M	1	Shawn Wilson	Blue Ian Developer, LLC	NC	MR 4	F	84	9,353,500	Y	Y	1	1	10	N	A	Y	Y	2
2023-196BR	Town Oaks Apartments	Orange	L	1	C. Hunter Nelson	ECG Town Oaks Developer, LLC	NC	G	F	60	5,340,600	Y	Y	1	1	10	N	A	Y	Y	16
2023-197BR	Princeton Oaks	Orange	L	1	Brett Green	Archway Princeton Oaks Developer, LLC	NC	G	F	90	9,227,900	Y	Y	2	1	10	N	A	Y	Y	23
2023-211R	Amaryllis Park Place III	Sarasota	M	1	Darren Smith	Amaryllis III Fortis Developer, LLC; SHA Affordable Development, LLC	NC	G	F	108	11,059,100	Y	Y	2	1	10	Y	A	Y	Y	34
2023-206BR	Lakewood Senior Housing	Volusia	M	1	Terri Murray	ACRUVA Community Developers, LLC; Neighborhood Renaissance, Inc.	NC	MR 4	E, Non-ALF	56	5,394,400	Y	Y	2	1	5	N	A	Y	Y	17

RECEIVED

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FLORIDA HOUSING
FINANCE CORPORATION

BEFORE THE FLORIDA HOUSING FINANCE CORPORATION

MHP LEE II, LLC,

Petitioner,

vs.

FLORIDA HOUSING FINANCE CORPORATION,

Respondent,

and

HTG LEGACY II, LTD. and HERMOSA NFTM 41 II, LTD.,

Intervenors.

DOAH Case No. 23-2523BID
FHFC Case No. 2023-056BP

MHP LEE I, LLC,

Petitioner,

vs.

FLORIDA HOUSING FINANCE CORPORATION,

Respondent,

and

HTG LEGACY II, LTD. and HERMOSA NFTM 41 II, LTD.,

Intervenors.

DOAH Case No. 23-2524BID
FHFC Case No. 2023-055BP

AMARYLLIS PARK PLACE III, LLC,

Petitioner,

vs.

FLORIDA HOUSING FINANCE CORPORATION,

Respondent,

and

BLUE IAN, LLC and MHP SARASOTA I, LTD.

Intervenors.

DOAH Case No. 23-2526BID
FHFC Case No. 2023-050BP

CORE OAK PARK, LLLP,

Petitioner,

vs.

FLORIDA HOUSING FINANCE CORPORATION,

Respondent,

and

HERMOSA NFTM 41 II, LTD.,

Intervenor.

DOAH Case No. 23-2527BID
FHFC Case No. 2023-048BP

ARCHWAY PRINCETON OAKS, LLC,

Petitioner,

vs.

FLORIDA HOUSING FINANCE CORPORATION,

Respondent,

and

ECG TOWN OAKS, LP and CARDINAL POINTE, LLC,

Intervenors.

DOAH Case No. 23-2528BID
FHFC Case No. 2023-047BP

**INTERVENOR CARDINAL POINTE, LLC'S NOTICE OF
WITHDRAWAL OF EXCEPTIONS TO RECOMMENDED ORDER**

Cardinal Pointe, LLC, Intervenor in FHFC Case No. 2023-047BP (DOAH Case No. 23-2528BID), hereby withdraws its exceptions filed September 11, 2023, to the Recommended Order entered in this matter on September 1, 2023.

FILED AND SERVED this 18th day of October, 2023.

/s/ M. Christopher Bryant _____

M. CHRISTOPHER BRYANT

Florida Bar No. 434450

OERTEL, FERNANDEZ,

BRYANT & ATKINSON, P.A.

P.O. Box 1110

Tallahassee, Florida 32302-1110

Telephone: 850-521-0700

Telecopier: 850-521-0720

cbryant@ohfc.com

Secondary: bpetty@ohfc.com

Attorney for Intervenor, Cardinal Pointe, LLC

CERTIFICATE OF SERVICE

I **HEREBY CERTIFY** that the foregoing has been filed electronically with Corporation Clerk, Florida Housing Finance Corporation (CorporationClerk@floridahousing.org), and copies have been furnished to the following by e-mail this 18th day of October, 2023:

<p>Christopher B. Lunny Jordan L. Wilhem Radey Law Firm 301 S. Bronough Street, Suite 200 Tallahassee, Florida 32301 clunny@radeylaw.com jwilhelm@radeylaw.com Add'l: kellis@radeylaw.com Add'l: mterry@radeylaw.com</p> <p><i>Counsel for Petitioners, Archway Princeton Oaks, LLC and CORE Oak Park, LLLP</i></p>	<p>Michael P. Donaldson Aaron C. Dunlap Carlton Fields, P.A. Post Office Drawer 190 215 S. Monroe Street, Suite 500 Tallahassee, Florida 32302 mdonaldson@carltonfields.com adunlap@carltonfields.com Add'l: rcbrown@carltonfields.com Add'l: cthompson@carltonfields.com</p> <p><i>Counsel for Intervenors, ECG Town Oaks, LP, Hermosa NFTM 41 II, Ltd., and Blue Ian, LLC</i></p>
<p>Maureen McCarthy Daughton Maureen McCarthy Daughton, LLC 1400 Village Square Blvd., Suite 3-231 Tallahassee, Florida 32312 mddaughton@mmd-lawfirm.com</p> <p><i>Counsel for Petitioner/Intervenor, Amaryllis Park Place III, LLC and Intervenor, Lofts on Lofts on Lemon II, LLC</i></p>	<p>Seann M. Frazier Ian E. Waldick Parker, Hudson, Rainer & Dobbs, LLP 215 S. Monroe Street, Suite 750 Tallahassee, Florida 32301 sfrazier@phrd.com iwaldick@phrd.com Add'l: sfulghum@phrd.com</p> <p><i>Counsel for Petitioners, MHP Lee I, LLC, MHP Lee II, LLC, and Intervenor, MHP Sarasota I, Ltd.</i></p>
<p>J. Stephen Menton Tana D. Storey Rutledge Ecenia, P.A. 119 South Monroe Street, Suite 202 Tallahassee, Florida 32301 smenton@rutledge-ecenia.com tana@rutledge-ecenia.com Add'l: schilders@rutledge-ecenia.com</p> <p><i>Counsel for Intervenor, HTG Legacy II, Ltd.</i></p>	<p>Lawrence E. Sellers, Jr. Mia L. McKown Holland & Knight, LLP 315 South Calhoun Street, Suite 600 Tallahassee, Florida 32301 Larry.sellers@hkllaw.com Mia.mckown@hkllaw.com Add'l: jennifer.gillis@hkllaw.com</p> <p><i>Counsel for Intervenor, SP Pinellas III, LLC</i></p>

<p>Ethan S. Katz, Assistant General Counsel Florida Housing Finance Corporation 227 North Bronough Street, Suite 5000 Tallahassee, Florida 32301-1329 Ethan.Katz@floridahousing.org <i>Add'l:</i> ana.mcglamory@floridahousing.org</p> <p><i>Counsel for Respondent, Florida Housing Finance Corporation</i></p>	
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/s/ M. Christopher Bryant
ATTORNEY

REQUEST FOR QUALIFICATIONS (RFQ) 2023-07

INVESTMENT MANAGER SERVICES

for

FLORIDA HOUSING FINANCE CORPORATION

August 21, 2023

SECTION ONE INTRODUCTION

Florida Housing Finance Corporation (“Florida Housing”) is soliciting competitive, sealed responses from qualified firms to provide investment manager services in accordance with the terms and conditions set forth in this Request for Qualifications (RFQ), and any other term and condition in any contract subsequently awarded. Respondents will be selected and determined through Florida Housing’s review of each response, considering the factors identified in this RFQ. Florida Housing expects to select one or more Respondents that propose to provide all of the services specified in this RFQ.

SECTION TWO DEFINITIONS

For purposes of this document, the following terms will be defined as follows:

“Board”	The Board of Directors of Florida Housing Finance Corporation.
“Committee”	The review committee composed only of employees of Florida Housing that is established pursuant to Rule 67-49.007, Fla. Admin. Code.
“Contractor”	A person or entity providing the professional services described in Section Four of this RFQ.
“Days”	Calendar days, unless otherwise specified.
“Effective Date”	The date the last party signs the contract that is awarded as a result of this RFQ.
“Florida Housing”	Florida Housing Finance Corporation, a public corporation and public body corporate and politic created by Section 420.504, Fla. Stat.
“IRS”	Internal Revenue Service
“Respondent”	Any person or entity who has the capability in all respects to perform fully the requirements contained in this RFQ, and submits a response to this RFQ.
“Response”	The written submission by a Respondent to this RFQ.
“RFQ”	This RFQ, including all exhibits referenced in this document and all other documents incorporated by reference.

“SSAE”	Statements on Standards of Attestation Engagements
“SEC”	Securities Exchange Commission
“Website”	The Florida Housing Finance Corporation website, the URL of which is www.floridahousing.org .

SECTION THREE PROCEDURES AND PROVISIONS

A. Respondents will submit their Response to:

<https://www.floridahousing.org/legal/procurements/RFQ-2023-07-Document-Upload>

Florida Housing must receive the entire Response on or before 2:00 p.m., Eastern Time, on September 13, 2023, as Responses will be opened at that time. Any Responses received after the deadline will be considered non-responsive. One complete copy of the response in PDF format is preferred, unless specified otherwise in Section Six below, and the file name ought to contain a reference to both the solicitation number (RFQ 2023-07) and the name of the Respondent. Please note that the site will ask for the Respondent's contact information and the solicitation number prior to being able to upload the Response. Florida Housing will not accept a mailed or faxed Response.

B. This RFQ does not commit Florida Housing to award a contract to any Respondent or to pay any costs incurred in the preparation or mailing of a Response.

C. All services under the contract awarded are to be performed solely by the Contractor, unless subcontracted or assigned with the prior written approval and consent of Florida Housing.

D. Florida Housing reserves the right to:

1. Waive minor deficiencies and informalities;
2. Accept or reject any or all Responses received as a result of this RFQ;
3. Obtain information concerning any or all Respondents from any source;
4. Request an oral interview before the Board from any or all Respondents;
5. Select for contract negotiation or for award a Response other than (or in addition to) that with the highest score in order to serve the best interests of Florida Housing and the public; and
6. Negotiate with the successful Respondent with respect to any additional terms or conditions of the contract.

E. Any interested party may submit any question regarding this RFQ in writing via e-mail to the Contract Administrator at Contract.Admin@floridahousing.org. All questions must be submitted no later than 2:00 p.m., Eastern Time, on August 30, 2023. Phone calls will not be accepted. Florida Housing expects to respond to all questions in writing by 5:00 p.m., Eastern Time, on September 6, 2023. Florida Housing will post a copy of all questions received and the corresponding answers on Florida Housing's website at:

<http://www.floridahousing.org/legal/procurements/request-for-qualifications>.

Only written responses or statements from the Contract Administrator that are posted on our website will bind Florida Housing. No other means of communication, whether oral or written, may be construed as an official response or statement from Florida Housing.

F. Between the release of the solicitation and the end of the 72-hour period following the posting of the notice of intended award, respondents to this solicitation or persons acting on their behalf may not contact any member of Florida Housing's Board of Directors or any Florida Housing employee concerning any aspect of this solicitation, except in writing to the Contract Administrator. Violation of this provision may be grounds for rejecting a response.

G. Any person who wishes to protest the specifications of this RFQ must file a protest in compliance with Section 120.57(3), Fla. Stat., and Rule Chapter 28-110, Fla. Admin. Code. Failure to file a protest within the time prescribed in Section 120.57(3), Fla. Stat., will constitute a waiver of proceedings under Chapter 120, Fla. Stat.

H. The term of the contract will be for three years, subject to satisfactory performance at the sole discretion of Florida Housing. If the parties mutually agree in writing, the contract may be renewed up to three times for an additional one year.

I. Florida Housing is not required to use the services of any selected Contractor or to assign any work to such provider, and may terminate the contract with any selected Contractor without cause and without penalty.

J. Pursuant to Rule 67-49.004, Fla. Admin. Code, Florida Housing may modify the terms of the RFQ at any point prior to the due date for Responses. A notice of such modification will be posted on Florida Housing's Website. Any Respondent will have at least seven days from the date of the posting of the notice of the modification to submit or modify its Response.

K. The terms of this RFQ, and any modifications thereto, will be incorporated into any contract offered as a result of this RFQ. Failure of a successful Respondent to accept these obligations in the final contract may result in cancellation of the award.

SECTION FOUR SCOPE OF SERVICES

The services that the Investment Manager shall perform include, but are not limited to, the following:

A. INVESTMENT MANAGER

1. Florida Housing shall appoint the Investment Manager as its attorney-in-fact to invest the investment account assets in accordance with Florida Housing Finance Corporation's Investment Guidelines, which may be amended from time to time; the authorized investments per the 1995 Master Trust Indenture, Homeowner Mortgage Revenue Bonds, Article I Section 1.01 (as amended); and the 2009 Master Trust Indenture, Homeowner Mortgage Revenue Bonds (Special Program), Article I Section 1.01 (as amended).

2. The Investment Manager shall perform the duties in this section with the care, skill, prudence and diligence under the circumstances then prevailing that a prudent person acting in a like capacity and familiar with such matters would use in the conduct of an enterprise of a like character and with like aims.

B. INVESTMENT GUIDELINES

The Investment Manager shall make recommendations to Florida Housing for amending the Florida Housing Finance Corporation Investment Guidelines as needed or requested.

C. INVESTMENT ACCOUNT ASSETS

The Investment Account Assets shall consist of the cash and investments which Florida Housing may from time-to-time place in its account, plus all investments, reinvestment, and proceeds of the sale of any investments, all dividends and interest earned, and all appreciation and additions, less any withdrawals.

D. PROCEDURES

All transactions will be consummated by payment or delivery of cash and/or securities to or from the investment account.

E. RECORDS RETENTION

The Investment Manager shall retain investment accounts supporting documentation and reports of investments on file for a period of 10 fiscal years. Documentation of investments includes: trust statements, investment income analysis, investment income allocation, and investment activity spreadsheets.

F. MEETINGS

Florida Housing and the Investment Manager shall meet periodically, at such times as Florida Housing may reasonably request, concerning the Investment Account(s). The Investment Manager shall be available to attend meetings of Florida Housing's Board of Directors upon request.

G. REPORTS

The content and format of each report must be acceptable to Florida Housing. Reports shall include, but are not limited to, the following monthly reports:

1. Summary report of account assets;
2. Summary report of account activity;
3. List of all securities in the portfolio at month end, showing cost, market value and rating of each security;
4. Securities transactions journals including brokerage firm utilized;
5. Income earned analysis;
6. Computation of monthly expenses;
7. Actual performance compared to benchmarks for the month and calendar year to date; and
8. Portfolio compliance with Florida Housing Finance Corporation Investment Guidelines.

There may be other reports requested by Florida Housing during the course of the resulting Contract term including, but not limited to, market outlook and portfolio review summaries.

H. COMMUNICATION REQUIREMENTS

Pursuant to s. 215.855(2), Fla. Stat., any written communication made by the Investment Manager to a company in which such manager invests public funds on behalf of a governmental entity must include the following disclaimer in a conspicuous location if such communication discusses social, political, or ideological interests; subordinates the interest of the company's shareholders to the interest of another entity; or advocates for the interest of an entity other than the company's shareholders:

The views and opinions expressed in this communication are those of the sender and do not reflect the views and opinions of the people of the State of Florida.

Failure to include this disclaimer may result in termination of any contract resulting from this RFQ.

SECTION FIVE CERTIFICATION

Do not reproduce the language of Section Five in the Response. By inclusion and execution of the statement provided in Section Six, subsection I, of this RFQ, each Respondent certifies that:

A. The Respondent submits this Response without prior understanding, agreement, or connection with any person or entity submitting a separate Response for the same services. However, any agreement with a person or entity with whom the Response is jointly filed and such joint filing is made clear on the face of the Response will be an exception so long as the Response is in all respects fair and without collusion or fraud.

B. Any material submitted in response to this RFQ is a public record pursuant to Chapter 119, Fla. Stat., and subject to examination upon request, but only after Florida Housing provides a notice of decision pursuant to Section 120.57(3), Fla. Stat., or within 30 days after the Response is opened, whichever is earlier.

C. The Respondent, if awarded a contract under this RFQ, will comply with Section 420.512(5), Fla. Stat. For the purpose of Section 420.512(5), Fla. Stat., “Prohibited Business Solicitation Communications” is defined by Section 420.503(34), Fla. Stat.

D. The Respondent further affirms it is in compliance with Section 420.512(5)(c), Fla. Stat.

E. The Respondent is in compliance with Section 287.133(2)(a), Fla. Stat.

F. The Respondent is in compliance with Section 448.095, Fla. Stat.

G. The Respondent understands and agrees to cooperate with any audits conducted in accordance with the provisions set forth in Section 20.055(5), Fla. Stat.

H. The Respondent attests, under penalty of perjury, that it does not meet any of the criteria in Section 287.138(2)(a) – (c), Fla. Stat.

I. Pursuant to Section 119.0701(2)(b), Fla. Stat., the Respondent, if awarded a contract under this RFQ, will be required to comply with public records laws, specifically to:

1. Keep and maintain public records required by Florida Housing to perform the service.

2. Upon request from Florida Housing’s custodian of public records, provide Florida Housing with a copy of the requested records or allow the records to be inspected or copied within a reasonable time at a cost that does not exceed the cost provided in this chapter or as otherwise provided by law.

3. Ensure that public records that are exempt or confidential and exempt from public records disclosure requirements are not disclosed except as authorized by law for the duration

of the contract term and following completion of the contract if the contractor does not transfer the records to Florida Housing.

4. Upon completion of the contract, transfer, at no cost, to Florida Housing all public records in possession of the contractor or keep and maintain public records required by Florida Housing to perform the service. If the contractor transfers all public records to Florida Housing upon completion of the contract, the contractor shall destroy any duplicate public records that are exempt or confidential and exempt from public records disclosure requirements. If the contractor keeps and maintains public records upon completion of the contract, the contractor shall meet all applicable requirements for retaining public records. All records stored electronically must be provided to Florida Housing, upon request from Florida Housing's custodian of public records, in a format that is compatible with Florida Housing's information technology systems.

If the Contractor has questions regarding the application of Chapter 119, Florida Statutes, to the Contractor's duty to provide public records relating to this contract, contact the Corporation Clerk at:

**Corporation Clerk
227 N. Bronough Street, Suite 5000
Tallahassee, Florida 32301-1329
Phone: 850.488.4197
E-mail: Corporation.Clerk@floridahousing.org**

Notwithstanding anything contained herein to the contrary, the provisions and requirements of this paragraph will only apply if and when the Contractor is acting on behalf of Florida Housing.

J. The Respondent acknowledges that if awarded a contract it will be prohibited from engaging in activities in connection with services related to Florida Housing transactions that produce direct or indirect financial gain for the Respondent other than for the compensation agreed upon in the contract that results from this RFQ, unless that Respondent has Florida Housing's written consent after Florida Housing has been fully informed of such activities in writing.

K. The Respondent acknowledges that if awarded a contract it will be prohibited from engaging in any actual, apparent, or potential conflict of interest. Should any such actual, apparent, or potential conflict of interest come into being subsequent to the effective date of the contract and prior to the conclusion of the contract, the Respondent will provide written notification (Notice of Conflict of Interest) to Florida Housing's Contract Administrator within 10 working days for review by Florida Housing's Executive Director in consultation with the Ethics Officer. If the Respondent is found to be in non-compliance with this provision, any compensation received in connection with this contract will be subject to forfeiture to Florida Housing.

L. The Respondent, in submitting this Response, acknowledges and agrees that the terms and conditions of this RFQ, as well as any modifications thereto, will be incorporated into any contract offered as a result of this RFQ.

M. CERTIFICATION STATEMENT:

THE FOLLOWING WILL BE REPEATED IN THE RESPONDENT’S RESPONSE AND SIGNED BY AN INDIVIDUAL AUTHORIZED TO BIND THE RESPONDENT. THIS IS A MANDATORY ITEM. FAILURE TO INCLUDE THE CERTIFICATION STATEMENT BEARING AN ORIGINAL SIGNATURE, EXACTLY AS STATED AND WITHOUT ANY ADDITIONS, DELETIONS OR CAVEAT LANGUAGE, WILL RESULT IN REJECTION OF THE RESPONSE.

“I agree to abide by all conditions of RFQ 2023-07 and certify that all information provided in this Response is true and correct, that I am authorized to sign this Response as the Respondent and that I am in compliance with all requirements of the RFQ, including but not limited to, the certification requirements stated in Section Five of this RFQ.”

Authorized Signature (Original)

Print Name and Title

**SECTION SIX
INFORMATION TO BE PROVIDED IN RESPONSE**

In providing the following information, restate each item and sub-item (with its letter and number), limit your Response to one attachment. Responses to the items must be included immediately after the restated items without any reference to any appendix.

A. COVER LETTER

Each proposal must be accompanied by a cover letter that contains a general statement of the purpose of submission and includes the following information.

1. The name, job title, address, office and cellular telephone numbers, and e-mail address of a primary contact person, who will be responsible for day-to-day contact with Florida Housing, and any backup personnel who would be accessible if the primary contact cannot be reached.
2. Legal business status (individual, partnership, corporation, etc.) and address and telephone number of the Respondent.

B. GENERAL INFORMATION

1. Provide a brief history of the Respondent, including the year organized, ownership, affiliated companies and relationships, and the total number of employees.

2. Provide evidence that the Respondent is qualified to do business in the State of Florida.
3. Describe the Respondent's experience with providing services or engaging in activities as they relate to the work being requested in Section Four of this RFQ.
4. Provide a description of the primary account manager, and the description and contact information of any backup personnel that would be accessible to Florida Housing if the Respondent's primary contact cannot be reached.
5. Identify the services and requirements referenced in this RFQ that the Respondent is unable to fully perform, if any, and state reasons for the same.
6. Provide a summary of fidelity bond coverage, errors and omissions, employee dishonesty, fiduciary liability insurance, cybercrime coverage, or other fiduciary coverage your firm carries.
7. Provide a description of any recent (defined as the 6 months prior to the submission date of the Respondent's Response) or announced downsizing, merger, or acquisition pertaining to the Respondent.
8. Provide a description of any transaction during the five-year period ending on June 30, 2023, in which a proposed team member or the Respondent, including all holding companies and subsidiaries, was involved in the performance of investment manager services that was or is the subject of an adverse determination by or settlement agreement with the SEC, IRS, or U.S. Department of Treasury and a description of the results.
9. Provide a narrative regarding any conviction or plea of nolo contendere of a proposed team member or the Respondent, including all holding companies and subsidiaries, of fraud or any other felony in violation of state or Federal criminal statutes for which sentence has been imposed during the last five-year period ending on June 30, 2023. Such narrative should include the position held by the individual, date of offense, date of conviction, citation to the law violated, and any other information the Respondent feels would assist Florida Housing in its decision making. Respondents whose staff have been convicted of a crime or pled nolo contendere, within the relevant time period, to an offense related to fraud, misrepresentation, or misuse of employer funds will not be considered for contract award, at Florida Housing's sole discretion.
10. Provide a description of to what extent, if any, the Respondent, including all holding companies and subsidiaries, or any officers or directors or other key personnel, is now, or has been during the five years ending June 30, 2023, under indictment, investigation, or order issued by a regulatory or governmental Agency, or engaged in litigation, or subject to an order from a court of competent jurisdiction. If any such condition exists, or existed, in the time period specified, discuss the outcome, if one has occurred, or probable outcome, and to what extent this could impair the level of service of the Respondent. In addition, describe any allegations made against the Respondent and any impending litigation of which Florida Housing should be made aware.

11. Provide a discussion of your firm's philosophy of average duration, maturity and yield for management of existing client portfolios similar to Florida Housing.

12. Provide a list of all clients, identifying the type of business, for which the Respondent has performed services that are similar in scope of services and size of portfolio to be provided to Florida Housing pursuant to this RFQ.

13. Provide a complete reference list of any canceled or non-renewed clients for the three years ending on the submission date of the Respondent's Response. State the reason(s) for each cancellation or non-renewal.

14. Provide a description of any new or proposed regulatory criteria or legislation that could affect Florida Housing in structuring its cash management operations.

15. Provide your firm's quarterly investment record for the past five years for the following:

a. Short Duration Fixed Income vs. ICE BofA 1-3 year U.S. Treasury Index and the ICE BofA 1-3 Year U.S. Corporate & Government Index; and

b. Intermediate Duration Fixed Income vs. Bloomberg Intermediate U.S. Treasury Index and the Bloomberg Intermediate U.S. Government / Credit Index.

16. Provide evidence that the Respondent can provide a current attestation report, in accordance with the Statement on Standards for Attestation Engagements (SSAE) No. 18, Service Organization Controls (SOC) as issued by the AICPA, or superseding guidance, addressing controls at the organization relevant to the organization's processing for Florida Housing. This report, at a minimum a SOC 1 Type 2 report, should be performed at least annually covering a period of 12 months. For the successful Respondent, the report must cover, at a minimum, six months of the Florida Housing fiscal year (January through December) being audited. If a minimum of six months of the Florida Housing fiscal year is not covered by the report, a bridge letter for the period not covered must be provided. A copy of the report, and bridge letter when required, should be provided to Florida Housing's program contact upon issuance but must be provided no later than the last day of the first quarter of each calendar year.

17. Affirmatively state that the Respondent can provide an annual certification to Florida Housing that all investment decisions made on behalf of Florida Housing are based solely on pecuniary factors and will not subordinate the interests of the people of Florida to other objectives, including sacrificing investment return or undertaking additional investment risk to promote any nonpecuniary factor.

C. QUALIFICATIONS OF PERSONNEL

Provide an organizational chart and an overview of no more than five of the key individuals (team members) proposed to be assigned to Florida Housing's account. The overview shall include the following information for each individual:

1. Name of individual, title and role on this engagement;
2. Office street address, e-mail address, and office telephone number;
3. Total years' experience with this Respondent and other entities, and a list of various roles and/or duties;
4. Specific qualifications and expertise brought to this project; and
5. A description of the individuals' educational and professional accomplishments.

D. WORK PLAN FOR SCOPE OF SERVICES

1. Describe the Respondent's plan to provide the services requested in Section Four of this RFQ.
2. Describe the Respondent's ability to provide the services requested in Section Four of this RFQ immediately upon award of the Contract. Include a detailed implementation plan for assuming the responsibilities of an existing Investment Manager with a timeline of activities.
3. Provide information about staffing levels in the required areas as they relate to the services to be performed and other resources that shall be needed to complete the services requested in Section Four of this RFQ.
4. Provide a description of any planned use of contract services, such as trust custodial services.
5. Provide sample reports you propose to provide to Florida Housing.
6. Provide a statement of any other qualifications or services, which the Respondent considers to be significant, innovative or otherwise relevant to Florida Housing.
7. Identify any initial or future problems that the Respondent foresees in the engagement and discuss the Respondent's method for dealing with these problems.
8. Describe any unique approaches that are designed to increase earnings or save Florida Housing time and/or money.

E. BUSINESS CONTINUITY AND SYSTEMS ACCESS

1. Affirm whether there is a business continuity plan that the Respondent maintains that covers the services requested in this RFQ, and indicate how often the plan is reviewed and updated.
2. Describe electronic account access systems or online services provided for clients.

F. FEES

Provide a detailed proposal as to the Respondent’s requested total compensation. Fee structure may be tiered based on the amount of investments under management. Respondents must specify if their fee structure based on total assets under management, regardless of the number of accounts, or if it is per account. Total assets may be comprised of one or more separate investment accounts. Respondents must specify how proposed fees apply to multiple accounts. NOTE: Fees proposed must include all charges relating to the services required under the contract and all out-of-pocket expenses, such as telephone, postage and shipping, printing and/or copy costs, and travel, if any. No such costs will be reimbursed under the contract.

Additionally, please provide calculated fees for managed portfolios of \$50 million, \$150 million, and \$250 million in Table 1 below.

TABLE 1 PROPOSED FEES	
Managed Portfolio Value	Fees
\$50 million	\$
\$150 million	\$
\$250 million	\$

FINAL FEE SCHEDULE WILL BE SUBJECT TO NEGOTIATION.

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G. DRUG-FREE WORKPLACE

If the Respondent has implemented a drug-free workplace program, the Respondent must submit the following certification indicating that it meets all of the requirements of Section 287.087, Fla. Stat.:

I hereby certify on behalf of the Respondent, under the terms of RFQ 2023-07, that the Respondent has implemented a drug-free workplace program pursuant to Section 287.087, Fla. Stat.

Authorized Signature: _____
Print Name: _____
Print Title: _____

H. MINORITY BUSINESS ENTERPRISE

If the Respondent is a minority business enterprise as defined in Section 288.703, Fla. Stat., the Respondent must submit the following certification:

I hereby certify on behalf of the Respondent, under the terms of RFQ 2023-07, that the Respondent is a “minority business enterprise” as defined in Section 288.703(3), Fla. Stat.

Authorized Signature: _____
Print Name: _____
Print Title: _____

I. CERTIFICATION (Mandatory Item)

FAILURE TO INCLUDE THE CERTIFICATION STATEMENT LOCATED IN SECTION FIVE OF THIS RFQ BEARING AN ORIGINAL SIGNATURE WILL RESULT IN REJECTION OF THE RESPONSE.

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**SECTION SEVEN
EVALUATION PROCESS**

The individual Committee members will independently evaluate the Responses by reviewing the answers to each of the items identified in Section Six of this RFQ and assigning points up to the maximum points allowed for each item. The points available for items in Section Six are to be evaluated are as follows:

<u>Item Reference</u>	<u>Maximum Points</u>
B. General Information.....	10
C. Qualifications of Personnel.....	30
D. Work Plan for Scope of Services.....	35
E. Business Continuity and Systems Access.....	10
F. Fees	15
Total Points Available.....	100

In the event of a tie, Florida Housing will give preference in the award process to the Response certifying a drug-free workplace has been implemented in accordance with Section 287.087, Fla. Stat. If a tie continues to exist, Florida Housing will give preference to minority business enterprises as defined in Section 288.703, Fla. Stat.

The Committee will conduct one or more public meetings during which members will discuss their evaluations and develop a recommendation or series of recommendations to the Board. The Committee’s recommendation will be based on the cumulative scoring and information gathered from the non-scored items. The Board may use the Responses, the Committee’s scoring, the non-scored items in the Responses, any other information or recommendation provided by the Committee or staff, and any other information the Board deems relevant in its selection of Respondents to whom to award a contract. ¹

**SECTION EIGHT
AWARD PROCESS**

Florida Housing will provide notice of its decision, or intended decision, for this RFQ on Florida Housing’s Website the next business day after the applicable Board vote. After posting, an unsuccessful applicant may file a notice of protest and a formal written protest in accordance with Section 120.57(3), Fla. Stat. Failure to file a protest within the time prescribed in Section 120.57(3), Fla. Stat., or failure to post the bond or other security required by law within the time allowed for filing a bond will constitute a waiver of proceedings under Chapter 120, Fla. Stat.

¹ Pursuant to s. 287.05701 Fla. Stat. (2023), Florida Housing may not request documentation of or consider a vendor’s social, political, or ideological interest when determining if the vendor is a responsible vendor. Additionally, Florida Housing may not give preference to a vendor based on the vendor’s social, political, or ideological interests.

RFQ 2023-07 - Investment Manager Services

		Chandler Asset Management, Inc.						Federated Investment Counseling						Galliard Capital Management, LLC						Garcia, Hamilton & Associates, L.P.					
SECTION SIX ITEM REFERENCE	Max Score	Denise	Michelle	Kenny	Dinec	Tammy	Total	Denise	Michelle	Kenny	Dinec	Tammy	Total	Denise	Michelle	Kenny	Dinec	Tammy	Total	Denise	Michelle	Kenny	Dinec	Tammy	Total
B. General Information	10	8	10	4	9	6	37	8	8	4	7	4	31	6	8	4	3	6	27	7	8	5	6	7	33
C. Qualifications of Personnel	30	26	28	23	28	25	130	22	25	25	25	24	121	18	25	25	21	22	111	24	27	15	28	25	119
D. Work Plan for Scope of Services	35	29	34	24	30	28	145	29	30	20	26	22	127	25	29	30	26	28	138	28	30	26	25	26	135
E. Business Continuity and Systems Access	10	9	10	7	7	9	42	9	6	8	8	7	38	7	6	7	6	7	33	7	6	7	5	6	31
F. Fees	15	15	13	14	12	15	69	12	8	5	13	10	48	9	8	3	7	11	38	10	10	8	9	15	52
TOTAL POINTS	100	87	95	72	86	83	423	80	77	62	79	67	365	65	76	69	63	74	347	76	81	61	73	79	370
A. Cover Letter	Y/N	Y	Y	Y	Y	Y		Y	Y	Y	Y	Y		Y	Y	Y	Y	Y		Y	Y	Y	Y	Y	
G. Drug-Free Workplace	Y/N	Y	Y	Y	Y	Y		Y	Y	Y	Y	Y		Y	Y	Y	Y	Y		Y	Y	Y	Y	Y	
H. Minority Business Enterprise	Y/N	N	N	N	N	N		N	N	N	N	N		N	N	N	N	N		Y	Y	Y	Y	Y	
I. Certification	Y/N	Y	Y	Y	Y	Y		Y	Y	Y	Y	Y		Y	Y	Y	Y	Y		Y	Y	Y	Y	Y	

		Lord Abbett						Neuberger Berman Group LLC						PFM Asset Management LLC					
SECTION SIX ITEM REFERENCE	Max Score	Denise	Michelle	Kenny	Dinec	Tammy	Total	Denise	Michelle	Kenny	Dinec	Tammy	Total	Denise	Michelle	Kenny	Dinec	Tammy	Total
B. General Information	10	8	7	7	6	5	33	7	8	7	6	7	35	8	10	7	9	6	40
C. Qualifications of Personnel	30	25	23	24	25	25	122	24	25	23	24	25	121	26	28	24	27	25	130
D. Work Plan for Scope of Services	35	30	30	28	32	23	143	27	31	30	28	23	139	30	33	27	33	25	148
E. Business Continuity and Systems Access	10	8	6	7	8	7	36	8	6	7	8	7	36	9	10	8	10	8	45
F. Fees	15	8	8	8	7	10	41	11	8	8	12	10	49	14	12	13	13	11	63
TOTAL POINTS	100	79	74	74	78	70	375	77	78	75	78	72	380	87	93	79	92	75	426
A. Cover Letter	Y/N	N	Y	Y	Y	Y		Y	Y	Y	Y	Y		Y	Y	Y	Y	Y	
G. Drug-Free Workplace	Y/N	Y	Y	Y	Y	Y		Y	Y	Y	Y	Y		Y	Y	Y	Y	Y	
H. Minority Business Enterprise	Y/N	N	N	N	N	N		N	N	N	N	N		N	N	N	N	N	
I. Certification	Y/N	Y	Y	Y	Y	Y		Y	Y	Y	Y	Y		Y	Y	Y	Y	Y	

MEMORANDUM

Date: September 22, 2023

To: Angie Sellers, Acting Executive Director
David Westcott, Managing Director Homeownership Program

From: Laura J. Cox, on behalf of the Office of General Counsel

Re: Florida Homeownership Assistance Fund Question

Question

Can Florida Housing transfer Florida Homeownership Assistance Fund moneys for use in another program?

Answer

No. Moneys in the Florida Homeownership Assistance Fund cannot be transferred by Florida Housing and used by Florida Housing for purposes other than activities conducted under the provisions of the Florida Homeownership Assistance Program.

Background

The Florida Homeownership Assistance Program (HAP) was created as part of the 1988 housing initiative and was expanded in 1992 through the William E. Sadowski Affordable Housing Act. HAP assists eligible homebuyers whose incomes do not exceed 120% AMI in purchasing their home primarily by providing up to \$10,000 of purchase payment assistance in the form of a 30 year, 0-percent interest, non-amortizing second mortgage loan that runs concurrently with the first mortgage. This means the homebuyer does not make any monthly payments. Instead, the loan is repaid when the homebuyer sells the home, transfers ownership, satisfies or refinances the first mortgage, or ceases to occupy the home.

Ron DeSantis, Governor

Board of Directors: Mario Facella, Chair • Ryan Benson, Vice Chair
Larry Cretul • Sandra Einhorn • David Hall • Olivia Hoblit • Meredith Ivey • Ron Lieberman • Dev Motwani

Michael DiNapoli, Executive Director

Analysis

HAP specifically provides at sec. 420.5088(4), F.S. *inter alia*: “...all loan repayments, proceeds from the sale of any property, and any other proceeds that would otherwise accrue pursuant to the activities conducted under the provisions of the Florida Homeownership Assistance Program shall be deposited in the fund ...”

Substantially similar language is found in ss. 420.5087(7) and (8), F.S. (SAIL), 420.5089(10), F.S. (HOME) and in s. 420.5099 (8), F.S., all fees must be used to administer the HC program.

In *Sackett v. EPA*, 598 U.S. 651, 143 S. Ct. 1322 (2023) (“Sackett”), the Court refined the longstanding agency deference doctrine provided in *Chevron U.S.A., Inc. v. NRDC*, 467 U.S. 837 (1984). The Court in *Sackett* held that agencies must provide a more substantial basis for their interpretations, including sound legal reasoning and proper alignment with the legislative intent.

The enabling language of Ch. 88-376, 1988 Fla. Laws 1,936 created HAP as a separate trust fund with the provisions that all proceeds from the use of monies deposited into the trust for the purpose of HAP and all proceeds derived from the use of such moneys would be deposited into the HAP trust fund and not revert to the General Revenue Fund. Trust funds are restricted to the use of the established trust fund for its specific purposes. Ch. 97-167, 1997 Fla. Laws created the Florida Housing Finance Corporation replacing the Florida Housing Finance Agency (“Agency”), transferred amounts to the various programs’ renamed funds and provided conforming terminology in ss. 420.501-420.55, F.S. By virtue of establishing program trust funds for the Agency, it is clear that the legislature intended funds deposited into and derived from the use of HAP, SAIL and HOME funds remain in each separate program’s fund for the legislative intent and purpose of each program.

In conclusion, amounts in the HAP fund are restricted to HAP and prohibited from being released and made available for other purposes, absent future statutory amendments providing for transfer for any other legislatively authorized purpose.

Ron DeSantis, Governor

Board of Directors: Mario Facella, Chair • Ryan Benson, Vice Chair
Larry Cretul • Sandra Einhorn • David Hall • Olivia Hoblit • Meredith Ivey • Ron Lieberman • Dev Motwani

Michael DiNapoli, Executive Director



October 27, 2023
Information Items
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ASSET MANAGEMENT

Information

I. ASSET MANAGEMENT

A. Florida Housing Multifamily Rental Portfolio Compliance Dashboard

1. Background/Present Situation:

- a) Florida Housing's Management Review and Physical Inspection (MRPI) includes a review of records such as application for residency, tenant income certification/recertification and income verification documents, leases, rent rolls and regulatory agreements (Land Use Restriction Agreement and/or Extended Low-Income Housing Agreement). Physical Inspections include the interior/exterior of residential building and common areas, and a review of general site conditions - landscape, sidewalks, and paved areas.
- b) To arrive at the information presented below, data on all reviews conducted from 1/1/2018 through 9/30/2023 was analyzed. It is important to note, that from 4/1/2020 to 9/30/2021, physical inspections were paused pursuant to IRS Notices 2020-53 and 2021-12 and HUD Memos. Only desk-top reviews of tenant files were completed during this period.
- c) During the study period, Florida Housing conducted 4,201 MRPI Reports of 1,445 different developments. 86% of all MRPIs conducted during the study period were successfully closed. Of the 563 open reviews from the study period:
 - (1) 41% of developments and 36% of owners have unsatisfactory ratings for examination of records;
 - (2) 44% of developments and 36% of owners have unsatisfactory ratings regarding physical condition of the development; and
 - (3) 31% of developments have deficiencies in both the examination of record and physical inspection categories.

FISCAL
Information

II. FISCAL

A. Operating Budget Analysis for August 31, 2023

1. Background/Present Situation:

- a) The Financial Analysis is attached as [Exhibit A](#).
- b) The Operating Budget for the period ending August 31, 2023 is attached as [Exhibit B](#).

GUARANTEE PROGRAM

Information

III. GUARANTEE PROGRAM

A. Status of the Guarantee Program portfolio

1. Background:

- a) Since the implementation of the Guarantee Program in 1993, 120 transactions facilitating the construction of over 28,000 units in Florida were guaranteed. In November 1994, the Guarantee Program entered into an agreement with HUD to participate in the Risk-Sharing Program; characterized by a 50/50 sharing of default risk in connection with the mortgage guarantee. As of 9/30/23, one (1) multifamily development remains in the Guarantee Program portfolio.
- b) Between November 2008 and April 2010, eight (8) multifamily claims were filed on the Guarantee Program portfolio, representing the total (and only) multifamily claims incurred in its 30-year history. The Guarantee Program experienced a strong 87% foreclosure recovery rate, compared to the 64% national average at that time.¹ Currently, there are no foreclosures in inventory and no developments in monetary default in the portfolio.

2. Corpus and Portfolio Risk Exposure:

- a) The global liquidity crisis of 2008 collapsed the market for the variable rate bonds capitalizing the Guarantee Program corpus, ultimately leading staff to restructure the debt, paying off approximately \$89 million and refinancing the remaining \$156.2 million in variable rate bonds to a 5-year term loan with Citibank, closing on December 31, 2009.
- b) At that time, the Guarantee Program's total risk exposure was \$754.5 million. Since then, in keeping with the Board's mandate to cede risk from the portfolio, total risk exposure has been reduced over 99%, as reflected below:

Portfolio Risk Exposure

As of 9/30/23	12/31/22	12/31/21	12/31/20	12/31/19	12/31/18	12/31/17	12/31/16	12/31/15	12/31/14	12/31/13
\$4.8M	\$4.9M	\$5.0M	\$5.1M	\$5.2M	\$19.9M	\$20.4	\$30.9M	\$59.4M	\$158.9M	\$306.5M

- c) The recent low interest rate environment prompted many Developers to refinance their properties, paying-off their guaranteed mortgages and removing them from the Guarantee Program portfolio, representing the primary driver behind the reduction in Total Commitments reflected above. Refinancing activity is reflecting in the following chart:

¹ Real Capital Analytics, April 2011.

GUARANTEE PROGRAM

Information

Refinancing Activity

	As of 9/30/23	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Loans (#):	0	0	0	0	2	0	1	5	17	22	22
Risk ceded (\$):	n/a	n/a	n/a	n/a	\$14.4M	n/a	\$10.2M	\$27.6M	\$100M	\$136.8M	\$149.4M

- d) Contributing to the reduction in Total Commitments was approximately \$115 million in partial prepayments (of mortgages) from SAIL ELI proceeds, funded prior to or at the time of closing, helping facilitate refinancing activity.
- e) Furthermore, Management aggressively reduced the Guarantee Program capitalizing debt, paying off the \$156.2 million Citibank term loan on December 21, 2012, reducing the Guarantee Fund's capitalizing debt to zero (\$0).
- f) The Guarantee Fund corpus contains approximately \$146.8 million in capital invested in the Florida Treasury, Special Purpose Investment Account (SPIA) rated "AA-f" by Standard & Poor's as of September 30, 2022.

B. Current Ratings (Insurer Financial Strength)

1. Background:

- a) Standard & Poor's: May 2020 A+ / Stable outlook
 - (1) Cited strengths: "Strong state financial support...Strong asset quality...Strong Asset Management policies..."²
- b) Fitch: March 2018 A+ / Stable outlook
 - (1) Cited strengths: "Low Risk-to-Capital Ratio...Limited State support...Minimal Multifamily Losses..."³

C. Risk-to-Capital Ratio:

1. Background/Present Situation:

- a) Authorized Maximum Ratio = 5:1. Peaking in 1999 at 4.95:1, subsequent management efforts resulted in a more conservative downward trend to the vastly improved ratio of 0.03:1 as of 9/30/23. Capital not needed to support the outstanding Guarantees was made available to the SAIL program for use in 2016-2019 competitive solicitations.

D. Guarantee Program Portfolio ([Exhibit A](#))

² Standard & Poor's, "Florida Affordable Housing Guarantee Fund", May 21, 2020, www.standardandpoors.com/ratingsdirect. Standard & Poor's 2023 surveillance was concluded on September 26, 2023 and resulted in Review – Affirmed, A+/Stable outlook.

³ Fitch Ratings, "Fitch Affirms Florida Housing Finance Corp's Guarantee Fund at 'A+'; Outlook Stable", March 28, 2018, www.fitchratings.com. Fitch Ratings 2023 surveillance was concluded on May 4, 2023 and resulted in Review-No Action of the rating.

HOUSING CREDITS

Information

IV. HOUSING CREDITS

A. The developments listed below requested changes to the Extended Use Agreements:

1. Background/Present Situation:

- a) Baptist Terrace (2020-501C) is a 4% Housing Credit Development. The Extended Low-Income Housing Agreement (EUA) was recorded in Orange County on March 21, 2022.
- b) On September 22, 2023, staff received a letter from the Owner requesting a revision due to a scrivener's error to Section 3(a)(ii) of the EUA to increase the total set-aside from 99% to 100%.
- c) Staff will amend the EUA as appropriate.

2. Background/Present Situation:

- a) Platform 3750 (2020-504C) is a 4% Housing Credit Development. The Extended Low-Income Housing Agreement (EUA) was recorded in Miami-Dade County on December 6, 2022.
- b) On September 8, 2023, staff received a letter from the Owner requesting to include HUD Rider language in the EUA.
- c) Staff will amend the EUA as appropriate.

MULTIFAMILY BONDS

Information

V. MULTIFAMILY BONDS

A. Liberty Square Phase Four (2023 Series M / RFA 2020-208 / 2020-468BS) has requested approval for additional subordinate debt:

1. Background/Present Situation:

- a) On April 1, 2022, via a Telephonic Board Meeting, staff recommended and the Board approved to allow staff to approve changes to the development that occur after the Credit Underwriting Report is finalized that would normally require Board approval (such as increasing the principal amount, refinancing, or altering any terms or conditions of any mortgage superior or inferior to a Corporation mortgage). This action was ratified by the Board at the April 29, 2022 Board Meeting.
- b) Under the Rule in place at the time of the Application of the above named development, Rule Chapter 67-48.010(15), F.A.C (effective July 11, 2019), stated:
 - (15) After accepting a preliminary commitment, the Applicant shall not refinance, increase the principal amount, or alter any terms or conditions of any mortgage superior or inferior to the SAIL mortgage without prior approval of the Corporation's Board of Directors.
- c) On September 15, 2023, staff received an update to the final credit underwriting report with a positive recommendation for additional subordinate debt ([Exhibit A](#)). Staff has reviewed this report and approved the Borrower's request.

MULTIFAMILY PROGRAMS

Information

VI. MULTIFAMILY PROGRAMS

A. Pinnacle at the Wesleyan (RFA 2020-201 / 2021-098C / 2023-267C & RFA 2023-211 / 2023-234V) Request Approval of Credit Underwriting Report:

1. Background/Present Situation

- a) On August 26, 2020, Florida Housing Finance Corporation issued a Request for Applications (RFA) 2020-201 for Housing Credit Financing for Affordable Housing Developments Located in Medium and Small Counties. On May 7, 2021, staff issued an invitation to enter credit underwriting to the Applicant for Housing Credits. The acceptance was acknowledged on May 12, 2021.
- b) On May 1, 2023, Florida Housing Finance Corporation issued a Request for Applications (RFA) 2023-211 for Construction Inflation Response Viability Funding (Viability Loan) to assist competitive projects in the development pipeline experiencing cost increases related to market inflation. Viability Loan funding is intended to fill the funding gap experienced due to increased construction costs. On June 14, 2023, staff issued a Notice of Preliminary Award to the Applicant. The acceptance was acknowledged on June 14, 2023.
- c) On October 12, 2023, staff received a final credit underwriting report with a positive recommendation for funding ([Exhibit A](#)). Per the RFA, if the Active Award is only for 9 percent Housing Credits, the Credit Underwriter's recommendations will be approved by the Corporation and included as an informational item for the Board. Staff has reviewed and approved this report and finds that the Development meets all requirements of the RFA's.

B. Oasis at Aventura (RFA 2021-203 / 2022-099C / 2023-268C & RFA 2023-211 / 2023-241V) Request Approval of Credit Underwriting Report:

1. Background/Present Situation

- a) On July 20, 2021, Florida Housing Finance Corporation issued a Request for Applications (RFA) 2020-203 for Housing Credit Financing for Affordable Housing Developments Located in Miami-Dade County. On January 24, 2022, staff issued an invitation to enter credit underwriting to the Applicant for Housing Credits. The acceptance was acknowledged on January 24, 2022.
- b) On May 1, 2023, Florida Housing Finance Corporation issued a Request for Applications (RFA) 2023-211 for Construction Inflation Response Viability Funding (Viability Loan) to assist competitive projects in the development pipeline experiencing cost increases related to market inflation. Viability Loan funding is intended to fill the funding gap experienced due to increased construction costs. On June 14, 2023, staff issued a Notice of Preliminary Award to the Applicant. The acceptance was acknowledged on June 14, 2023.
- c) On October 12, 2023, staff received a final credit underwriting report with a positive recommendation for funding ([Exhibit B](#)). Per the RFA, if the Active Award is only for 9 percent Housing Credits, the Credit Underwriter's recommendations will be approved by the Corporation and included as an

MULTIFAMILY PROGRAMS

Information

informational item for the Board. Staff has reviewed and approved this report and finds that the Development meets all requirements of the RFA's.

C. Superior Manor Apartments II (FA 2019-116 / 2020-394S / 2019-557C) Request Approval of Additional Subordinate Debt:

1. Background/Present Situation:

- a) On April 1, 2022, via a Telephonic Board Meeting, staff recommended, and the Board approved to allow staff to approve changes to the development that occur after the Credit Underwriting Report is finalized that would normally require Board approval (such as increasing the principal amount, refinancing, or altering any terms or conditions of any mortgage superior or inferior to a Corporation mortgage). This action was ratified by the Board at the April 29, 2022, Board Meeting.
- b) Under the Rule in place at the time of the Application, Rule Chapter 67-48.010(15), F.A.C. (effective July 11, 2019) stated:

(15) After accepting a preliminary commitment, the Applicant shall not refinance, increase the principal amount, or alter any terms or conditions of any mortgage superior or inferior to the SAIL mortgage without prior approval of the Corporation's Board of Directors.
- c) On October 10, 2023, staff received an update to the final credit underwriting report with a positive recommendation for additional subordinate debt ([Exhibit C](#)). Staff has reviewed this report and finds that it meets all requirements of the RFA.

D. Coleman Park Renaissance (RFA 2020-205 / 2021-219SN / 2020-536C & RFA 2023-211 / 2023-242V) Request Approval to Extend the SAIL/ELI/Viability Loan Terms from 18 to 22 Years:

1. Background/Present Situation:

- a) On April 1, 2022, via a Telephonic Board Meeting, staff recommended and the Board approved to allow staff to approve changes to the development that occur after the Credit Underwriting Report is finalized that would normally require Board approval (such as increasing the principal amount, refinancing, or altering any terms or conditions of any mortgage superior or inferior to a Corporation mortgage). This action was ratified by the Board at the April 29, 2022 Board Meeting.
- b) Under the Rule in place at the time of the Application, Rule Chapter 67-48.010(15), F.A.C. (effective June 23, 2020) stated:

(15) After accepting a preliminary commitment, the Applicant shall not refinance, increase the principal amount, or alter any terms or

MULTIFAMILY PROGRAMS

Information

conditions of any mortgage superior or inferior to the SAIL mortgage without prior approval of the Corporation's Board of Directors.

- c) On September 21, 2023, staff approved the Borrower's request to extend the SAIL/ELI/Viability loan terms from 18 to 22 years.

E. Pinnacle 441, Phase 2 (RFA 2022-205 / 2023-119SN / 2022-525C) Request Approval to Extend the SAIL/ELI Loan Terms from 18 to 25 Years:

1. Background/Present Situation:

- a) On April 1, 2022, via a Telephonic Board Meeting, staff recommended and the Board approved to allow staff to approve changes to the development that occur after the Credit Underwriting Report is finalized that would normally require Board approval (such as increasing the principal amount, refinancing, or altering any terms or conditions of any mortgage superior or inferior to a Corporation mortgage). This action was ratified by the Board at the April 29, 2022 Board Meeting.

- b) Under the Rule in place at the time of the Application, Rule Chapter 67-48.010(15), F.A.C. (effective July 6, 2022) stated:

(15) After accepting a preliminary commitment, the Applicant shall not refinance, increase the principal amount, or alter any terms or conditions of any mortgage superior or inferior to the SAIL mortgage without prior approval of the Corporation's Board of Directors.

- c) On August 29, 2023, staff approved the Borrower's request to extend the SAIL/ELI loan terms from 18 to 25 years.

F. The Village of Casa Familia (RFA 2019-107 / 2019-422CGN / 2021-325CGN / 2022-279CGN & RFA 2021-211 / 2022-230V / 2022 CHIRP ITP – NHTF CHIRP) Request approval to increase existing first mortgage construction loan, additional debt and remove election to designate units as Individual Room Occupancy (IRO) units:

1. Background/Present Situation:

- a) On April 1, 2022, via a Telephonic Board Meeting, staff recommended, and the Board approved to allow staff to approve changes to the development that occur after the Credit Underwriting Report is finalized that would normally require Board approval (such as increasing the principal amount, refinancing, or altering any terms or conditions of any mortgage superior or inferior to a Corporation mortgage). This action was ratified by the Board at the April 29, 2022, Board Meeting.

- b) Under the Rule in place at the time of the Application, Rule Chapter 67-48.010(15), F.A.C. (effective July 8, 2018) stated:

(15) After accepting a preliminary commitment, the Applicant shall not refinance, increase the principal amount, or alter any terms or

MULTIFAMILY PROGRAMS

Information

conditions of any mortgage superior or inferior to the SAIL mortgage without prior approval of the Corporation's Board of Directors.

- c) On October 12, 2023, staff received an update to the final credit underwriting report with a positive recommendation to increase existing first mortgage construction loan, additional debt and remove election to designate units as Individual Room Occupancy (IRO) units ([Exhibit D](#)). Staff has reviewed this report and finds that it meets all requirements of the RFA.

G. The Developments listed below have requested approval to allow one subcontractor to exceed the 20%/31% limitation:

1. Background/Present Situation:

- a) On March 12, 2021, the Board delegated authority to staff to approve the 20%/31% subcontractor limitation set forth in Rule Chapters 67-48.0072(17)(g) (2018 & 2019), 67-21.014(2)(r)7 (2019) and 67-21.026(13)(f) (2018 & 2019) and as stated below, respectively:

(17) The General Contractor must meet the following conditions;

(g) Ensure that not more than 20 percent of the construction cost is subcontracted to any one entity or any group of entities that have common ownership or are Affiliates of any other subcontractor, with the exception of a subcontractor (or any group of entities that have common ownership or are Affiliates of any other subcontractor) contracted to deliver the building shell of a building of at least five (5) stories which may not have more than 31 percent of the construction cost in a subcontract, unless otherwise approved by the Corporation for a specific Development. With regard to said approval, the Corporation shall consider the facts and circumstances of each Applicant's request, inclusive of construction costs and the General Contractor's fees. For purposes of this paragraph, "Affiliate" has the meaning given in subsection 67-48.002(5), F.A.C., except that the term "Applicant" therein shall mean "subcontractor"; (2018)

(g) Ensure that not more than 20 percent of the construction cost, not to include the General Contractor fee or pass-through fees paid by the General Contractor, is subcontracted to any one entity or any group of entities that have common ownership or are Affiliates of any other subcontractor, with the exception of a subcontractor (or any group of entities that have common ownership or are Affiliates of any other subcontractor) contracted to deliver the building shell of a building of at least five (5) stories which may not have more than 31 percent of the construction cost in a subcontract, unless otherwise approved by the Corporation for a specific Development. A subcontractor (or any group of entities that have common ownership or are Affiliates of any other subcontractor) contracted to deliver the building shell of a Development located in the Florida Keys Area may not have more than 31 percent of the construction cost in a subcontract, unless otherwise approved by the Corporation for a specific Development. With regard to said approval, the Corporation shall consider the facts and circumstances of each Applicant's request, inclusive of construction costs and the General Contractor's fees. For purposes of this

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paragraph, "Affiliate" has the meaning given in subsection 67-48.002(5), F.A.C., except that the term "Applicant" therein shall mean "subcontractor"; (2019)

(13) The General Contractor must meet the following conditions:

(f) Ensure that not more than 20 percent of the construction cost is subcontracted to any one entity or any group of entities that have common ownership or are Affiliates of any other subcontractor, with the exception of a subcontractor (or any group of entities that have common ownership or are Affiliates of any other subcontractor) contracted to deliver the building shell of a building of at least five (5) stories which may not have more than 31 percent of the construction cost in a subcontract, unless otherwise approved by the Corporation for a specific Development. With regard to said approval, the Corporation shall consider the facts and circumstances of each Applicant's request, inclusive of construction costs and the General Contractor's fees. For purposes of this paragraph, "Affiliate" has the meaning given in subsection 67-21.002(5), F.A.C., except that the term "Applicant" therein shall mean "subcontractor"; (2018)

(f) Ensure that not more than 20 percent of the construction cost, not to include the General Contractor fee or pass-through fees paid by the General Contractor, is subcontracted to any one entity or any group of entities that have common ownership or are Affiliates of any other subcontractor, with the exception of a subcontractor (or any group of entities that have common ownership or are Affiliates of any other subcontractor) contracted to deliver the building shell of a building of at least five (5) stories which may not have more than 31 percent of the construction cost in a subcontract, unless otherwise approved by the Corporation for a specific Development. A subcontractor (or any group of entities that have common ownership or are Affiliates of any other subcontractor) contracted to deliver the building shell of a Development located in the Florida Keys Area may not have more than 31 percent of the construction cost in a subcontract, unless otherwise approved by the Corporation for a specific Development. With regard to said approval, the Corporation shall consider the facts and circumstances of each Applicant's request, inclusive of construction costs and the General Contractor's fees. For purposes of this paragraph, "Affiliate" has the meaning given in subsection 67-21.002(5), F.A.C., except that the term "Applicant" therein shall mean "subcontractor"; (2019)

(2)(r).... The General Contractor must meet the following conditions;

7. Ensure that not more than 20 percent of the construction cost, not to include the General Contractor fee or pass-through fees paid by the General Contractor, is subcontracted to any one entity or any group of entities that have common ownership or are Affiliates of any other subcontractor, with the exception of a subcontractor (or any group of entities that have common ownership or are Affiliates of any other subcontractor) contracted to deliver the building shell of a building of at least five (5) stories which may not have more than 31 percent of the construction cost in a subcontract, unless otherwise approved by the Corporation for a specific Development. A subcontractor (or any group of entities that have common ownership or are Affiliates of any other subcontractor) contracted to deliver the building shell of a Development located in the Florida Keys Area may not have more than 31 percent of the construction cost in a subcontract, unless otherwise approved by the Corporation for a specific Development. With regard to said approval, the Corporation shall consider the facts and circumstances of each Applicant's request, inclusive of

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construction costs and the General Contractor's fees. For purposes of this paragraph, "Affiliate" has the meaning given in subsection 67-21.002(5), F.A.C., except that the term "Applicant" therein shall mean "subcontractor"; (2019)

- b) Staff, in conjunction with review by the credit underwriters and construction consultants, and receipt of positive recommendations from the credit underwriters, has approved the below requests to allow one subcontractor to exceed the 20% limitation. Because FHFC became aware of the excess through the cost certification review, after the work had been completed, no General Contractor Fee or Developer Fee will be allowed on the subcontract amounts that surpass the maximum contract amount allowed under Rules 67-48.0072(17)(g), 67-21.014(2)(r)7, and 67-21.026(13)(g), F.A.C. If the General Contractor Fee on this amount has already been paid to the General Contractor, it will be paid out of the Developer's profit and reflected as a subset of the Developer Fee on the Development Final Cost Certification.

Development	Application Number	Dollar Amount of Contract	Percentage of Contract
Parrish Oaks II	2020-384BS/2019-544C	\$1,510,106	25.1%
Mango Terrace	2019-149SN/2018-542C	\$3,868,238	24.4%

H. The following Developments have requested, and staff approved, changes to the Construction Features & Amenities and/or Resident Programs.

1. Background/Present Situation

- a) Lexington Club at Renaissance Square f/k/a Tuscany Apartments / SAIL 1999 Cycle/99-067S/2000-512C/2019-512C: The Borrower has requested to replace "carpet throughout the remaining living areas" with "carpet or vinyl throughout the remaining living areas". Borrower also requested to remove the requirement to "provide transportation" and replace with "financial counseling and specialized training" for the Development. The scoring of the application will remain unaffected.
- b) Staff will amend the Land Use Restriction Agreement and Extended Use Agreement for the Development, as appropriate.

2. Background/Present Situation

- a) Casa Amigos / RFA 2019-108 / 2019-424S: The Borrower has requested to change the Green Building Feature from "Water Sense certified dual flush toilets in all bathrooms (2 Points)" to "Florida Yards and Neighborhoods

MULTIFAMILY PROGRAMS

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certification on all landscaping (2 Points)" The scoring of the application will remain unaffected.

- b) Staff will amend the Land Use Restriction Agreement for the Development as appropriate.

3. Background/Present Situation:

- a) Northside Commons / 2018-348CS / 2020-498CS: The Borrower has requested to change the total set-aside commitment from 90% to 94%.
- b) Staff will amend the Extended Low-Income Housing Agreement and Land Use Restriction Agreement as appropriate.

I. The Development listed below has requested an approval to increase their hard cost contingency during credit underwriting:

1. Background/Present Situation

- a) On April 1, 2022, via a Telephonic Board Meeting, staff recommended and the Board granted staff ability to approve contingency reserve increases upon recommendation by the Credit Underwriter. This action was ratified by the Board at the April 29, 2022 Board Meeting.

- b) Under the rule in place at the time of the below Application, Rule Chapter 67-21.026(14), F.A.C. (effective May 18, 2021) stated:

(14) Contingency reserves which total no more than 5 percent of total actual construction costs (hard costs) and total general development costs (soft costs) for Redevelopment and Developments where 50 percent or more of the units are new construction may be included within the Total Development Cost for Application and underwriting purposes. Contingency reserves which total no more than 15 percent of total actual construction costs (hard costs) and no more than 5 percent of total general development costs (soft costs) for Rehabilitation and Preservation may be included within the Total Development Cost for Application and underwriting purposes; however, in the event financing is obtained through a federal government rehabilitation program, a contingency reserve up to 20 percent may be utilized if required by the program.

- c) The following Development has made a request to increase its hard cost contingency reserve at the recommendation of the Credit Underwriter. Staff has reviewed this request and recommendation and approved the Applicant's request.

Development	Application Number	From	To
Pine Grove Apartments	2022-523C	5%	5.5%

MULTIFAMILY PROGRAMS - ALLOCATIONS

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VII. MULTIFAMILY PROGRAMS - ALLOCATIONS

A. Multifamily Programs - Allocations Updates

1. RFA Updates:

- a) The workshop for RFA 2024-103 Housing Credit And SAIL Financing To Develop Housing For Homeless Persons and RFA 2024-106 Financing To Develop Housing For Persons With Disabling Conditions / Developmental Disabilities was held on October 12, 2023.
- b) The workshop for RFA 2023-204 SAIL Financing for the Preservation of Elderly Developments was held on October 25, 2023.
- c) The workshop for RFA 2024-102 SAIL Financing For Smaller Permanent Supportive Housing Developments For Persons With Special Needs is scheduled for November 1, 2023.
- d) The workshop for RFA 2023-206 HOME Financing for Small, Rural Developments in Hurricane Recovery areas is scheduled for November 15, 2023.

2. Live Local Act Updates

- a) A second conceptual workshop regarding the creation of SAIL Financing for Innovative Multifamily Development Opportunities Pursuant to the Live Local Act – Section 420.50871, F.S., was held September 14, 2023. The workshop regarding the RFA for this funding was held on October 3, 2023.
- b) A workshop regarding the Multifamily Middle Market Certification Program was held on September 19, 2023.
- c) A workshop regarding the Live Local Program Tax Credit Contribution Process was held on September 20, 2023.

NATURAL DISASTER UPDATES

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VIII. NATURAL DISASTER UPDATES

A. Hurricane Idalia

1. Background/Present Situation:

- a) Florida Housing had 238 developments with 1,459 residential buildings comprised of 22,024 units in our portfolio located in the 16 counties declared by FEMA as a major disaster due to Hurricane Idalia.
- b) There are 23 developments reporting damage levels from extensive to limited. Those developments have a total of 12 displaced households as of 9/30/2023.
- c) A summary of the status of developments within Florida Housing's portfolio that sustained damage from Hurricane Ian and have not completed all repair work is attached as [Exhibit A](#).

B. Hurricane Nicole

1. Background/Present Situation:

- a) On November 10, 2022, Hurricane Nicole made landfall near Vero Beach. FEMA declared six (6) counties eligible for Individual Assistance (IA). Florida Housing has 176 developments with 848 buildings comprised of 17,814 units in our portfolio located in the 6 FEMA IA declared counties. All restoration work at the seven (7) developments reporting either moderate or limited damage to residential buildings or accessory buildings from Hurricane Nicole, has been completed.
- b) The Florida Legislature appropriated \$90 million to the Rental Recovery Loan Program (RRLP) to provide rental housing in areas of the state hardest hit by Hurricanes Ian and Nicole. Housing Credit and RRLP Requests for Applications (RFA) 2023-108 was issued April 11, 2023 and RRLP RFA 2023-304 was issued April 12, 2023. In addition, the Board authorized staff to issue HOME RFA 2022-206 and approved funding for seven (6) developments allocating more than \$36 million of Home Investment Partnerships Program funding.
- c) The current status of Hurricanes Ian and Nicole related RFAs and developments awarded funding through those RFAs is attached as [Exhibit B](#).

C. Hurricane Ian

1. Background/Present Situation:

- a) Florida Housing had 1,056 developments with 6,833 buildings comprised of 132,196 units in our portfolio located in the 26 counties declared a major disaster due to Hurricane Ian.
- b) Of the eighteen (18) developments that reported catastrophic, extensive and moderate damage, there are five (5) developments with work to be completed. Those developments have a total of nine (9) displaced households as of 9/30/2023.
- c) A summary of the status of developments within Florida Housing's portfolio that sustained damage from Hurricane Ian and have not completed all repair work is

NATURAL DISASTER UPDATES

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attached as [Exhibit C](#).

D. Hurricane Eta

1. Background/Present Situation:

- a) Damage reports received indicated limited to moderate damage to roofs and windows combined with limited landscape damage. Of the 34 properties that sustained damage, 33 have completed all repair work as of December 31, 2021. Thirty (30) households were displaced due to flooding at Glorieta Gardens in Opa-Locka, Miami-Dade County. As of September 30, 2023, management reported one (1) unit remained out of service.
- b) A summary of the status of developments within Florida Housing's portfolio that sustained damage from Hurricane ETA and have not completed all repair work is attached as [Exhibit D](#).

SINGLE FAMILY HOMEBUYER PROGRAMS

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IX. SINGLE FAMILY HOMEBUYER PROGRAMS

A. Single Family Homebuyer Program

1. Background/Present Situation:

- a) Florida Housing's Homebuyer Loan Programs provide assistance to eligible homebuyers by offering competitive, 30-year, fixed-rate mortgages together with down payment and closing cost assistance (DPA). Currently, we have four active first mortgage programs; the Florida First Government Loan Program (Government Loan Program), the Fannie Mae HFA Preferred Conventional Loan Program (HFA Preferred), the Freddie Mac HFA Advantage Conventional Loan Program (HFA Advantage), the Florida Hometown Heroes Housing Loan Program (Hometown Heroes).
- b) The Government Loan Program offers borrowers a 30-year, fixed-rate mortgage using all approved government-insured loan types. These include Federal Housing Administration (FHA) loans, U.S. Department of Veteran Affairs (VA) loans, and U.S. Department of Agriculture-Rural Development (RD) loans. This program is funded through both traditional mortgage revenue bond sales as well as by the sale of Mortgage-Backed Securities (MBS) into the secondary markets.
- c) The HFA Preferred and HFA Advantage programs offer first mortgage loan products developed specifically for state housing finance agencies. These programs are offered both as bond financed products as well as forward delivery "To Be Announced" (TBA) products in conjunction with our TBA Program administrator, Hilltop Securities. Single Family Program Staff sets daily mortgage interest rates for the TBA loans based upon prevailing market rates and predetermined profitability goals. The conventional loans, originated by participating lenders, offer borrowers 30-year, fixed rate mortgages. Borrowers at or below 80% of the area median income (AMI) benefit from lower mortgage insurance costs on these loans when compared to other conventional mortgage products, as well as similar government-insured loans such as FHA.
- d) The Hometown Heroes Loan Program (HTH), was launched June 1, 2022. The Florida Legislature appropriated \$100 million in the 2022 state budget to be used as a revolving source of funds to make homeownership more affordable by providing (DPA) to income-qualified, first-time homebuyers who are frontline community workers. Eligible borrowers can receive up to 5% of their first mortgage loan amount (a maximum of \$25,000) in assistance to help them purchase a primary residence in the community in which they work and serve. The 30-year, 0% interest, deferred repayment second mortgage is combined with one of Florida Housing's Homebuyer Loan Program's low interest rate first mortgage loans. This initial amount of funding has allowed us to assist over 6,700 borrowers. As of June 9, 2023, the funds were fully committed. We have a pipeline of 6,720 loans totaling over \$2 billion in first mortgage loan volume, paired with \$100 million of down payment and closing cost assistance.
- e) The Live Local Act was signed into law on Wednesday, March 29th, 2023, by Governor DeSantis. It provided an additional \$100 million in funding to the HTH Loan Program. The new changes took effect with new reservations made on or after July 3rd, 2023. These changes include that eligible borrowers no longer must work in specific occupations. Instead, they must work for a

SINGLE FAMILY HOMEBUYER PROGRAMS

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company or business that has a physical location in Florida and work a minimum of 35 hours per week. Additionally, the assistance amount was increased to a maximum of \$35,000. As of August 22, 2023, the funds were fully committed. We have a pipeline of over 6,400 loans totaling almost \$2 billion in first mortgage loan volume paired with \$100 million of down payment and closing cost assistance.

- f) In addition to HTH, Florida Housing offers qualified homebuyers other DPA products, as well. Our Florida Assist loan is a 0% interest, non-amortizing, deferred payment loan in the amount of \$10,000. This second mortgage program serves homebuyers with an AMI of up to 120%, adjusted for household size. It is repayable in the event the home is sold, refinanced, the deed is transferred, or the home is no longer the borrower's primary residence.
- g) The HFA Preferred PLUS and the HFA Advantage PLUS programs offer 3%, 4% and 5% of the first mortgage loan amounts in DPA as forgivable second mortgage loans. These loans are forgiven 20% annually over a 5-year period unless the home is sold, refinanced, the deed is transferred, or is no longer the borrower's primary residence. If any of these actions occur prior to the 5-year forgiveness period, any unforgiven balance becomes due and payable.
- h) We also offer an amortizing second mortgage product, the Homebuyer Loan Program (HLP) Second Mortgage. This product is offered across all our first mortgage programs and provides up to \$10,000 of assistance at a 3% fixed interest rate and is repaid in monthly payments over 15 years.
- i) Single Family Program Staff offers a three-hour, Department of Business and Professional Regulation (DBPR)-approved continuing education (CE) course for realtors. Realtors who attend these classes receive a general three-hour CE credit while learning about our Homebuyer Loan Programs and other affordable housing programs available to their potential homebuyers. Florida Housing has permanent approval from DBPR to offer the class via webinar (online) format. We have found this format to be highly effective in attracting more realtors to the classes while also eliminating travel costs. Instead of offering individual classes to specific realtor boards, we are now contacting all boards and making them aware that we are offering these classes statewide twice each month. So far, we are seeing this both effective in reaching our realtor partners while freeing up staff time to devote to program support and lender management. Since our September Board Report, we have conducted two classes using this format that were attended by 157 realtors.
- j) Single Family Program Staff periodically conducts telephonic and webinar trainings for lender partners throughout the state. Lender trainings generally consist of program requirements and recent updates, system training with our compliance administrator (eHousingPlus) and first mortgage and servicer requirements and updates with our master servicer, Lakeview. Together, Florida Housing, eHousingPlus and Lakeview will provide lenders with information to better assist with the origination, delivery, and purchase of first and second mortgages originated through our Homebuyer Loan Program. Ehousing and Florida Housing Program Staff conducted two Lunch & Learn presentations on September 12th and 13th, attended by over 800 lending partners. The

SINGLE FAMILY HOMEBUYER PROGRAMS

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presentations were to reintroduce our Bond and TBA loan products and was entitled, *The ABCs of Bond and TBA*.

- k) Additionally, we partner with other stakeholders such as mortgage insurance (MI) providers and the Government-Sponsored Enterprises (GSEs), Fannie Mae and Freddie Mac, to better educate and inform our Participating Lenders of recent industry changes.

SINGLE FAMILY HOMEBUYER PROGRAMS

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2023 HOMEBUYER LOAN PROGRAMS ORIGINATIONS

	2022 HLP Program Totals	2023 HLP Program Totals	2023 HLP Government Loan Programs Totals	2023 HLP Conventional Loan Programs Totals
Average 1st Mortgage Loan Amount	\$249,693	\$288,137	\$291,241	\$282,509
Average Acquisition Price	\$259,022	\$304,186	\$300,679	\$310,545
Average Compliance Income	\$68,916	\$82,540	\$82,415	\$82,766
County Area Median Income %	70%	72%	70%	75%
Total Purchased 1st Mortgage Loan Amounts	\$1,378,488,464	\$3,036,722,821	\$1,978,368,101	\$1,058,354,720
Total # of Units	5,533	10,552	6,801	3,751

2023 TOP 10 COUNTIES FOR HOMEBUYER LOAN PROGRAMS ORIGINATIONS

County	Loan Count	Loan Amount	DPA
Duval	828	\$207,424,829	\$10,416,568
Broward	769	\$266,033,916	\$13,292,892
Hillsborough	644	\$198,002,733	\$9,595,054
Miami-Dade	608	\$236,797,466	\$11,689,103
Polk	602	\$159,496,024	\$7,730,603
Palm Beach	529	\$168,115,962	\$8,403,697
Volusia	479	\$129,695,522	\$6,310,286
Lee	464	\$142,473,653	\$6,891,686
Pasco	453	\$120,712,374	\$5,853,104
Orange	452	\$137,777,025	\$6,769,829

**FLORIDA HOUSING FINANCE CORPORATION
OPERATING BUDGET TO ACTUAL SUMMARY
PERIOD ENDING August 31, 2023**

	2023 BUDGET YTD	2023 ACTUAL YTD	2023 VARIANCE YTD	2023 APPROVED ANNUAL BUDGET
REVENUES				
1. Investment Income	2,552,000	4,110,758	1,558,758	3,828,000
2. Program Fees	11,063,184	10,990,516	(72,668)	16,799,285
3. Administrative Fees	6,701,231	6,714,300	13,069	80,000
4. Other Income	53,336	374,953	321,617	11,950,824
TOTAL REVENUES	20,369,751	22,190,527	1,820,776	32,658,109
EXPENSES				
SALARIES & BENEFITS				
1. Salaries & Benefits	12,121,899	11,765,504	356,395	18,385,000
TOTAL SALARIES & BENEFITS	12,121,899	11,765,504	356,395	18,385,000
OPERATING EXPENSES				
1. Advertising, Marketing & Public Outreach	83,254	51,754	31,500	96,015
2. Bank Charges & Other Fees	35,268	13,560	21,708	52,444
3. Board Meetings	51,080	65,383	(14,303)	79,140
4. Books & Subscriptions	48,497	34,391	14,106	67,720
5. Capital Expenses	302,000	52,193	249,807	325,000
6. Furniture, Equipment & Computer Expenses	464,000	376,571	87,429	780,750
7. Conferences & Seminars	146,176	45,376	100,800	198,358
8. Corporate Insurance	290,000	285,292	4,708	307,550
9. General & Administrative Expenses	14,904	8,532	6,372	18,274
10. Legal Fees	303,512	109,833	193,679	695,102
11. Membership Dues	82,936	73,094	9,842	85,434
12. Office Supplies	9,952	4,772	5,180	13,916
13. Postage	15,931	7,603	8,328	23,532
14. Printing & Reproduction	13,550	5,528	8,022	16,225
15. Professional Fees	1,258,671	1,190,500	68,171	1,996,904
16. Program Administration	4,089,037	3,172,228	916,809	7,205,192
17. Rent	551,922	553,108	(1,186)	833,638
18. Repair & Maintenance	4,520	716	3,804	7,150
19. Systems Maintenance, Support and Services	328,270	273,919	54,351	412,630
20. Telephone	58,822	54,317	4,505	90,144
21. Travel - Board Members	38,962	23,267	15,695	63,730
22. Travel - Staff to Board Meetings	38,340	36,720	1,620	49,251
23. Travel - Reviews/Monitoring	9,651	2,377	7,274	31,595
24. Travel - FHFC Workshops	9,132	2,249	6,883	16,589
25. Travel - Staff Development	142,093	79,694	62,399	273,202
26. Travel - Marketing/Public Outreach	33,223	7,117	26,106	53,204
27. Travel - Other	7,815	3,821	3,994	17,494
28. Workshops	233,950	136,900	97,050	316,250
TOTAL OPERATING EXPENSES	8,665,468	6,670,815	1,994,653	14,126,433
TOTAL EXPENSES	20,787,367	18,436,319	2,351,048	32,511,433
REVENUES OVER EXPENSES	(417,616)	3,754,208	4,171,824	146,676

DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION
AND RESULTS OF OPERATIONS

Results of Operations for the eight months ending August 2023

The budget to actual analysis for the eight months ending August 2023 shows a net of revenues over expenses in the amount of \$3,754,208. Variances of note compared to the budget are as follows:

REVENUES

Investment Income (Line 1) is over budget by \$1,558,758. The budget was based on prior year average performance and a conservative projection of current year performance. Returns have been greater than expected.

Program Fees (Line 2) are \$72,668 under budget primarily due to the timing of receipt of commitment fees in the SAIL program.

Other Income (Line 4) is \$321,617 over budget due to receipts of bond program extension fees greater than anticipated due to MBS activity in conjunction with the Hometown Heroes program.

SALARIES & BENEFITS

Total Salaries & Benefits are favorable to the budget by \$356,395 primarily due to a vacancy rate greater than budgeted.

OPERATING EXPENSES

Board Meetings (Line 3) are \$14,303 over budget due to higher costs than anticipated for the January and June board meetings, as well as expenses for the special board meeting in February that were not included in the original budget.

Capital Expenses (Line 5) are under budget by \$249,807 due to the timing of planned purchases of computer software and equipment.

Furniture, Equipment & Computer Expenses (Line 6) are \$87,429 under budget due to the timing of renewals of various software licenses and purchases of computer equipment.

Conferences & Seminars (Line 7) are \$100,800 under budget due to the timing of planned conferences, schedule conflicts, and efforts to control operating expenses.

Legal Fees (Line 10) are \$193,679 under budget due to fewer hearings and less than anticipated use of outside counsel primarily in the Multifamily programs, as well as the timing of fees incurred for closings in the HOME Rental, NHTF and CBDG-DR programs.

Professional Fees (Line 15) are \$68,171 under budget primarily due to the timing of expenses related to ProLink and OnBase development projects.

Program Administration (Line 16) is \$916,809 under budget primarily due to the timing of compliance monitoring, credit underwriting and servicer fees in various programs.

Systems Maintenance, Support and Services (Line 19) are \$54,351 under budget primarily due to timing of planned maintenance on various hardware and software components.

Travel Expenses (Line 21-27) are \$123,971 under budget due to timing of planned travel and efforts to control operating expenses.

Workshops (Line 28) are under budget \$97,050 primarily due to timing of workshops for the Catalyst program.

Total Operating Expenses year-to-date are favorable to the budget by \$1,994,653.

BUDGET TRANSFERS

Total Revenue and Total Expense budgets remain unchanged; however, the following amounts have been reclassified within the budget:

Line 4	Books & Subscriptions	Decrease	\$ (1,386)
Line 6	Furniture, Equipment & Computer Expenses	Increase	\$ 160,000
Line 15	Professional Fees	Decrease	\$(160,000)
Line 20	Telephone	Increase	\$ 1,386
Line 22	Travel – Staff to Board Meetings	Increase	\$ 754
Line 25	Travel – Staff Development	Decrease	\$ (404)
Line 26	Travel – Marketing/Public Outreach	Decrease	\$ (350)

Guarantee Program Portfolio

(as of September 30, 2023)

Property Name Location	Developer	Issuer Closing Date	Total Units	1st Mortgage		HUD Risk- Share?	GF exposure of mtg guarantee	(\$ share	SAIL	SMI	SAIL ELI	Projected refinance closing date	Comments / Ref Status
				Current Bal.	Debt/Unit								
Vista Palms													
1) Lehigh Acres	Creative Choice	Lee Cnty 6/20/2001	229	\$4,794,185	\$20,935	N	\$4,794,185		\$2,000,000	\$392,788	\$3,450,000		July 2013: initiated contact with borrower re: refinancing. Oct 2016: borrower selling property, negotiating contract, advised borrower of requisite FHFC approval for SAIL/SAIL ELI subordination, SMI pay-off, etc. Jan 2017: Borrower meeting with buyer to revise timeline. Aug 2017: appraisal and DSC issues; closing postponed. Dec 2017: closing postponed. October 2018: possibly closing 1st qtr 2019. Borrower hopes to be on the December Lee County HFA meeting to vote on bond issuance for the refinance. November 2018: Credit underwriter has been assigned. Lee County will not have bond allocation until 2019. Operating proformas and letters of interest from lender and syndicators submitted by borrowers are stale. Jan 2019: Underwriters had a status call with borrower 12/11/18 but have not received any due diligence items since that call. 3/6/19 Lee County commissioners postponed approval of the TEFRA Hearing for their bond issuance. May 2019: The borrower submitted a letter of intent for a Key Bank/Fannie Mae financing structure. The Credit Underwriter is reviewing the due diligence items that have been submitted but there remains a great deal of information still outstanding. July 2019: Some of the due diligence items have been submitted. Updated due diligence list was sent to Creative Choice on 10/16. No updated items have been received. June 2020: Borrower anticipates selling or refinancing the development within the next year. September 2020: Received a letter of intent from a potential purchaser for the property. Requested follow up information but have not received. We presume the potential purchaser is no longer interested. February 2021: Special Assets had conference call with potential purchaser, owner representative and bond counsel regarding potential purchase to take place by 3rd quarter of 2021. July 2021: The potential purchaser contacted the county for local bonds for the acquisition of Vista Palms but has not submitted an application. Sept 2021: The potential purchaser communicated that he was still interested in acquiring Vista Palms but has not taken any affirmative steps in that direction. Nov. 2021: The potential purchaser has not taken any affirmative steps towards the purchase of Vista Palms. As of 12/23/2021, the potential purchaser advised they had submitted a tax-exempt bond application to Lee County HFA for the financing of the potential acquisition. As of Feb 2022, the Lee County HFA bond application was received and reviewed. By letter dated 3/8/22, Lee County advised the potential purchaser that they are deferring any further review of the application for bond financing due to the development having matured SAIL and SMI loans, Glorietta Gardens' outstanding physical deficiencies as well as other issues. On 6/2/2022, Lee County, the underwriter and special assets had a call with the proposed purchaser and parties representing the owner. The proposed purchaser will be submitting a revised tax-exempt bond application to Lee County HFA. The potential purchaser informed FHFC that he would not be submitting an application to Lee County but would submit a non-competitive (NC) bond application to Florida Housing for the acquisition/rehabilitation of Vista Palms. A check for the application and TEFRA fees was received 10/12/2022. The NC bond application was received 10/18/2022. Nov 2022: NC bond application was under review. Jan 2023: Program staff informed the applicant of needed corrections to cure the application. Feb 2023: Staff has reviewed corrections submitted by the Applicant and relayed comments, however, more corrections are still required to cure the application. Mar 2023: Staff reviewed corrections submitted by the Applicant and relayed comments, however, more corrections are still required to cure the application and that information has been relayed to the applicant. Staff received a 3rd revised application on 4/7/2023 and relayed comments on 4/14/2023 regarding the corrections that are required. May 2023: On 5/15/2023, Staff received responses to the comments provided on 4/14/2023, however, more corrections are required to cure the application and staff relayed outstanding issues to the Applicant on 5/22/2023. After receiving questions from applicant and staff responses, received revised applications on 6/1/2023, 6/14/23 and 6/28/23. Staff anticipates furnishing comments on most recent revision 7/7/2023. The revised application submitted on 6/28/23 was reviewed and deemed final and complete. An invitation to enter credit underwriting was extended on 8/2/23 and accepted by the applicant on 8/8/23. An acknowledgement resolution was approved at the 9/8/23 Board meeting. As of 10/9/23, Applicant has not remitted funds in order for underwriter to engage 3rd party reports (appraisal, capital needs assessment, property condition assessment, etc.).
GF Total Commitments:							\$4,794,185						



September 15, 2023

Mr. Tim Kennedy
Multifamily Loans & Bonds Director
Florida Housing Finance Corporation
227 N. Bronough Street, Suite 5000
Tallahassee, Florida 32301-3291

Re: Liberty Square Phase Four (“Development”) - Tax-Exempt Multifamily Mortgage Revenue Note (“MMRN” or “Note”) MMRN 2023 Series M, State Apartment Incentive Loan (“SAIL”), RFA 2020-208 (2020-468BS) and 4% Non-Competitive Housing Credits (“HC”) 2019-573C

Credit Underwriting Report Update Letter (“CUL”) – Changes to the Final Credit Underwriting Report (“Final CUR”), dated September 8, 2022 and CUR Update Letter (“CUR Update Letter”), dated May 24, 2023 to include additional Subordinate Debt from Miami-Dade County and subordination of the Miami-Dade CDBG loan to the MMRN and SAIL loans

First Housing Development Corporation of Florida (“FHDC”, “First Housing”, or “Servicer”) received a letter, dated August 22, 2023, from a representative of Liberty Square Phase Four, LLC (“Borrower”), requesting Florida Housing Finance Corporation (“FHFC” or “Florida Housing”) approve additional subordinate debt in the amount of \$2,103,360 from Miami-Dade County. Please note the Borrower’s request letter indicates a loan in the amount of \$2,103,260 which is a typo. The Miami-Dade County loan will be subordinate to the MMRN and SAIL loans.

On behalf of Florida Housing, First Housing has performed certain due diligence and formulated a recommendation and closing conditions which are contained at the end of this CUL. For the purposes of this analysis, First Housing has reviewed the following:

1. Final CUR and CUR Update Letter.
2. Servicer Closing Letter and Final Sources & Uses / Construction Draw Schedule, dated July 19, 2023.

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3. Request letter, dated August 22, 2023, from a representative of the Borrower.
4. Change Order, dated September 11, 2023.
5. Unexecuted Community Development Block Grant (“CDBG”) Contract between Miami-Dade County and Liberty Square Phase Four, LLC.

Background

The Development is located at 1415 NW 63rd Street Miami, FL 33147. The Development will consist of 193-units within two mid-rise buildings and one garden-style building.

The inclusion of the CDBG Loan will require the Development to include 51% of the units (99 units) at or below 80% of Area Median Income (“AMI”). The Development already had 100% of the units at or below 80% AMI, so the CDBG requirements will not be more restrictive than the previous CUR Update Letter.

On July 19, 2023, the Borrower closed on the below financing, which is based on the Final Sources & Uses / Construction Draw Schedule.

CONSTRUCTION/PERMANENT SOURCES:			
Source	Lender	Construction	Permanent
FHFC - MMRN	FHFC/Wells Fargo	\$42,500,000	\$27,750,000
Regulated Mortgage Lender	Wells Fargo	\$5,000,000	-
FHFC - SAIL	FHFC	\$3,250,000	\$3,250,000
Local Government Subsidy	Miami-Dade	\$3,000,000	\$3,000,000
HC Equity	Wells Fargo CLI	\$6,293,420	\$32,140,327
Deferred Developer Fee	Liberty Square Phase Four Developer, LLC	\$9,584,992	\$5,315,165
ODR	N/A	\$1,619,706	-
Operating Subsidy (ACC) Reserve	N/A	\$149,474	-
Replacement Reserves (Wells Fargo)	N/A	\$57,900	
TOTAL		\$71,455,492	\$71,455,492

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Sources Overview

CONSTRUCTION/PERMANENT SOURCES:				
Source	Lender	Construction	Permanent	Perm Loan/Unit
FHFC - MMRN	FHFC/Wells Fargo	\$42,500,000	\$27,750,000	\$143,782
Regulated Mortgage Lender	Wells Fargo	\$5,000,000	\$0	\$0
FHFC - SAIL	FHFC	\$3,250,000	\$3,250,000	\$16,839
Local Government Subsidy	Miami-Dade - Surtax	\$3,000,000	\$3,000,000	\$15,544
Local Government Subsidy	Miami-Dade - CDBG	\$2,103,360	\$2,103,360	\$10,898
HC Equity	Wells Fargo CLI	\$6,293,420	\$32,140,327	\$166,530
Deferred Developer Fee	Liberty Square Phase Four Developer, LLC	\$9,587,992	\$5,318,165	\$27,555
Reserve Escrows	N/A	\$1,827,080	\$0	\$0
TOTAL		\$73,561,852	\$73,561,852	\$381,149

FHFC/Wells Fargo:

First Housing received a Construction Phase Project Loan Note, dated July 19, 2023, in the amount of \$42,500,000 between FHFC and the Borrower. The loan is payable in full on January 19, 2026 which may be extended. The loan bears interest at the 30-day Secured Overnight Financing Rate (“SOFR”) Average plus 2.05%.

First Housing received a Promissory Note, dated July 19, 2023, in the amount of \$5,000,000 between Wells Fargo and the Borrower. The loan is payable in full on January 19, 2026 which may be extended. The loan bears interest at the 30-day Secured Overnight Financing Rate (“SOFR”) Average plus 2.05%.

First Housing received a Commitment, dated July 14, 2023, from Wells Fargo for a permanent loan in the amount of \$27,750,000 through the Freddie Mac Tax-Exempt Loan Program. The permanent loan will have a term of 15 years and will amortize over a 40 year period. The loan will bear interest at a rate of 5.70%.

FHFC – SAIL:

First Housing received a Promissory Note, dated July 19, 2023, for a SAIL Loan in the amount of \$3,250,000. The SAIL loan interest rate is 1% per annum plus permanent loan servicing and compliance monitoring fees. The SAIL Loan is non-amortizing over the life of the loan. The SAIL Loan has a total term of 18.5 years (including the construction/stabilization period) of which 3 years is for the construction/stabilization period and 15.5 years is for the permanent period. Annual payments of all applicable fees are required. Any unpaid interest will be deferred until cash flow is available. However, at the maturity of the SAIL Loan, all principal and unpaid interest will be due.

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Miami-Dade County - Surtax:

First Housing received a Promissory Note, dated July 19, 2023, for a Surtax Loan in the amount of \$3,000,000. The note matures on July 31, 2053. During the first two years, no payments of principal or interest are due and the loan bears interest at 0%. In years three through 30, interest accrues at a rate of 1%. In addition, additional interest accrues at a rate of 1% but such interest is not payable until the maturity date. Annual interest payments of \$30,000 are due subject to available cash flow.

Miami-Dade County - CDBG:

First Housing received an unexecuted CDBG Contract between Miami-Dade County and the Borrower. Based on the Contract, Miami-Dade County has appropriated up to \$2,103,360 in CDBG funds for the Development. First Housing received an email from Miami-Dade staff, dated August 17, 2023, which indicates that the CDBG loan will have a 0% interest rate and will have a term of 30 years. The loan will be forgivable in year 30.

Housing Credits:

First Housing reviewed the executed Amended and Restated Operating Agreement (“OA”), dated July 19, 2023. The Capital Contribution schedule below remains the same as reflected in the Servicer Closing Letter.

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Capital Contributions	Amount	Percentage of Total	When Due
1st Installment	\$6,293,420	19.58%	\$4,821,050 funded at closing and \$1,472,370 will fund when 50% completion is achieved
2nd Installment	\$21,617,174	67.26%	The later of final certificate of occupancy for 100% of the units, lien free construction completion, 50% test, receipt of eligible basis prepared by managing member and February 1, 2025.
3rd Installment	\$4,229,733	13.16%	The later of stablization, Form 8609, final cost certification, and July 1, 2026.
Total	\$32,140,327	100.00%	

Annual Credit Per Syndication Agreement	\$3,341,672
Calculated HC Exchange Rate	\$0.9619
Limited Partner Ownership Percentage	99.99%
Proceeds Available During Construction	\$6,293,420

Deferred Reserves:

First Housing has shown the Operating Deficit Reserve (“ODR”), Replacement Reserve, and Operating Subsidy Reserve as deferred during the construction period as they are not required to be funded during the construction period.

Deferred Developer Fee:

In order to balance the sources and uses during the permanent period, the Developer must defer \$5,318,165 or 50.49% of the total Developer Fee of \$10,532,427.

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Uses of Funds

Please note, the Application column is based on First Housing’s conclusions in the CUR Updated Letter, dated May 24, 2023. The Revised Applicant Costs column is based on the Final Sources & Uses / Construction Draw Schedule.

CONSTRUCTION COSTS:	Applicant Costs	Revised Applicant Costs	Underwriters Total Costs - CUR	Cost Per Unit
New Rental Units	\$36,993,506	\$36,993,506	\$38,838,559	\$201,236
Constr. Contr. Costs subject to GC Fee	\$36,993,506	\$36,993,506	\$38,838,559	\$201,236
General Conditions	\$2,219,610	\$2,219,610	\$2,330,313	\$12,074
Overhead	\$739,870	\$739,870	\$776,771	\$4,025
Profit	\$2,219,610	\$2,219,610	\$2,330,313	\$12,074
Total Construction Contract/Costs	\$42,172,596	\$42,172,596	\$44,275,956	\$229,409
Hard Cost Contingency	\$2,108,629	\$2,108,629	\$2,108,629	\$10,926
PnP Bond paid outside Constr. Contr.	\$255,547	\$207,070	\$207,070	\$1,073
Demolition paid outside Constr. Contr.	\$266,370	\$179,850	\$179,850	\$932
FF&E paid outside Constr. Contr.	\$200,000	\$300,000	\$300,000	\$1,554
Other: Site Security	\$280,000	\$300,000	\$300,000	\$1,554
Other: Pre-Development Site Work	\$32,962	\$139,429	\$139,429	\$722
Other: Art in Public Places	\$714,433	\$777,489	\$777,489	\$4,028
Total Construction Costs:	\$46,030,537	\$46,185,063	\$48,288,423	\$250,199

Notes to the Total Construction Costs:

1. The Borrower has provided an executed construction contract, dated July 13, 2022, in the amount of \$41,522,790. This is a Standard Form of Agreement between Owner, Liberty Square Phase Four, LLC and Contractor, Related Urban Construction LLC, where the basis of payment is the Cost of the Work Plus a Fee with a Guaranteed Maximum Price (“GMP”). Per this contract, substantial completion is to be achieved by no later than 19 months (580 calendar days) from the date of commencement. The construction contract specifies retainage of 10% shall be withheld on all draws submitted through 50% completion of the work and 5% retainage withheld on amounts due and owing for work performed after 50% completion of the work. The remaining retainage shall be paid upon Contractor’s completion of all punch list work and satisfaction of all other conditions precedent to final payment.
2. First Housing received Addendum No. 2 to the General Contract (“GC”) Contract, dated December 8, 2022. The GMP is revised to be \$42,172,596 since the number of units changed to 193 total units. First Housing received Addendum No. 1 to the GC Contract, dated August 16, 2022, which adds an Exhibit to the contract in order to establish the insurance requirements.
3. First Housing received a change order, dated September 11, 2023, in the amount of \$2,103,360. The change order is due to revised civil drawings which include additional earth work scope and additional site utilities.

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4. First Housing utilized the Schedule of Values (“SOV”) to breakout the construction costs.
5. First Housing included Hard Cost Contingency of 5% of the total construction contract less the change order, which is within the allowable 5% of total hard costs for new construction developments as required by the RFA and Rule Chapters 67-48 and 67-21.
6. The GC Fee is within the maximum 14% of hard costs allowed by Rule Chapters 67-48 and 67-21. The GC fee stated herein is for credit underwriting purposes only, and the final GC fee will be determined pursuant to the final cost certification process as per Rule Chapters 67-48 and 67-21.
7. The GC Contract does not include any allowances.
8. The Borrower has budgeted for a P&P Bond to secure the construction contract.
9. First Housing received a proposal from Viking Defense, Inc. to provide professional security services for the site.

GENERAL DEVELOPMENT COSTS:	Applicant Costs	Revised Applicant Costs	Underwriters Total Costs - CUR	Cost Per Unit
Accounting Fees	\$50,000	\$50,000	\$50,000	\$259
Appraisal	\$10,000	\$79,496	\$79,496	\$412
Architect's Fee - Site/Building Design	\$891,000	\$891,000	\$891,000	\$4,617
Building Permits	\$695,848	\$695,848	\$695,848	\$3,605
Builder's Risk Insurance	\$383,586	\$338,710	\$338,710	\$1,755
Engineering Fees	\$218,000	\$220,858	\$220,858	\$1,144
Environmental Report	\$25,000	\$25,000	\$25,000	\$130
FHFC Administrative Fees	\$303,840	\$303,840	\$303,840	\$1,574
FHFC Application Fee	\$3,000	\$3,000	\$3,000	\$16
FHFC Credit Underwriting Fee	\$48,619	\$51,119	\$54,119	\$280
Impact Fee	\$262,419	\$262,419	\$262,419	\$1,360
Lender Inspection Fees / Const Admin	\$35,000	\$35,000	\$35,000	\$181
Green Building Cert. (LEED, FGBC, NAHB)	\$65,000	\$65,000	\$65,000	\$337
Insurance	\$421,726	\$421,726	\$421,726	\$2,185
Legal Fees - Organizational Costs	\$165,000	\$502,134	\$502,134	\$2,602
Market Study	\$13,500	\$17,050	\$17,050	\$88
Marketing and Advertising	\$100,000	\$150,000	\$150,000	\$777
Plan and Cost Review Analysis	\$6,200	\$20,560	\$20,560	\$107
Soil Test	\$3,250	\$3,250	\$3,250	\$17
Survey	\$50,000	\$50,000	\$50,000	\$259
Tenant Relocation Costs	\$70,000	\$70,000	\$70,000	\$363
Title Insurance and Recording Fees	\$307,451	\$220,254	\$220,254	\$1,141
Utility Connection Fees	\$212,300	\$212,300	\$212,300	\$1,100
Soft Cost Contingency	\$257,822	\$275,870	\$275,870	\$1,429
Other: Private Provider Inspections/Review	\$320,212	\$320,212	\$320,212	\$1,659
Other: Community Engagement Meetings	\$300,000	\$300,000	\$300,000	\$1,554
Other: Permit Expediter	\$20,500	\$20,500	\$20,500	\$106
Other: Interior Design	\$60,000	\$73,140	\$73,140	\$379
Other: Threshold Inspections/Material Testing	\$115,000	\$115,000	\$115,000	\$596
Total General Development Costs:	\$5,414,273	\$5,793,287	\$5,796,287	\$30,033

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Notes to the General Development Costs:

1. General Development Costs are based on the Final Sources & Uses / Construction Draw Schedule.
2. The FHFC Credit Underwriting Fee is based on the Final Sources & Uses / Construction Draw Schedule plus \$3,000 for this CUL.
3. First Housing adjusted the Soft Cost Contingency to be consistent with the Final Sources & Uses / Construction Draw Schedule. The Soft Cost Contingency is within 5% of the General Development Costs less the soft cost contingency, as allowed by the RFA and Rules 67-48 and 67-21 for new construction developments.

FINANCIAL COSTS:	Applicant Costs	Revised Applicant Costs	Underwriters Total Costs - CUR	Cost Per Unit
Construction Loan Origination Fee	\$427,500	\$427,500	\$427,500	\$2,215
Construction Loan Interest	\$5,233,550	\$4,710,195	\$4,710,195	\$24,405
Permanent Loan Application Fee	\$43,390	\$27,750	\$27,750	\$144
Permanent Loan Origination Fee	\$283,900	\$277,500	\$277,500	\$1,438
Permanent Loan Closing Costs	\$10,000	\$7,599	\$7,599	\$39
FHFC Note Fiscal Agent Fee	\$11,250	\$11,250	\$11,250	\$58
FHFC Note Cost of Issuance	\$393,799	\$393,799	\$393,799	\$2,040
SAIL Commitment Fee	\$32,500	\$32,500	\$32,500	\$168
Misc Loan Origination Fee	\$28,710	\$30,000	\$30,000	\$155
Misc Loan Interest	\$0	\$33,417	\$33,417	\$173
Legal Fees - Financing Costs	\$276,000	\$246,750	\$246,750	\$1,278
Placement Agent/Underwriter Fee	\$35,000	\$35,000	\$35,000	\$181
Initial TEFRA Fee	\$1,000	\$0	\$0	\$0
Other: Freddie Mac Standby Fee	\$127,755	\$104,063	\$104,063	\$539
Other: FHFC Issuer Fee	\$132,813	\$132,813	\$132,813	\$688
Other: SAIL Extension Fees	\$65,000	\$65,000	\$65,000	\$337
Total Financial Costs:	\$7,102,167	\$6,535,135	\$6,535,135	\$33,861
Dev. Costs before Acq., Dev. Fee & Reserves	\$58,546,977	\$58,513,485	\$60,619,845	\$314,092

Notes to the Financial Costs:

1. The Financial Costs are based on the Final Sources & Uses / Construction Draw Schedule.
2. FHFC Note Cost of Issuance includes the Cost of Issuance and the FHFC Commitment Fee.

NON-LAND ACQUISITION COSTS	Applicant Costs	Revised Applicant Costs	Underwriters Total Costs - CUR	Cost Per Unit
Total Non-Land Acquisition Costs:	\$0	\$0	\$0	\$0

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Notes to the Non-Land Acquisition Costs:

- As this is new construction, there are no non-land acquisition costs.

DEVELOPER FEE ON NON-ACQUISITION COSTS	Applicant Costs	Revised Applicant Costs	Underwriters Total Costs - CUR	Cost Per Unit
Developer Fee - Unapportioned	\$10,538,455	\$10,532,427	\$10,532,427	\$54,572
Total Other Development Costs:	\$10,538,455	\$10,532,427	\$10,532,427	\$54,572

Notes to the Developer Fee on Non-Acquisition Costs:

- The recommended Developer's Fee does not exceed 18% of Total Development Cost before Developer Fee, land acquisition costs, and ODR as allowed by the RFA 2020-208 and Rule Chapters 67-48 and 67-21. The Developer Fee is not being increased from closing at this time.

LAND ACQUISITION COSTS	Applicant Costs	Revised Applicant Costs	Underwriters Total Costs - CUR	Cost Per Unit
Land	\$482,500	\$482,500	\$482,500	\$2,500
Total Acquisition Costs:	\$482,500	\$482,500	\$482,500	\$2,500

Notes to Land Acquisition Costs:

- The Land Acquisition Costs is based on the Final Sources & Uses / Construction Draw Schedule.

RESERVE ACCOUNTS	Applicant Costs	Revised Applicant Costs	Underwriters Total Costs - CUR	Cost Per Unit
Operating Deficit Reserve (Syndicator)	\$1,764,055	\$1,619,706	\$1,619,706	\$8,392
Replacement Reserves (Lender)	\$57,900	\$57,900	\$57,900	\$300
Reserves - Start-Up/Lease-up Expenses	\$100,000	\$100,000	\$100,000	\$518
Other: Tax Escrow	\$51,258	\$0	\$0	\$0
Other: Operating Subsidy Reserve	\$149,474	\$149,474	\$149,474	\$774
Total Reserve Accounts:	\$2,122,687	\$1,927,080	\$1,927,080	\$9,985

Notes to Reserve Accounts:

- An ODR is required by the Syndicator and is based on the amount in the OA. In exchange for receiving funding from the Corporation, the Corporation reserves the authority to restrict the disposition of any funds remaining in any operating deficit reserve(s) after the term of the reserve's original purpose has terminated or is near termination. Authorized disposition uses are limited to payments towards any outstanding loan balances of the Development funded from the Corporation, any outstanding

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Corporation fees, any unpaid costs incurred in the completion of the Development (i.e., deferred Developer Fee), the Development’s capital replacement reserve account (provided, however, that any operating deficit reserve funds deposited to the replacement reserve account will not replace, negate, or otherwise be considered an advance payment or pre-funding of the Borrower’s obligation to periodically fund the replacement reserve account), the reimbursement of any loan(s) provided by a partner, member or guarantor as set forth in the Borrower’s organizational agreement (i.e., operating or limited partnership agreement). The actual direction of the disposition is at the Borrower’s discretion so long as it is an option permitted by the Corporation. In no event, shall the payment of amounts to the Borrower or the Developer from any operating deficit reserve established for the Development cause the Developer Fee or General Contractor fee to exceed the applicable percentage limitations provided for in this RFA.

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 Borrower 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 Chapters 67-21 and 67-48. Any and all terms and conditions of the ODR must be acceptable to Florida Housing, its legal counsel, and its Servicer.

TOTAL DEVELOPMENT COSTS	Applicant Costs	Revised Applicant Costs	Underwriters Total Costs - CUR	Cost Per Unit
TOTAL DEVELOPMENT COSTS:	\$71,690,619	\$71,455,492	\$73,561,852	\$381,149

Notes to Total Development Costs:

1. The Total Development Cost (“TDC”) has increased by a total of \$2,106,360 from \$71,455,492 to \$73,561,852 or 2.95% since the Closing Letter. The change is mainly due to an increase in construction costs.

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Operating Pro Forma: Liberty Square Phase Four

FINANCIAL COSTS:		Year 1	Year 1 Per Unit
OPERATING PRO FORMA			
INCOME:	Gross Potential Rental Income	\$3,577,128	\$18,534
	Other Income		
	Ancillary Income	\$28,800	\$149
	Miscellaneous	\$46,320	\$240
	Gross Potential Income	\$3,652,248	\$18,924
	Less:		
	Physical Vac. Loss Percentage: 3.00%	\$109,567	\$568
Collection Loss Percentage: 2.43%	\$88,750	\$460	
Total Effective Gross Income	\$3,453,931	\$17,896	
EXPENSES:	Fixed:		
	Ground Lease	\$0	\$0
	Real Estate Taxes	\$204,038	\$1,057
	Insurance	\$250,900	\$1,300
	Variable:		
	Management Fee Percentage: 5.00%	\$172,697	\$895
	General and Administrative	\$86,850	\$450
	Payroll Expenses	\$260,550	\$1,350
	Utilities	\$159,225	\$825
	Marketing and Advertising	\$19,300	\$100
	Maintenance and Repairs/Pest Control	\$77,200	\$400
	Grounds Maintenance and Landscaping	\$28,950	\$150
	Contract Services	\$38,600	\$200
	Security	\$57,900	\$300
	Reserve for Replacements	\$57,900	\$300
	Total Expenses	\$1,414,110	\$7,327
Net Operating Income	\$2,039,821	\$10,569	
Debt Service Payments			
First Mortgage - FHFC/Wells Fargo/Freddie Mac	\$1,763,059	\$9,135	
Second Mortgage - FHFC - SAIL	\$32,500	\$168	
Third Mortgage - Miami-Dade - Surtax	\$30,000	\$155	
Fourth Mortgage - Miami-Dade - CDBG	\$0	\$0	
First Mortgage Fees - FHFC/Wells Fargo/Freddie Mac	\$81,608	\$423	
Second Mortgage Fees - FHFC - SAIL	\$9,148	\$47	
Third Mortgage Fees - Miami-Dade PHCD Surtax	\$0	\$0	
Fourth Mortgage Fees - Miami-Dade - CDBG	\$0	\$0	
Total Debt Service Payments	\$1,916,315	\$9,929	
Cash Flow after Debt Service	\$123,506	\$640	
Debt Service Coverage Ratios			
DSC - First Mortgage plus Fees	1.11x		
DSC - Second Mortgage plus Fees	1.08x		
DSC - Third Mortgage plus Fees	1.06x		
DSC - Fourth Mortgage plus Fee	1.06x		
Financial Ratios			
Operating Expense Ratio	40.94%		
Break-even Economic Occupancy Ratio (all debt)	91.46%		

Notes to the Operating Pro Forma and Ratios:

1. The MMRN program does not impose any rent restrictions. However, in conjunction with the MMRN this Development will be utilizing Housing Credits and SAIL financing

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which will impose rent restrictions. The LIHTC rent levels are based on the 2023 maximum LIHTC rents published on FHFC’s website. The utility allowances are based on an Energy Consumption Model Estimate prepared by KN Consultants LLC which was approved by FHFC staff on February 8, 2023. The Development will have 27 units that will be designated for public housing. These units will receive an annual subsidy from Miami-Dade County in the anticipated amount of \$571 per unit. It is anticipated that the Borrower will enter into a Mixed-Finance Amendment to Consolidated ACC with Miami-Dade County which will further outline the terms of the ACC. Since the ACC is not available at this time, First Housing has based the subsidy rents on the Developer’s estimate, which has not been approved by HUD. Furthermore, the Development will have 50 units that will be under a Section 8 Project Based Voucher HAP Contract with HUD. The rent levels for these units are based on the Agreement to Enter into a Housing Assistance Payments Contract. Please note the HAP units have a different utility allowance than the housing credit units; however, the chart below only shows the housing credit utility allowances as those are used to calculate the net restricted rents.

Miami-Dade County/ Miami-Miami Beach-Kendall HMFA

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	6	581	30%			\$580	\$71	\$ 509	\$ 571	\$ 571	\$ 571	\$ 571	\$ 41,112
1	1.0	12	689	30%			\$580	\$75	\$ 505	\$ 571	\$ 571	\$ 571	\$ 571	\$ 82,224
1	1.0	9	581	40%			\$774	\$71	\$ 703	\$ 571	\$ 571	\$ 571	\$ 571	\$ 61,668
1	1.0	1	581	40%			\$774	\$71	\$ 703		\$ 703	\$ 703	\$ 703	\$ 8,436
1	1.0	7	581	60%			\$1,161	\$71	\$ 1,090		\$ 1,091	\$ 1,090	\$ 1,090	\$ 91,560
1	1.0	72	578	80%			\$1,549	\$71	\$ 1,478		\$ 1,478	\$ 1,478	\$ 1,478	\$ 1,276,992
1	1.0	7	581	80%			\$1,549	\$71	\$ 1,478		\$ 1,478	\$ 1,478	\$ 1,478	\$ 124,152
2	2.0	24	859	30%			\$696	\$100	\$ 596	\$ 1,908	\$ 2,001	\$ 2,001	\$ 1,908	\$ 549,504
2	2.0	8	853	30%			\$696	\$100	\$ 596	\$ 1,908	\$ 2,001	\$ 2,001	\$ 1,908	\$ 183,168
2	2.0	1	859	40%			\$929	\$100	\$ 829		\$ 829	\$ 829	\$ 829	\$ 9,948
2	2.0	3	859	60%			\$1,393	\$100	\$ 1,293		\$ 1,294	\$ 1,293	\$ 1,293	\$ 46,548
2	2.0	25	859	80%			\$1,858	\$100	\$ 1,758		\$ 1,758	\$ 1,758	\$ 1,758	\$ 527,400
3	2.0	2	1,119	30%			\$805	\$128	\$ 677	\$ 2,511	\$ 2,631	\$ 2,631	\$ 2,511	\$ 60,264
3	2.0	10	1,119	40%			\$1,073	\$128	\$ 945	\$ 2,511	\$ 2,631	\$ 2,631	\$ 2,511	\$ 301,320
4	2.0	1	1,335	30%			\$898	\$156	\$ 742	\$ 2,956	\$ 3,102	\$ 3,102	\$ 2,956	\$ 35,472
4	2.0	5	1,335	40%			\$1,198	\$156	\$ 1,042	\$ 2,956	\$ 3,102	\$ 3,102	\$ 2,956	\$ 177,360
		193	141,103											\$ 3,577,128

2. First Housing included Vacancy and Collection loss rate of 5.43% which is more conservative than the appraisal because it accounts for the anticipated manager unit. The appraisal included a vacancy and collection loss rate of 5%.
3. Ancillary Income includes income associated with the Jessie Trice Community Health Center and the offices for the Miami-Dade Chamber of Commerce. First Housing received a Commercial Space Sublease Agreement, dated July 19, 2023, between the Borrower (“Tenant”) and Liberty Square Phase Four Master Tenant, LLC (“Subtenant”) . The Subtenant shall pay annual rent in the amount of \$28,800. The term of the Agreement is for 25 years. The Subtenant will further sublet to the Jessie Trice Community Health System, Inc. and the Miami-Dade Chamber of Commerce, Inc.

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4. Miscellaneous Income is comprised of revenue from vending machines, late charges, pet deposits, forfeited security deposits, etc. Total miscellaneous income of \$240 per unit per year is supported by the appraisal.
5. Based upon operating data from comparable properties, third-party reports (appraisal and market study) and First Housing's independent due diligence, First Housing represents that, in its professional opinion, estimates for Rental Income, Vacancy, Other Income, and Operating Expenses fall within a band of reasonableness.
6. First Housing received a real estate tax analysis, dated August 5, 2022, from Meridian. The purpose of the analysis was to estimate the Development's real estate taxes for underwriting purposes based on comparison to current assessments of existing recently constructed restricted apartments in Miami-Dade County. The analysis concluded to a real estate tax of \$204,038 which is used above. Please note, this amount is lower than the real estate taxes included in the appraisal as the appraisal is based on sales of market rate properties in Miami-Dade County.
7. The Borrower has submitted a property management agreement which reflects a management fee of the greater of 4% or \$5,000 per month and a compliance reporting fee of \$5 per unit per month (payable out of available cash flow). First Housing has included a management fee of 5% based on industry standard.
8. The tenant is responsible for electric, cable, and internet. The landlord is responsible for water, sewer, trash, pest control, common area electric, and common area water/sewer.
9. Replacement Reserves of \$300 per unit per year are required, per the RFA and Rule Chapters 67-48 and 67-21. Based on the OA, the replacement reserves will be required to increase by 3% each year.
10. Refer to Exhibit I, Page 1 for a 15-Year Pro Forma, which reflects rental income increasing at an annual rate of 2%, and expenses increasing at an annual rate of 3%.
11. Based on the Ground Lease, an annual rental amount equal to \$35,000 (increasing each year at 4% per year) shall be payable. The Developer anticipates that the final Ground Lease will require the annual rent payment to be payable out of 50% of available net cash flow. Any portion of the annual rent not paid shall be deferred to the following year. First Housing has not shown the ground lease payments since they are payable out of available cash flow.

FHDC

12. Per Rule 67-48 the minimum Debt Service Coverage (“DSC”) ratio shall be 1.10x for the SAIL Loan, including all superior mortgages. However, per Rule 67-48, if the Borrower defers at least 35% of its Developer Fee following the last disbursement of all permanent sources of funding identified in the final credit underwriting report and, in the case of a Housing Credit Development, the final cost certification documentation, and when the primary expected source of repayment has been identified as projected cash flow, the minimum DSC shall be 1.00x for the SAIL Loan, including all superior mortgages. The Borrower will be required to show permanent Deferred Developer Fee of at least 35% as the SAIL Loan DSC is 1.08x.

13. The Break-Even Economic Occupancy Ratio includes the debt payments and fees on all mortgages. However, all mortgage payments, except the first mortgage payments and all fees, are subject to available cash flow. The Break-Even Economic Ratio for the first mortgage and all fees is 89.75%.

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Recommendation:

First Housing's review indicates the additional subordinate CDBG funds in the amount of \$2,103,360 from Miami-Dade County and subordination of the Miami-Dade CDBG loan to the MMRN and SAIL loans have no substantial adverse impact to the Development.

This recommendation is conditioned upon the following:

1. Payment of any outstanding arrearages to the Corporation, its Legal Counsel, Servicer of any agent or assignee of the Corporation for past due issues applicable to the development team (Applicant or Developer or Principal, Affiliate or Financial Beneficiary, as described in 67-21.0025(5) F.A.C. and 67-48.0075(5) F.A.C., of an Applicant or a Developer).
2. Final loan documents for the Miami-Dade County CDBG loan with terms which are not substantially different than those utilized in this CUL.
3. Review and approval of all loan documents consistent with the terms outlined in this CUL by FHFC, its Legal Counsel and Servicer.
4. Prepayment of any required compliance monitoring fees and servicing fees, as applicable.
5. Payment of all costs and fees to Florida Housing, its Legal Counsel, and Servicer, as applicable.
6. Consent to the HC equity provider, if applicable.
7. Satisfactory resolution of any outstanding past due and/or noncompliance items.
8. All other due diligence required by FHFC, its Legal Counsel, and Servicer.

Prepared by:



Taylor Arruda
Senior Credit Underwriter

Reviewed by:



Ed Busansky
Senior Vice President

FHDC

15 Year Proforma

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		\$3,577,128	\$3,648,671	\$3,721,644	\$3,796,077	\$3,871,998	\$3,949,438	\$4,028,427	\$4,108,996	\$4,191,176	\$4,274,999	\$4,360,499	\$4,447,709	\$4,536,663	\$4,627,396	\$4,719,944
Other Income																
Ancillary Income		\$28,800	\$29,376	\$29,964	\$30,563	\$31,174	\$31,798	\$32,433	\$33,082	\$33,744	\$34,419	\$35,107	\$35,809	\$36,525	\$37,256	\$38,001
Miscellaneous		\$46,320	\$47,246	\$48,191	\$49,155	\$50,138	\$51,141	\$52,164	\$53,207	\$54,271	\$55,357	\$56,464	\$57,593	\$58,745	\$59,920	\$61,118
Gross Potential Income		\$3,652,248	\$3,725,293	\$3,799,799	\$3,875,795	\$3,953,311	\$4,032,377	\$4,113,024	\$4,195,285	\$4,279,191	\$4,364,774	\$4,452,070	\$4,541,111	\$4,631,934	\$4,724,572	\$4,819,064
Less:																
Physical Vac. Loss Percentage: 3.00%		\$109,567	\$111,759	\$113,994	\$116,274	\$118,599	\$120,971	\$123,391	\$125,859	\$128,376	\$130,943	\$133,562	\$136,233	\$138,958	\$141,737	\$144,572
Collection Loss Percentage: 2.43%		\$88,750	\$90,525	\$92,335	\$94,182	\$96,065	\$97,987	\$99,946	\$101,945	\$103,984	\$106,064	\$108,185	\$110,349	\$112,556	\$114,807	\$117,103
Total Effective Gross Income		\$3,453,931	\$3,523,010	\$3,593,470	\$3,665,339	\$3,738,646	\$3,813,419	\$3,889,687	\$3,967,481	\$4,046,831	\$4,127,767	\$4,210,323	\$4,294,529	\$4,380,420	\$4,468,028	\$4,557,389
EXPENSES:																
Fixed:																
Ground Lease		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Real Estate Taxes		\$204,038	\$210,159	\$216,464	\$222,958	\$229,647	\$236,536	\$243,632	\$250,941	\$258,469	\$266,223	\$274,210	\$282,436	\$290,909	\$299,637	\$308,626
Insurance		\$250,900	\$258,427	\$266,180	\$274,165	\$282,390	\$290,862	\$299,588	\$308,575	\$317,833	\$327,368	\$337,189	\$347,304	\$357,723	\$368,455	\$379,509
Variable:																
Management Fee Percentage: 5.00%		\$172,697	\$176,150	\$179,673	\$183,267	\$186,932	\$190,671	\$194,484	\$198,374	\$202,342	\$206,388	\$210,516	\$214,726	\$219,021	\$223,401	\$227,869
General and Administrative		\$86,850	\$89,456	\$92,139	\$94,903	\$97,750	\$100,683	\$103,703	\$106,815	\$110,019	\$113,320	\$116,719	\$120,221	\$123,827	\$127,542	\$131,368
Payroll Expenses		\$260,550	\$268,367	\$276,417	\$284,710	\$293,251	\$302,049	\$311,110	\$320,444	\$330,057	\$339,959	\$350,157	\$360,662	\$371,482	\$382,626	\$394,105
Utilities		\$159,225	\$164,002	\$168,922	\$173,989	\$179,209	\$184,585	\$190,123	\$195,827	\$201,701	\$207,753	\$213,985	\$220,405	\$227,017	\$233,827	\$240,842
Marketing and Advertising		\$19,300	\$19,879	\$20,475	\$21,090	\$21,722	\$22,374	\$23,045	\$23,737	\$24,449	\$25,182	\$25,938	\$26,716	\$27,517	\$28,343	\$29,193
Maintenance and Repairs/Pest Control		\$77,200	\$79,516	\$81,901	\$84,359	\$86,889	\$89,496	\$92,181	\$94,946	\$97,795	\$100,728	\$103,750	\$106,863	\$110,069	\$113,371	\$116,772
Grounds Maintenance and Landscaping		\$28,950	\$29,819	\$30,713	\$31,634	\$32,583	\$33,561	\$34,568	\$35,605	\$36,673	\$37,773	\$38,906	\$40,074	\$41,276	\$42,514	\$43,789
Contract Services		\$38,600	\$39,758	\$40,951	\$42,179	\$43,445	\$44,748	\$46,090	\$47,473	\$48,897	\$50,364	\$51,875	\$53,431	\$55,034	\$56,685	\$58,386
Security		\$57,900	\$59,637	\$61,426	\$63,269	\$65,167	\$67,122	\$69,136	\$71,210	\$73,346	\$75,546	\$77,813	\$80,147	\$82,552	\$85,028	\$87,579
Reserve for Replacements		\$57,900	\$59,637	\$61,426	\$63,269	\$65,167	\$67,122	\$69,136	\$71,210	\$73,346	\$75,546	\$77,813	\$80,147	\$82,552	\$85,028	\$87,579
Total Expenses		\$1,414,110	\$1,454,806	\$1,496,689	\$1,539,792	\$1,584,154	\$1,629,809	\$1,676,796	\$1,725,155	\$1,774,926	\$1,826,151	\$1,878,871	\$1,933,132	\$1,988,979	\$2,046,458	\$2,105,618
Net Operating Income		\$2,039,821	\$2,068,204	\$2,096,781	\$2,125,547	\$2,154,492	\$2,183,610	\$2,212,891	\$2,242,326	\$2,271,904	\$2,301,616	\$2,331,451	\$2,361,397	\$2,391,440	\$2,421,570	\$2,451,771
Debt Service Payments																
First Mortgage - FHFC/Wells Fargo/Freddie Mac		\$1,763,059	\$1,763,059	\$1,763,059	\$1,763,059	\$1,763,059	\$1,763,059	\$1,763,059	\$1,763,059	\$1,763,059	\$1,763,059	\$1,763,059	\$1,763,059	\$1,763,059	\$1,763,059	\$1,763,059
Second Mortgage - FHFC - SAIL		\$32,500	\$32,500	\$32,500	\$32,500	\$32,500	\$32,500	\$32,500	\$32,500	\$32,500	\$32,500	\$32,500	\$32,500	\$32,500	\$32,500	\$32,500
Third Mortgage - Miami-Dade - Surtax		\$30,000	\$30,000	\$30,000	\$30,000	\$30,000	\$30,000	\$30,000	\$30,000	\$30,000	\$30,000	\$30,000	\$30,000	\$30,000	\$30,000	\$30,000
Fourth Mortgage - Miami-Dade - CDBG		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
First Mortgage Fees - FHFC/Wells Fargo/Freddie Mac		\$81,608	\$81,278	\$80,925	\$80,548	\$80,145	\$79,714	\$79,253	\$78,762	\$78,237	\$77,677	\$77,079	\$76,441	\$75,761	\$75,036	\$74,264
Second Mortgage Fees - FHFC - SAIL		\$9,148	\$9,148	\$9,148	\$9,148	\$9,148	\$9,148	\$9,148	\$9,148	\$9,148	\$9,148	\$9,148	\$9,148	\$9,148	\$9,148	\$9,148
Third Mortgage Fees - Miami-Dade PHCD Surtax		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Fourth Mortgage Fees - Miami-Dade - CDBG		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Debt Service Payments		\$1,916,315	\$1,915,985	\$1,915,633	\$1,915,255	\$1,914,852	\$1,914,421	\$1,913,961	\$1,913,469	\$1,912,944	\$1,912,384	\$1,911,786	\$1,911,148	\$1,910,468	\$1,909,744	\$1,908,971
Cash Flow after Debt Service		\$123,506	\$152,218	\$181,149	\$210,291	\$239,640	\$269,189	\$298,930	\$328,857	\$358,960	\$389,233	\$419,665	\$450,248	\$480,972	\$511,826	\$542,800
Debt Service Coverage Ratios																
DSC - First Mortgage plus Fees		1.11	1.12	1.14	1.15	1.17	1.18	1.20	1.22	1.23	1.25	1.27	1.28	1.30	1.32	1.33
DSC - Second Mortgage plus Fees		1.08	1.10	1.11	1.13	1.14	1.16	1.17	1.19	1.21	1.22	1.24	1.26	1.27	1.29	1.30
DSC - Third Mortgage plus Fees		1.06	1.08	1.09	1.11	1.13	1.14	1.16	1.17	1.19	1.20	1.22	1.24	1.25	1.27	1.28
DSC - Fourth Mortgage plus Fee		1.06	1.08	1.09	1.11	1.13	1.14	1.16	1.17	1.19	1.20	1.22	1.24	1.25	1.27	1.28
Financial Ratios																
Operating Expense Ratio		40.94%	41.29%	41.65%	42.01%	42.37%	42.74%	43.11%	43.48%	43.86%	44.24%	44.63%	45.01%	45.41%	45.80%	46.20%
Break-even Economic Occupancy Ratio (all debt)		91.46%	90.76%	90.07%	89.42%	88.78%	88.17%	87.57%	87.00%	86.45%	85.92%	85.42%	84.93%	84.46%	84.01%	83.58%

Based on the OA, the replacement reserves will be required to increase by 3% each year.

Florida Housing Finance Corporation

Credit Underwriting Report

Pinnacle at the Wesleyan

Competitive 9% Housing Credits and Viability Funding

RFA 2020-201 / 2021-098C / 2023-267C

RFA 2023-211 / 2023-234V

**Housing Credit Financing for Affordable Housing Developments Located in
Medium and Small Counties / Construction Inflation Response Viability
Funding**

Section A: Report Summary

**Section B: Viability Loan Special and General Conditions
Housing Credit Allocation Recommendation & Contingencies**

Section C: Supporting Information & Schedules

Prepared by

First Housing Development Corporation of Florida

Final Report

October 12, 2023

Pinnacle at the Wesleyan

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Section A
Report Summary

VIABILITY & HC CREDIT UNDERWRITING REPORT

Recommendation

Pinnacle at the Wesleyan, LLC ("Applicant") has applied for a \$1,699,000 Federal 9% Housing Credit ("HC") determination to finance the new construction of Pinnacle at the Wesleyan ("Development"). First Housing Development Corporation of Florida ("FHDC", "First Housing", or "Servicer") recommends a Viability Loan in the amount of \$4,300,000 and an annual 9% HC Allocation of \$1,699,000 be awarded for the construction and permanent financing of the Development.

DEVELOPMENT & SET-ASIDES																	
Development Name:		<u>Pinnacle at the Wesleyan</u>															
RFA/Program Numbers:		<u>RFA 2020-201</u>				<u>2021-098C / 2023-267C</u>				<u>RFA 2023-211 / 2023-234V</u>							
Address:		<u>On Warbird Boulevard, south of the intersection of Warbird Boulevard and Flying Fortress Avenue</u>															
City:		<u>Kissimmee</u>				Zip Code: <u>34741</u>				County: <u>Osceola</u>				County Size: <u>Medium</u>			
Development Category:		<u>New Construction</u>				Development Type: <u>Garden Apts (1-3 Stories)</u>											
Construction Type:		<u>Wood Frame</u>															
Demographic Commitment:		Primary: <u>Family</u> for <u>100%</u> of the Units															
Unit Composition:		# of ELI Units: <u>10</u> ELI Units Are Restricted to <u>33%</u> AMI, or less. Total # of units with PBRA? <u>0</u>															
		# of Link Units: <u>5</u> Are the Link Units Demographically Restricted? <u>Yes</u> # of NHTF Units: <u>0</u>															

Osceola County, Orlando-Kissimmee-Sanford MSA

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	734	33%			\$543	\$95	\$ 448		\$ 448	\$ 448	\$ 448	\$ 10,752
1	1.0	10	734	60%			\$988	\$95	\$ 893		\$ 893	\$ 893	\$ 893	\$ 107,160
2	2.0	6	1,062	33%			\$652	\$134	\$ 518		\$ 518	\$ 518	\$ 518	\$ 37,296
2	2.0	6	1,062	60%			\$1,186	\$134	\$ 1,052		\$ 1,052	\$ 1,052	\$ 1,052	\$ 75,744
2	2.0	48	1,070	60%			\$1,186	\$134	\$ 1,052		\$ 1,052	\$ 1,052	\$ 1,052	\$ 605,952
3	2.0	2	1,228	33%			\$753	\$166	\$ 587		\$ 587	\$ 587	\$ 587	\$ 14,088
3	2.0	2	1,228	60%			\$1,370	\$166	\$ 1,204		\$ 1,204	\$ 1,204	\$ 1,204	\$ 28,896
3	2.0	20	1,246	60%			\$1,370	\$166	\$ 1,204		\$ 1,204	\$ 1,204	\$ 1,204	\$ 288,960
		96	102,744											\$ 1,168,848

The Applicant selected 40% of units at 60% or lower as the minimum set-aside commitment; therefore, according to Request for Applications 2020-201 ("RFA") the Applicant must set-aside 10% of the units (10 units) as Extremely Low Income ("ELI") Set-Asides at 33% Area Median Income ("AMI"). The proposed Development must set aside 50% of the ELI Set-Aside units (5 units) as Link units for Persons with Special Needs. In order to meet the commitment to set aside ELI units as Link units for Persons with Special Needs, the Applicant must develop and execute a Memorandum of Understanding ("MOU") with at least one designated Special Needs Household Referral Agency that provides supportive services for Persons with Special Needs for the county

VIABILITY & HC CREDIT UNDERWRITING REPORT

where the proposed Development will be located (Osceola County). The MOU was approved by Florida Housing Finance Corporation (“FHFC” or “Florida Housing”) on September 30, 2021.

The Tenant Selection Plan was approved by Florida Housing on January 6, 2022.

Buildings: Residential - 4 Non-Residential - 1
 Parking: Parking Spaces - 186 Accessible Spaces - 9

Set Asides:

Program	% of Units	# of Units	% AMI	Term (Years)
HC	10%	10	33%	50
HC	90%	86	60%	50

Absorption Rate 30 units per month for 4.0 months.

Occupancy Rate at Stabilization: Physical Occupancy 97.00% Economic Occupancy 95.00%
 Occupancy Comments N/A - New Construction

DDA: No QCT: No Multi-Phase Boost: No QAP Boost: Yes
 Site Acreage: 5.99 Density: 16.0267 Flood Zone Designation: X
 Zoning: R-PUD Residential Planned Unit Development Flood Insurance Required?: No

VIABILITY & HC CREDIT UNDERWRITING REPORT

DEVELOPMENT TEAM		
Applicant/Borrower:	Pinnacle at the Wesleyan, LLC	% Ownership
Manager	PC Wesleyan, LLC	0.0065%
Manager	DDER Wesleyan Manager, LLC	0.0035%
Member	Bank of America, N.A. ("BoA") or its affiliate	99.99%
Special Member	BoA or its affiliate	0.0000%
Construction Completion Guarantor(s):		
CC Guarantor 1:	Pinnacle at the Wesleyan, LLC	
CC Guarantor 2:	PC Wesleyan, LLC	
CC Guarantor 3:	DDER Wesleyan Manager, LLC	
CC Guarantor 4:	DDER Holdings, LLC	
CC Guarantor 5:	Domingo Sanchez, Robert H. Godwin, Edward E. Haddock, Jr. and Deion R. Lowery	
CC Guarantor 6:	DOD Affordable, LLC, MMF Affordable, LLC, and Wolfpack Affordable, LLC	
CC Guarantor 7:	Pinnacle Communities, LLC ("Pinnacle") and DDER Development, LLC	
CC Guarantor 8:	Louis Wolfson III, The Estate of Mitchell M. Friedman, and David O. Deutch	
Operating Deficit Guarantor(s):		
OD Guarantor 1:	Pinnacle at the Wesleyan, LLC	
OD Guarantor 2:	PC Wesleyan, LLC	
OD Guarantor 3:	DDER Wesleyan Manager, LLC	
OD Guarantor 4:	DDER Holdings, LLC	
OD Guarantor 5:	Domingo Sanchez, Robert H. Godwin, Edward E. Haddock, Jr. and Deion R. Lowery	
OD Guarantor 6:	DOD Affordable, LLC, MMF Affordable, LLC, and Wolfpack Affordable, LLC	
OD Guarantor 7:	Pinnacle and DDER Development, LLC	
OD Guarantor 8:	Louis Wolfson III, The Estate of Mitchell M. Friedman, and David O. Deutch	
Developer:	Pinnacle	
Co-Developer:	DDER Development, LLC	
General Contractor 1:	Parramore Development & Construction, LLC	
Management Company:	Professional Management, Inc.	
Syndicator:	BoA	
Architect:	Forum Architecture & Interior Design, Inc.	
Market Study Provider:	Meridian Appraisal Group, Inc. ("Meridian")	
Appraiser:	Meridian	

VIABILITY & HC CREDIT UNDERWRITING REPORT

PERMANENT FINANCING INFORMATION					
	1st Source	2nd Source	3rd Source	4th Source	5th Source
Lien Position	First	Second	Third	Fourth	Fifth
Lender/Grantor	Neighborhood Lending Partners of Florida, Inc. ("NLP")	NLP	FHFC - Viability	Osceola County	City of Kissimmee
Amount	\$5,180,000	\$500,000	\$4,300,000	\$4,500,000	\$500,000
Underwritten Interest Rate	7.37%	2.00%	1.00%	0.00%	0.00%
All In Interest Rate	7.37%	2.00%	1.00%	0.00%	0.00%
Loan Term	16	16	16	29	29
Amortization	35	40	0	0	0
Market Rate/Market Financing LTV	17%	19%	33%	47%	49%
Restricted Market Financing LTV	53%	58%	103%	149%	154%
Loan to Cost - Cumulative	15%	17%	30%	43%	44%
Debt Service Coverage	1.17	1.13	1.00	1.00	1.00
Operating Deficit & Debt Service Reserves	\$275,643				
# of Months covered by the Reserves	3.0				

The Debt Service Coverage (“DSC”) ratio for the Viability Loan, including all superior mortgage reflects a ratio lower than 1.10x to 1.00. Per Rule 67-48, the minimum DSC ratio shall be 1.10x for the Viability Loan, including all superior mortgages. However, per Rule 67-48, if the Applicant defers at least 35% of its Developer Fee following the last disbursement of all permanent sources of funding identified in the final credit underwriting report and, in the case of a Housing Credit Development, the final cost certification documentation, and when the primary expected source of repayment has been identified as projected cash flow, the minimum DSC shall be 1.00x for the Viability Loan, including all superior mortgages. The Applicant will be required to show permanent Deferred Developer Fee of at least 35% as the Viability Loan DSC is 1.00x.

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Deferred Developer Fee	\$2,397,681
As-Is Land Value	\$1,920,000
Market Rent/Market Financing Stabilized Value	\$30,550,000
Rent Restricted Market Financing Stabilized Value	\$9,710,000
Projected Net Operating Income (NOI) - Year 1	\$485,571
Projected Net Operating Income (NOI) - 15 Year	\$529,892
Year 15 Pro Forma Income Escalation Rate	2.00%
Year 15 Pro Forma Expense Escalation Rate	3.00%
Housing Credit (HC) Syndication Price	\$0.96
HC Annual Allocation - Initial Award	\$1,699,000
HC Annual Allocation - Qualified in CUR	\$1,699,000
HC Annual Allocation - Equity Letter of Interest	\$1,699,000

CONSTRUCTION/PERMANENT SOURCES:				
Source	Lender	Construction	Permanent	Perm Loan/Unit
Regulated Mortgage Lender	BoA/NLP	\$16,000,000	\$5,180,000	\$53,958
Regulated Mortgage Lender	NLP	\$0	\$500,000	\$5,208
FHFC - Viability	FHFC	\$4,300,000	\$4,300,000	\$44,792
Local Government Subsidy	Osceola County	\$4,500,000	\$4,500,000	\$46,875
Local Government Subsidy	City of Kissimmee	\$500,000	\$500,000	\$5,208
HC Equity	BoA	\$5,988,769	\$16,308,769	\$169,883
Deferred Developer Fee	Pinnacle	\$2,397,681	\$2,397,681	\$24,976
HC Equity	BoA	\$91,750	\$91,750	\$956
TOTAL		\$33,778,200	\$33,778,200	\$351,856

Credit Underwriter: First Housing
 Date of Final CUR: _____
 TDC PU Limitation at Application: \$219,600 TDC PU Limitation at Credit Underwriting: \$328,715
 Minimum 1st Mortgage per Rule: \$4,573,155 Amount Dev. Fee Reduced for TDC Limit: \$75,832

Changes from the Application:

COMPARISON CRITERIA	YES	NO
Does the level of experience of the current team equal or exceed that of the team described in the application?	1.	
Are all funding sources the same as shown in the Application?	2.-3.	
Are all local government recommendations/contributions still in place at the level described in the Application?		3.
Is the Development feasible with all amenities/features listed in the Application?	X	
Do the site plans/architectural drawings account for all amenities/features listed in the Application?	X	
Does the applicant have site control at or above the level indicated in the Application?	X	
Does the applicant have adequate zoning as indicated in the Application?	X	

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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.- 7.

The following are explanations of each items listed in the table above:

1. On March 22, 2023, the applicant submitted a request to change the structure of the applicant and Developer entities. The Applicant and Developer entities were changed from Application and the changes were approved at the April 28, 2023 FHFC Board Meeting. The changes to the Applicant entity structure included removing Mitchell M. Friedman as Manager of PC Wesleyan, LLC; replacing Mitchell M. Friedman as a 33.33% member of PC GP Holdings, LLC with The Estate of Mitchell M. Friedman; removing Mitchell M. Friedman as a Manager of PC GP Holdings, LLC. The changes to the Developer entity structure include replacing Mitchell M. Friedman as Managing Member of Pinnacle Communities, LLC with The Estate of Mitchell M. Friedman as Member.

On July 25, 2023, the Applicant submitted a request to change the structure of the Applicant and Developer entities. The Applicant entity was further changed from the above and the changes were approved at the September 8, 2023 FHFC Board Meeting. The changes included adding trusts to the organizational structure of PC Wesleyan, LLC and admitting DDER Wesleyan Manager, LLC as Co-Manager and DDER Development, LLC as Co-Developer. Please refer to Section C for the final ownership structure of the Applicant and Co-Developers.

2. At Application it was anticipated that Citibank, N.A. would provide a construction loan in the amount of \$17,800,000 and a permanent loan in the amount of \$5,500,000. BoA is now providing a construction loan in the maximum amount of \$17,000,000 (however the Developer is only taking \$16,000,000) and NLP is providing a permanent loan in the maximum amount of \$6,000,000. However, First Housing is limited the first mortgage to

VIABILITY & HC CREDIT UNDERWRITING REPORT

\$5,180,000 based on DSC constraints. In addition, the Syndicator has changed from Citibank, N.A. to Bank of America, N.A.

3. Since the Application, the following sources have been added: a permanent loan from NLP in the amount of \$500,000, a Viability Loan from FHFC in the amount of \$4,300,000, an Osceola County loan in the amount of \$4,500,000, and a City of Kissimmee loan in the amount of \$500,000.
4. The Total Development Costs (“TDC”) have increased by a total of \$10,922,669 or 47.79% from \$22,855,531 to \$33,778,200 since the Application. The change is mainly due to an increase in construction costs.
5. Since the Application, the syndication rate has increased from \$0.92 to \$0.96.
6. Since the Application, the number of non-residential buildings has increased from zero to one, as requested by the Applicant on September 3, 2021 and approved by FHFC staff on September 23, 2021.
7. The 21-Day Requirements identified the General Contractor (“GC”) as PC Building, LLC. The GC is now Parramore Development & Construction LLC. First Housing received the GC Certification form for Parramore Development & Construction LLC along with the required experience chart.

The above changes have no substantial material impact to the Viability Loan or HC recommendation for this Development.

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

According to the FHFC Asset Management Noncompliance Report, dated May 24, 2023, the Development Team has the following noncompliance item(s) not in the correction period:

- None

According to the FHFC Past Due report, dated September 18, 2023, the Development Team has the following past due item(s):

- None

VIABILITY & HC CREDIT UNDERWRITING REPORT

Strengths:

1. The Principals of the Developer, General Contractor, and the Management Company are experienced in affordable multifamily housing.
2. The Principals have sufficient experience and substantial financial resources to construct and operate the proposed Development.

Issues and Concerns:

None

Mitigating Factors:

None

Waiver/Special Conditions:

1. According to the RFA, the Corporation will review the limited partnership agreement or limited liability company operating agreement language on reserves for compliance with the RFA requirement. If the limited partnership agreement or limited liability company operating agreement does not specifically state that the parties will comply with the Corporation's RFA requirements, the Corporation will require an amendment of the agreement and will not issue IRS form(s) 8609 until the amendment is executed and provided to the Corporation.

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

Additional Information:

1. Based on the TDC per unit limitations in affect as of the April 1, 2022 FHFC Telephonic Board meeting, FHFC has set the TDC for the RFA, exclusive of land costs and Operating Deficit Reserves ("ODR"), of \$328,714.85 per unit for a new non-Enhanced Structural

VIABILITY & HC CREDIT UNDERWRITING REPORT

Systems (“ESS”) Construction, garden-style development located in Osceola County. The Development’s per unit TDC, less land costs and reserves is \$31,639,632 or \$329,579.50 per unit, which is within 5% of the TDC limitation as allowed by the RFA. According to the TDC Calculator, the maximum allowable Developer Fee is \$4,257,000. Please note, the Developer Fee was reduced by \$75,832 to meet the TDC requirements.

2. FHDC has completed the required minimum first mortgage qualifying test and finds that the proposed first mortgage in the amount of \$5,180,000 exceeds the minimum requirement of \$4,573,155.

Recommendation:

First Housing recommends a Viability Loan in the amount of \$4,300,000 and an annual 9% Housing Credit Allocation of \$1,699,000 be awarded to finance the Development.

This recommendation is based upon the assumptions detailed in the Report Summary (Section A) and Supporting Information and Schedules (Section C). In addition, these recommendations are subject to the Viability Loan Special and General Conditions and the Housing Credit Allocation Recommendation and Contingencies (Section B). **This recommendation is only valid for six months from the date of the report.**

The reader is cautioned to refer to these sections for complete information.

Prepared by:



Taylor Arruda
Senior Credit Underwriter

Reviewed by:



Ed Busansky
Senior Vice President

VIABILITY & HC CREDIT UNDERWRITING REPORT

Overview

Construction Financing Sources:

Construction Sources	Lender	Application	Revised Applicant	Underwriter	Construction Interest Rate	Annual Construction Debt Service
Regulated Mortgage Lender	BoA	\$17,800,000	\$16,000,000	\$16,000,000	8.78%	\$1,404,800
FHFC - Viability	FHFC	\$0	\$4,300,000	\$4,300,000	1.00%	\$43,000
Local Government Subsidy	Osceola County	\$0	\$4,500,000	\$4,500,000	0.00%	\$0
Local Government Subsidy	City of Kissimmee	\$0	\$500,000	\$500,000	0.00%	\$0
HC Equity	BoA	\$7,814,621	\$7,012,772	\$5,988,769	N/A	N/A
Deferred Developer Fee	Pinnacle	\$2,895,166	\$3,695,765	\$2,397,681	N/A	N/A
Operating Deficit Reserve	N/A	\$0	\$272,469	\$0	N/A	N/A
HC Equity	BoA	\$0	\$0	\$91,750	N/A	N/A
Total		\$28,509,787	\$36,281,006	\$33,778,200		\$1,447,800

First Mortgage:

First Housing received a Term Sheet from BoA, dated June 13, 2023, for a construction loan in an amount that is the least of \$17,000,000, 85% Loan to Cost, or 80% of the Adjusted Loan to Value Ratio. Interest only payments will be required during construction. The interest rate is floating based on the Bloomberg Short Term Bank Yield “BSBY” Daily Floating Rate, with a floor of 1%, plus a spread of 2.35%. The term is 30 months, with one 6-month extension option available. The construction loan interest is calculated based on the BSBY Daily Floating Rate of 5.43%, as of August 16, 2023, plus a 2.35% spread, and an underwriting cushion of 1.00%, for an overall interest rate of 8.78%. However, the Developer is only anticipating a construction loan in the amount of \$16,000,000 as shown above.

FHFC Viability Loan:

First Housing reviewed a Notice of Preliminary Award from FHFC, dated June 14, 2023, with a preliminary Viability Loan in the amount of up to \$4,300,000. Based on the sizing parameters in RFA 2023-211, First Housing has sized the Viability Loan in the amount of \$4,300,000.

The Viability Loan is non-amortizing with an interest rate of 1% over the life of the loan with annual payments based upon available cash flow. The Viability loan will have a total term of 19 years, of which 3 years is for the construction/stabilization period and 16 years is for the permanent period. As required by the first mortgage lender and permitted by RFA 2023-211, the Viability Loan will be coterminous with the first mortgage. Annual payments of all applicable fees will be required. Any unpaid interest will be deferred until cash flow is available. However, at the maturity of the Viability Loan, all principal and unpaid interest will be due.

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Osceola County:

First Housing received a letter from Osceola County, dated June 26, 2023, for a loan in the amount \$4,500,000. According to the letter, the loan is non-amortizing with an interest rate of 0% and a loan term of 32 years. Upon maturity, the loan will be due in full. First Housing has included a 3 year construction period and a 29 year permanent period.

City of Kissimmee:

First Housing received a commitment letter from City of Kissimmee, dated June 6, 2023, for a loan in the amount \$500,000. According to the letter, the loan is non-amortizing with an interest rate of 0% and a loan term of 32 years. Upon maturity, the loan will be due in full. The Promissory Note shall have a provision for forgiveness of the loan in its entirety exercisable by the Lender in its sole discretion at the end of Loan Term. First Housing has included a 3 year construction period and a 29 year permanent period.

Housing Credit Equity:

First Housing has reviewed an executed Letter of Interest (“LOI”), dated June 13, 2023, indicating BoA, and or its affiliates, will acquire 99.99% ownership interest in the Applicant. Based on the LOI, the annual HC allocation is estimated to be in the amount of \$1,699,000 with a syndication rate of \$0.96 for a net capital contribution of \$16,308,769. BoA has committed to make available 43% or \$7,012,771 of the total net equity during construction. An additional \$9,295,998 will be available in three additional installments at 100% completion, stabilization, and upon receipt of the Forms 8609. The first installment, in the amount of \$2,446,316, meets the RFA 2021-201 requirement that 15% of the total equity must be contributed at or prior to the closing.

First Housing has shown housing credit equity in the amount of \$5,988,769 during construction as that is what will be needed to balance the sources and uses. It is assumed the remainder of the housing credit equity available during construction would be used to pay down the construction loan.

Additional HC Equity:

According to the LOI, the Investor is responsible for all of the Investor’s transaction expenses up to \$91,750. The Investor’s expenses will be paid in the form of capital contribution in addition to the capital contributions mentioned above.

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Deferred Developer Fee:

To balance the sources and uses of funds during the permanent period, the Developer is required to defer \$2,397,681 or approximately 56.32% of the total Developer Fee of \$4,257,000.

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Permanent Financing Sources:

Permanent Sources	Lender	Application	Revised Applicant	Underwriter	Term Yrs.	Amort. Yrs.	Interest Rate	Annual Debt Service
Regulated Mortgage Lender	NLP	\$5,500,000	\$5,375,000	\$5,180,000	16	35	7.37%	\$413,351
Regulated Mortgage Lender	NLP	\$0	\$500,000	\$500,000	16	40	2.00%	\$18,170
FHFC - Viability	FHFC	\$0	\$4,300,000	\$4,300,000	16	0	1.00%	\$43,000
Local Government Subsidy	Osceola County	\$0	\$4,500,000	\$4,500,000	29	0	0.00%	\$0
Local Government Subsidy	City of Kissimmee	\$0	\$500,000	\$500,000	29	0	0.00%	\$0
HC Equity	BoA	\$15,629,237	\$16,308,769	\$16,308,769	N/A	N/A	N/A	N/A
Deferred Developer Fee	Pinnacle	\$2,895,166	\$2,242,122	\$2,397,681	N/A	N/A	N/A	N/A
HC Equity	BoA	\$0	\$91,750	\$91,750	N/A	N/A	N/A	N/A
Total		\$24,024,403	\$33,817,641	\$33,778,200				\$474,521

First Mortgage:

First Housing received a Letter of Interest from NLP, dated August 17, 2023, for a permanent loan. Based on the letter of interest, NLP will provide a permanent loan in an amount up to \$6,000,000 or not to exceed 80% of the stabilized rent restricted appraised value. The term of the loan will be 16 years. The amortization for the permanent loan will be based on 35 years. The interest rate will be fixed at a rate equal to the 10-year Treasury plus 265 basis points with a floor rate of 5.75%. First Housing has based the interest rate on the 10-year Treasury rate of 4.72%, as of October 5, 2023, plus 265 basis points for an all-in rate of 7.37%. Payments of principal and interest will be due monthly. First Housing has reduced the first mortgage to \$5,180,000 in order to maintain a 1.00x on the Viability Loan. In the event the permanent period First Mortgage interest rate locked at closing exceeds 7.37%, the Servicer will review and confirm if the Development is still able to support the proposed First Mortgage Loan amount or if a reduction to the loan amount is necessary to ensure that a minimum DSC of 1.00x on the Viability Loan is achieved. The Servicer’s DSC confirmation is a condition to close.

Second Mortgage:

First Housing received an email, dated September 27, 2023, from NLP which indicates the Development will receive \$500,000 in Community Development Financial Institutions (“CDFI”) funds. The loan will bear interest at a rate of 2%. The loan will have two years of interest only payments after conversion to permanent financing and will start amortizing in year three based on a 40 year schedule. The loan will be in second lien position and will have a term of 16 years.

FHFC Viability Loan:

First Housing reviewed a Notice of Preliminary Award from FHFC, dated June 14, 2023, with a preliminary Viability Loan in the amount of up to \$4,300,000. Based on the sizing parameters in RFA 2023-211, First Housing has sized the Viability Loan in the amount of \$4,300,000.

VIABILITY & HC CREDIT UNDERWRITING REPORT

The Viability Loan is non-amortizing with an interest rate of 1% over the life of the loan with annual payments based upon available cash flow. The Viability loan will have a total term of 19 years, of which 3 years is for the construction/stabilization period and 16 years is for the permanent period. As required by the first mortgage lender and permitted by RFA 2023-211, the Viability Loan will be coterminous with the first mortgage. Annual payments of all applicable fees will be required. Any unpaid interest will be deferred until cash flow is available. However, at the maturity of the Viability Loan, all principal and unpaid interest will be due.

Fees includes an annual Permanent Loan Servicing Fee of 25 bps of the outstanding loan amount up to a maximum of \$936 per month, subject to a minimum of \$236 per month.

Osceola County:

First Housing received a letter from Osceola County, dated June 26, 2023, for a loan in the amount \$4,500,000. According to the letter, the loan is non-amortizing with an interest rate of 0% and a loan term of 32 years. Upon maturity, the loan will be due in full. First Housing has included a 3 year construction period and a 29 year permanent period.

City of Kissimmee:

First Housing received a commitment letter from City of Kissimmee, dated June 6, 2023, for a loan in the amount \$500,000. According to the letter, the loan is non-amortizing with an interest rate of 0% and a loan term of 32 years. Upon maturity, the loan will be due in full. The Promissory Note shall have a provision for forgiveness of the loan in its entirety exercisable by the Lender in its sole discretion at the end of Loan Term. First Housing has included a 3 year construction period and a 29 year permanent period.

Housing Credit Equity:

First Housing has reviewed an executed LOI, dated June 13, 2023, indicating BoA and or its affiliates, will acquire 99.99% ownership interest in the Applicant. Based on a syndication rate of \$0.96, BoA anticipates a net capital contribution of \$16,308,769 paid in five installments, as follows:

VIABILITY & HC CREDIT UNDERWRITING REPORT

Capital Contributions	Amount	Percentage of Total	When Due
1st Installment	\$2,446,316	15.00%	Closing
2nd Installment	\$4,566,455	28.00%	75% Completion and November 1, 2024
3rd Installment	\$326,175	2.00%	100% Completion of the Development, title policy showing no mechanics lien exceptions, and March 1, 2025
4th Installment	\$8,562,104	52.50%	Three consecutive months of 1.15 debt service coverage, at least 90% occupied, all tax credit units have been leased to qualified tenants, all permanent loans have closed or funded, permanent certificate of occupancy, all reserves have been funded, January 1, 2026.
5th Installment	\$407,719	2.50%	Form 8609 for each building, final cost certification, recorded Extended Use Agreement, third-party compliance audit, deferred Developer Fee note, calculation of final adjusters, and January 1, 2026.
Total	\$16,308,769	100.00%	

Annual Credit Per Syndication Agreement	\$1,699,000
Calculated HC Exchange Rate	\$0.96
Limited Partner Ownership Percentage	99.99%
Proceeds Available During Construction	\$7,012,771

First Housing has shown housing credit equity in the amount of \$5,988,769 during construction as that is what will be needed to balance the sources and uses. It is assumed the remainder of the housing credit equity available during construction would be used to pay down the construction loan.

Deferred Developer Fee:

To balance the sources and uses of funds during the permanent period, the Developer is required to defer \$2,397,681 or approximately 56.32% of the total Developer Fee of \$4,257,000. Therefore, the Applicant is meeting the Viability requirement of deferring at least 30% of the Developer Fee and it meets the requirement of deferring 35% of the Developer Fee since the Viability Loan debt service coverage is below a 1.10x.

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Additional HC Equity:

According to the LOI, the Investor is responsible for all of the Investor's transaction expenses up to \$91,750. The Investor's expenses will be paid in the form of capital contribution in addition to the capital contributions mentioned above.

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Uses of Funds

CONSTRUCTION COSTS:	Applicant Costs	Revised Applicant Costs	Underwriters Total Costs - CUR	Cost Per Unit	HC Ineligible Costs - CUR
New Rental Units	\$11,150,978	\$17,879,986	\$17,648,968	\$183,843	\$462,843
Swimming Pool	\$0	\$0	\$165,226	\$1,721	\$0
Constr. Contr. Costs subject to GC Fee	\$11,150,978	\$17,879,986	\$17,814,194	\$185,565	\$462,843
General Conditions	\$0	\$0	\$1,293,986	\$13,479	\$0
Overhead	\$0	\$0	\$360,532	\$3,756	\$0
Profit	\$1,561,136	\$2,503,197	\$721,063	\$7,511	\$0
General Liability Insurance	\$0	\$0	\$80,000	\$833	\$0
Payment and Performance Bonds	\$0	\$0	\$113,409	\$1,181	\$0
Total Construction Contract/Costs	\$12,712,114	\$20,383,183	\$20,383,184	\$212,325	\$462,843
Hard Cost Contingency	\$642,977	\$1,019,158	\$1,019,159	\$10,616	\$0
FF&E paid outside Constr. Contr.	\$150,000	\$150,000	\$150,000	\$1,563	\$0
Total Construction Costs:	\$13,505,091	\$21,552,341	\$21,552,343	\$224,504	\$462,843

Notes to the General Development Costs:

1. The Applicant has provided an executed construction contract, dated August 14, 2023, in the amount of \$20,383,184. The contract is a Standard Form of Agreement between Pinnacle at the Wesleyan, LLC (“Owner”) and Parramore Development & Construction LLC (“Contractor”) where the basis of payment is the Cost of Work Plus a fee with a Guaranteed Maximum Price (“GMP”). The contract specifies substantial completion of not later than 427 calendar days from the date of commencement of Work. Retainage of 10% shall be withheld from payment through 50% completion of work and 0% retainage withheld on amounts due after 50% completion.
2. The GC Fees are within the maximum 14% of hard costs allowed by the RFA 2021-201 and Rule Chapter 67-48. The GC Fee stated herein is for credit underwriting purposes only, and the final GC fee will be determined pursuant to the final cost certification process as per Rule Chapter 67-48.023, F.A.C.
3. HC ineligible costs include \$250,000 for site work and \$112,843 for the purchase of washer and dryers since they will be leased to the residents.
4. The GC Contract includes \$160,000 in allowances which is 0.78% of the GMP. On Solid Ground, LLC (“OSG”) found the allowances to be acceptable.

Fountain Pond	\$10,000
Signage (Interior)	\$25,000
Electronic surveillance and access control	\$75,000
Removal of Unsuitable Soils	\$50,000
Total	\$160,000

VIABILITY & HC CREDIT UNDERWRITING REPORT

5. Hard Cost Contingency is within 5% of total construction costs, as allowed for new construction developments by the RFA 2021-201 and Rule Chapter 67-48.

GENERAL DEVELOPMENT COSTS:	Applicant Costs	Revised Applicant Costs	Underwriters Total Costs - CUR	Cost Per Unit	HC Ineligible Costs - CUR
Accounting Fees	\$25,000	\$75,000	\$75,000	\$781	\$20,000
Appraisal	\$6,500	\$11,000	\$11,000	\$115	\$0
Architect's Fee - Site/Building Design	\$270,000	\$288,000	\$288,000	\$3,000	\$0
Architect's Fee - Supervision	\$30,000	\$32,000	\$32,000	\$333	\$0
Building Permits	\$144,000	\$58,638	\$58,638	\$611	\$0
Builder's Risk Insurance	\$101,697	\$203,832	\$203,832	\$2,123	\$0
Engineering Fees	\$85,000	\$191,250	\$191,250	\$1,992	\$13,500
Environmental Report	\$27,000	\$27,000	\$27,000	\$281	\$0
FHFC Administrative Fees	\$152,910	\$152,910	\$152,910	\$1,593	\$152,910
FHFC Application Fee	\$3,000	\$3,500	\$3,500	\$36	\$3,500
FHFC Credit Underwriting Fee	\$14,546	\$64,863	\$19,867	\$207	\$19,867
FHFC Compliance Fee	\$220,094	\$229,477	\$229,477	\$2,390	\$229,477
FHFC Other Processing Fee(s)	\$0	\$0	\$40,000	\$417	\$40,000
Impact Fee	\$1,402,179	\$1,167,840	\$1,167,840	\$12,165	\$0
Lender Inspection Fees / Const Admin	\$60,000	\$25,000	\$25,000	\$260	\$0
Green Building Cert. (LEED, FGBC, NAHB)	\$30,000	\$30,000	\$30,000	\$313	\$0
Insurance	\$57,600	\$153,600	\$153,600	\$1,600	\$153,600
Legal Fees - Organizational Costs	\$250,000	\$200,000	\$200,000	\$2,083	\$175,000
Market Study	\$5,500	\$11,000	\$11,000	\$115	\$11,000
Marketing and Advertising	\$80,000	\$75,000	\$75,000	\$781	\$75,000
Plan and Cost Review Analysis	\$0	\$5,625	\$5,625	\$59	\$0
Property Taxes	\$106,607	\$154,896	\$154,896	\$1,614	\$154,896
Soil Test	\$3,000	\$3,000	\$3,000	\$31	\$1,500
Survey	\$15,000	\$33,750	\$33,750	\$352	\$0
Title Insurance and Recording Fees	\$100,000	\$100,000	\$100,000	\$1,042	\$0
Utility Connection Fees	\$28,800	\$76,800	\$76,800	\$800	\$0
Soft Cost Contingency	\$161,292	\$168,699	\$168,449	\$1,755	\$0
Total General Development Costs:	\$3,379,725	\$3,542,680	\$3,537,434	\$36,848	\$1,050,250

Notes to the General Development Costs:

1. General Development Costs are the Applicant's updated estimates, which appear reasonable.
2. First Housing has utilized actual costs for: FHFC Application Fee, Appraisal, Market Study, and Plan and Cost Review.
3. The FHFC Application Fee of \$3,500 includes a \$3,000 initial application fee and a \$500 fee for the Viability Loan.
4. FHFC Compliance Fee is based on the compliance fee calculator spreadsheet provided by FHFC.

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5. The FHFC Processing Fees includes a Notice of Construction Extension Fee of \$10,000, a LPA Extension Fee of \$10,000, a \$5,000 CUR Extension, and a \$15,000 Credit Swap Fee.
6. The FHFC Administrative Fee is based on 9% of the recommended annual housing credit allocation. This fee was paid on September 7, 2021.
7. The FHFC Credit Underwriting Fee includes an underwriting fee of \$13,063, a Preliminary Recommendation Letter fee of \$1,658, and a Viability underwriting fee of \$5,146. The CHIRP underwriting fee of \$4,996 was not included as a reimbursable since the Development did not close on CHIRP funds.
8. The Applicant provided a Professional Services Proposal, dated July 26, 2021, between Pinnacle at the Wesleyan, LLC and Abney + Abeny Green Solutions for NGBS Green Administration and Verification services for the Development.
9. First Housing has adjusted Soft Cost Contingency to be 5% of the General Development Costs, less the contingency as allowed by the RFA 2021-201 and Rule Chapter 67-48 for new construction developments.

FINANCIAL COSTS:	Applicant Costs	Revised Applicant Costs	Underwriters Total Costs - CUR	Cost Per Unit	HC Ineligible Costs - CUR
Construction Loan Origination Fee	\$271,300	\$342,250	\$120,000	\$1,250	\$0
Construction Loan Interest	\$866,324	\$1,670,031	\$1,573,376	\$16,389	\$393,344
Permanent Loan Application Fee	\$0	\$0	\$8,000	\$83	\$8,000
Permanent Loan Origination Fee	\$55,000	\$53,750	\$51,800	\$540	\$51,800
Permanent Loan Closing Costs	\$0	\$23,000	\$3,000	\$31	\$3,000
Legal Fees - Financing Costs	\$0	\$0	\$178,750	\$1,862	\$178,750
Other: FHFC Viability Commitment Fee	\$0	\$0	\$43,000	\$448	\$43,000
Other: FHFC Viability Closing Costs	\$0	\$0	\$12,500	\$130	\$12,500
Total Financial Costs:	\$1,192,624	\$2,089,031	\$1,990,426	\$20,734	\$690,394
Dev. Costs before Acq., Dev. Fee & Reserves	\$18,077,440	\$27,184,052	\$27,080,203	\$282,085	\$2,203,487

Notes to the Financial Costs:

1. The Construction Loan Origination Fee is based on 0.75% of the construction loan in the amount of \$16,000,000.
2. The Construction Loan Interest is based on an interest rate of 8.78%, a 24-month term, and an average outstanding loan balance of 56%. The GC Contract specifies a substantial completion of not later than approximately 14 months and considering it will take

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approximately 6 months to lease-up, First Housing has estimated that a construction term of 24-months is reasonable and conservative.

3. The Permanent Loan Origination Fee is based on 1% of the permanent loan.
4. The FHFC Viability Commitment Fee is based on 1% of the Viability Loan.
5. First Housing included FHFC Closing costs of \$12,500 for the Viability Loan FHFC legal counsel fees.

NON-LAND ACQUISITION COSTS	Applicant Costs	Revised Applicant Costs	Underwriters Total Costs - CUR	Cost Per Unit	HC Ineligible Costs - CUR
Total Non-Land Acquisition Costs:	\$0	\$0	\$0	\$0	\$0

Notes to the Non-Land Acquisition Costs:

1. As this is new construction, non-land acquisition costs are not applicable.

DEVELOPER FEE ON NON-ACQUISITION COSTS	Applicant Costs	Revised Applicant Costs	Underwriters Total Costs - CUR	Cost Per Unit	HC Ineligible Costs - CUR
Developer Fee - Unapportioned	\$2,895,166	\$4,195,765	\$4,257,000	\$44,344	\$0
Total Other Development Costs:	\$2,895,166	\$4,195,765	\$4,257,000	\$44,344	\$0

Notes to the Other Development Costs:

1. The recommended Developer Fee does not exceed 16% of total development cost before Developer Fee and Operating Deficit Reserves as allowed by RFA 2020-201 and Rule Chapter 67-48. According to the TDC Calculator, the maximum allowable Developer Fee is \$4,257,000. Please note, the Developer Fee was reduced by \$75,832 to meet the TDC per unit requirements. Due to the TDC limitations, the overall Developer Fee is approximately 15.72% of the total development costs before Developer Fee, ODR, and land costs.

LAND ACQUISITION COSTS	Applicant Costs	Revised Applicant Costs	Underwriters Total Costs - CUR	Cost Per Unit	HC Ineligible Costs - CUR
Brokerage Fees - Land	\$20,000	\$20,000	\$20,000	\$208	\$20,000
Land	\$1,862,925	\$1,862,925	\$1,862,925	\$19,405	\$1,862,925
Land Carrying Costs	\$0	\$282,429	\$282,429	\$2,942	\$282,429
Total Acquisition Costs:	\$1,882,925	\$2,165,354	\$2,165,354	\$22,556	\$2,165,354

Notes to Acquisition Costs:

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1. First Housing reviewed a Closing Statement, dated December 7, 2021, which indicates Pinnacle at the Wesleyan, LLC bought the land for a purchase price of \$1,862,925.
2. The Closing Statement included a brokerage fee in the amount of \$20,000. This is below the FHFC maximum amount of 4% of the purchase price when the acquisition price is \$5 million or less.
3. First Housing received a Promissory Note, dated December 7, 2021, between Pinnacle Communities, LLC and the Applicant in the amount of \$1,841,929.62. The Note bears interest at a rate of 8% per annum. First Housing received an Allonge to Promissory Note, dated as of December 30, 2022, which extends the maturity date to December 31, 2023.
4. The appraisal indicates the market value of the fee simple interest in the Development, as is, based on market conditions prevailing on May 29, 2023, was \$1,920,000, which supports the purchase price.

RESERVE ACCOUNTS	Applicant Costs	Revised Applicant Costs	Underwriters Total Costs - CUR	Cost Per Unit	HC Ineligible Costs - CUR
Operating Deficit Reserve (Syndicator)	\$0	\$272,469	\$275,643	\$2,871	\$275,643
Total Reserve Accounts:	\$0	\$272,469	\$275,643	\$2,871	\$275,643

Notes to Reserve Accounts:

1. Based on the LOI, dated June 13, 2023, an ODR in the estimated amount of \$275,643 is required by the Syndicator. In exchange for receiving funding from the Corporation, the Corporation reserves the authority to restrict the disposition of any funds remaining in any operating deficit reserve(s) after the term of the reserve’s original purpose has terminated or is near termination. Authorized disposition uses are limited to payments towards any outstanding loan balances of the Development funded from the Corporation, any outstanding Corporation fees, any unpaid costs incurred in the completion of the Development (i.e., deferred Developer Fee), the Development’s capital replacement reserve account (provided, however, that any operating deficit reserve funds deposited to the replacement reserve account will not replace, negate, or otherwise be considered an advance payment or pre-funding of the Applicant’s obligation to periodically fund the replacement reserve account), the reimbursement of any loan(s) provided by a partner, member or guarantor as set forth in the Applicant’s organizational agreement (i.e., operating or limited partnership agreement whereby its final disposition remains under this same restriction. The actual direction of the disposition is at the Applicant’s discretion so long as it is an option permitted by the Corporation. In no event, shall the payment of amounts to the Applicant or the Developer from any operating deficit reserve established

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for the Development cause the Developer Fee or General Contractor fee to exceed the applicable percentage limitations provided for in this RFA.

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 67-48. Any and all terms and conditions of the ODR must be acceptable to Florida Housing, its legal counsel, and its Servicer.

TOTAL DEVELOPMENT COSTS	Applicant Costs	Revised Applicant Costs	Underwriters Total Costs - CUR	Cost Per Unit	HC Ineligible Costs - CUR
TOTAL DEVELOPMENT COSTS:	\$22,855,531	\$33,817,640	\$33,778,200	\$351,856	\$4,644,484

Notes to Total Development Costs:

1. The Total Development Costs have increased by a total of \$10,922,669 or 47.79% from \$22,855,531 to \$33,778,200 since the Application. The change is mainly due to an increase in construction costs.

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Operating Pro Forma – Pinnacle at the Wesleyan

FINANCIAL COSTS:		Year 1	Year 1 Per Unit
OPERATING PRO FORMA			
INCOME:	Gross Potential Rental Income	\$1,168,848	\$12,176
	Other Income		
	Ancillary Income	\$23,040	\$240
	Washer/Dryer Rentals	\$40,320	\$420
	Gross Potential Income	\$1,232,208	\$12,836
	Less:		
	Physical Vac. Loss Percentage: 3.00%	\$36,966	\$385
	Collection Loss Percentage: 2.00%	\$24,644	\$257
	Total Effective Gross Income	\$1,170,598	\$12,194
	EXPENSES:	Fixed:	
Real Estate Taxes		\$124,897	\$1,301
Insurance		\$153,600	\$1,600
Variable:			
Management Fee Percentage: 5.00%		\$58,530	\$610
General and Administrative		\$33,600	\$350
Payroll Expenses		\$153,600	\$1,600
Utilities		\$31,200	\$325
Marketing and Advertising		\$4,800	\$50
Maintenance and Repairs/Pest Control		\$43,200	\$450
Grounds Maintenance and Landscaping		\$28,800	\$300
Contract Services		\$24,000	\$250
Reserve for Replacements		\$28,800	\$300
Total Expenses		\$685,027	\$7,136
Net Operating Income		\$485,571	\$5,058
Debt Service Payments			
First Mortgage - NLP	\$413,351	\$4,306	
Second Mortgage - NLP	\$18,170	\$189	
Third Mortgage - FHFC - Viability	\$43,000	\$448	
Fourth Mortgage - Osceola County	\$0	\$0	
Fifth Mortgage - City of Kissimmee	\$0	\$0	
First Mortgage Fees - NLP	\$0	\$0	
Second Mortgage Fees - NLP	\$0	\$0	
Third Mortgage Fees - FHFC - Viability	\$10,750	\$112	
Fourth Mortgage Fees - Osceola County	\$0	\$0	
Fifth Mortgage Fees - City of Kissimmee	\$0	\$0	
Total Debt Service Payments	\$485,271	\$5,055	
Cash Flow after Debt Service	\$300	\$3	
Debt Service Coverage Ratios			
DSC - First Mortgage plus Fees	1.17x		
DSC - Second Mortgage plus Fees	1.13x		
DSC - Third Mortgage plus Fees	1.00x		
DSC - Fourth Mortgage plus Fee	1.00x		
DSC - Fifth Mortgage plus Fees	1.00x		
Financial Ratios			
Operating Expense Ratio	58.52%		
Break-even Economic Occupancy Ratio (all debt)	95.23%		

Notes to the Operating Pro Forma and Ratios:

1. The rent levels are based on the 2023 maximum LIHTC rents published on FHFC’s website for Osceola County less the applicable utility allowance. Below is the rent roll for the Development.

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Osceola County, Orlando-Kissimmee-Sanford MSA

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	734	33%			\$543	\$95	\$ 448		\$ 448	\$ 448	\$ 448	\$ 10,752
1	1.0	10	734	60%			\$988	\$95	\$ 893		\$ 893	\$ 893	\$ 893	\$ 107,160
2	2.0	6	1,062	33%			\$652	\$134	\$ 518		\$ 518	\$ 518	\$ 518	\$ 37,296
2	2.0	6	1,062	60%			\$1,186	\$134	\$ 1,052		\$ 1,052	\$ 1,052	\$ 1,052	\$ 75,744
2	2.0	48	1,070	60%			\$1,186	\$134	\$ 1,052		\$ 1,052	\$ 1,052	\$ 1,052	\$ 605,952
3	2.0	2	1,228	33%			\$753	\$166	\$ 587		\$ 587	\$ 587	\$ 587	\$ 14,088
3	2.0	2	1,228	60%			\$1,370	\$166	\$ 1,204		\$ 1,204	\$ 1,204	\$ 1,204	\$ 28,896
3	2.0	20	1,246	60%			\$1,370	\$166	\$ 1,204		\$ 1,204	\$ 1,204	\$ 1,204	\$ 288,960
		96	102,744											\$ 1,168,848

2. The utility allowances are based on a Utility Allowance Study from KN Consultants, LLC which was approved by FHFC for credit underwriting on June 6, 2023.
3. The appraisal projected vacancy and collection loss at 5% which First Housing has also utilized.
4. The Appraisal projected Miscellaneous Income of \$23,040 which is comprised of revenue from vending machines, late charges, pet deposits, and forfeited security deposits.
5. The Development will offer full size washer/dryer appliances for rent to residents. The appraisal projects a participation rate of 70% and a monthly premium of \$50 or \$40,320 annually.
6. Based upon operating data from comparable properties, third-party reports (Appraisal and Market Study) and the Credit Underwriter's independent due diligence, First Housing represents that, in its professional opinion, estimates for Rental Income, Vacancy, Other Income, and Operating Expenses fall within a band of reasonableness.
7. The Applicant has submitted a Property Management Agreement between Pinnacle at the Wesleyan, LLC and Professional Management, Inc., executed on August 5, 2022. The Applicant also submitted an executed Management Agreement Addendum. The Agreement and Addendum reflects a start date of November 1, 2023 and a management fee of \$3,500 per month or 5% of the effective gross income, whichever is greater. The management agreement also has a compliance administrative fee of \$3.50 per unit per month. First Housing and the appraisal used a management fee of 5% which is industry standard.
8. Residents are responsible for electric, water/sewer, and cable/phone/internet expenses. The landlord is responsible for trash, and common area utility expenses.
9. Replacement Reserves of \$300 per unit per year are required per Rule Chapter 67-48.

10. The Break-even Economic Occupancy Ratio includes all debt; however, the Viability Loan interest payments are based on available cash flow. This ratio would improve to 89.39% if the Viability Loan interest payments were not included in the calculation.
11. Refer to Exhibit 1, Page 1 for a 15-Year Pro Forma, which reflects rental income increasing at an annual rate of 2%, and expenses increasing at an annual rate of 3%.
12. The DSC ratio for the Viability Loan, including all superior mortgage reflects a ratio lower than 1.10x to 1.00. Per Rule 67-48, the minimum DSC ratio shall be 1.10x for the Viability Loan, including all superior mortgages. However, per Rule 67-48, if the Applicant defers at least 35% of its Developer Fee following the last disbursement of all permanent sources of funding identified in the final credit underwriting report and, in the case of a Housing Credit Development, the final cost certification documentation, and when the primary expected source of repayment has been identified as projected cash flow, the minimum DSC shall be 1.00x for the Viability Loan, including all superior mortgages. The Applicant will be required to show permanent Deferred Developer Fee of at least 35% as the Viability Loan DSC is 1.00x.

Section B

Viability Loan Special and General Conditions

Housing Credit Allocation Recommendation & Contingencies

Special Conditions

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

1. The permanent first mortgage loan amount approved at closing cannot be increased without approval from FHFC.
2. Firm Commitment from BoA (construction financing) and NLP (permanent financing) with terms and conditions that are not substantially different than those utilized in this credit underwriting report.
3. Satisfactory bank references for Pinnacle Communities, LLC.
4. Receipt and satisfactory review of a Co-Developer agreement.
5. Final loan documents for the third and fourth mortgages with terms which are not substantially different than those utilized in this credit underwriting report.
6. Receipt and satisfactory review of the Final signed, sealed “approved for construction” plans and specifications by the Construction Consultant and the Servicer.
7. Servicer’s review and confirmation of the DSC upon rate lock of the permanent first mortgage interest rate confirming that the viability loan meets a minimum 1.00 DSC.
8. The DSC ratio for the Viability Loan, including all superior mortgage reflects a ratio lower than 1.10x to 1.00. Per Rule 67-48, the minimum DSC ratio shall be 1.10x for the Viability Loan, including all superior mortgages. However, per Rule 67-48, if the Applicant defers at least 35% of its Developer Fee following the last disbursement of all permanent sources of funding identified in the final credit underwriting report and, in the case of a Housing Credit Development, the final cost certification documentation, and when the primary expected source of repayment has been identified as projected cash flow, the minimum DSC shall be 1.00x for the Viability Loan, including all superior mortgages. The Applicant will be required to show permanent Deferred Developer Fee of at least 35% as the Viability Loan DSC is 1.00x.
9. Satisfactory receipt and review of updated financials for the Guarantors, dated within 90 days of closing.

10. 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 First Housing **at least two weeks prior to Real Estate Loan Closing**. Failure to submit and to receive approval of these items within this time frame may result in postponement of the closing date:

1. Payment of any outstanding arrearages to the Corporation, its Legal Counsel, Servicer or any agent or assignee of the Corporation for past due issues applicable to the Development Team (Applicant or Developer or Principal, Affiliate or Financial Beneficiary, as described 67-48.0075 (5) F.A.C. of an Applicant or a Developer).
2. OSG is to act as construction inspector during the construction phase.
3. At all times there will be undisbursed loan funds (collectively held by Florida Housing, the first mortgage 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.
4. Construction Period Developer Fee shall be the lessor of i) 50% of the Total Developer Fee or ii) the Total Developer Fee less the Deferred Developer Fee listed in the Sources and Uses for the construction period, as calculated by the Servicer. At closing, a maximum of 35% of the Construction Period Developer Fee may be funded. Remaining Construction Period Developer Fee will be disbursed during construction/rehabilitation on a pro rata basis, based on the percentage of completion of the development, as approved and reviewed by FHFC and Servicer.

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

5. Signed and sealed survey, dated within 90 days of loan 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.

6. Building permits and any other necessary approvals and permits (e.g., final site plan approval, Department of Environmental Protection, Army Corps of Engineers, the Water Management District, Department of Transportation, etc.) or 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.
7. Final "as permitted" (signed and sealed) site plans, building plans and specifications. The geotechnical report must be bound within the final plans and specifications, if applicable.
8. Final sources and uses of funds schedule itemized by source and line item, in a format and in amounts approved by the Servicer. A detailed calculation of the construction loan interest based upon the final draw schedule, documentation of the closing costs, and draft loan closing statement must also be provided. The sources and uses of funds schedule will be attached to the Loan Agreement as the approved development budget.
9. A final construction draw schedule showing itemized sources and uses of funds for each monthly draw. Viability Loan proceeds shall be disbursed during the construction phase in an amount per draw that does not exceed the ratio of the Viability Loan to the Total Development Costs, unless approved by First Housing. The closing draw must include appropriate backup and ACH wiring instructions.
10. Evidence of insurance coverage pursuant to the RFA governing this proposed transaction and, as applicable, the FHFC Insurance Guide.
11. 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.

12. Architect, Construction Consultant, and Developer Certifications on forms provided by FHFC 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, if applicable.
13. Borrower is to comply with any and all recommendations noted in the Plan and Cost Analysis, prepared by OSG.
14. At the end of the Compliance Period, any remaining balance of the ODR less amounts that may be permitted to be drawn (which includes Deferred Developer Fee, and reimbursements for authorized member/partner and guarantor loan(s) pursuant to the operating/partnership agreement), will be used to pay FHFC loan debt; if there is no FHFC loan debt on the proposed Development at the end of the Compliance Period, any remaining balance shall be used to pay any outstanding FHFC fees. If any balance is remaining in the ODR after the payments above, the amount should be placed in a Replacement Reserve account for the Development. In no event shall the payments of amounts to the Applicant or the Developer from the Reserve Account cause the Developer Fee or General Contractor Fee to exceed the applicable percentage limitations provided for in the Rule. Any and all terms and conditions of the ODR must be acceptable to Florida Housing, its Servicer and its Legal Counsel.
15. A copy of an Amended and Restated Operating Agreement reflecting purchase of the HC under terms consistent with the assumptions contained within this Credit Underwriting Report. The Amended and Restated Operating Agreement shall be in a form and of financial substance satisfactory to Servicer and to FHFC and its Legal Counsel.

This recommendation is contingent upon the review and approval of the following items by Florida Housing, and its Legal Counsel **at least two weeks prior to Real Estate Loan Closing**. Failure to receive approval of these items, along with all other items listed on Florida Housing Counsel's due diligence, within this time frame may result in postponement of the loan closing date.

1. Documentation of the legal formation and current authority to transact business in Florida for the Borrower, the general partner/principal(s)/manager(s) of the Borrower, the guarantor, and any limited partners of the Borrower.
2. Award of 9% Housing Credits and purchase of HC by BoA or an affiliate, under terms consistent with the assumptions of this report.

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3. 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.
4. An acceptable updated Environmental Audit Report, together with a reliance letter to Florida Housing, prepared within 90 days of closing, unless otherwise approved by Florida Housing, and Legal Counsel, based upon the particular circumstances of the transaction. Borrower to comply with any and all recommendations and remediation restrictions noted in the Environmental Assessment(s) and Updates and the Environmental Review, if applicable.
5. Title insurance pro forma or commitment for title insurance with copies of all Schedule B exceptions, in the amount of the Loans naming FHFC as the insured. All endorsements required by FHFC shall be provided.
6. 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 Loan(s) have been satisfied.
7. Evidence of insurance coverage pursuant to the RFA governing this proposed transaction and, as applicable, the FHFC Insurance Guide.
8. Receipt of a legal opinion from the Borrower's Legal Counsel acceptable to Florida Housing addressing the following matters:
 - a. The legal existence and good standing of the Borrower and of any partnership or limited liability company that is the general partner of the Borrower (the "GP") and of any corporation or partnership that is the managing general partner of the GP, of any corporate guarantor and any manager;
 - b. Authorization, execution, and delivery by the Borrower and the guarantor, of all Loan(s) documents;
 - c. The Loan(s) documents being in full force and effect and enforceable in accordance with their terms, subject to bankruptcy and equitable principles only;

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

Additional Conditions

This recommendation is also contingent upon satisfaction of the following additional conditions:

1. Compliance with all provisions of Section 420.507 Florida Statutes, Rule 67-48 F.A.C., Rule Chapter 67-53, F.A.C., Rule Chapter 67-60 F.A.C., RFA 2020-201, RFA 2023-211, Section 42 I.R.C. (Housing Credits), and any other State or Federal requirements.
2. Acceptance by the Borrower and execution of all documents evidencing and securing the Viability loan in form and substance satisfactory to Florida Housing, including, but not limited to, the Promissory Note(s), the Loan Agreement(s), the Mortgage and Security Agreement(s), Extended Land Use Agreement(s), and Final Cost Certificate.
3. Receipt and satisfactory review of a Joint Funding Agreement between Applicant and BoA or an affiliate, that requires funding of all HC Equity Installments during construction, even if the Borrower is in default under the Operating Agreement.
4. Guarantors to provide the standard FHFC Construction Completion Guaranty, to be released upon lien-free completion, as approved by the Servicer.
5. For the Viability Loan, 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 1.15x debt service coverage on the combined permanent first mortgage and Viability Loan as determined by FHFC, or the Servicer, and 90% occupancy, and 90% of the gross potential rental income, net of utility allowances, if applicable, for a period equal to 12 consecutive months, all as certified by an independent Certified Public Accountant, and verified by the Servicer. The calculation of the debt service coverage ratio shall be made by FHFC or the Servicer. Notwithstanding the above, the Operating Deficit Guaranty shall not terminate earlier than three (3) years following the final certificate of occupancy.

6. Guarantors to provide the Standard FHFC Environmental Indemnity Guaranty.
7. Guarantors to provide the Standard FHFC Guaranty of Recourse Obligations.
8. A Mortgagee Title Insurance policy naming Florida Housing as the insured in the amount of the Loan(s) is to be issued immediately after closing. Any exceptions to the title insurance policy must be acceptable to Florida Housing or its Legal Counsel. The form of the title policy must be approved prior to closing.
9. Property tax and hazard insurance escrow are to be established and maintained by the First Mortgagee Lender, Trustee, or the Servicer. In the event the reserve account is held by Florida Housing's Loan(s) servicing agent, the release of funds shall be at Florida Housing's sole discretion.
10. Replacement Reserves in the amount of \$300 per unit per year will be required to be deposited on a monthly basis into a designated escrow account, to be maintained by the First Mortgagee or Florida Housing's Loan(s) servicing agent. However, Applicant has the option to prepay Replacement Reserves, as allowed per 67-48 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 tenth year after the first residential building in the development receives a certificate of occupancy, a temporary certificate of occupancy, or is placed in service, whichever is earlier (“initial replacement reserve date”). A subsequent CNA is required no later than the 15th year after the initial Replacement Reserve Date and subsequently every five (5) years thereafter.

11. 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 completion of construction and issuance of all certificates of occupancy. The construction contract specifies a 10% retainage of each application for payment. After the completed work has reached 50% of the work, retainage will be reduced to 0%. This meets the RFA 2021-201 and Rule Chapter 67-48 minimum requirements.
12. Closing of all funding sources prior to or simultaneous with the Viability loan.
13. Satisfactory completion of a pre-loan closing compliance audit conducted by FHFC or Servicer, if applicable.
14. Satisfactory resolution of any outstanding past due and/or noncompliance items.
15. Any other reasonable requirements of the Servicer, Florida Housing, or its Legal Counsel.

Housing Credit Allocation Recommendation

First Housing Development Corporation has estimated a preliminary annual HC allocation of \$1,699,000. Please see the HC Allocation Calculation in Exhibit 2 of this report for further details.

Contingencies

The HC allocation will be contingent upon the receipt and satisfactory review of the following items by First Housing and Florida Housing by the deadline established in the Preliminary Determination. Failure to submit these items within this time frame may result in forfeiture of the HC Allocation.

1. Satisfactory resolution of any outstanding past due and/or noncompliance issues.
2. This report is subject to Florida Housing's Asset Management Department's approval of the Applicant's selection of management company.
3. This report is subject to continued approval of the management agent by Florida Housing.
4. Receipt of executed FHFC Fair Housing, Section 504, and ADA as built certification forms 122, 127, 129.
5. Any other reasonable requirements of the Servicer, Florida Housing, or its Legal Counsel.

VIABILITY & HC CREDIT UNDERWRITING REPORT

15-Year Pro Forma

FINANCIAL COSTS:		Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11	Year 12	Year 13	Year 14	Year 15	
OPERATING PRO FORMA																	
INCOME:	Gross Potential Rental Income	\$1,168,848	\$1,192,225	\$1,216,069	\$1,240,391	\$1,265,199	\$1,290,503	\$1,316,313	\$1,342,639	\$1,369,492	\$1,396,882	\$1,424,819	\$1,453,316	\$1,482,382	\$1,512,030	\$1,542,270	
	Other Income																
	Ancillary Income	\$23,040	\$23,501	\$23,971	\$24,450	\$24,939	\$25,438	\$25,947	\$26,466	\$26,995	\$27,535	\$28,086	\$28,647	\$29,220	\$29,805	\$30,401	
	Washer/Dryer Rentals	\$40,320	\$41,126	\$41,949	\$42,788	\$43,644	\$44,517	\$45,407	\$46,315	\$47,241	\$48,186	\$49,150	\$50,133	\$51,136	\$52,158	\$53,201	
	Gross Potential Income	\$1,232,208	\$1,256,852	\$1,281,989	\$1,307,629	\$1,333,782	\$1,360,457	\$1,387,666	\$1,415,420	\$1,443,728	\$1,472,603	\$1,502,055	\$1,532,096	\$1,562,738	\$1,593,992	\$1,625,872	
	Less:																
	Physical Vac. Loss Percentage: 3.00%	\$36,966	\$37,706	\$38,460	\$39,229	\$40,013	\$40,814	\$41,630	\$42,463	\$43,312	\$44,178	\$45,062	\$45,963	\$46,882	\$47,820	\$48,776	
	Collection Loss Percentage: 2.00%	\$24,644	\$25,137	\$25,640	\$26,153	\$26,676	\$27,209	\$27,753	\$28,308	\$28,875	\$29,452	\$30,041	\$30,642	\$31,255	\$31,880	\$32,517	
	Total Effective Gross Income	\$1,170,598	\$1,194,010	\$1,217,890	\$1,242,248	\$1,267,092	\$1,292,434	\$1,318,283	\$1,344,649	\$1,371,542	\$1,398,972	\$1,426,952	\$1,455,491	\$1,484,601	\$1,514,293	\$1,544,579	
	Fixed:																
Real Estate Taxes	\$124,897	\$128,644	\$132,503	\$136,478	\$140,573	\$144,790	\$149,134	\$153,608	\$158,216	\$162,962	\$167,851	\$172,887	\$178,073	\$183,415	\$188,918		
Insurance	\$153,600	\$158,208	\$162,954	\$167,843	\$172,878	\$178,064	\$183,406	\$188,909	\$194,576	\$200,413	\$206,426	\$212,618	\$218,997	\$225,567	\$232,334		
Variable:																	
Management Fee Percentage: 5.00%	\$58,530	\$59,700	\$60,894	\$62,112	\$63,355	\$64,622	\$65,914	\$67,232	\$68,577	\$69,949	\$71,348	\$72,775	\$74,230	\$75,715	\$77,229		
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	\$153,600	\$158,208	\$162,954	\$167,843	\$172,878	\$178,064	\$183,406	\$188,909	\$194,576	\$200,413	\$206,426	\$212,618	\$218,997	\$225,567	\$232,334		
Utilities	\$31,200	\$32,136	\$33,100	\$34,093	\$35,116	\$36,169	\$37,254	\$38,372	\$39,523	\$40,709	\$41,930	\$43,188	\$44,484	\$45,818	\$47,193		
Marketing and Advertising	\$4,800	\$4,944	\$5,092	\$5,245	\$5,402	\$5,565	\$5,731	\$5,903	\$6,080	\$6,263	\$6,451	\$6,644	\$6,844	\$7,049	\$7,260		
Maintenance and Repairs/Pest Control	\$43,200	\$44,496	\$45,831	\$47,206	\$48,622	\$50,081	\$51,583	\$53,131	\$54,724	\$56,366	\$58,057	\$59,799	\$61,593	\$63,441	\$65,344		
Grounds Maintenance and Landscaping	\$28,800	\$29,664	\$30,554	\$31,471	\$32,415	\$33,387	\$34,389	\$35,420	\$36,483	\$37,577	\$38,705	\$39,866	\$41,062	\$42,294	\$43,563		
Contract Services	\$24,000	\$24,720	\$25,462	\$26,225	\$27,012	\$27,823	\$28,657	\$29,517	\$30,402	\$31,315	\$32,254	\$33,222	\$34,218	\$35,245	\$36,302		
Reserve for Replacements	\$28,800	\$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	\$685,027	\$704,128	\$723,791	\$744,032	\$764,868	\$786,316	\$808,396	\$831,124	\$854,522	\$878,608	\$904,266	\$930,681	\$957,874	\$985,867	\$1,014,686		
Net Operating Income	\$485,571	\$489,881	\$494,099	\$498,216	\$502,225	\$506,118	\$509,887	\$513,524	\$517,020	\$520,365	\$522,686	\$524,810	\$526,727	\$528,425	\$529,892		
Debt Service Payments																	
First Mortgage - NLP	\$413,351	\$413,351	\$413,351	\$413,351	\$413,351	\$413,351	\$413,351	\$413,351	\$413,351	\$413,351	\$413,351	\$413,351	\$413,351	\$413,351	\$413,351	\$413,351	
Second Mortgage - NLP	\$18,170	\$18,170	\$18,170	\$18,170	\$18,170	\$18,170	\$18,170	\$18,170	\$18,170	\$18,170	\$18,170	\$18,170	\$18,170	\$18,170	\$18,170	\$18,170	
Third Mortgage - FHFC - Viability	\$43,000	\$43,000	\$43,000	\$43,000	\$43,000	\$43,000	\$43,000	\$43,000	\$43,000	\$43,000	\$43,000	\$43,000	\$43,000	\$43,000	\$43,000	\$43,000	
Fourth Mortgage - Osceola County	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Fifth Mortgage - City of Kissimmee	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
First Mortgage Fees - NLP	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Second Mortgage Fees - NLP	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Third Mortgage Fees - FHFC - Viability	\$10,750	\$10,750	\$10,750	\$10,750	\$10,750	\$10,750	\$10,750	\$10,750	\$10,750	\$10,750	\$10,750	\$10,750	\$10,750	\$10,750	\$10,750	\$10,750	
Fourth Mortgage Fees - Osceola County	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Fifth Mortgage Fees - City of Kissimmee	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Total Debt Service Payments	\$485,271	\$485,271	\$485,271	\$485,271	\$485,271	\$485,271	\$485,271	\$485,271	\$485,271	\$485,271	\$485,271	\$485,271	\$485,271	\$485,271	\$485,271	\$485,271	
Cash Flow after Debt Service	\$300	\$4,611	\$8,828	\$12,945	\$16,954	\$20,847	\$24,617	\$28,254	\$31,749	\$35,094	\$37,415	\$39,539	\$41,457	\$43,155	\$44,622		
Debt Service Coverage Ratios																	
DSC - First Mortgage plus Fees	1.17	1.19	1.20	1.21	1.22	1.22	1.23	1.24	1.25	1.26	1.26	1.26	1.27	1.27	1.28	1.28	
DSC - Second Mortgage plus Fees	1.13	1.14	1.15	1.15	1.16	1.17	1.18	1.19	1.20	1.21	1.21	1.22	1.22	1.22	1.22	1.23	
DSC - Third Mortgage plus Fees	1.00	1.01	1.02	1.03	1.03	1.04	1.05	1.06	1.07	1.07	1.08	1.08	1.09	1.09	1.09	1.09	
DSC - Fourth Mortgage plus Fee	1.00	1.01	1.02	1.03	1.03	1.04	1.05	1.06	1.07	1.07	1.08	1.08	1.09	1.09	1.09	1.09	
DSC - Fifth Mortgage plus Fees	1.00	1.01	1.02	1.03	1.03	1.04	1.05	1.06	1.07	1.07	1.08	1.08	1.09	1.09	1.09	1.09	
Financial Ratios																	
Operating Expense Ratio	58.52%	58.97%	59.43%	59.89%	60.36%	60.84%	61.32%	61.81%	62.30%	62.80%	63.37%	63.94%	64.52%	65.10%	65.69%		
Break-even Economic Occupancy Ratio (all debt)	95.23%	94.88%	94.56%	94.26%	93.98%	93.72%	93.48%	93.25%	93.05%	92.87%	92.76%	92.67%	92.60%	92.54%	92.51%		

HC Allocation Calculation

Section I: Qualified Basis Calculation

Total Development Costs(including land and ineligible Costs)	\$33,778,200
Less Land Costs	\$2,165,354
Less Federal Grants and Loans	\$0
Less Other Ineligible Costs	\$2,479,130
Total Eligible Basis	\$29,133,716
Applicable Fraction	100%
DDA/QCT Basis Credit	130%
Qualified Basis	\$37,873,831
Housing Credit Percentage	9.00%
Annual Housing Credit Allocation	\$3,408,645

Notes to the Qualified Basis Calculation:

1. Other ineligible costs include site work, washer/dryer costs, accounting fees, engineering fees, FHFC fees, insurance, legal, market study, advertising/marketing, property taxes, soils test, financial costs, and operating deficit reserves.
2. The Development has a 100% set-aside. Therefore, the Applicable Fraction is 100%.
3. The Development is located in a Geographic Area of Opportunity; therefore, the 130% basis credit was applied.
4. For purposes of this recommendation a HC percentage of 9% was applied based on the 9% floor rate which was permanently extended through the Protecting Americans from Tax Hikes (PATH) Act of 2015 as part of the Omnibus Consolidated Appropriations Act of 2016.

Section II: GAP Calculation

Total Development Costs(including land and ineligible Costs)	\$33,778,200
Less Mortgages	\$15,071,750
Less Grants	\$0
Equity Gap	\$18,706,450
HC Syndication Percentage to Investment Partnership	99.99%
HC Syndication Pricing	\$0.96
HC Required to meet Equity Gap	\$19,487,834
Annual HC Required	\$1,948,783

Notes to the Gap Calculation:

1. The syndication information was taken from the executed LOI, dated June 13, 2023, from BoA.
2. The committed first mortgage in the amount of \$5,180,000 exceeds the minimum first mortgage requirement of \$4,573,155.
3. The mortgage line item includes the additional expense reimbursement installment in the amount of \$91,750.

Section III: Summary

HC Per Applicant's Request	\$1,699,000
HC Per Qualified Basis	\$3,408,645
HC Per GAP Calculation	\$1,948,783
Annual HC Recommended	\$1,699,000
Syndication Proceeds based upon Syndication Agreement	\$16,308,769

1. The estimated annual housing credit allocation is limited to the lesser of the Qualified Basis calculation, the GAP calculation or the Applicant's Request. The recommendation is based on the Applicant's Request.
2. FHFC reserves the right to resize the Housing Credit preliminary awarded to the Applicant. The next opportunity for a feasibility review of this transaction will be at cost certification. If the cost certification indicates a need to resize the HC allocation, FHFC will do so at that time.

VIABILITY & HC CREDIT UNDERWRITING REPORT

Rule Chapter 67-48.0072(28)(g)	
Determination of the minimum first mortgage for use in the Housing Credit gap calculation	
Input Variables	
Annual rate of increase for revenues	2.00%
Annual rate of increase for operating expenses	3.00%
Vacancy & Collection Factor in CUR	5.00%
Minimum Vacancy & Collection Factor	7.00%
Which Rule was applicable at time of Application?	Post 7/11/2019
Minimum DSCR Year 15	1.25x
Minimum DSCR Year 1	1.50x
Minimum NCF after DS Year 1	\$1,000.00
Minimum qualifying 1st mortgage	\$500,000.00
Number of units in the proposed Development	96
Potential Gross Income Year 1	\$1,232,208.00
Vacancy & Collection Loss (7.00%)	\$86,254.56
Effective Gross Income Year 1	\$1,145,953.44
Operating Expenses Year 1	\$685,027.00
(i) Actual Debt of Development	\$5,180,000.00
Actual interest rate	7.37%
Actual term of debt amortization	35.00 Yrs
DS Interest Rate floor	7.00%
Application deadline	11/05/20
10-Year Treasury Rate as of App deadline	0.768%
Spread over 10-yr Treasury	325 bps
10-yr Treasury plus the stated spread	4.02%
Greater of interest rate floor or spread over Treasury	7.00%
Maximum Rate	8.00%
Interest Rate to be used for qualifying debt	7.37%
Minimum stated term of debt amortization per RFA	30.00 Yrs
Term of debt amortization to be used for qualifying debt	35.00 Yrs
Resulting Mortgage Constant to be used for qualifying debt	7.97975%
Minimum Debt Service	
NOI Year 15	\$475,896.43
DSCR DS limitation	\$380,717.14
(a) Resulting Debt, Year 15 limitation	\$4,771,040.07
NOI Year 1	\$460,926.44
(b)(i) DSCR DS limitation	\$307,284.29
(b)(i) DSCR Debt Sizing	\$3,850,800.29
(b)(ii) NCF DS limitation	\$364,926.44
(b)(ii) NCF Debt Sizing	\$4,573,155.45
(b) Greater of (i) DSCR debt or (ii) NCF debt, Year 1 limitation	\$4,573,155.45
(ii) Minimum qualifying first mortgage (lesser of (a) or (b))	\$4,573,155.45
Greater of Actual or Minimum	\$5,180,000.00

VIABILITY & HC CREDIT UNDERWRITING REPORT

Viability Loan Sizing

Viability Loan Sizing Parameters and Metrics				Cash Flow Assumptions			
Select the Development	Pinnacle at the Wesleyan			Net Operating Income:			
RFA of Active Award	RFA 2020-201			Total Effective Gross Income in CUR Yr 1	\$ 1,170,598.00		
Demographic Commitment	Family			Total Operating Expenses in CUR Yr 1	\$ 685,026.88		
Total Number of Units	96			Net Operating Income in CUR Yr 1	\$ 485,571.12		
Existing Competitive Active Awards:	Set-Aside Units			Actual Traditional 1st Mortgage:			
9% HC Allocation	\$ 1,699,000	96		Proposed Amount of Traditional 1st Mortgage	\$ 5,180,000.00		
SAIL	NA	NA		Traditional 1st Mtg Amortization (Years)	35.00		
ELI	NA	NA		Traditional 1st Mtg Interest Rate	7.370%		
NHTF	NA	NA		Traditional 1st Mtg Mortgage Constant	7.97975%		
HOME	NA	NA		Local HFA Bond Fees, if applicable			
Tax Exempt Bond Financing:				Traditional 1st Mtg DSCR	1.17x		
If MMRB, how much is the Perm Amount?		NA		Net Cash Flow (NCF) after 1st Mtg Debt Service	\$ 72,219.99		
Viability Funding Limits:				Debt Service (DS) on FHFC Subsidy Loans (w/ fees)	\$ -		
Gross Per Development Limit	\$ 4,300,000			NCF after FHFC Subsidy Loans DS & Fees	\$ 72,219.99		
Maximum Per Unit Limit	\$ 125,000			RFA 2023-211 Minimum 1st Mortgage:			
Net Per Development Limit (same as gross)	\$ 4,300,000			Maximum 1st Mtg DSCR from Viability RFA	1.30x		
Maximum Limit from PU Limit (96 units x \$125,000 PU)	\$ 12,000,000			Sized Debt Service from maximum DSCR	\$ 373,516.25		
Lesser of Net Per Development or PU Limit	\$ 4,300,000			When TEBS are not utilized, no fees are included	\$ -		
Viability Loan Sizing Parameters				Does the stated Eligible Request Amount need to be adjusted?	No		
a. Eligible Request Amount:				If so, how much should be deducted?			
Applicant's Request Amount	\$ 4,300,000			Sized Debt Service to be incorporated, net of fees	\$ 373,516.25		
Per Development/PU Limit	\$ 4,300,000			Mortgage Constant to be incorporated	7.97975%		
Eligible Request Amount:	\$ 4,300,000			Resulting minimum 1st Mtg	\$ 4,680,800.48		
b. Gap Analysis for Viability Sizing Purposes Only:				NCF after resulting minimum 1st Mtg	\$ 112,054.87		
Permanent Funding Sources:				NCF after FHFC Subsidy Loans DS & Fees	\$ 112,054.87		
		DS w/ Fees	DSCR	Rule Chapter 67-48.0072(28)(g)2. Variables and Process:			
Traditional First Mortgage	\$ 5,180,000.00	\$ 413,351	1.1747x	Total Vacancy & Collection Rate in CUR	5.000%		
Viability	\$ 4,300,000.00	\$ 53,750	1.0395x	Revenue Growth Rate in CUR	2.000%		
FHFC Source 1 - NA	\$ -	\$ -	1.0395x	Operating Expense Growth Rate in CUR	3.000%		
FHFC Source 2 - NA	\$ -	\$ -	1.0395x	Amortization to be incorporated (Years)	35.00		
FHFC Source 3 - NA	\$ -	\$ -	1.0395x	Interest Rate to be incorporated	7.370%		
NLP	\$ 500,000.00	\$ 18,170	1.0006x	Resulting Mortgage Constant for qualifying debt	7.97975%		
Osceola County	\$ 4,500,000.00	\$ -	1.0006x	Revenue Growth Rate to be incorporated	2.000%		
City of Kissimmee	\$ 500,000.00	\$ -	1.0006x	Operating Expense Growth Rate to be incorporated	3.000%		
HC Other	\$ 91,750.00	\$ -	1.0006x	Vacancy Rate to be incorporated	7.000%		
	\$ -	\$ -	1.0006x	Maximum DSCR for Year 1 NOI	1.50x		
HC Equity	\$ 16,308,769.00			Maximum DSCR for Year 15 NOI	1.25x		
Deferred Developer Fee (56.32%)	\$ 2,397,681.00			Minimum NCF PU Year 1 (after 1st Mtg DS Only)	\$1,000		
Total Sources	\$ 33,778,200.00	\$ 485,271	1.0006x	Net Operating Income Year 1	\$ 460,926.95		
Additional First Mortgage (Min 1st Sizing)	\$ -	\$ -		Net Operating Income Year 15	\$ 475,897.12		
Additional First Mortgage (DCR Sizing)	\$ -	\$ -		(a) Resulting Debt for Year 15 DSCR Limitations	\$ 4,771,047.07		
				(b)(i) Resulting Debt for Year 1 DSCR Limitation	\$ 3,850,804.56		
				(b)(ii) Resulting Debt for Year 1 NCS Limitation	\$ 4,573,161.86		
				(b) Greater of (b)(i) or (b)(ii)	\$ 4,573,161.86		
				Lesser of (a) or (b)	\$ 4,573,161.86		
				Sized Minimum 1st Mortgage per Rule	\$ 4,573,161.86		
				Resulting DSCR from Sized Minimum 1st Mortgage per Rule (using actual 1st mortgage debt structure)	1.33x		
Total Development Costs	\$33,778,200						
Maximum Developer Fee Percentage	16%						
Total Developer Fee	\$4,257,000						
Minimum 30% Deferred Developer Fee	\$ 1,277,100.00						

*Set-Asides for MMRB are expressed as the greater of MMRB Set-Asides or 4%HC Set-Asides for purposes of calculating Compliance Monitoring Fees on the MMRB loan.

PINNACLE AT THE WESLEYAN
RFA 2020-201 (2021-098C/2023-267C)
DESCRIPTION OF FEATURES AND AMENITIES

The Development will consist of:

96 apartments units located in 4 garden residential buildings.

Unit Mix:

Twelve (12) one bedroom/one bath units;

Sixty (60) two bedroom/two bath units; and

Twenty-four (24) three bedroom/two bath units.

96 Total Units

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

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

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

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

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

impairments. An additional 2 percent of the total units, but not fewer than one unit, must be accessible for persons with hearing or vision impairments.

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

b. General Features

The Development will provide the following General Features:

- Termite prevention;
- Pest control;
- Window covering for each window and glass door inside each unit;
- Cable or satellite TV hook-up in each unit and, if the Development offers cable or satellite TV service to the residents, the price cannot exceed the market rate for service of similar quality available to the Development’s residents from a primary provider of cable or satellite TV;
- Washer and dryer hook ups in each of the Development’s units or an on-site laundry facility for resident use. If the proposed Development will have an on-site laundry facility, the following requirements must be met:
 - There must be a minimum of one Energy Star certified washer and one Energy Star certified or commercial dryer per every 15 units. To determine the required number of washers and dryers for the on-site laundry facility; divide the total number of the Development’s units by 15, and then round the equation’s total up to the nearest whole number;
 - At least one washing machine and one dryer shall be front loading that meets the accessibility standards of Section 504;
 - If the proposed Development consists of Scattered Sites, the laundry facility shall be located on each of the Scattered Sites, or no more than 1/16 mile from the Scattered Site with the most units, or a combination of both.
- At least two full bathrooms in all 3 bedroom or larger new construction units;
- Bathtub with shower in at least one bathroom in at least 90 percent of the new construction non-Elderly units;

- Elderly Developments must have a minimum of one elevator per residential building provided for all Elderly Set-Aside Units that are located on a floor higher than the first floor; and
- Full-size range and oven must be provided in all units.

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

Federal and state law and building code regulations requires that programs, activities, and facilities be readily accessible to and usable by persons with disabilities. Florida Housing requires that the design, construction, or alteration of its financed Developments be in compliance with federal and state accessibility requirements. When more than one law and accessibility standard applies, the Applicant shall comply with the standard (2010 ADA Standards, Section 504, Fair Housing Act, or Florida Building Code, Accessibility) which affords the greater level of accessibility for the residents and visitors. Areas required to be made accessible to mobility-impaired residents and their visitors, including those in wheelchairs, shall include, but not be limited to, accessible routes and entrances, paths of travel, primary function areas, parking, trash bins, mail and package receiving areas for residents, pool and other amenities, including paths of travel to amenities and laundry rooms, including washers and dryers.

(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) In addition to the 5 percent mobility requirement outlined above, all Family Demographic Developments must provide reinforced walls for future installation of horizontal grab bars in place around each tub/shower and toilet, or a Corporation-approved alternative approach for grab bar installation. The installation of the grab bars must meet or exceed the 2010 ADA Standards for Accessible Design.

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 and toilet, pursuant to the 2010 ADA Standards. At a minimum, the Development shall inform each prospective lessee by including language in the Development's written materials listing and describing the unit's features, as well as including the language in each household's lease.

d. Required Green Building Features in all Developments

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

- Low or No-VOC paint for all interior walls (Low-VOC means 50 grams per liter or less for flat; 150 grams per liter or less for non-flat paint);
- Low-flow water fixtures in bathrooms—WaterSense labeled products or the following specifications:
 - Toilets: 1.28 gallons/flush or less,
 - Urinals: 0.5 gallons/flush,
 - Lavatory Faucets: 1.5 gallons/minute or less at 60 psi flow rate,
 - Showerheads: 2.0 gallons/minute or less at 80 psi flow rate;
- Energy Star certified refrigerator;
- Energy Star certified dishwasher;
- Energy Star certified ventilation fan in all bathrooms;
- Water heater minimum efficiency specifications:
 - Residential Electric:
 - Up to 55 gallons = 0.95 EF or 0.92 UEF; or
 - More than 55 gallons = Energy Star certified; or
 - Tankless = 0.97 EF and Max GPM of ≥ 2.5 over a 77° rise or 0.87 UEF and GPM of ≥ 2.9 over a 67° rise;
 - Residential Gas (storage or tankless/instantaneous): Energy Star certified,
 - Commercial Gas Water Heater: Energy Star certified;
- Energy Star certified ceiling fans with lighting fixtures in bedrooms;
- Air Conditioning (in-unit or commercial):
 - Air-Source Heat Pumps – Energy Star certified:
 - ≥ 8.5 HSPF/ ≥ 15 SEER/ ≥ 12.5 EER for split systems
 - ≥ 8.2 HSPF/ ≥ 15 SEER/ ≥ 12 EER for single package equipment including gas/electric package units
 - Central Air Conditioners – Energy Star certified:
 - ≥ 15 SEER/ ≥ 12.5 EER* for split systems
 - ≥ 15 SEER/ ≥ 12 EER* for single package equipment including gas/electric

package units.

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

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

_____ Leadership in Energy and Environmental Design (LEED);

_____ Florida Green Building Coalition (FGBC);

_____ Enterprise Building Communities; or

 X ICC 700 National Green Building Standard (NGBS).

- e. This Family Development will provide the following resident programs:

- (1) Adult Literacy

The Applicant or its Management Company must make available, at no cost to the resident, literacy tutor(s) who will provide weekly literacy lessons to residents in private space on-site. Various literacy programming can be offered that strengthens participants' reading, writing skills, and comprehension, but at a minimum, these must include English proficiency and basic reading education.

Training must be held between the hours of 8:00 a.m. and 7:00 p.m. and electronic media, if used, must be used in conjunction with live instruction. If the Development consists of Scattered Sites, this resident program must be provided on the Scattered Site with the most units.

- (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 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.

(3) Homeownership Opportunity Program - Applicant commits to provide a financial incentive which includes the following provisions:

- The incentive must be applicable to the home selected and may not be restricted to or enhanced by the purchase of a home in which the Applicant, Developer, or other related party has an interest;
- the incentive must be not less than 5 percent of the rent received by the owner for the unit during the entire occupancy by the household (Note: The incentive will be paid for all months for which the household is in compliance with the terms and conditions of the lease. Damages to the unit in excess of the security deposit will be deducted from the incentive.);
- the benefit must be in the form of a gift or grant and may not be a loan of any nature;
- the benefits of the incentive must accrue from the beginning of occupancy;
- the vesting period can be no longer than 2 years of continuous residency; and
- no fee, deposit or any other such charge can be levied against the household as a condition of participation in this program.

VIABILITY & HC CREDIT UNDERWRITING REPORT

DEVELOPMENT

NAME: Pinnacle at the Wesleyan

DATE: October 12, 2023

In accordance with the applicable Program Rule(s), the applicant is required to submit the information required to evaluate, complete, and determine its sufficiency in satisfying the requirements for Credit Underwriting to the Credit Underwriter in accordance with the schedule established by the Florida Housing Finance Corporation ("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 time frame. Unsatisfactory items, if any, are noted below in the "Issues and Concerns" section of the Executive Summary.

FINAL REVIEW	STATUS	NOTE
REQUIRED ITEMS:	Satis. / Unsatis.	
1. The development's final "as submitted for permitting" plans and specifications. Note: Final "signed, sealed, and approved for construction" plans and specifications will be required thirty days before closing.	Satis.	
2. Final site plan and/or status of site plan approval.	Satis.	
3. Permit Status.	Satis.	
4. Pre-construction analysis ("PCA"). a. No construction costs exceeding 20% is subcontracted to any one entity with the exception of a subcontractor contracted to deliver the building shell of a building of at least 5 stories which may not have more than 31% of the construction cost in a subcontract. b. No construction costs is subcontracted to any entity that has common ownership or is an affiliate of the general contractor of the developer.	Satis. Satis. Satis.	
5. Survey.	Satis.	
6. Complete, thorough soil test reports.	Satis	
7. Full or self-contained appraisal as defined by the Uniform Standards of Professional Appraisal Practice.	Satis.	
8. Market Study separate from the Appraisal.	Satis.	
9. Environmental Site Assessment – Phase I and/or the Phase II if applicable (If Phase I and/or II disclosed environmental problems requiring remediation, a plan, including time frame and cost, for the remediation is required). If the report is not dated within one year of the application date, an update from the assessor must be provided indicating the current environmental status.	Satis.	
10. Audited financial statements for the most recent fiscal year ended or acceptable alternative as stated in Rule for credit enhancers, applicant, general partner, principals, guarantors and general contractor.	Satis.	
11. Resumes and experience of applicant, general contractor and management agent. Confirmed active status on Sunbiz for Applicant, Developer, and GC entities.	Satis.	
12. Credit authorizations; verifications of deposits and mortgage loans.	Satis.	
13. Management Agreement and Management Plan.	Satis.	
14. Firm commitment from the credit enhancer or private placement purchaser, if any.	N/A	

VIABILITY & HC CREDIT UNDERWRITING REPORT

15. Firm commitment letter from the syndicator, if any.	Satis.	1.
16. Firm commitment letter(s) for any other financing sources.	Satis.	2-3.
17. Updated sources and uses of funds.	Satis.	
18. Draft construction draw schedule showing sources of funds during each month of the construction and lease-up period.	Satis.	4.
19. Fifteen-year income, expense, and occupancy projection.	Satis.	
20. Executed general construction contract with "not to exceed" costs.	Satis.	
21. HC ONLY: 15% of the total equity to be provided prior to or simultaneously with the closing of the construction financing.	Satis.	
22. Any additional items required by the credit underwriter.	Satis.	
23. Receipt of executed Florida Housing Fair Housing, Section 504 and ADA Design Certification Forms 121, 126, and 128.	Satis.	
24. If the owner has a HAP Contract or ACC with HUD, then receipt of HUD approval for an owner-adopted preference or limited preference specifically for individuals or families who are referred by a designated Referral Agency serving the county where the Development is located.	N/A	
25. Receipt of Tenant Selection Plan	Satis.	
26. Receipt of GC Certification	Satis.	
27. Reliance for FHDC as agent for FHFC is include in all applicable third party reports: Appraisal, Market Study, PCA, CNA, and Phase I.	Satis.	

1. Closing is conditioned upon receipt of an Amended and Restated Operating Agreement.
2. Closing is conditioned upon receipt of a firm commitment from BoA (construction financing) and NLP (permanent financing) with terms and conditions that are not substantially different than those utilized in this credit underwriting report.
3. Closing is conditioned upon final loan documents for the third and fourth mortgages with terms that are not substantially different than those utilized in this credit underwriting report.
4. Closing is conditioned upon receipt of a final draw schedule.

FLORIDA HOUSING FINANCE CORPORATION

Credit Underwriting Report ("CUR")

Oasis at Aventura

RFA 2021-203 (2022-099C / 2023-268C)

**Housing Credit Financing for Affordable Housing Developments
Located in Miami-Dade County**

RFA 2023-211 (2023-241V)

Construction Inflation Response Viability Funding

Section A: Report Summary

Section B: HC Allocation Recommendation and Contingencies

Section C: Supporting Information and Schedules

Prepared by

AmeriNat®

Final Report

October 12, 2023

Oasis at Aventura

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Section A
Report Summary

Recommendation

AmeriNat® (“AmeriNat”) recommends a Construction Inflation Response Viability Funding (“Viability”) Loan in the amount of \$4,300,000 and an annual allocation of 9% Housing Credits (“HC”) in the amount of \$2,266,000 to HTG Oasis, Ltd (“Applicant” or “Borrower”) for the construction and permanent financing of Oasis at Aventura (the “Development”).

DEVELOPMENT & SET-ASIDES																	
Development Name:		<u>Oasis at Aventura</u>															
RFA/Program Numbers:		<u>2022-099C /</u>				<u>RFA 2021-203</u>				<u>/</u>		<u>2023-268C</u>		<u>RFA 2023-211</u>		<u>2023-241V</u>	
Address:		<u>NE 25th Ave, NE 25th Ave and NE 187th St</u>															
		<u>Unincorporated Miami-Dade</u>															
City:		<u>County</u>				Zip Code: <u>33180</u>				County: <u>Miami-Dade</u>				County Size: <u>Large</u>			
Development Category:		<u>New Construction</u>				Development Type: <u>High Rise</u>											
Construction Type:		<u>Masonry</u>															
Demographic Commitment:		Primary: <u>Elderly: 55+ or 62+</u> for <u>100%</u> of the Units															
Unit Composition:		# of ELI Units: <u>10</u> ELI Units Are Restricted to <u>25%</u> AMI, or less. Total # of units with PBRA? <u>0</u>															
		# of Link Units: <u>5</u> Are the Link Units Demographically Restricted? <u>Yes</u> # of NHTF Units: <u>0</u>															

Bed Rooms	Bath Rooms	Units	Square Feet	AMI%	Low HOME	High HOME	Gross HC Rent	Utility Allow.	Net Restricted	PBRA Contr	Applicant Rents	Appraiser Rents	CU Rents	Annual Rental Income
1	1	10	640	25%			\$484	\$87	\$397		\$397	\$397	\$397	\$47,640
1	1	6	640	33%			\$638	\$87	\$551		\$551	\$551	\$551	\$39,672
1	1	79	640	60%			\$1,161	\$87	\$1,074		\$1,074	\$1,074	\$1,074	\$1,018,152
		95	60,800											\$1,105,464

The Applicant selected 40% of the units at 60% or less of area median income (“AMI”) as the minimum set-aside commitment. Please note this is a change from the time of Application, wherein the Applicant selected Average Income Test as the minimum set-aside commitment. Set asides include 10% of the units (10 units) at or below 25% of AMI and 90% of the units (85 units) at or below 60% of AMI. Furthermore, Miami-Dade County (third mortgage lender) is requiring that the Development set-aside six of the 60% AMI units at 33% AMI. The Development will serve an Elderly (Non-ALF) demographic. The Development must set aside at least 10 percent of total units (10 units) at 25% for Extremely Low Income (“ELI”) Households.

Persons with Special Needs Set-Aside Commitment: The proposed Development must set aside 50 percent (50%) of the ELI Set-Aside units as Link units (5 units) for Persons with Special Needs. In order to meet the commitment to set aside ELI units as Link units for Persons with Special Needs, the Applicant must develop and execute a Memorandum of Understanding (“MOU”) with at least one designated Special Needs Household Referral Agency (“Referral Agency”) serving the county and intended population where the Development will be located (Miami-Dade County) and rent units to households referred by the Referral Agency with which the MOU is executed. The fully executed MOU was approved by Florida

VIABILITY & HC CREDIT UNDERWRITING REPORT

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Housing on September 29, 2023. FHFC approved the Applicant’s Tenant Selection Plan on February 28, 2022.

As required by the Federal Fair Housing Act and the RFA, at least 80% of the total units will be rented to residents that qualify as Elderly.

Note: Surtax funding requires 16 units to be set aside for ELI households at 33% of AMI or less.

Buildings: Residential - 1 Non-Residential - 0
 Parking: Parking Spaces - 62 Accessible Spaces - 3

Set Asides:

Program	% of Units	# of Units	% AMI	Term (Years)
HC	10%	10	25%	50
HC	90%	85	60%	50
Surtax	11%	10	25%	30
Surtax	6%	6	33%	30

Absorption Rate: 31 units per month for 3.1 months.

Occupancy Rate at Stabilization: Physical Occupancy 98.00% Economic Occupancy 97.00%
 Occupancy Comments CMA has a stabilized occupancy rate of 100%

DDA: Yes QCT: No Multi-Phase Boost: No QAP Boost: N/A
 Site Acreage: 0.9094 Density: 104.46 Flood Zone Designation: X
 Zoning: OJUC, Ojus Urban Center Flood Insurance Required?: No

Note: At the time of Application, the proposed Development was going to be the first phase of a multiphase Development. However, the Applicant confirmed that there will no longer be a subsequent phase.

VIABILITY & HC CREDIT UNDERWRITING REPORT

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DEVELOPMENT TEAM		
Applicant/Borrower:	HTG Oasis, Ltd.	
		% Ownership
General Partner	AM Affordable Housing, Inc.	0.001%
Limited Partner	Raymond James Housing Opportunities Fund 36 LLC (Affiliate of RJAH)	99.990%
Special LP	HTG Oasis Member, LLC	0.009%
Construction Completion Guarantor(s):		
CC Guarantor 1:	HTG Oasis, Ltd.	
CC Guarantor 2:	AM Affordable Housing, Inc.	
CC Guarantor 3:	HTG Oasis Member, LLC	
CC Guarantor 4:	HTG Oasis Developer, LLC	
CC Guarantor 5:	Randy Rieger, LLC	
CC Guarantor 6:	Balogh Family Partnership, LLC	
CC Guarantor 7:	Matthew A. Rieger, individually and Matthew A. Rieger Family Trust and MAR Family Partnership, Ltd	
Operating Deficit Guarantor(s):		
OD Guarantor 1:	HTG Oasis, Ltd.	
OD Guarantor 2:	AM Affordable Housing, Inc.	
OD Guarantor 3:	HTG Oasis Member, LLC	
OD Guarantor 4:	HTG Oasis Developer, LLC	
OD Guarantor 5:	Randy Rieger, LLC	
OD Guarantor 6:	Balogh Family Partnership, LLC	
OD Guarantor 7:	Matthew A. Rieger, individually and Matthew A. Rieger Family Trust and MAR Family Partnership, Ltd	
Developer:	HTG Oasis Developer, LLC	
Principal 1	HTG Florida Developer, LLC	
Principal 2	Rieger Holdings, LLC	
Principal 3	MGM Properties, LLC	
Principal 4	Balogh Affordable Housing, LLC	
Principal 5	Matthew A. Rieger	
General Contractor 1:	Ballast Construction, LLC	
Management Company:	HTG Management, LLC	
Syndicator:	Raymond James Affordable Housing Investments, Inc. or its assigns	
Architect:	Anillo.Toledo.Lopez, LLC	
Market Study Provider:	Meridian Appraisal Group, Inc.	
Appraiser:	Integra Realty Resources - Tampa Bay	

VIABILITY & HC CREDIT UNDERWRITING REPORT

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PERMANENT FINANCING INFORMATION						
	1st Source	2nd Source	3rd Source	4th Source	5th Source	Other
Lien Position	1	2	3			
Lender/Grantor	Berkadia/ Freddie Mac	FHFC - Viability	Miami-Dade County			
Amount	\$7,519,000	\$4,300,000	\$2,375,000			
Underwritten Interest Rate	6.18%	1.00%	1.00%			
All In Interest Rate	6.18%	1.00%	1.00%			
Loan Term	15	15.5	30			
Amortization	40	n/a	n/a			
Market Rate/Market Financing LTV	26%	40%	48%			
Restricted Market Financing LTV	62%	98%	117%			
Loan to Cost - Cumulative	21%	32%	39%			
Debt Service Coverage	1.22	1.10	1.06			
Operating Deficit & Debt Service Reserves	\$264,413					
# of Months covered by the Reserves	2.8					
Deferred Developer Fee						\$1,381,597
As-Is Land Value						\$3,990,000
Market Rent/Market Financing Stabilized Value						\$29,300,000
Rent Restricted Market Financing Stabilized Value						\$12,100,000
Projected Net Operating Income (NOI) - Year 1						\$617,722
Projected Net Operating Income (NOI) - 15 Year						\$707,126
Year 15 Pro Forma Income Escalation Rate						2.00%
Year 15 Pro Forma Expense Escalation Rate						3.00%
Housing Credit (HC) Syndication Price						\$0.929
HC Annual Allocation - Initial Award						\$2,266,000
HC Annual Allocation - Qualified in CUR						\$2,266,000
HC Annual Allocation - Equity Letter of Interest						\$2,266,000

CONSTRUCTION/PERMANENT SOURCES:				
Source	Lender	Construction	Permanent	Perm Loan/Unit
Regulated Mortgage Lender	JPMorgan Chase Bank (const)/ Berkadia/Freddie Mac (perm)	\$19,300,000	\$7,519,000	\$79,147
FHFC - Viability	FHFC	\$4,300,000	\$4,300,000	\$45,263
Local Government Subsidy	Miami-Dade County	\$2,375,000	\$2,375,000	\$25,000
HC Equity	RJAH	\$9,268,035	\$21,049,035	\$221,569
Deferred Developer Fee	Developer	\$1,381,597	\$1,381,597	\$14,543
TOTAL		\$36,624,632	\$36,624,632	\$385,522

Credit Underwriter: AmeriNat Loan Services
Date of Final CUR: 10/12/2023
TDC PU Limitation at Application: \$374,700 TDC PU Limitation at Credit Underwriting: \$485,611.20
Minimum 1st Mortgage per Rule: \$6,363,172.08 Amount Dev. Fee Reduced for TDC Limit: \$0

Changes from the Application:

COMPARISON CRITERIA	YES	NO
Does the level of experience of the current team equal or exceed that of the team described in the Application?	1	
Are all funding sources the same as shown in the Application?		9
Are all local government recommendations/contributions still in place at the level described in the Application?	X	
Is the Development feasible with all amenities/features listed in the Application?	X	
Do the site plans/architectural drawings account for all amenities/features listed in the Application?	X	
Does the Applicant have site control at or above the level indicated in the Application?	X	
Does the Applicant have adequate zoning as indicated in the Application?	X	
Has the Development been evaluated for feasibility using the total length of set-aside committed to in the Application?	X	
Have the Development costs remained equal to or less than those listed in the Application?		2
Is the Development feasible using the set-asides committed to in the Application?	X	
If the Development has committed to serve a special target group (e.g. elderly, large family, etc.), do the development and operating plans contain specific provisions for implementation?	X	
HOME ONLY: If points were given for match funds, is the match percentage the same as or greater than that indicated in the Application?	N/A	
HC ONLY: Is the rate of syndication the same as or greater than that shown in the Application?		3
Is the Development in all other material respects the same as presented in the Application?		4-8

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

1. The Applicant submitted a request to FHFC on October 31, 2022 to change the applicant from a limited liability company (HTG Oasis, LLC) to a limited partnership (HTG Oasis, Ltd.). The Applicant also requested to add AM Affordable Housing, Inc. as the 0.001% General Partner. HTG Oasis Member, LLC, the current 0.01% Non-Investor Member will remain as the 0.009% Non-Investor Limited Partner. Matthew Rieger will be removed as a Manager of the Applicant entity at the first Principal Disclosure Level.

At the second principal disclosure level, Alonzo Mourning will serve as the Executive Director of AM Affordable Housing, Inc. and Alonzo H. Mourning III and Allen Furst will serve as Officers/Directors of AM Affordable Housing, Inc. The ownership of HTG Oasis Member, LLC remains the same.

At the December 9, 2022 FHFC Board meeting, this change to the Applicant structure was approved.

2. Total Development Costs (“TDC”), inclusive of land and reserves, increased from \$29,887,434 to \$36,624,632 for a difference of \$6,737,198 since the time of Application primarily due to an increase in Construction Costs, General Development Costs, Financial Costs, Developer Fee and the inclusion of Operating Deficit and Start-Up/Lease-up Reserves.
3. Raymond James Tax Credit Funds, Inc. (“RJTCF”) was the proposed equity provider at the time of the original Application. RJTCF has since changed its name to Raymond James Affordable Housing Investments, Inc (“RJAHI”). In the original application for HC, RJTCF provided an executed Letter of Intent (“LOI”) with a HC price of \$0.93. Subsequently, the Applicant provided a draft Amended and Restated Agreement of Limited Partnership (“LPA”) dated September 1, 2023 that indicates that Raymond James Housing Opportunities Fund 36 L.L.C (“RJHOF”), an Affiliate of RJAHI, will be the Investor Limited Partner. The LPA illustrates a price of \$0.929 for each \$1.00 of syndicated HC received.
4. The Applicant submitted a request to FHFC on July 11, 2022 to change the unit mix change as follows:

From:

53 - 1 bedroom/1 bath units (8 ELI units)
42 - 2 bedroom/2 bath units (7 ELI units)

To:

95 - 1 bedroom/1 bath units (15 ELI units)

Florida Housing staff approved the request on September 7, 2022.

5. The Applicant submitted a request, dated January 26, 2023, to FHFC to change the set-aside commitment as follows:

From: Average Income Test

15 units (15.789%) @ 30%
35 units (36.842%) @ 60%
45 units (47.368%) @ 70%

Total ELI Units: 15

To: 40% of the units at 60% or less of the AMI

10% (10 units) @ 25%
90% (85 units) @ 60%

Total ELI Units: 10

Florida Housing staff approved the request on March 13, 2023.

6. Since the time of application, Ballast Construction, LLC ("Ballast") replaced Gomez Construction Company as the Development's General Contractor. AmeriNat is in receipt of a Florida Housing Finance Corporation General Contractor or Qualifying Agent of General Contractor Certification form and Prior Experience Chart. AmeriNat recommends Ballast be accepted as the General Contractor.
7. The Applicant submitted a request on August 17, 2023 to change the Demographic Commitment that was selected in the Application. The Applicant submitted a waiver of Rule 67-48.004(3)(h), F.A.C., to change the Demographic Commitment from "Family" to "Elderly (Non-ALF)." At the the September 8, 2023 FHFC Board meeting, the Rule waiver was approved.
8. At the time of Application, the proposed Development was going to be the first phase of a multiphase Development. However, the Applicant confirmed that there will no longer be a subsequent phase.
9. Since the time of Application, JPMorgan Chase Bank, N.A. ("Chase") has reduced the construction loan from \$24,000,000 to \$19,300,000.

Since the time of Application, the Applicant provided a LOI dated June 30, 2023, indicating that Berkadia Commercial Mortgage LLC ("Berkadia") replaced Chase as the permanent lender and will provide a loan in an amount up to \$7,519,000 through the Freddie Mac Targeted Affordable Housing Unfunded Forward Commitment Program.

Since the time of Application, the Applicant was awarded Surtax/SHIP loan funding in the amount of \$2,375,000 from Miami-Dade County.

Since the time of Application, the Applicant applied under RFA 2023-211 - Construction Inflation Response Viability Funding for additional funding from FHFC. The list of awardees for RFA 2023-211 was approved at the June 9, 2023 FHFC Board meeting and the Applicant's Application was selected for a preliminary award of Viability Loan Funding in an amount up to \$4,300,000 from FHFC.

The above changes have no material impact to the Viability Loan and Housing Credit 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 May 24, 2023, no noncompliance issues exist for the Development Team.

According to the FHFC Past Due Report dated September 18, 2023, no past due issues exist for the Development Team.

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

Strengths:

1. The Development Team has demonstrated the ability to successfully develop and operate affordable multifamily rental communities using a variety of different subsidies.
2. Based on the proposed rents, the estimated overall weighted average market rent is 114% greater than the estimated average restricted rent.
3. Stabilized properties identified by Meridian as comparable to the Development reflect a 100% average occupancy rate within the Development's Competitive Market Area.

Other Considerations:

None

Issues and Concerns:

None

Waiver Requests:

1. The Applicant petitioned for a waiver of Rule 67-48.004(3)(h), F.A.C. to change the Demographic Commitment from "Family" to "Elderly (Non-ALF)". At the September 8, 2023 FHFC Board meeting, the Rule waiver was approved.
2. According to the RFA, the Corporation will review the limited partnership agreement or limited liability company operating agreement language on reserves for compliance with the RFA requirement. If the limited partnership agreement or limited liability company operating agreement does not specifically state that the parties will comply with the Corporation's RFA requirements, the Corporation will require an amendment of the agreement and will not issue IRS form(s) 8609 until the amendment is executed and provided to the Corporation. The RFA includes language restricting the disposition of any funds remaining in any operating deficit reserve(s) after the term of the reserve's original purpose has terminated or is near termination. The RFA also requires the Corporation to review the limited partnership agreement or limited liability company operating agreement language on reserves for compliance with the RFA requirement. While Florida Housing will continue to require the Applicant to adhere to all requirements in the RFA including the restrictions on the disposition of any funds in an operating deficit reserve account, Florida Housing will not monitor the limited partnership agreement or limited liability company operating agreement language for compliance with these requirements, as this would require analysis of a legal contract. This deviation in process was included as an Information Item in the April 29, 2022 FHFC Board Meeting.

Additional Information:

1. As a requirement of the RFA, a TDC Per Unit Base Limitations test was performed. Based on the Application, the Applicant indicated the Development is a new construction of one High-Rise building, ESS Construction, and as such is limited to a TDC of no more than \$374,700.00 per unit based on the time the RFA was issued. There are no TDC PU Add-Ons or other increases. FHFC approved an increase

to the TDC limitation at the April 1, 2022 FHFC Board meeting and, as such, the Development is limited to a TDC of no more than \$485,611.20 per unit. Based on the underwritten TDC, exclusive of land costs, the per unit cost for the Development of \$340,765.47 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, with the exception of a subcontractor to deliver the shell of building of at least five stories, which may be 31%.
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.

Special Conditions:

None

Recommendation:

AmeriNat recommends a recommends a Viability Loan in the amount of \$4,300,000 and an annual allocation of 9% HC in the amount of \$2,266,000 for the construction and permanent financing of the proposed Development. Please see Exhibit 3 of this report for further information regarding the HC allocation calculation.

These recommendations are based upon the assumptions detailed in the Report Summary (Section A) and Supporting Information and Schedules (Section C). In addition, these recommendations are subject to the Viability Loan Special and General Conditions and Housing Credit 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:



Matthew Smiley
Credit Underwriter Analyst

Reviewed by:



Kyle Kuenn
Multifamily Chief Credit Underwriter

Overview

Construction Financing Sources:

Source	Lender	Applicant's Total	Applicant's Revised Total	Underwriter's Total	Interest Rate	Debt Service During Construction
Regulated Mortgage Lender	JPMorgan Chase Bank	\$24,000,000	\$19,300,000	\$19,300,000	8.22%	\$1,734,501
FHFC - Viability	FHFC	\$0	\$4,300,000	\$4,300,000	0.00%	\$0
Local Government Subsidy	Miami-Dade County	\$0	\$2,375,000	\$2,375,000	0.00%	\$0
HC Equity	RJAH	\$10,538,850	\$7,633,397	\$9,268,035		
Deferred Developer Fee	Developer	\$3,560,000	\$2,888,551	\$1,381,597		
Total :		\$38,098,850	\$36,496,948	\$36,624,632		\$1,734,501

Proposed First Mortgage:

The Applicant provided a draft Promissory Note, dated August 30, 2023 from Chase that illustrates the terms in which Chase will make a construction loan in the amount of 19,300,000. The construction loan has a 24-month term with two optional six-month extensions for a fee of 0.125% of the sum of the then Principal Balance of the loan plus the amount remaining of the original commitment. The loan will be interest-only during the construction period with payments due monthly. The construction loan will be repaid from equity funded up to and including conversion to the permanent financing and from the permanent loan. The loan will have a variable interest equal to the one-month SOFR (5.07% as of 6/27/2023), subject to a floor of 1.00%, plus a spread of 2.15%. In addition, a 1.00% underwriting cushion has also been included in the rate stack, for an all-in interest rate of 8.22%. A commitment fee of 0.75% of the loan amount will be paid at loan closing.

Proposed Second Mortgage:

The Applicant applied to Florida Housing for a \$4,300,000 Viability loan for the construction and permanent financing of the Development. The Viability loan total term will be 18.5 years, of which 2.5 years is for the construction/stabilization period and 15.5 years is for the permanent period. As required by Freddie Mac and permitted by RFA 2023-211, the Viability Loan will be coterminous with the first mortgage plus six months (total term of 18.5 years). The Viability loan shall be non-amortizing with a 1.00% interest rate over the life of the loan with annual payments based upon available cash flow. The Applicant shall not be obligated to pay more than 75% of surplus cash flow on an annual basis as required by Freddie Mac. Any unpaid interest will be deferred until cash flow is available. However, at maturity of the Viability loan, all principal and interest will be due. Annual payments of all applicable fees will be required. Viability loan proceeds shall be disbursed during the construction phase in an amount per construction draw which does not exceed the ratio of the Viability Loan to Total Development Costs, unless approved by the credit underwriter.

Proposed Third Mortgage:

The Applicant provided a Conditional Loan Commitment, dated June 8, 2023, from Miami-Dade County that illustrates the terms in which the County will provide a Surtax/SHIP loan in the amount of \$2,375,000.

The loan will have a 0.00% interest rate during construction, years 1-2, and 1.00% interest only payments from Development cash flow years 3-30, with another 1.00% interest accruing and due at maturity. The loan will have a term of 30-years. Full principal is due at maturity.

HC Equity:

The Applicant provided a draft LPA dated September 1, 2023, from RJHOF that outlines the terms and conditions of the purchase of the HC. RJHOF will provide a net equity investment of \$21,049,035 in exchange for a 99.99% Investor Limited Partner interest and a proportionate share of the total HC allocation estimated by RJHOF to be \$22,660,000. The HC allocation will be syndicated at a rate of approximately \$0.929 per \$1.00 of delivered tax credits. HC equity in the amount of \$5,262,259 will be funded prior to or simultaneously with construction loan closing, which satisfies the RFA 15% requirement. Additional HC equity contributions during construction consist of \$1,052,452 that will be funded at the later of April 1, 2024 or 50% of Construction Completion and \$5,262,259 that will be funded at the later of October 1, 2024 or 98% of Construction Completion. However, AmeriNat only estimates \$1,934,324 of the third HC equity contribution will be utilized during the construction phase.

Deferred Developer Fee:

The Applicant will be required to defer \$1,381,597 or 30.92% of total Developer Fee during the construction phase.

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Permanent Financing Sources:

Source	Lender	Applicant's Total	Applicant's Revised Total	Underwriter's Total	Interest Rate	Amortization Years	Term Years	Annual Debt Service
Regulated Mortgage Lender	Berkadia/ Freddie Mac	\$10,400,000	\$7,556,000	\$7,519,000	6.18%	40	15	\$507,815
FHFC - Viability	FHFC	\$0	\$4,300,000	\$4,300,000	1.00%	n/a	15.5	\$43,000
Local Government Subsidy	Miami-Dade County	\$0	\$2,375,000	\$2,375,000	1.00%	n/a	30	\$23,750
HC Equity	RJAH	\$21,071,700	\$21,049,034	\$21,049,035				
Deferred Developer Fee	Developer	\$3,560,000	\$1,216,914	\$1,381,597				
Total :		\$35,031,700	\$36,496,948	\$36,624,632				\$574,565

Proposed First Mortgage:

Per an executed Commitment Letter dated September 29, 2023, Berkadia will provide a permanent loan in an amount of \$7,519,000, through the Freddie Mac Multifamily Targeted Affordable Housing Unfunded Forward Commitment Program. Terms include a 15-year term and 40-year amortization period. Per an executed Index-Lock Confirmation Sheet dated July 21, 2023, the loan will have a fixed interest rate of 6.18% that is based on the 10-Year Treasury (3.83% as of September 29, 2023) plus a spread of 2.35%.

In order for the permanent loan to close, the Development must achieve the following: 1) 1.15x Debt Service Coverage Ratio, 2) A minimum occupancy rate of 95% as of the Conversion Date, 3) Freddie Mac's purchase of the mortgage.

Based on a first mortgage amount of \$7,519,000, the Development meets the minimum 1.10x to 1.00 Debt Service Coverage ("DSC") requirement for all first and second mortgages for Housing Credits. However, AmeriNat estimates that the first mortgage will need to be reduced to \$7,167,743 to meet Miami-Dade County's FY 2022 requirement that the Surtax/SHIP loan must achieve a 1.10x DSC. The Applicant has indicated that Miami-Dade County will waive the DSC requirement.

Proposed Second Mortgage:

The Applicant applied to Florida Housing for a \$4,300,000 Viability loan for the construction and permanent financing of the Development. The Viability loan total term will be 18.5 years, of which 2.5 years is for the construction/stabilization period and 15.5 years is for the permanent period. As required by Freddie Mac and permitted by RFA 2023-211, the Viability Loan will be coterminous with the first mortgage plus six months (total term of 18.5 years). The Viability loan shall be non-amortizing with a 1.00% interest rate over the life of the loan with annual payments based upon available cash flow. The Applicant shall not be obligated to pay more than 75% of surplus cash flow on an annual basis as required by Freddie Mac. Any unpaid interest will be deferred until cash flow is available. However, at maturity of the Viability loan, all principal and interest will be due. Annual payments of all applicable fees will be required. Fees include an annual Permanent Loan Servicing Fee of 25 bps of the outstanding loan amount up to a maximum of \$936 per month, subject to a minimum of \$236 per month.

Proposed Third Mortgage:

The Applicant provided a Conditional Loan Commitment, dated June 8, 2023, from Miami-Dade County that illustrates the terms in which the County will provide a Surtax/SHIP loan in the amount of \$2,375,000. The loan will have a 0.00% interest rate during construction, years 1-2, and 1.00% interest only payments

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from Development cash flow years 3-30, with another 1.00% interest accruing and due at maturity. The loan will have a term of 30-years. Full principal will be due at maturity.

HC Equity:

The Applicant provided a draft LPA dated September 1, 2023, from RJHOF that outlines the terms and conditions of the purchase of the HC. RJHOF will provide a net equity investment of \$21,049,035 in exchange for a 99.99% Investor Limited Partner interest and a proportionate share of the total HC allocation estimated by RJHOF to be \$22,660,000. The HC allocation will be syndicated at a rate of approximately \$0.929 per \$1.00 of delivered tax credits.

The HC equity contributions are to be paid as follows:

Capital Contributions	Amount	Percent of Total	Due upon
1st Installment	\$5,262,259	25.00%	Paid prior to or simultaneous with the closing of construction financing
2nd Installment	\$1,052,452	5.00%	Paid at the later of: (i) April 1, 2024, (ii) receipt of the County Loan, and (iii) receipt of evidence acceptable to the Investor Limited Partner that Construction of the Development is 50% complete as certified by the Architect, and (iv) receipt of a current Partner's Certificate
3rd Installment	\$5,262,259	25.00%	Paid at the later of: January 1, 2025 or 98% construction completion
4th Installment	\$9,472,065	45.00%	Paid upon receipt of Forms 8609s, evidence of the Property Tax Exemption, Income Tax Documentation, the executed Extended Use Agreement, and a current Special Limited Partner's Certificate
Total:	\$21,049,035	100%	

Annual Credits Per Syndication Agreement	\$2,266,000
Total Credits Per Syndication Agreement	\$22,660,000
Calculated HC Rate:	\$0.9290
Limited Partner Ownership Percentage	99.99%
Proceeds During Construction	\$8,249,035

Deferred Developer Fee:

The Applicant will be required to permanently defer \$1,381,597 or 30.92% of the total Developer Fee after stabilization. The Deferred Developer Fee meets the 30% Viability requirement as illustrated in RFA 2023-211.

Uses of Funds

CONSTRUCTION COSTS:	Applicant Costs	Revised Applicant Costs	Underwriters Total Costs - CUR	Cost Per Unit	HC Ineligible Costs - CUR
Demolition	\$10,000	\$22,500	\$0	\$0	\$0
New Rental Units	\$15,626,899	\$18,623,973	\$16,902,887	\$177,925	\$347,218
Site Work	\$0	\$0	\$1,250,846	\$13,167	\$0
Furniture, Fixture, & Equipment	\$0	\$0	\$340,616	\$3,585	\$40,375
Constr. Contr. Costs subject to GC Fee	\$15,636,899	\$18,646,473	\$18,494,349	\$194,677	\$387,593
General Conditions	\$0	\$1,117,438	\$1,109,661	\$11,681	\$0
Overhead	\$0	\$372,479	\$369,887	\$3,894	\$0
Profit	\$2,189,165	\$558,719	\$554,830	\$5,840	\$0
General Liability Insurance	\$0	\$76,969	\$179,123	\$1,886	\$0
Payment and Performance Bonds	\$0	\$148,139	\$189,866	\$1,999	\$0
Total Construction Contract/Costs	\$17,826,064	\$20,920,217	\$20,897,716.73	\$219,976	\$387,593
Hard Cost Contingency	\$891,303	\$1,044,886	\$1,044,885	\$10,999	\$0
Demolition paid outside Constr. Contr.	\$0	\$0	\$22,500	\$237	\$22,500
FF&E paid outside Constr. Contr.	\$0	\$400,000	\$400,000	\$4,211	\$0
Other: FPL & Cable Underground Utilities	\$0	\$400,000	\$400,000	\$4,211	\$0
Total Construction Costs:	\$18,717,367	\$22,765,103	\$22,765,102	\$239,633	\$410,093

Notes to Actual 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 of \$20,897,716.73 (the "Construction Contract"), dated March 17, 2023, has been provided between the Applicant and Ballast Construction, LLC. The Construction Contract indicates substantial completion shall be achieved no later than 426 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 0% retainage thereafter.
2. General Contractor's Fee (consisting of general conditions, overhead and profit) does not exceed the 14% maximum per RFA 2023-203 and Rule Chapter 67-48 and is calculated excluding General Liability Insurance and Payment and Performance Bonds.
3. A 5% hard cost contingency was utilized by AmeriNat and is the maximum permitted by RFA 2023-203 and Rule Chapter 67-48.
4. A portion of Furniture, Fixture and Equipment (\$40,375) is for washers and dryers to be provided at the Development which are income producing; therefore, the cost to purchase the washers and dryers are ineligible.
5. FF&E outside of the Construction Contract includes office and common area furniture/décor, signage, fitness equipment, patio deck furniture, camera and access control and an Amazon Locker.
6. Moran Construction Consultants ("Moran") provided a Document and Cost Review ("DCR"), dated June 23, 2023, on the Development. The building is comprised of approximately 91,148 gross square feet on a 0.9094-acre lot. The DCR estimated the cost at \$20,897,716.73 and has a projected unit cost of \$219,975.97 per unit, based on the Schedule of Values. It is Moran's opinion that this is within typical range when compared with comparable developments of similar size and scope and does appear adequate to complete the proposed scope of work. Comparable development costs range from \$184,476.77 per unit to \$286,717.17 per unit. The construction progress schedule submitted for

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Moran’s review shows a 426-day duration; Moran stated this time is considered feasible to complete the construction of the Development.

Moran stated the allowances listed below are within an acceptable range for the scope of work indicated.

\$ 10,000.00	ALTA Survey
\$ 25,000.00	Dewatering
\$130,000.00	Decorative Metals
\$350,000.00	Apartment Cabinetry
\$ 50,000.00	Common Area Cabinetry
\$ 40,000.00	Window Treatments
\$ 25,000.00	Common Area Deck and Drainage
\$ 75,000.00	Waterproofing Not in Trades
\$ 17,500.00	Postal Specialties
\$ 90,000.00	Generator
\$ 30,000.00	Pool Fountain
\$ 10,000.00	Synthetic Lawn and Bocce Ball
\$ 10,000.00	Charcoal Grill
\$ 40,000.00	Access Control
<u>\$ 80,000.00</u>	CCTV
\$982,500	Total

GENERAL DEVELOPMENT COSTS:	Applicant Costs	Revised Applicant Costs	Underwriters Total Costs - CUR	Cost Per Unit	HC Ineligible Costs - CUR
Accounting Fees	\$35,000	\$35,000	\$35,000	\$368	\$8,750
Appraisal	\$10,000	\$10,000	\$9,400	\$99	\$0
Architect's Fee - Landscape	\$0	\$26,500	\$26,500	\$279	\$0
Architect's Fee - Site/Building Design	\$400,000	\$312,300	\$162,300	\$1,708	\$0
Architect's Fee - Supervision	\$50,000	\$42,000	\$50,000	\$526	\$0
Building Permits	\$100,000	\$114,000	\$114,000	\$1,200	\$0
Builder's Risk Insurance	\$168,450	\$260,736	\$260,736	\$2,745	\$0
Engineering Fees	\$100,000	\$75,250	\$247,050	\$2,601	\$0
Environmental Report	\$10,000	\$3,600	\$3,600	\$38	\$0
FHFC Administrative Fees	\$203,940	\$203,940	\$203,940	\$2,147	\$203,940
FHFC Application Fee	\$3,000	\$3,000	\$3,500	\$37	\$3,500
FHFC Credit Underwriting Fee	\$17,845	\$15,163	\$20,609	\$217	\$20,609
FHFC Compliance Fee	\$270,000	\$212,332	\$226,141	\$2,380	\$226,141
FHFC Other Processing Fee(s)	\$0	\$0	\$40,000	\$421	\$40,000
Impact Fee	\$250,000	\$110,000	\$109,053	\$1,148	\$0
Lender Inspection Fees / Const Admin	\$100,000	\$100,000	\$101,468	\$1,068	\$0
Green Building Cert. (LEED, FGBC, NAHB)	\$25,000	\$25,000	\$22,550	\$237	\$0
Insurance	\$103,540	\$199,500	\$199,500	\$2,100	\$0
Legal Fees - Organizational Costs	\$150,000	\$180,000	\$180,000	\$1,895	\$175,000
Local Subsidy Underwriting Fee	\$0	\$0	\$8,750	\$92	\$8,750
Market Study	\$10,000	\$5,500	\$6,500	\$68	\$6,500
Marketing and Advertising	\$100,000	\$25,000	\$25,000	\$263	\$25,000
Plan and Cost Review Analysis	\$0	\$5,850	\$5,850	\$62	\$0
Property Taxes	\$140,028	\$140,570	\$140,570	\$1,480	\$0
Soil Test	\$15,000	\$7,780	\$7,780	\$82	\$0
Survey	\$25,000	\$25,000	\$25,000	\$263	\$0
Title Insurance and Recording Fees	\$108,503	\$145,988	\$145,988	\$1,537	\$21,847
Utility Connection Fees	\$201,600	\$204,250	\$204,250	\$2,150	\$0
Soft Cost Contingency	\$127,202	\$148,163	\$129,251	\$1,361	\$0
Total General Development Costs:	\$2,724,108	\$2,636,422	\$2,714,286	\$28,571	\$740,037

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Notes to the General Development Costs:

1. Building Permit Fees are based on the representations of the Applicant.
2. FHFC Credit Underwriting Fee includes the HC Credit Underwriting Fee (\$13,455), PRL Fee (\$1,708), Viability Credit Underwriting Fee (\$5,146), and Credit Reporting Fee (\$300).
3. The FHFC Administrative Fee is based upon a fee of 9% of the Annual HC Recommendation.
4. The FHFC Other Processing Fee(s) include the Notice of Commencement extension fee (\$10,000), CUR extension fee (\$5,000), tax credit partnership extension fee (\$10,000) and tax credit swap fee (\$15,000).
5. AmeriNat received a proposal dated April 14, 2022, executed by Housing Trust Group and Abney + Abney Green Solutions, to perform National Green Building Standard (“NGBS”) Certification on the Development.
6. Impact Fees and Utility Connection Fees are based on a schedule and estimates provided by the Applicant. The impact fees are net fees, per the Applicant.
7. Lender Inspection Fees / Const Admin is an estimate and associated with the inspections and draw processing fees needed through the construction period and completion of the Development as well as estimates for materials and threshold testing.
8. The Soft Cost Contingency has been adjusted to be within the maximum of 5% of Total General Development Costs and is within RFA 2023-203 and Rule Chapter 67-48.
9. The remaining General Development Costs appear reasonable.

FINANCIAL COSTS:	Applicant Costs	Revised Applicant Costs	Underwriters Total Costs - CUR	Cost Per Unit	HC Ineligible Costs - CUR
	Construction Loan Origination Fee	\$165,000	\$150,000	\$144,750	\$1,524
Construction Loan Closing Costs	\$0	\$40,000	\$40,000	\$421	\$0
Construction Loan Interest	\$758,371	\$1,701,511	\$1,734,501	\$18,258	\$685,000
Permanent Loan Origination Fee	\$62,588	\$74,410	\$56,393	\$594	\$56,393
Permanent Loan Closing Costs	\$25,000	\$25,000	\$25,000	\$263	\$25,000
Misc Loan Interest	\$0	\$250,000	\$306,382	\$3,225	\$0
Legal Fees - Financing Costs	\$0	\$60,000	\$60,000	\$632	\$30,000
Other: Syndicator Fees	\$0	\$25,000	\$25,000	\$263	\$25,000
Other: Viability Loan Commitment Fee	\$0	\$0	\$43,000	\$453	\$43,000
Other: Viability Loan Closing Costs	\$0	\$0	\$12,500	\$132	\$12,500
Total Financial Costs:	\$1,010,959	\$2,325,921	\$2,447,526	\$25,763	\$876,893
Dev. Costs before Acq., Dev. Fee & Reserves	\$22,452,434	\$27,727,446	\$27,926,913	\$293,968	\$2,027,023

Notes to the Financial Costs:

1. Financial Costs were derived from the Chase Promissory Note, Berkadia Commitment Letter and draft RJHOF LPA, as well as the Application and the RFAs.

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2. Construction Loan Interest is supported by the construction loan terms illustrated in the LOI provided by the Applicant, the construction loan amount necessary based on the conclusions of this report, the duration of construction referenced in the Construction Contract, and the resultant calculation completed by AmeriNat through the use of a construction draw schedule provided by the Applicant. Ineligible Construction Loan Interest includes interest expense accrued after the issuance of the Certificate of Occupancy through and up to permanent loan conversion.
3. Miscellaneous Loan Interest includes the interest due on the land loan.
4. The Viability Commitment Fee is based on 1% of the Viability Loan.
5. The Viability Closing costs are \$12,500 for the Viability Loan FHFC legal counsel fees.
6. The remaining Financial Costs appear reasonable.

DEVELOPER FEE ON NON-ACQUISITION COSTS	Applicant Costs	Revised Applicant Costs	Underwriters Total Costs - CUR	Cost Per Unit	HC Ineligible Costs - CUR
Developer Fee - Unapportioned	\$3,560,000	\$4,448,391	\$4,468,306	\$47,035	\$0
Total Other Development Costs:	\$3,560,000	\$4,448,391	\$4,468,306	\$47,035	\$0

Notes to Developer Fee on Non-Acquisition Costs:

1. The total Developer Fee does not exceed 16.00% of the Total Development Costs exclusive of Land Costs and Reserves, which is permitted by RFA 2021-203 and Rule Chapter 67-48.

LAND ACQUISITION COSTS	Applicant Costs	Revised Applicant Costs	Underwriters Total Costs - CUR	Cost Per Unit	HC Ineligible Costs - CUR
Land	\$3,875,000	\$3,875,000	\$3,875,000	\$40,789	\$3,875,000
Other: Additional Extension Payments to Seller	\$0	\$15,000	\$15,000	\$158	\$15,000
Total Acquisition Costs:	\$3,875,000	\$3,890,000	\$3,890,000	\$40,947	\$3,890,000

Notes to Land Acquisition Costs:

1. An Agreement for Purchase and Sale ("AP&S") was provided, dated May 26, 2021 between TH Aventura, LLC ("Seller") and Housing Trust Group, LLC ("HTG") indicated a purchase price of \$3,875,000 for the parcels of land.

An Assignment of Agreement between HTG and the Applicant executed as of August 8, 2021 was provided, wherein the AP&S was conveyed to the Applicant.

2. A Closing Statement, dated October 26, 2022, was provided and reflects the Purchase Price of \$3,875,000 and Extension Payments Not Credited to the Purchase Price of \$15,000.
3. According to the appraisal dated June 14, 2023, prepared by Integra Realty Resources - Tampa Bay ("Integra"), the "As Is" (vacant land) market value of the property is \$3,990,000. The lesser of the total purchase price of \$3,890,000 and the appraised value is utilized for underwriting purposes.

VIABILITY & HC CREDIT UNDERWRITING REPORT

AMERINAT

RESERVE ACCOUNTS	Applicant Costs	Revised Applicant Costs	Underwriters Total Costs - CUR	Cost Per Unit	HC Ineligible Costs - CUR
Operating Deficit Reserve (Syndicator)	\$0	\$356,111	\$264,413	\$2,783	\$264,413
Reserves - Start-Up/Lease-up Expenses	\$0	\$75,000	\$75,000	\$789	\$75,000
Total Reserve Accounts:	\$0	\$431,111	\$339,413	\$3,573	\$339,413

Notes to Reserve Accounts and Total Development Costs

1. Operating Deficit Reserves (“ODR”) are based on the requirements stated in the RJAHI LOI, which is approximately three months of operating expenses and debt service. The reserve is to be funded upon the fourth equity installment (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 67-48. 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
TOTAL DEVELOPMENT COSTS:	\$29,887,434	\$36,496,948	\$36,624,632	\$385,522	\$6,256,436

1. TDC, inclusive of land and reserves, increased from \$29,887,434 to \$36,624,632 for a difference of \$6,737,198 since the time of Application primarily due to an increase in Construction Costs, General Development Costs, Financial Costs, Developer Fee and the inclusion of Operating Deficit and Start-Up/Lease-up Reserves.

OPERATING PRO FORMA

FINANCIAL COSTS:		Year 1	Year 1 Per Unit
OPERATING PRO FORMA			
INCOME:	Gross Potential Rental Income	\$1,105,464	\$11,636
	Rent Subsidy (ODR)	\$16,747	\$176
	Other Income		\$0
	Ancillary Income	\$33,164	\$349
	Washer/Dryer Rentals	\$49,830	\$525
	Gross Potential Income	\$1,205,205	\$12,686
	Less:		
	Physical Vac. Loss Percentage: 2.00%	\$24,104	\$254
	Collection Loss Percentage: 1.00%	\$12,052	\$127
	Total Effective Gross Income	\$1,169,049	\$12,306
EXPENSES:	Fixed:		
	Real Estate Taxes	\$590	\$6
	Insurance	\$180,500	\$1,900
	Variable:		
	Management Fee Percentage: 4.00%	\$46,762	\$492
	General and Administrative	\$40,375	\$425
	Payroll Expenses	\$142,500	\$1,500
	Utilities	\$42,750	\$450
	Marketing and Advertising	\$2,850	\$30
	Maintenance and Repairs/Pest Control	\$57,000	\$600
	Grounds Maintenance and Landscaping	\$9,500	\$100
	Reserve for Replacements	\$28,500	\$300
	Total Expenses	\$551,327	\$5,803
Net Operating Income	\$617,722	\$6,502	
Debt Service Payments			
First Mortgage - Berkadia/Freddie Mac	\$507,815	\$5,345	
Second Mortgage - FHFC Viability	\$43,000	\$453	
Third Mortgage - Surtax/SHIP	\$23,750	\$250	
First Mortgage Fees - Berkadia/Freddie Mac	\$0	\$0	
Second Mortgage Fees - FHFC Viability	\$10,750	\$113	
Third Mortgage Fees - Surtax/SHIP	\$0	\$0	
Total Debt Service Payments	\$585,315	\$6,161	
Cash Flow after Debt Service	\$32,407	\$341	
Debt Service Coverage Ratios			
DSC - First Mortgage plus Fees	1.22x		
DSC - Second Mortgage plus Fees	1.10x		
DSC - Third Mortgage plus Fees	1.06x		
DSC - All Mortgages and Fees	1.06x		
Financial Ratios			
Operating Expense Ratio	47.16%		
Break-even Economic Occupancy Ratio (all debt)	94.43%		

Notes to the Operating Pro Forma and Ratios:

1. This Development will be utilizing Housing Credits and under the Housing Credit restrictions the Development will set aside 10% of the units (10 units) for households earning at or below 25% of the AMI and 90% of the units (85 units) for households earning at or below 60% of the AMI.

On March 6, 2023, Florida Housing approved a Certification of Completeness and Accuracy for Utility Allowance Estimate Per Energy Consumption Model prepared by Matern Professional Engineering, Inc., which was utilized by the appraiser and underwriter and reflected herein.

Overall, the maximum Housing Credit rents for 2023 for the Development are achievable. A rent roll for the Development property is illustrated in the following table:

Miami-Miami Beach Kendall HMFA (Miami-Dade County)

Bed Rooms	Bath Rooms	Units	Square Feet	AMI%	Low HOME	High HOME	Gross HC Rent	Utility Allow.	Net Restricted	PBRA Contr	Applicant Rents	Appraiser Rents	CU Rents	Annual Rental Income
1	1	10	640	25%			\$484	\$87	\$397		\$397	\$397	\$397	\$47,640
1	1	6	640	33%			\$638	\$87	\$551		\$551	\$551	\$551	\$39,672
1	1	79	640	60%			\$1,161	\$87	\$1,074		\$1,074	\$1,074	\$1,074	\$1,018,152
		95	60,800											\$1,105,464

When calculating an average market rental rate based on the unit mix and annualized rent concessions, the rent advantage for all of the units at the Development is in excess of 110% of the applicable maximum Housing Credit rental rate.

2. Since the projected DSCR is less than 1.10x, a portion of the operating reserve (\$16,690) is projected to be needed in the first stabilized year to yield an NOI sufficient to achieve a 1.10x DSCR for the combined first and second mortgages. Over the 15-year term, \$25,005 is projected to be needed to maintain a 1.10x DSCR for the combined first and second mortgages.
3. Ancillary Income of \$349/unit/year is comprised of fees associated with vending income, late charges, and forfeiture of security deposits.
4. The appraiser estimated Washer/Dryer income at \$525/unit/year or \$49,830 annually.

A vacancy rate of 2.00% and collection loss rate of 1.00% was concluded by the appraisal and utilized by AmeriNat.

5. Integra utilized a real estate tax expense of \$6 per unit, which is based on annual Non-Ad Valorem Taxes of \$590, after deducting the early payment discount. The Development will seek ad valorem property tax exemption under Florida Statute 196.1975.
6. Integra concluded a Management Fee of 4.00% of the effective gross income (\$485 per unit) based on restricted comparables of 3% to 6%. The Management Agreement, dated June 15, 2023, between HTG Management, LLC and the Applicant also indicates a 4.00% management fee. As such, AmeriNat utilized a management fee of 4%.
7. The Break-even Economic Occupancy Ratio ("BRE") includes all debt and is 94.43%, which is higher than normal. Mitigants for the higher than typical BRE include the following: 1) There is an operating

deficit reserve included in the Development Budget to cover any shortfalls; 2) The overall weighted average market rent is 114% greater than the average maximum HC rent; 3) The affordable comparables reported in the Competitive Market Area (“CMA”) reflect a weighted average occupancy rate of 100%; 4) The second and third mortgages are soft pay and payable from available cash flow. The BRE would improve to 88.89% if the second and third mortgage debt payments were not included in the calculation.

8. Replacement Reserves are budgeted at \$300 per unit per year, which are consistent with FHFC’s requirements.
9. Based upon an estimated Net Operating Income (“NOI”) of \$617,722 for the proposed Development’s initial year of stabilized operations; the first mortgage loan can be supported by operations at a 1.22x to 1.00 DSC. The combined amount of the First Mortgage loan and Viability loan can be supported by operations at a 1.10x to 1.00 DSC, which meets the minimum 1.10 to 1.00 DSC requirement for all first and second mortgages for Housing Credits. All mortgage loans and fees can be supported by operations at a 1.06x to 1.00 DSC.
10. 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

**Viability 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 two weeks prior to the Viability loan closing. Failure to submit and to receive approval of these items within this time frame may result in postponement of the Viability loan closing.

None

General Conditions

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

1. Borrower is to comply with any and all recommendations noted in the DCR prepared by Moran.
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. Viability loan proceeds shall be disbursed during the construction phase in an amount per Draw that does not exceed the ratio of the Viability loan to the Total Development Cost, unless approved by the Credit Underwriter. The closing draw shall include appropriate backup and ACH wiring instructions.
6. Construction Period Developer Fee shall be the lessor of i) 50% of the Total Developer Fee or ii) the Total Developer Fee less the Deferred Developer Fee listed in the Sources and Uses for the

construction period, as calculated by the Servicer. At closing, a maximum of 35% of the Construction Period Developer Fee may be funded. Remaining Construction Period Developer Fee will be disbursed during construction/rehabilitation on a pro rata basis, based on the percentage of completion of the development, as approved and reviewed by FHFC and Servicer.

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

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 2023-211 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 Partnership Agreement ("PA") reflecting purchase of the HC under terms consistent with the assumptions contained within this Credit Underwriting Report. The PA 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 the Corporation, its Legal Counsel, Servicer or any agent or assignee of the Corporation for past due issues applicable to the development team (Applicant or Developer or Principal, Affiliate or Financial Beneficiary, as described in Rule Chapter 67-48.0075 (5) F.A.C., of an Applicant or a Developer).
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 three 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 67-48. 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 two weeks prior to real estate loan closing. Failure to submit and to receive approval of these items within this time frame may result in postponement of the Note pricing date and/or Viability loan closing date. For competitive Note sales, these items must be reviewed and approved prior to issuance of the Notice of Bond 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 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 Viability loan 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 Viability loan 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 Viability loan.
10. UCC Searches for the Borrower, its partnerships, as requested by 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 and 420.509, Florida Statutes, Rule Chapter 67-48 F.A.C., Rule Chapter 67-21 F.A.C., Rule Chapter 67-53, F.A.C., Rule Chapter 67-60, F.A.C., Section 42 I.R.C., RFA 2021-203, RFA 2023-211, and any other applicable State and Federal requirements.
2. Acceptance by the Borrower and execution of all documents evidencing and securing the Viability loan in form and substance satisfactory to Florida Housing, including, but not limited to, the Promissory Note(s), the Loan Agreement(s), the Mortgage and Security Agreement(s), and the Land Use Restriction Agreement and Extended Low Income Housing Agreement/Final Cost Certificate.
3. For the Viability Loan - Guarantors are to provide the standard FHFC Operating Deficit Guaranty. If requested in writing by the Applicant, Servicer will consider a recommendation to release the Operating Deficit Guaranty if all conditions are met including achievement of a 1.15 Debt Service Coverage on the combined permanent First Mortgage and Viability Loan as determined by Florida Housing or the Servicer, 90% occupancy and 90% of Gross Potential rental income, net of utility allowances, if applicable, for a period equal to twelve (12) consecutive months, all certified by an

independent Certified Public Accountant (“CPA”) or verified by the Servicer. The calculation of the debt service coverage ratio shall be made by Florida Housing or the Servicer. Notwithstanding the above, the Operating Deficit Guaranty shall not terminate earlier than three years following the final certificate of occupancy.

4. If applicable, receipt and satisfactory review of Financial Statements from all Guarantors dated within 90 days of the Viability closing.
5. Guarantors to provide the standard Florida Housing Construction Completion Guaranty; to be released upon lien-free completion as approved by the Servicer.
6. Guarantors are to provide the standard Florida Housing Environmental Indemnity Guaranty.
7. Guarantors are to provide the standard Florida Housing Guaranty of Recourse Obligations.
8. Closing of all funding sources simultaneous with or prior to closing of the Viability loan.
9. A mortgagee title insurance policy naming Florida Housing as the insured in the amount of the Viability loan 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.
10. 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.
11. 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 RFA and Rule 67-48, in the amount of \$28,500 (one-half the required Replacement Reserves for Years 1 and 2), in order to meet the applicable DSC loan requirements. Applicant can waive this election, if at closing of the loan(s) the required DSC is met without the need to exercise the option. It is currently estimated that Replacement Reserves will be funded from Operations in the amount of \$300 per unit per year for Years 1 and 2, followed by \$300 per unit per year thereafter. New construction developments shall not be allowed to draw during the first five (5) years or until the establishment of a minimum balance equal to the accumulation of five (5) years of replacement reserves per unit. The initial replacement reserve will have limitations on the ability to be drawn. The amount established as a replacement reserve shall be adjusted based on a capital needs assessment (“CNA”) to be received by the Corporation or its servicers, prepared by an independent third party and acceptable to the Corporation and its servicers at the time the CNA is required. Beginning no later than the 10th year after the first residential building receives a certificate of occupancy, a temporary certificate of occupancy, or is placed in service, whichever is earlier (“Initial Replacement Reserve Date”). A subsequent CNA is required no later than the 15th year after the Initial Replacement Reserve Date and subsequent assessments are required every five years thereafter.
12. Moran will act as Florida Housing’s inspector during the construction period.

13. 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 completion of construction and issuance of all certificates of occupancy. The construction contract specifies retainage of 10% be withheld until completion reaches 50% at which time retainage will be reduced to 0%. This meets the RFA and Rule Chapter 67-48 minimum requirements.
14. Satisfactory completion of a pre-loan closing compliance audit conducted by Florida Housing or Servicer, if applicable.
15. Any other reasonable requirements of the Servicer, Florida Housing, or its Legal Counsel.

Housing Credit Allocation Recommendation

AmeriNat recommends a \$2,266,000 annual HC Allocation. Please refer to Exhibit 3 - HC Allocation Calculation for further detail.

Contingencies

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

1. Closing of all funding sources prior to or simultaneous with closing of the Viability Loan.
2. Moran is to act as construction phase inspector for Florida Housing.
3. Receipt of executed FHFC Fair Housing, Section 504 and ADA as-built certification forms 122, 127, and 129.
4. Satisfactory resolution of any outstanding past due and/or noncompliance issues.
5. Any other reasonable requirements of Florida Housing, its Legal Counsel or Servicer.

Exhibit 1
Oasis at Aventura
15 Year Operating Pro Forma

FINANCIAL COSTS:	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11	Year 12	Year 13	Year 14	Year 15
OPERATING PRO FORMA															
INCOME:															
Gross Potential Rental Income	\$1,105,464	\$1,127,573	\$1,150,125	\$1,173,127	\$1,196,590	\$1,220,522	\$1,244,932	\$1,269,831	\$1,295,227	\$1,321,132	\$1,347,554	\$1,374,506	\$1,401,996	\$1,430,036	\$1,458,636
Rent Subsidy (ODR)	\$16,747	\$8,258													
Other Income															
Ancillary Income	\$33,164	\$33,827	\$34,504	\$35,194	\$35,898	\$36,616	\$37,348	\$38,095	\$38,857	\$39,634	\$40,427	\$41,235	\$42,060	\$42,901	\$43,759
Washer/Dryer Rentals	\$49,830	\$50,827	\$51,843	\$52,880	\$53,938	\$55,016	\$56,117	\$57,239	\$58,384	\$59,551	\$60,742	\$61,957	\$63,196	\$64,460	\$65,750
Gross Potential Income	\$1,205,205	\$1,220,485	\$1,236,472	\$1,261,201	\$1,286,425	\$1,312,154	\$1,338,397	\$1,365,165	\$1,392,468	\$1,420,317	\$1,448,724	\$1,477,698	\$1,507,252	\$1,537,397	\$1,568,145
Less:															
Physical Vac. Loss Percentage: 2.00%	\$24,104	\$24,410	\$24,729	\$25,224	\$25,729	\$26,243	\$26,768	\$27,303	\$27,849	\$28,406	\$28,974	\$29,554	\$30,145	\$30,748	\$31,363
Collection Loss Percentage: 1.00%	\$12,052	\$12,205	\$12,365	\$12,612	\$12,864	\$13,122	\$13,384	\$13,652	\$13,925	\$14,203	\$14,487	\$14,777	\$15,073	\$15,374	\$15,681
Total Effective Gross Income	\$1,169,049	\$1,183,871	\$1,199,378	\$1,223,365	\$1,247,832	\$1,272,789	\$1,298,245	\$1,324,210	\$1,350,694	\$1,377,708	\$1,405,262	\$1,433,367	\$1,462,035	\$1,491,275	\$1,521,101
EXPENSES:															
Fixed:															
Insurance	\$180,500	\$185,915	\$191,492	\$197,237	\$203,154	\$209,249	\$215,526	\$221,992	\$228,652	\$235,512	\$242,577	\$249,854	\$257,350	\$265,070	\$273,022
Variable:															
Management Fee Percentage: 4.00%	\$46,762	\$47,355	\$47,975	\$48,935	\$49,913	\$50,912	\$51,930	\$52,968	\$54,028	\$55,108	\$56,210	\$57,335	\$58,481	\$59,651	\$60,844
General and Administrative	\$40,375	\$41,586	\$42,834	\$44,119	\$45,442	\$46,806	\$48,210	\$49,656	\$51,146	\$52,680	\$54,261	\$55,888	\$57,565	\$59,292	\$61,071
Payroll Expenses	\$142,500	\$146,775	\$151,178	\$155,714	\$160,385	\$165,197	\$170,152	\$175,257	\$180,515	\$185,930	\$191,508	\$197,253	\$203,171	\$209,266	\$215,544
Utilities	\$42,750	\$44,033	\$45,353	\$46,714	\$48,116	\$49,559	\$51,046	\$52,577	\$54,154	\$55,779	\$57,452	\$59,176	\$60,951	\$62,780	\$64,663
Marketing and Advertising	\$2,850	\$2,936	\$3,024	\$3,114	\$3,208	\$3,304	\$3,403	\$3,505	\$3,610	\$3,719	\$3,830	\$3,945	\$4,063	\$4,185	\$4,311
Maintenance and Repairs/Pest Control	\$57,000	\$58,710	\$60,471	\$62,285	\$64,154	\$66,079	\$68,061	\$70,103	\$72,206	\$74,372	\$76,603	\$78,901	\$81,268	\$83,706	\$86,218
Grounds Maintenance and Landscaping	\$9,500	\$9,785	\$10,079	\$10,381	\$10,692	\$11,013	\$11,343	\$11,684	\$12,034	\$12,395	\$12,767	\$13,150	\$13,545	\$13,951	\$14,370
Reserve for Replacements	\$28,500	\$28,500	\$28,500	\$28,500	\$28,500	\$28,500	\$28,500	\$28,500	\$28,500	\$28,500	\$29,355	\$30,236	\$31,143	\$32,077	\$33,039
Total Expenses	\$551,327	\$566,202	\$581,532	\$597,644	\$614,229	\$631,301	\$648,876	\$666,968	\$685,593	\$704,765	\$725,357	\$746,556	\$768,379	\$790,846	\$813,974
Net Operating Income	\$617,722	\$617,669	\$617,845	\$625,721	\$633,604	\$641,488	\$649,369	\$657,241	\$665,101	\$672,943	\$679,905	\$686,812	\$693,656	\$700,430	\$707,126
Debt Service Payments															
First Mortgage - Berkadia/Freddie Mac	\$507,815	\$507,815	\$507,815	\$507,815	\$507,815	\$507,815	\$507,815	\$507,815	\$507,815	\$507,815	\$507,815	\$507,815	\$507,815	\$507,815	\$507,815
Second Mortgage - FHFC Viability	\$43,000	\$43,000	\$43,000	\$43,000	\$43,000	\$43,000	\$43,000	\$43,000	\$43,000	\$43,000	\$43,000	\$43,000	\$43,000	\$43,000	\$43,000
Third Mortgage - Surtax/SHIP	\$23,750	\$23,750	\$23,750	\$23,750	\$23,750	\$23,750	\$23,750	\$23,750	\$23,750	\$23,750	\$23,750	\$23,750	\$23,750	\$23,750	\$23,750
First Mortgage Fees - Berkadia/Freddie Mac	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Second Mortgage Fees - FHFC Viability	\$10,750	\$10,750	\$10,750	\$10,750	\$10,750	\$10,750	\$10,750	\$10,750	\$10,750	\$10,750	\$10,750	\$10,750	\$10,750	\$10,750	\$10,750
Third Mortgage Fees - Surtax/SHIP	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Debt Service Payments	\$585,315	\$585,315	\$585,315	\$585,315	\$585,315	\$585,315	\$585,315	\$585,315	\$585,315	\$585,315	\$585,315	\$585,315	\$585,315	\$585,315	\$585,315
Cash Flow after Debt Service	\$32,407	\$32,354	\$32,530	\$40,407	\$48,289	\$56,173	\$64,054	\$71,927	\$79,787	\$87,628	\$94,590	\$101,497	\$108,341	\$115,115	\$121,812
Debt Service Coverage Ratios															
DSC - First Mortgage plus Fees	1.22x	1.22x	1.22x	1.23x	1.25x	1.26x	1.28x	1.29x	1.31x	1.33x	1.34x	1.35x	1.37x	1.38x	1.39x
DSC - Second Mortgage plus Fees	1.10x	1.10x	1.10x	1.11x	1.13x	1.14x	1.16x	1.17x	1.18x	1.20x	1.21x	1.22x	1.24x	1.25x	1.26x
DSC - Third Mortgage plus Fees	1.06x	1.06x	1.06x	1.07x	1.08x	1.10x	1.11x	1.12x	1.14x	1.15x	1.16x	1.17x	1.19x	1.20x	1.21x
DSC - All Mortgages and Fees	1.06x	1.06x	1.06x	1.07x	1.08x	1.10x	1.11x	1.12x	1.14x	1.15x	1.16x	1.17x	1.19x	1.20x	1.21x
Financial Ratios															
Operating Expense Ratio	47.16%	47.83%	48.49%	48.85%	49.22%	49.60%	49.98%	50.37%	50.76%	51.15%	51.62%	52.08%	52.56%	53.03%	53.51%
Break-even Economic Occupancy Ratio (all debt)	94.43%	94.47%	94.49%	93.92%	93.37%	92.84%	92.33%	91.85%	91.39%	90.95%	90.59%	90.25%	89.93%	89.63%	89.35%

Oasis at Aventura
RFA 2021-203 (2022-099C/2023-268C)
RFA 2023-211 (2023-241V)
DESCRIPTION OF FEATURES AND AMENITIES

The Development will consist of:

95 apartment units located in 1 high-rise residential building.

Unit Mix:

Ninety-five (95) one bedroom/one bath units.

95 Total Units

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

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

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

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

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

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

b. General Features

The Development will provide the following General Features:

- Termite prevention;
- Pest control;
- Window covering for each window and glass door inside each unit;
- Cable or satellite TV hook-up in each unit and, if the Development offers cable or satellite TV service to the residents, the price cannot exceed the market rate for service of similar quality available to the Development's residents from a primary provider of cable or satellite TV;
- Washer and dryer hook ups in each of the Development's units or an on-site laundry facility for resident use. If the proposed Development will have an on-site laundry facility, the following requirements must be met:
 - There must be a minimum of one Energy Star certified washer and one Energy Star certified or commercial grade dryer per every 15 units. To determine the required number of washers and dryers for the on-site laundry facility; divide the total number of the Development's units by 15, and then round the equation's total up to the nearest whole number;
 - At least one washing machine and one dryer shall be front loading that meets the accessibility standards of Section 504;
 - If the proposed Development consists of Scattered Sites, the laundry facility shall be located on each of the Scattered Sites, or no more than 1/16 mile from the Scattered Site with the most units, or a combination of both.
- At least two full bathrooms in all 3 bedroom or larger new construction units;
- Bathtub with shower in at least one bathroom in at least 90 percent of the new construction non-Elderly units;
- Elderly Developments must have a minimum of one elevator per residential building provided for all Elderly Set-Aside Units that are located on a floor higher than the first floor; and
- Full-size range and oven in all units.

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

Federal and state law and building code regulations requires that programs, activities, and facilities be readily accessible to and usable by persons with disabilities. Florida Housing requires that the design, construction, or alteration of its financed Developments be in compliance with federal and state accessibility requirements. When more than one law and accessibility standard applies, the Applicant shall comply with the standard (2010 ADA Standards, Section 504, Fair Housing Act, or Florida Building Code, Accessibility) which affords the greater level of accessibility for the residents and visitors. Areas required to be made accessible to mobility-impaired residents and their visitors, including those in wheelchairs, shall include, but not be limited to, accessible routes and entrances, paths of travel, primary function areas, parking, trash bins, mail and package receiving areas for residents, pool and other amenities, including paths of travel to amenities and laundry rooms, including washers and dryers.

(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) Accessibility Features in all Developments with the Elderly (ALF or Non-ALF) Demographic must also provide the following features:

- 20 percent of the new construction units must have roll-in showers.
- Horizontal grab bars in place around each tub and/or shower, or a Corporation-approved alternative approach for grab bar installation. The installation of the grab bars must meet or exceed the 2010 ADA Standards for Accessible Design, Section 609. In addition, the following standards for grab bars are required:
 - If a bathtub/shower combination with a permanent seat is provided, grab bars shall be installed to meet or exceed the 2010 ADA Standards for Accessible Design, Section 607.4.1.
 - If a bathtub/shower combination without a permanent seat is provided, grab bars shall be installed to meet or exceed the 2010 ADA Standards for Accessible Design, Section 607.4.2.
 - If a roll-in shower is provided, grab bars shall be installed to meet or exceed the 2010 ADA Standards for Accessible Design, Section 608.3.2;
- Reinforced walls for future installation of horizontal grab bars in place around each toilet, or a Corporation-approved alternative approach for grab bar installation. The installation of the grab bars must meet or exceed the 2010 ADA Standards for Accessible Design;
- All bathrooms in all new construction units must have vanity cabinets with at least one roll-out shelf or drawer in bottom of cabinet;
- Adjustable shelving in master bedroom closets (must be adjustable by resident); and
- In one of the kitchen's base cabinets, there shall be a large bottom drawer that opens beyond full extension, also referred to as an "overtravel

feature.” Drawers with the over-travel feature allow drawers to extend completely past the cabinet front so all the contents can be accessed. The drawer shall be deep and wide enough to store pots and pans and the drawer slides shall have a weight load rating of a minimum of 100 pounds. The drawers shall be mounted on a pair of metal side rails that are ball-bearing.

d. Required Green Building Features in all Developments

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

- Low or No-VOC paint for all interior walls (Low-VOC means 50 grams per liter or less for flat; 150 grams per liter or less for non-flat paint);
- Low-flow water fixtures in bathrooms—WaterSense labeled products or the following specifications:
 - Toilets: 1.28 gallons/flush or less,
 - Urinals: 0.5 gallons/flush,
 - Lavatory Faucets: 1.5 gallons/minute or less at 60 psi flow rate,
 - Showerheads: 2.0 gallons/minute or less at 80 psi flow rate;
- Energy Star certified refrigerator;
- Energy Star certified dishwasher;
- Energy Star certified ventilation fan in all bathrooms;
- Water heater minimum efficiency specifications:
 - Residential Electric:
 - Up to 55 gallons = 0.95 EF or 0.92 UEF; or
 - More than 55 gallons = Energy Star certified; or
 - Tankless = 0.97 EF and Max GPM of ≥ 2.5 over a 77° rise or 0.87 UEF and GPM of ≥ 2.9 over a 67° rise;
 - Residential Gas (storage or tankless/instantaneous): Energy Star certified,
 - Commercial Gas Water Heater: Energy Star certified;
- Energy Star certified ceiling fans with lighting fixtures in bedrooms;
- Air Conditioning (in-unit or commercial):
 - Air-Source Heat Pumps – Energy Star certified:
 - ≥ 8.5 HSPF/ ≥ 15 SEER/ ≥ 12.5 EER for split systems
 - ≥ 8.2 HSPF ≥ 15 SEER/ ≥ 12 EER for single package equipment including gas/electric package units
 - Central Air Conditioners – Energy Star certified:
 - ≥ 15 SEER/ ≥ 12.5 EER* for split systems
 - ≥ 15 SEER/ ≥ 12 EER* for single package equipment including gas/electric package units.

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

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

- Leadership in Energy and Environmental Design (LEED);
- Florida Green Building Coalition (FGBC);
- Enterprise Building Communities; or
- ICC 700 National Green Building Standard (NGBS)

e. This Elderly Development will provide the following resident programs:

- (1) Required Resident Program for all Applicants that select the Elderly Demographic (ALF or Non-ALF)

24 Hour Support to Assist Residents In Handling Urgent Issues

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

This assistance may include staff:

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

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

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

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

(2) Resident Assurance Check-In Program

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

(3) Daily Activities

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

(4) Assistance with Light Housekeeping, Grocery Shopping and/or Laundry

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

HOUSE CREDIT ALLOCATION CALCULATION

Qualified Basis Calculation

Total Development Cost	\$36,624,632
Less Land Costs	\$3,890,000
Less Other Ineligible Costs	\$2,366,436
Total Eligible Basis	\$30,368,197
Applicable Fraction	100%
DDA/QCT Basis Credit, if applicable	130%
Qualified Basis	\$39,478,656
Housing Credit Percentage (Federal allocation)	9.00%
Annual Housing Credit Allocation	\$3,553,079

Notes to the Qualified Basis Calculation:

1. "Other Ineligible Costs" include, but are not limited to, a portion of new rental units, a portion of Furniture, Fixtures, & Equipment, a portion of accounting fees, Florida Housing compliance, administrative, application, underwriting and other processing fees, legal fees, local subsidy underwriting fee, marketing/advertising fees, market study fee, a portion of title insurance, a portion of construction loan interest, permanent loan origination fee, permanent loan closing costs, a portion of legal fees - financing costs, syndicator fees, operating deficit reserve, and start-up/lease-up expenses.
2. The Development is 100% set-aside; therefore, the Applicable Fraction is 100%.
3. The Development is located in a Geographic Areas of Opportunity (Census Tract Number: 97.04). Additionally, the Development is located in a SADDA (ZCTA #: 33180); therefore, the 130% multiplier was utilized for the Annual Housing Credit Allocation.
4. FY 2016 Omnibus Spending and Tax Extender Legislation provides for a minimum rate of 9% to be applied to the qualified basis for HC allocations; therefore, the minimum rate of 9% has been applied herein.

GAP Calculation

Total Development Cost (including land and ineligible costs)	\$36,624,632
Less Mortgages	\$14,194,000
Equity Gap	\$22,430,632
HC Percentage to Investment Partnership	99.99%
HC Syndication Pricing	\$0.929
HC Required to meet Equity Gap	\$24,147,336
Annual HC Required	\$2,414,734

VIABILITY & HC CREDIT UNDERWRITING REPORT

Notes to the GAP Calculation:

1. Mortgages include a first mortgage in the amount of \$7,519,000 provided by Berkadia, second mortgage in the amount of \$4,300,000 provided by FHFC and a third mortgage in the amount of \$2,375,000 provided by Miami-Dade County, which was utilized for the GAP Calculation.
2. According to Rule Chapter 67-48 F.A.C., the Development exceeds the minimum qualifying first mortgage amount, which is the actual amount committed to the Development.
3. The HC Syndication Pricing of \$0.929 per dollar and HC Percentage to Investment Company are based upon the LOI dated April 6, 2023.

Summary

HC Per Applicants Request	\$2,266,000
HC Per Qualified Basis	\$3,553,079
HC Per GAP Calculation	\$2,414,734
Annual HC Recommended	\$2,266,000
HC Proceeds Recommended	\$21,049,035

Notes to Summary:

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

Minimum Qualifying First Mortgage

<u>Rule Chapter 67-48.0072(28)(g)</u>	
<i>Determination of the minimum first mortgage for use in the Housing Credit gap calculation</i>	
Input Variables	
Annual rate of increase for revenues	2.00%
Annual rate of increase for operating expenses	3.00%
Vacancy & Collection Factor in CUR	3.00%
Minimum Vacancy & Collection Factor	7.00%
Which Rule was applicable at time of Application?	Post 7/11/2019
Minimum DSCR Year 15	1.25x
Minimum DSCR Year 1	1.50x
Minimum NCF after DS Year 1	\$1,000.00
Minimum qualifying 1st mortgage	\$500,000.00
Number of units in the proposed Development	95
Potential Gross Income Year 1	\$1,205,204.11
Vacancy & Collection Loss (7.00%)	\$84,364.29
Effective Gross Income Year 1	\$1,120,839.82
Operating Expenses Year 1	\$551,326.92
(i) Actual Debt of Development	\$7,519,000.00
Actual interest rate	6.18%
Actual term of debt amortization	40.00 Yrs
DS Interest Rate floor	7.00%
Application deadline	08/27/21
10-Year Treasury Rate as of App deadline	1.342%
Spread over 10-yr Treasury	325 bps
10-yr Treasury plus the stated spread	4.59%
Greater of interest rate floor or spread over Treasury	7.00%
Maximum Rate	8.00%
Interest Rate to be used for qualifying debt	7.00%
Minimum stated term of debt amortization per RFA	30.00 Yrs
Term of debt amortization to be used for qualifying debt	40.00 Yrs
Resulting Mortgage Constant to be used for qualifying debt	7.45718%
Minimum Debt Service	
NOI Year 15	\$644,992.91
DSCR DS limitation	\$515,994.32
(a) Resulting Debt, Year 15 limitation	\$6,919,433.97
NOI Year 1	\$569,512.90
(b)(i) DSCR DS limitation	\$379,675.27
(b)(i) DSCR Debt Sizing	\$5,091,408.59
(b)(ii) NCF DS limitation	\$474,512.90
(b)(ii) NCF Debt Sizing	\$6,363,172.08
(b) Greater of (i) DSCR debt or (ii) NCF debt, Year 1 limitation	\$6,363,172.08
(ii) Minimum qualifying first mortgage (lesser of (a) or (b))	\$6,363,172.08
Greater of Actual or Minimum	\$7,519,000.00

COMPLETENESS AND ISSUES CHECKLIST

DEVELOPMENT NAME: Oasis at Aventura
DATE: October 12, 2023

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 ("PCA").	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.	Satis.	
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.	Satis.	
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	STATUS	NOTE
REQUIRED ITEMS:	Satis. / Unsatis.	
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.	Satis.	

NOTES AND DEVELOPER RESPONSES:

None

VIABILITY RECOMMENDATION

Viability Loan Sizing Parameters and Metrics

Select the Development	Oasis at Aventura	
RFA of Active Award	RFA 2021-203	
Demographic Commitment	Family	
Total Number of Units	95	
Existing Competitive Active Awards:	Set-Aside Units	
9% HC Allocation	\$ 2,266,000	95
SAIL	NA	NA
ELI	NA	NA
NHTF	NA	NA
HOME	NA	NA
Tax Exempt Bond Financing:		
If MMRB, how much is the Perm Amount?		NA
Viability Funding Limits:		
Gross Per Development Limit	\$ 4,300,000	
Maximum Per Unit Limit	\$ 125,000	
Net Per Development Limit (same as gross)	\$ 4,300,000	
Maximum Limit from PU Limit (95 units x \$125,000 PU)	\$ 11,875,000	
Lesser of Net Per Development or PU Limit	\$ 4,300,000	

Does the stated Eligible Request Amount need to be adjusted?

Viability Loan Sizing Parameters

a. Eligible Request Amount:		No
Applicant's Request Amount	\$ 4,300,000	If so, how much should
Per Development/PU Limit	\$ 4,300,000	be deducted?
Eligible Request Amount:	\$ 4,300,000	

b. Gap Analysis for Viability Sizing Purposes Only:

Permanent Funding Sources:	DS w/ Fees	DSCR	NCF
Traditional First Mortgage	\$ 7,519,000.00	\$ 510,989	1.2089x \$ 106,733
Viability	\$ 4,300,000.00	\$ 53,750	1.0938x \$ 52,983
FHFC Source 1 - NA	\$ -	\$ -	1.0938x \$ 52,983
FHFC Source 2 - NA	\$ -	\$ -	1.0938x \$ 52,983
FHFC Source 3 - NA	\$ -	\$ -	1.0938x \$ 52,983
Miami-Dade County Surtax/SHIP	\$ 2,375,000.00	\$ 23,750	1.0497x \$ 29,233
<additional source>	\$ -	\$ -	1.0497x \$ 29,233
<additional source>	\$ -	\$ -	1.0497x \$ 29,233
<additional source>	\$ -	\$ -	1.0497x \$ 29,233
<additional source>	\$ -	\$ -	1.0497x \$ 29,233
HC Equity	\$ 21,049,035.00		
Deferred Developer Fee (30.92%)	\$ 1,381,597.35		
Total Sources	\$ 36,624,632.35	\$ 588,489	1.0497x \$ 29,233
Additional First Mortgage (Min 1st Sizing)	\$ -	\$ -	
Additional First Mortgage (DCR Sizing)	\$ -	\$ -	

Total Development Costs	\$36,624,632
Maximum Developer Fee Percentage	16%
Total Developer Fee	\$4,468,306
Minimum 30% Deferred Developer Fee	\$ 1,340,491.80

*Set-Asides for MMRB are expressed as the greater of MMRB Set-Asides or 4%HC Set-Asides for purposes of calculating Compliance Monitoring Fees on the MMRB loan.

Cash Flow Assumptions

Net Operating Income:	
Total Effective Gross Income in CUR Yr 1	\$1,169,048
Total Operating Expenses in CUR Yr 1	\$551,327
Net Operating Income in CUR Yr 1	\$ 617,721.07

Actual Traditional 1st Mortgage:	
Proposed Amount of Traditional 1st Mortgage	\$ 7,519,000.00
Traditional 1st Mtg Amortization (Years)	40.00
Traditional 1st Mtg Interest Rate	6.230%
Traditional 1st Mtg Mortgage Constant	6.79596%
Local HFA Bond Fees, if applicable	
Traditional 1st Mtg DSCR	1.21x
Net Cash Flow (NCF) after 1st Mtg Debt Service	\$ 106,732.52
Debt Service (DS) on FHFC Subsidy Loans (w/ fees)	\$ -
NCF after FHFC Subsidy Loans DS & Fees	\$ 106,732.52

RFA 2023-211 Minimum 1st Mortgage:	
Maximum 1st Mtg DSCR from Viability RFA	1.30x
Sized Debt Service from maximum DSCR	\$ 475,170.05
When TEBs are not utilized, no fees are included	\$ -
Sized Debt Service to be incorporated, net of fees	\$ 475,170.05
Mortgage Constant to be incorporated	6.79596%
Resulting minimum 1st Mtg	\$ 6,991,944.66
NCF after resulting minimum 1st Mtg	\$ 142,551.02
NCF after FHFC Subsidy Loans DS & Fees	\$ 142,551.02

Rule Chapter 67-48.0072(28)(g)2. Variables and Process:	
Total Vacancy & Collection Rate in CUR	3.000%
Revenue Growth Rate in CUR	2.000%
Operating Expense Growth Rate in CUR	3.000%
Amortization to be incorporated (Years)	40.00
Interest Rate to be incorporated	7.000%
Resulting Mortgage Constant for qualifying debt	7.45718%
Revenue Growth Rate to be incorporated	2.000%
Operating Expense Growth Rate to be incorporated	3.000%
Vacancy Rate to be incorporated	7.000%
Maximum DSCR for Year 1 NOI	1.50x
Maximum DSCR for Year 15 NOI	1.25x
Minimum NCF PU Year 1 (after 1st Mtg DS Only)	\$1,000
Net Operating Income Year 1	\$ 569,512.90
Net Operating Income Year 15	\$ 644,992.91
(a) Resulting Debt for Year 15 DSCR Limitations	\$ 6,919,434.00
(b)(i) Resulting Debt for Year 1 DSCR Limitation	\$ 5,091,408.61
(b)(ii) Resulting Debt for Year 1 NCS Limitation	\$ 6,363,172.11
(b) Greater of (b)(i) or (b)(ii)	\$ 6,363,172.11
Lesser of (a) or (b)	\$ 6,363,172.11
Sized Minimum 1st Mortgage per Rule	\$ 6,363,172.11
Resulting DSCR from Sized Minimum 1st Mortgage per Rule (using actual 1st mortgage debt structure)	1.43x

SELTZER MANAGEMENT GROUP, INC.

17633 ASHLEY DRIVE
PANAMA CITY BEACH, FL 32413
TEL: (850) 233-3616
FAX: (850) 233-1429

October 10, 2023

Ms. Tim Kennedy
Multifamily Loans and Bonds Director
Florida Housing Finance Corporation
227 North Bronough Street, Suite 5000
Tallahassee, Florida 32301-1329

Re: Superior Manor Apartments II – SAIL & ELI RFA 2019-116 (2020-394S) 4% HC2019-557C

Credit Underwriting Report Update Letter (“CUR Updated Letter”) – Changes to the Final CUR dated October 13, 2021, and CUR Update Letter (“CUL”) dated November 24, 2021 to approve additional subordinate debt from Miami-Dade County for Development Inflation Adjustment Funds/Construction Inflation Relief Funds (“DIAF/CIRF”) in the amount of \$831,000 and subordination of the loan to the State Apartment Incentive Loan (“SAIL”) and Extremely Low Income (“ELI”) Loans

Dear Mr. Kennedy:

Seltzer Management Group, Inc. (“SMG” or “Seltzer”) is in receipt of correspondence from Superior Manor Phase II, LLC (“Borrower”), dated May 15, 2023, requesting Florida Housing Finance Corporation’s (“FHFC” or “Florida Housing”) consent to the addition of a Miami-Dade County DIAF/CIRF subordinate loan for the above referenced transaction. The DIAF/CIRF loan will be subordinate to the FHFC SAIL and ELI Loans. At your direction, SMG has reviewed the request and formulated a recommendation. Seltzer’s findings are presented below.

The CUR and CUL for the above referenced transaction were approved at the October 22, 2021 and December 10, 2021, respectively, FHFC Board meetings. The DIAF/CIRF subordinate construction/permanent loan provided by Miami-Dade County is in the amount of \$831,000. Superior Manor Apartments II received a Notification of Award dated January 20, 2023, for the funding by Miami-Dade County.

Seltzer has been provided a Draft Future Advance Note for this additional financing. The term of the Future Advance Note (“Note”) is 30 years with a maturity date of December 31, 2053. The loan is non-amortizing with a 0% interest rate, and with the outstanding principal balance becoming due and payable on the maturity date. The Note is secured by a Leasehold Mortgage and Security Agreement and Assignment of Leases, Rents and Profits encumbering certain real property in Miami-Dade County, Florida; and by a Collateral Assignment of Leases, Rents and Contract Rights.

Mr. Tim Kennedy
Superior Manor Apartments II
October 10, 2023

Financing Sources

Source	Lender	Applicant	Revised Applicant	Underwriter	Interest Rate	Amort. Yrs.	Term Yrs.	Annual Debt
First Mortgage	Red Stone	\$5,900,000	\$5,900,000	\$5,900,000	4.25%	40	14	\$307,003
Second Mortgage	FHFC-SAIL	\$3,000,000	\$3,000,000	\$3,000,000	1.00%	N/A	14	\$30,000
Third Mortgage	FHFC-SAIL ELI	\$600,000	\$600,000	\$600,000	0.00%	N/A	14	\$0
Fourth Mortgage	PHCD-Surtax/SHIP	\$3,030,000	\$3,030,000	\$3,030,000	1.00%	N/A	30	\$30,300
Fifth Mortgage	Miami-Dade DIAF/CIRF	\$0	\$831,000	\$831,000	0.00%	N/A	30	\$0
Sixth Mortgage	Seller Note-New Urban Development LLC	\$1,900,000	\$1,900,000	\$1,900,000	1.31%	N/A	30	\$24,890
HC Equity	Red Stone Equity	\$11,888,486	\$11,888,486	\$11,888,486				
Def. Developer Fee	SMA II Developers	\$2,089,401	\$1,208,401	\$1,208,401				
Total		\$28,407,887	\$28,357,887	\$28,357,887				\$392,193

Please note the Applicant column is based on Seltzer's Final Sources and Uses / Construction Draw Schedule as approved for closing on December 16, 2021.

Notes to Financing:

- As stated above, the Borrower has been awarded an additional \$831,000 in Miami-Dade County DIAF/CIRF funds to help assist with inflationary development costs (construction costs and interest rates) being seen throughout the entire housing market.
- Deferred Developer Fee has decreased from \$2,089,401 to \$1,208,401, for a difference of \$881,000, as a result of the award of DIAF/CIRF funds. Per the Final Sources and Uses / Construction Draw Schedule, only \$138,816.86 of Developer Fee was drawn at closing and no additional Developer Fee is being drawn until completion; therefore, there are additional funds to defer in the case of further cost increases.

Total Development Costs

TOTAL DEVELOPMENT COSTS	Applicant Costs	Revised Applicant Costs	Underwriters Total Costs - CUR
TOTAL DEVELOPMENT COSTS:	\$28,407,887	\$28,357,887	\$28,357,887

Please note that the Applicant Cost column is based on Seltzer's Final Sources and Uses / Construction Draw Schedule as approved for closing on December 16, 2021.

Notes to Total Development Costs:

- Total Development Costs have decreased from \$28,407,887 at closing to \$28,357,887, a difference of \$50,000. The latest budget does not include the \$50,000 of due diligence fee charged by the syndicator.
- According to the Construction Progress Monitoring Report issued by Partner Assessment Corporation ("Partner") dated August 28, 2023, Superior Manor Apartments II is approximately 94.05% complete and reports a total of 27 change orders (including six material price increases within the first change order) totaling \$555,833.31 in net changes. The change orders have been paid from budgeted Hard Cost Contingency in the amount of \$817,398 and various cost savings from allowances.

Mr. Tim Kennedy
Superior Manor Apartments II
October 10, 2023

Operating Pro Forma

Notes to the Operating Pro Forma and Ratios:

- There are no changes to the operating pro forma as the addition of the DIAF/CIRF funds does not increase the amount of debt service nor are there any set-aside requirements other than the Miami-Dade Bonds, FHFC SAIL and ELI, and Miami-Dade County Surtax funding.

Conclusion

SMG concludes that the additional subordinate debt of Miami-Dade DIAF/CIRF funding in the amount of \$831,000 will not adversely impact the transaction and/or Florida Housing's security position. Accordingly, SMG recommends that FHFC approve the additional subordinate debt and subordination of the loan to the FHFC SAIL and ELI Loans, subject to the following:

- Review and approval of all loan documents consistent with the terms outlined above by Florida Housing, its Legal Counsel and Servicer.
- Payment of any outstanding arrearages to the Corporation, its Legal Counsel, Servicer or any agent or assignee of the Corporation for past due issues applicable to the development team (Applicant or Developer or Principal, Affiliate or Financial Beneficiary, as described in 67-21.0025(5) F.A.C. and 67-48.0075(5) F.A.C., of an Applicant or a Developer).
- Payment of all costs and fees to Florida Housing, its Legal Counsel and Servicer, as applicable.
- Satisfactory resolution of any outstanding noncompliance and/or past due items.
- Consent of the HC equity provider, if applicable.
- All other due diligence required by FHFC, its Legal Counsel and Servicer.

Should you have any questions please feel free to contact me directly.

Sincerely,

SELTZER MANAGEMENT GROUP, INC.



Keith Whitaker
Senior Credit Underwriter

SELTZER MANAGEMENT GROUP, INC.

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October 12, 2023

Mr. Tim Kennedy
Multifamily Loans & Bonds Director
Florida Housing Finance Corporation
City Centre Building
227 North Bronough Street, Suite 5000
Tallahassee, Florida 32301

Re: The Village of Casa Familia – Grant, NHTF, and 9% HC RFA 2019-107 (2019-422CGN/2021-325CGN/2022-279CGN) / Development Viability Loan Funding RFA 2021-211 (2022-230V) and ITP 2022 – NHTF CHIRP

Credit Underwriting Report Update Letter (“CUR Update Letter” or “CUL”) – Changes to the final Credit Underwriting Report (“CUR”), dated January 18, 2023 to include the Proposed Removal of the Election to Designate Units as Individual Room Occupancy (“IRO”) Units, Increase Existing First Mortgage Construction Loan, Borrower Equity and Additional Debt for the Construction and Permanent Financing of the Development’s Community Center and Changes in the Applicant and Developer Organizational Structures

Dear Mr. Kennedy:

Seltzer Management Group, Inc. (“SMG” or “Seltzer”) is in receipt of correspondence dated June 28, 2023, from a representative of The Village of Casa Familia, Ltd. (“Borrower” or “Applicant”) requesting Florida Housing Finance Corporation’s (“FHFC” or “Florida Housing”) consent to the removal of their election to designate nine 2-bedroom/2-bathroom units as Shared Housing Units for a total of 18 IRO Units. In addition, an increase in the First Mortgage Construction Loan, additional debt for the construction and permanent financing of the Development’s Community Center and Borrower equity are requested. Subsequently, the Applicant submitted a RFA waiver request, dated October 5, 2023, to change the organizational structures of the Applicant and Developer.

At your direction, SMG has reviewed the request and formulated a recommendation. Seltzer’s findings are presented below. For purposes of this analysis, Seltzer reviewed the following due diligence:

- RFA 2019-107, RFA 2021-211 and ITP 2022 – NHTF CHIRP
- Request from the Borrower to FHFC
- RFA waiver request from the Borrower to FHFC dated October 5, 2023
- Final CUR
- Updated Sources and Uses of Funds / Pro Forma provided by the Borrower dated July 5, 2023
- Updated Market Study dated July 27, 2023, completed by Meridian Appraisal Group, Inc. (“Meridian”)
- Updated Appraisal dated July 27, 2023, completed by Meridian
- Updated PCA dated July 24, 2023, completed by Moran Construction Consultant’s (“Moran”)
- Truist Bank, N.A. (“Truist”) Letter of Interest (“LOI”) dated June 5, 2023
- Truist Community Capital, LLC (“Truist CC”) LOI dated June 2, 2023

Mr. Tim Kennedy
The Village of Casa Familia
October 12, 2023

- Conference Report on Senate Bill 2500 (pg. 357)
- Memorandum from the Miami-Dade (“MD”) Board of County Commissioners (“BOCC”) dated January 17, 2023, approving Resolution No. R-19-23
- MD Public Housing and Community Development (“PHCD”) Award Letter dated June 6, 2023
- Casa Familia, Inc (“CFI”) and Casa Familia Housing GP, LLC LOI dated June 7, 2023
- Additional correspondence from FHFC, the Borrower, MD County and MD PHCD
- MD PHCD Section 8 Project-Based Vouchers (“PBRA”) Award letter dated July 7, 2023
- Draft Management Agreement dated

Background Summary

The CUR, dated January 18, 2023, for The Village of Casa Familia (“Development”) was approved at the January 27, 2023 FHFC Board meeting. The Development is to be located on SW 84th St., north of the Intersection of SW 84th St., and SW 109th Avenue in Unincorporated Miami-Dade, Miami-Dade County, Florida. The Demographic Commitment is Persons with Developmental Disabilities.

The CUR contemplated 59 units (after IRO designation) within 2 residential garden-style, ESS, buildings and one non-residential building. Eighteen (18) of the units were designated as IRO units, which allows each bedroom within a 2-bedroom unit to be leased to a separate tenant. Per the RFAs, once a bedroom is designated as an IRO Unit, it shall function as such throughout the entire 50-year Compliance Period. For purposes of the Land Use Restriction Agreement and if applicable, the Extended Low-Income Housing Agreement, each IRO Unit shall function as a Unit for the purposes of the Borrower’s Income Set-Aside and ELI commitments; and if the Borrower chooses to designate bedrooms as IRO Units, the number of Units (original total number of units is 50 units) will be considered to have increased, and the number of set-aside Units and ELI Units will be recalculated based on the increase in Total Units. Based on 18 units set aside as IRO units, the new total number of units is 59 units. Due to program conflicts with HUD and IRO units, the Borrower requests that FHFC consent to the removal of the election to designate 18 units as IRO Units.

It is also requested that FHFC consent to an increase in the First Mortgage Construction Loan for the construction of the Development and the addition of new financing and Borrower equity for the construction and permanent financing of the +10,000 Square Foot (“S.F.”) Community Center that will be located on the property. As noted in the CUR, since the Community Center is not an explicit requirement of the RFA, and will be for the benefit of the Development’s residents, FHFC has agreed to exclude the cost of the Community Center from the Total Development Cost (“TDC”) Per Unit (“PU”) calculation. The sources and uses for the Community Center, and other project related costs, have been excluded from the development budget, Housing Credits (“HC”) eligible basis, and the General Contractor (“GC”) and Developer Fee calculations, but are referenced in this letter for informational purposes, as the loans will be secured by mortgages on the Development.

During the underwriting of this CUR Update Letter, the Borrower submitted another request to FHFC Staff, dated October 5, 2023, requesting an RFA waiver to allow a change to the Applicant and Developer entity structures. The Borrower also communicated a change to the anticipated Management Company.

Applicant and Developer Structure Changes

On October 5, 2023, FHFC Staff received a request from the Borrower to change the organizational structure of the Applicant and Developer. Regarding the Applicant entity change, The Village at Casa Familia, Ltd., Applicant entity will change from a co-GP structure to a single general partner. Casa Familia GP, LLC (0.01%) will replace Co-GP's, APC Casa Familia, LLC (0.0049%) and Casa Familia Housing GP, LLC

Mr. Tim Kennedy
The Village of Casa Familia
October 12, 2023

(0.0051%). Both Members will be moved to the second principal disclosure level. Per RFA 2019-107, the Applicant entity shall be the borrowing entity and cannot be changed in any way (materially or non-materially) until after loan closing. Therefore, the change to the Applicant entity requires a RFA waiver. Regarding the Developer entity change, Casa Familia Housing Developer, LLC will replace Casa Familia, Inc. as a member of the Developer and will be a wholly owned subsidiary of Casa Familia, Inc. Per the RFA, the Principals of each Developer identified in the Application, including all co-Developers, may be changed only by written request of an Applicant to FHFC Staff and approval of the FHFC Board after the Applicant has been invited to enter credit underwriting. In addition, any allowable replacement of an experienced Principal of a Developer entity must meet the experience requirements that were met by the original Principal. According to the Applicant, the changes are a requirement of the equity investor, Truist Bank. FHFC Staff has reviewed these requests and finds that the Development meets all other requirements of RFA 2019-107. FHFC Staff approved these requests on October 10, 2023. Approval of the RFA waiver at the October 27, 2023 FHFC Board meeting is a closing condition.

Community Center Detail

CUR Community Center Sources and Use

Community Center Source	Total	%
GOB Funds - Community Center	3,500,000	38.23%
SURTAX	2,000,000	21.85%
GOB Funds - AH	1,655,028	18.08%
CFI Note	2,000,000	21.85%
Total Sources	9,155,028	100.00%

Use	Total	%
Hard Costs	7,075,223	77.28%
Recreational/Owner Items	350,000	3.82%
Hard Cost Contingency	353,761	3.86%
Art in Public Places	116,685	1.27%
Developer Profit	1,259,359	13.76%
Total Uses	9,155,028	100.00%

Proposed Community Center Sources and Use

The updated Community Center Sources and Uses, based on the Borrower’s budget dated July 5, 2023, are reflected below.

Community Center Source	Total	%
GOB Funds - Community Center	3,500,000	20.55%
CFI GP Capital Contribution	3,050,000	17.90%
GOB Funds - AH NEW	3,000,000	17.61%
GOB Funds - AH	1,655,028	9.72%
SURTAX & AHTF	4,000,000	23.48%
CFI Note	1,830,000	10.74%
Total Sources	17,035,028	100.00%

Use	Total	%
Hard Costs	13,446,042	78.93%
Recreational/Owner Items	350,000	2.05%
Hard Cost Contingency	672,302	3.95%
Art in Public Places	217,025	1.27%
Developer Profit	2,349,659	13.79%
Total Uses	17,035,028	100.00%

Mr. Tim Kennedy
The Village of Casa Familia
October 12, 2023

Notes to Community Center Sources and Use:

- Community Center Total Sources and Total Uses increased \$7,880,000 from \$9,155,028 in the CUR to \$17,035,028.

- New Sources

- The Casa Familia Inc. (“CFI”) General Partner (“GP”) Capital Contribution was added as a source in the amount of \$3,050,000.

CFI provided a Letter of Intent dated June 7, 2023, outlining their intent to provide a capital contribution of up to \$3,050,000 to the Development for the construction and permanent financing of the Community Center. The funds are appropriated to CFI through the 2023-2024 General Appropriations Act (“GAA”). The GAA stipulates in order to receive this funding, CFI must enter into a grant agreement with the Department of Economic Opportunity (“DEO”). Once the agreement is in place, the grant funds will be available on a reimbursement basis to CFI from July 1, 2023, through June 30, 2024 for the development of the Development. Subsequently, CFI intends to contribute these appropriated funds to the Applicant as a Partnership Capital Contribution through its wholly owned subsidiary Casa Familia Housing GP, LLC.

- The General Obligation Bond (“GOB”) Funds – Apartment (“AH”) New loan was added as a source in the amount of \$3,000,000.

According to a MD BOCC Memorandum dated January 17, 2023, and correspondence from the Senior Housing Director of CFI (Ms. Deborah Lawrence), the MDBCC adopted a resolution awarding \$3,000,000 to the Development for the construction and permanent financing of the Community Center. The funds will be awarded to CFI in the form of a grant, and subsequently loaned to the Applicant. The loan will bear an interest rate equal to the long-term Applicable Federal Rate (“AFR”) (estimated at 3.43%), with interest compounding annually and payable at maturity. The loan allows for a 24-month construction period followed by a 15-year permanent loan term. All payments shall be deferred until maturity.

- The Affordable Housing Trust Fund (“AHTF”) loan in the amount of \$2,000,000 was added to the existing Surtax source of \$2,000,000, for a total of \$4,000,000.

According to email correspondence dated April 17, 2023 from a representative of the MD PHCD and an Award Letter dated June 6, 2023, the PHCD awarded \$2,000,000 of AHTF funding to the Development for the construction and permanent financing of the Community Center. The funds will be awarded to CFI in the form of a grant, and subsequently loaned to the Applicant. The loan will bear an interest rate of 0% for a 30-year term. At maturity, the loan may be forgiven at the sole discretion of Miami-Dade County.

It should be noted that the Community Center loans will be secured by a mortgage on Development.

- Cost/Debt Increases

- The affiliate loan from CFI decreased from \$2,000,000 to \$1,830,000

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- Developer Fee (Community Center only) increased approximately 87%, from \$1,259,359 in the CUR, to \$2,349,659.
 - Hard Costs increased approximately 90%, from \$7,075,223 in the CUR, to \$13,446,042.
- SMG received a Pre-Construction Plan and Cost Review/Analysis (“PCA”) completed by Moran dated July 24, 2023. Complete results of the PCA are provided in the PCA section of the CUL.
- Hard Cost Contingency increased from \$353,761 in the CUR to \$672,302 as a result of the increase in hard costs.
- Art in Public Places increased, proportionately with the hard costs, from \$116,685 in the CUR to \$217,025.

Units Detail (exclusive of Community Center)

CUR Set Asides and Unit Mix with IRO Units

Set Asides:

Program	% of Units	# of Units	% AMI	Term (Years)
HC / ELI / Grant	15.00%	9	28%	50
HC / Grant	71.00%	42	60%	50
NHTF CHIRP	16.95%	10	30%	50

Unit Mix:

Bed Rooms	Bath Rooms	Units
1	1.0	38
2	2.0	3
IRO Units		
1	1.0	18
Total Units		59 (9 ELI)

Proposed Set Asides and Unit Mix without IRO Units

Set Asides:

Program	% of Units	# of Units	% AMI	Term (Years)
HC / ELI / Grant	15.00%	8	28%	50
HC / Grant	81.00%	34	60%	50
NHTF CHIRP	20.00%	10	30%	50

Unit Mix:

Bed Rooms	Bath Rooms	Units
1	1.0	38
2	2.0	12
IRO Units		
1	1.0	0
Total Units		50 (8 ELI)

Notes to Set Asides and Unit Mix:

- Per the request from the Borrower dated June 28, 2023, the inclusion of the IRO Units is in conflict with their allocation of PBRA in which each two-bedroom unit will be allocated a single

Mr. Tim Kennedy
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voucher and thus be based on a single lease. The Borrower further states the allocation of the PBRA rental subsidies are vital to the economic sustainability of the Development.

- The Borrower provided SMG with a copy of an award letter from the MD PHCD dated July 7, 2023 stating the MD PHCD conditionally approved 48 PBRA units and their proposed contract rents, under PHCD’s Section 8 Housing Choice Voucher program for the Development.
- Impacts from the change in set-asides, unit mix and an updated rent roll are further detailed in the *Rent Roll and Pro forma* section of the CUL. FHFC Staff approved this request on October 10, 2023.

PERMANENT FINANCING INFORMATION			
	1st Source	2nd Source	3rd Source
Lender/Grantor	FHFC - Viability	FHFC - Grant	FHFC - NHTF CHIRP
Amount	\$2,000,000	\$4,000,000	\$2,950,000
Underwritten Interest Rate	1.00%	0.00%	0.00%
Loan Term	15	50	30
Amortization	N/A	N/A	N/A
Market Rate/Market Financing LTV	12.9%	38.6%	57.6%
Restricted Market Financing LTV	29.3%	88.0%	131.2%
Loan to Cost - Cumulative	7.6%	22.7%	33.9%
Debt Service Coverage	10.745	10.745	8.043
Operating Deficit & Debt Service Reserves	\$1,001,812		
# of Months covered by the Reserves	16.8		

Deferred Developer Fee	\$3,205,798
As-Is Land Value	\$1,875,000
Market Rent/Market Financing Stabilized Value	\$15,530,000
Rent Restricted Market Financing Stabilized Value	\$6,820,000
Projected Net Operating Income (NOI) - Year 1	\$268,616
Projected Net Operating Income (NOI) - 15 Year	\$231,129
Year 15 Pro Forma Income Escalation Rate	2.00%
Year 15 Pro Forma Expense Escalation Rate	3.00%
Housing Credit (HC) Syndication Price	\$0.945
HC Annual Allocation - Initial Award	\$1,500,000
HC Annual Allocation - Qualified in CUR	\$1,500,000
HC Annual Allocation - Equity Letter of Interest	\$1,500,000

Mr. Tim Kennedy
The Village of Casa Familia
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Total Development Detail (Units and Community Center)

Total Development Costs have increased from \$24,617,425 to \$26,425,761, an increase of \$1,808,336, or 7.35%. The change in Total Development Costs is primarily due to increases in costs associated with construction and land acquisition.

The sources included in the CUR and the revised sources are reflected below:

Sources per the CUR

CONSTRUCTION/PERMANENT SOURCES:				
Source	Lender	Construction	Permanent	Perm Loan/Unit
Regulated Mortgage Lender	Truist Bank	\$12,000,000	\$0	\$0.00
FHFC - Viability	FHFC	\$0	\$2,000,000	\$67,796.61
FHFC - Grant	FHFC	\$4,000,000	\$4,000,000	\$33,898.31
FHFC - NHTF	FHFC	\$0	\$2,950,000	\$50,000.00
HC Equity	Truist Community Capital	\$8,504,150	\$14,173,583	\$240,230.22
Deferred Developer Fee	Developer	\$113,275	\$1,493,842	\$25,319.36
TOTAL		\$24,617,425	\$24,617,425	\$417,244.49

Proposed Sources

CONSTRUCTION/PERMANENT SOURCES:				
Source	Lender	Construction	Permanent	Perm Loan/Unit
Regulated Mortgage Lender	Truist	\$15,740,000	\$0	\$0.00
FHFC - Viability	FHFC	\$0	\$2,000,000	\$40,000.00
FHFC - Grant	FHFC	\$1,745,680	\$4,000,000	\$80,000.00
FHFC - NHTF	FHFC	\$0	\$2,950,000	\$59,000.00
HC Equity	Truist Community Capital	\$8,413,439	\$14,173,583	\$283,471.66
Deferred Developer Fee	Developer	\$526,642	\$3,205,798	\$64,115.96
TOTAL		\$26,425,761	\$26,329,381	\$526,587.62

Notes to Changes to the Sources:

- Per the June 5, 2023, LOI from Truist the First Mortgage Construction Loan of up to \$18,000,000, currently estimated to be \$15,740,000.

The interest rate for the Truist construction loan is now stated to be comprised of the One Month Term Secured Overnight Financing Rate (“SOFR”) (5.33% as of September 13, 2023) plus 2.45% and Seltzer’s underwriting cushion of 1.00%, for an “all-in” rate estimated at 8.78%. This is a change from the previously underwritten rate of 6.68%, comprised of the 30-day SOFR Term Rate (2.63% as of September 26, 2022) plus 2.55% and Seltzer’s underwriting cushion of 1.50%. The increased rate has resulted in an increase to the construction debt service.

- The decrease in equity available as a construction source is the result of changes to the prior capital contribution schedule as outlined in the Truist CC LOI dated June 2, 2023.
- Terms and conditions of the FHFC Viability Loan, Grant and NHTF Loan are consistent with terms as described in the CUR.
- As a condition of the ITP NHTF CHIRP, the Development must defer at least 30% of Developer Fee in the permanent period, which is exceeded by the Viability RFA, that the Development defer at least 40% of Developer Fee in the permanent period. The calculation to determine the percentage of deferred Developer Fee is based on a 16% Developer Fee, exclusive of the 5% of Developer Fee

Mr. Tim Kennedy
The Village of Casa Familia
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designated to fund an Operating Deficit Reserve ("ODR"). It is currently estimated that the Development will defer 100.00% of Developer Fee. If Sources or Uses change, resulting in less than 40% Developer Fee being deferred at the time of conversion to permanent period financing, FHFC will reduce the Viability Loan amount as detailed in RFA 2021-211.

Housing Credit Equity Investment

The HC syndicator, Truist CC and/or its assigns, will provide a net equity investment of \$14,173,583 in exchange for 99.99% ownership interest in the Borrower.

The following equity installments are based on the Truist CC LOI dated June 2, 2023:

Capital Contributions	Amount	Percent of Total	When Due
1st Installment	\$4,252,075	30.00%	At closing
2nd Installment	\$2,834,717	20.00%	50% Construction Completion
3rd Installment	\$1,326,647	9.36%	98% Construction Completion
4th Installment	\$5,660,144	39.93%	Later of: Applied for 8609, Cost Certification, 90% Occupancy, Conversion, or 1.20x DSC
5th Installment	\$100,000	0.71%	Later of: Final 8609, Stabilization, Recording of "extended low-income housing commitment"
Total	\$14,173,583	100.00%	

Annual Tax Credits per Syndication Agreement:	\$1,500,000
Total HC Available to Syndicator (10 years):	\$14,998,500
Syndication Percentage (investor member interest):	99.99%
Calculated HC Exchange Rate (per dollar):	\$0.945
Proceeds Available During Construction:	\$8,413,439

Mr. Tim Kennedy
The Village of Casa Familia
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Use of Funds

Please note that the Applicant Costs column is based on Seltzer’s conclusions in the CUR throughout the charts.

CONSTRUCTION COSTS:	Applicant Costs	Revised Applicant Costs	Underwriters Total Costs - CUR	Cost Per Unit	HC Ineligible Costs - CUR
Accessory Buildings				\$0	
Demolition	\$135,902		\$131,919	\$2,638	\$131,919
Installation of Pre Fab Units				\$0	
New Rental Units	\$11,187,901	\$9,850,072	\$12,178,240	\$243,565	\$197,179
Off-Site Work				\$0	\$0
Recreational Amenities	\$0	\$531,653		\$0	
Site Work	\$385,197		\$2,398,983	\$47,980	\$359,847
Swimming Pool				\$0	
Furniture, Fixture, & Equipment				\$0	\$0
Hard Cost Contingency - in Constr. Cont.				\$0	
Constr. Contr. Costs subject to GC Fee	\$11,709,000	\$10,381,725	\$14,709,142	\$294,183	\$688,945
General Conditions	\$1,636,365		\$882,549	\$17,651	
Overhead			\$588,366	\$11,767	
Profit			\$588,366	\$11,767	
Builder's Risk Insurance				\$0	
General Liability Insurance				\$0	
Payment and Performance Bonds				\$0	
Contract Costs not subject to GC Fee				\$0	
Total Construction Contract/Costs	\$13,345,365	\$10,381,725	\$16,768,422	\$335,368	\$688,945
Hard Cost Contingency	\$667,268	\$492,504	\$492,504	\$9,850	
PnP Bond paid outside Constr. Contr.	\$151,151	\$173,824	\$173,824	\$3,476	
Fees for LOC used as Constr. Surety				\$0	
Demolition paid outside Constr. Contr.				\$0	
FF&E paid outside Constr. Contr.	\$395,860		\$0	\$0	
Other: <u>Art in Public Places</u>	\$304,085	\$264,355	\$0	\$0	\$0
Total Construction Costs:	\$14,863,729	\$11,312,408	\$17,434,750	\$348,695	\$688,945

Notes to Construction Costs:

- The Borrower has provided an unexecuted amended and restated construction contract between the Borrower and Atlantic Pacific Community Builders, LLC (“APCB” or “GC”), dated May 2023, where the basis for payment is the Cost of the Work plus a Fee with a Guaranteed Maximum Price (“GMP”) in the amount of \$23,296,114. The Borrower also provided a Schedule of Values (“SOV”) indicating a hard cost budget of \$20,435,118 with GC Fees of \$2,860,926.

The SOV segregated the costs to construct the community center and other related development costs (\$6,527,692) from the other construction costs (\$16,768,422). As previously discussed, the community center costs are included for informational purposes only; therefore, they are excluded from the TDC PU calculation and are not included in HC eligible basis.

The expense for the complete demolition of existing structures located on the subject site (\$131,919) and the cost to purchase washers and dryers that will be rented/leased to Development tenants (\$197,179) are classified as HC ineligible.

The GMP provides for retainage of 10% until the development reaches 50% completion, with no additional retainage thereafter. The GMP requires the GC to achieve substantial completion of the entire work no later than 420 days from the date of commencement.

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The GMP includes the following allowances:

Security	\$64,000
Clubhouse millwork	\$50,000
Clubhouse gas service	\$15,000
<u>Well</u>	<u>\$30,000</u>
Total	\$159,000

- The GC fee exceeds the 14% maximum limit required by RFA 2019-107 and Rule by \$1.00. Receipt and satisfactory review of an updated GMP where the GC fee does not exceed 14% and terms are not materially different from those as underwritten in the CUL and a Final PCA, are conditions to close.
- The Hard Cost Contingency for the Development does not exceed 5% of the construction hard costs as required by RFA 2019-107 and Rule.
- The Payment and Performance Bond premium is outside the construction contract.
- SMG received a Pre-Construction Plan and Cost Review/Analysis (“PCA”) Moran dated July 24, 2023. Complete results of the PCA are provided in the PCA section of the CUL.

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GENERAL DEVELOPMENT COSTS:	Applicant Costs	Revised Applicant Costs	Underwriters Total Costs - CUR	Cost Per Unit	HC Ineligible Costs - CUR
Accounting Fees	\$40,000	\$40,000	\$40,000	\$800	\$20,000
Appraisal	\$14,050	\$18,745	\$18,500	\$370	
Architect's and Planning Fees				\$0	
Architect's Fee - Site/Building Design	\$746,200	\$915,630	\$395,998	\$7,920	
Architect's Fee - Supervision	\$60,000	\$69,000	\$69,000	\$1,380	
Building Permits	\$102,896	\$102,896	\$102,896	\$2,058	
Builder's Risk Insurance	\$105,000	\$241,167	\$105,000	\$2,100	
Capital Needs Assessment/Rehab				\$0	
Engineering Fees	\$87,500	\$100,625	\$100,625	\$2,013	
Environmental Report	\$98,580	\$113,367	\$81,254	\$1,625	
Federal Labor Standards Monitoring				\$0	
FHFC Administrative Fees	\$82,500	\$82,500	\$82,500	\$1,650	\$82,500
FHFC Application Fee	\$3,000	\$71,000	\$3,000	\$60	\$3,000
FHFC Credit Underwriting Fee	\$28,879	\$28,879	\$33,880	\$678	\$33,880
FHFC Compliance Fee	\$228,041	\$228,041	\$229,447	\$4,589	\$229,447
FHFC Other Processing Fee(s)	\$65,000	\$65,000	\$65,500	\$1,310	\$65,500
Impact Fee	\$45,941	\$45,941	\$45,941	\$919	
Lender Inspection Fees / Const Admin	\$139,040	\$159,896	\$114,604	\$2,292	
Green Building Cert. (LEED, FGBC, NGBS)				\$0	
Home Energy Rating System (HERS)				\$0	
Insurance	\$74,502	\$234,769	\$168,268	\$3,365	
Legal Fees - Organizational Costs	\$715,077	\$1,400,077	\$0	\$0	\$0
Local Subsidy Underwriting Fee				\$0	
Market Study	\$11,000	\$9,775	\$16,000	\$320	\$16,000
Marketing and Advertising	\$75,000	\$75,000	\$75,000	\$1,500	\$75,000
Plan and Cost Review Analysis	\$2,950		\$11,850	\$237	
Property Taxes	\$53,553	\$64,271	\$53,553	\$1,071	
Soil Test	\$8,800	\$10,120	\$10,120	\$202	
Survey	\$64,663	\$74,362	\$64,663	\$1,293	\$16,166
Tenant Relocation Costs				\$0	
Title Insurance and Recording Fees	\$210,063	\$200,000	\$200,000	\$4,000	\$40,000
Traffic Study				\$0	
Utility Connection Fees	\$201,870	\$347,756	\$201,870	\$4,037	
Soft Cost Contingency	\$188,951	\$238,318	\$114,473	\$2,289	
Total General Development Costs:	\$3,453,056	\$4,937,135	\$2,403,942	\$48,079	\$581,493

Notes to General Development Costs:

- Certain development costs, were allocated solely to the Community Center, and therefore, not reflected in this budget.
- The Appraisal, Market Study, and Plan and Cost Review Analysis individual line items reflect the actual costs associated with 3rd party reports engaged by SMG. Increases are the result of engaging updates to these reports associated with the underwriting for the CUL.
- FHFC Credit Underwriting Fees have increased due to the additional underwriting fee for the CUL. The FHFC Underwriting Fee includes \$1,612 for the Preliminary HC Recommendation Letter, \$17,422 for underwriting the Grant and 9% HC, \$4,850 for underwriting the Viability loan, \$4,996 for underwriting the NHTF CHIRP and \$5,000 for the CUL.

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- FHFC Other Processing Fee(s) reflects the total of the following fees:
 - \$30,000 Two Credit Swaps
 - \$10,000 NOC Extension
 - \$10,000 LPA Extension
 - \$5,000 CUR Extension
 - \$5,000 10% Test Extension
 - \$5,000 Site Control Extension
 - \$500 Ownership Change Request
 - \$65,500 Total
- Seltzer estimated 25% of the survey budget was for the boundary survey, and thereby considered an HC ineligible expense.
- Soft Cost Contingency increased due to the increase in the soft costs and remains within 5%, as allowed per RFA 2019-107 and Rule.
- Certain development costs were allocated proportionately between the Apartments and the Community Center.
- Other General Development Costs are based on the Borrower's estimates, which appear reasonable.

FINANCIAL COSTS:	Applicant Costs	Revised Applicant Costs	Underwriters Total Costs - CUR	Cost Per Unit	HC Ineligible Costs - CUR
Construction Loan Origination Fee	\$120,000	\$118,050	\$118,050	\$2,361	
Construction Loan Commitment Fee				\$0	
Construction Loan Closing Costs	\$69,000	\$90,505	\$0	\$0	
Construction Loan Interest	\$703,947	\$911,931	\$0	\$0	
Construction Loan Servicing Fees				\$0	
Legal Fees - Financing Costs	\$394,317		\$0	\$0	
NIBP Commitment Fee				\$0	
Other: Other Loan Closing Costs	\$107,325	\$119,500	\$0	\$0	
Other: FHFC Grant Commitment Fee	\$2,000		\$2,000	\$40	\$2,000
Other: FHFC Viability Commitment Fee	\$20,000		\$40,000	\$800	\$40,000
Other: FHFC Closing Costs	\$37,500		\$37,500	\$750	
Total Financial Costs:	\$1,454,089	\$1,239,986	\$197,550	\$3,951	\$42,000
Dev. Costs before Acq., Dev. Fee & Reserves	\$19,770,874	\$17,489,529	\$20,036,242	\$400,725	\$1,312,438

Notes to Financial Costs:

- The Construction Loan Origination Fee decreased from \$120,000 to \$118,050 based on the Borrower's estimate, which appears reasonable.
- Construction Loan Closing Costs and Other Loan Closing Costs have been fully allocated to the Community Center.
- Construction Loan Interest has been fully allocated to the Community Center.
- The FHFC Grant Commitment Fee is based on the lesser of 1% of the FHFC Grant amount or \$2,000 per RFA 2019-107.
- The Commitment Fee for the Viability Loan is 1% of the loan amount as specified per RFA 2021-211.

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- FHFC Closing Costs of \$37,500 includes the Grant, Viability, and NHTF CHIRP Legal Counsel Fees of \$12,500 for each loan.

NON-LAND ACQUISITION COSTS	Applicant Costs	Revised Applicant Costs	Underwriters Total Costs - CUR	Cost Per Unit	HC Ineligible Costs - CUR
Brokerage Fees - Building				\$0	
Building Acquisition Cost				\$0	
Total Non-Land Acquisition Costs:	\$0	\$0	\$0	\$0	\$0

Notes to Non-Land Acquisition Costs:

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

DEVELOPER FEE ON NON-ACQUISITION COSTS	Applicant Costs	Revised Applicant Costs	Underwriters Total Costs - CUR	Cost Per Unit	HC Ineligible Costs - CUR
Developer Fee - Unapportioned	\$3,147,035	\$2,798,325	\$3,205,798	\$64,116	
DF to fund Operating Debt Reserve	\$983,449	\$874,477	\$1,001,812	\$20,036	
DF to Brokerage Fees - Land				\$0	
DF to Excess Land Costs				\$0	
DF to Excess Bldg Acquisition Costs				\$0	
DF to Consultant Fees				\$0	
DF to Guaranty Fees				\$0	
Total Other Development Costs:	\$4,130,484	\$3,672,802	\$4,207,610	\$84,152	\$0

Notes to Other Development Costs:

- The Developer Fee does not exceed 21% of development costs, exclusive of land acquisition, reserves, and Developer Fee, per RFA 2019-107 and Rule. A portion of the Developer Fee (5% of development costs before Developer Fee and reserves and is estimated to be \$1,001,812) must be placed in an ODR account to be held by FHFC or its Servicer. Any disbursements from said ODR account shall be reviewed and approved by FHFC or its Servicer. The remaining Developer Fee (\$3,205,798) will be funded to the Developer, when available and as appropriated based on the requirements of the RFAs and ITP - 2022 NHTF CHIRP.

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

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LAND ACQUISITION COSTS	Applicant Costs	Revised Applicant Costs	Underwriters Total Costs - CUR	Cost Per Unit	HC Ineligible Costs - CUR
Brokerage Fees - Land				\$0	\$0
Land Acquisition Cost				\$0	\$0
Land				\$0	\$0
Land Lease Payment	\$226,036	\$1,830,000	\$1,830,000	\$36,600	\$1,830,000
Land Carrying Costs				\$0	\$0
Total Acquisition Costs:	\$226,036	\$1,830,000	\$1,830,000	\$36,600	\$1,830,000

Notes to the Land Acquisition Costs:

- The site is owned by Miami-Dade County and leased to CFI. According to the draft sublease agreement between CFI and the Borrower, the Borrower will lease the site for a period of no less than 50 years.

Due to certain extenuating circumstances that were discussed with FHFC, the Borrower does not have an updated draft sublease agreement reflecting a capital lease payment equal to the amount in the budget (\$1,830,000). FHFC has agreed to accept an updated agreement as a condition to close.

Note, the draft sublease provided for underwriting reflects a land lease payment of \$3,000,000, due at closing. The Borrower informed Seltzer that based on the documentation provided for credit underwriting, the land lease payment should be reflected as \$226,036. In the event that the Borrower is able to secure additional government funding prior to closing, the land lease payment shall be revised to an amount not to exceed \$1,830,000. Any additional or increased mortgages shall be subject to the approval of the FHFC Board.

- The appraisal estimated a lease hold land value of \$1,875,000, which supports the capital lease payment.

RESERVE ACCOUNTS	Applicant Costs	Revised Applicant Costs	Underwriters Total Costs - CUR	Cost Per Unit	HC Ineligible Costs - CUR
Operating Deficit Reserve (FHFC)				\$0	\$0
Operating Deficit Reserve (Lender)	\$251,531	\$351,909	\$351,909	\$7,038	\$351,909
Operating Deficit Reserve (Syndicator)				\$0	\$0
Reserves - Working Capital	\$238,500	\$1,182,830	\$0	\$0	\$0
Total Reserve Accounts:	\$490,031	\$1,534,739	\$351,909	\$7,038	\$351,909

Notes to the Reserve Accounts:

- Reserves – Operating Deficit increased from \$251,531 to \$351,909 based the Borrower’s estimate of the anticipated increase in the ODR required by Truist for the increased First Mortgage Construction Loan, which appears reasonable. At the end of the Compliance Period, any remaining balance of the ODR less amounts that may be permitted to be drawn (which includes Deferred Developer Fee and reimbursements for authorized member/partner and guarantor loan(s) pursuant to the operating/partnership agreement), will be used to pay FHFC loan debt; if there is no FHFC loan debt on the proposed Development at the end of the Compliance Period, any remaining balance shall be used to pay outstanding FHFC fees. If any balance is remaining in the ODR after the payments above, the amount should be placed in a Replacement Reserve account for the Development. In no event shall the payments of amounts to the Borrower or the Developer from the Reserve Account cause the Developer Fee or General Contractor Fee to exceed the applicable percentage limitations provided for in the Rule. Any and

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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
TOTAL DEVELOPMENT COSTS:	\$24,617,425	\$24,527,070	\$26,425,761	\$528,515	\$3,494,347

Notes to the Total Development Costs:

- Total Development Costs have increased from \$24,617,425 to \$26,425,761, an increase of \$1,808,336, or 7.35%. The change in Total Development Costs is primarily due to increases in costs associated with construction costs.
- Per RFA 2019-107, Total Development Costs (“TDC”) are limited on a per unit basis based on the construction type of the units as indicated by the Borrower. The application indicated a construction type of Garden-ESSC (confirmed by the PCA Provider) and a maximum allowable per unit cost of \$277,200. Based on changes to TDC limits approved at the April 1, 2022 Telephonic FHFC Board Meeting, including a different TDC multiplier (Allowances for Higher Costs of Enhanced Safety and Accessibility Features) as described in RFA 2019-107, the maximum allowable per unit cost is \$533,610.00, the Development’s final TDC per unit is \$478,295.07 and is within TDC limits.
- In order to utilize the above referenced Construction Features Multiplier, the Development must pass two tests. In the first test, all qualifying costs (\$4,722,146) will initially be subtracted from the TDC. That adjusted TDC will be used to determine whether the TDC PU limitation is met using the first methodology/test, with all multipliers and TDC Add-Ons that apply, except for the Construction Features Multiplier. The TDC PU limitation for the first test is \$395,266.67, and the Development’s TDC PU is \$383,852.15, passing the first test. The second methodology/test the qualifying costs are included in the adjusted TDC and the PU limitation process will be calculated again, using the Construction Features Multiplier in lieu of the other non-geographic multipliers. The TDC PU limitation for the second test is \$533,610.00, and the Development’s TDC PU is \$478,295.07, which passes. Both of the TDC PU limitation tests must be passed again at the time of final cost certification.

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Operating Pro forma

OPERATING PRO FORMA		ANNUAL	PER UNIT
INCOME	Gross Potential Rental Income	\$994,752	\$19,895
	Other Income:		
	Miscellaneous	\$15,000	\$300
	Washer/Dryer Rentals	\$15,000	\$300
	Cable/Satellite Income		\$0
	Gross Potential Income	\$1,024,752	\$20,495
	Less:		
	Physical Vacancy Loss - Percentage: 3.0%	(\$30,743)	(\$615)
	Collection Loss - Percentage: 1.0%	(\$10,248)	(\$205)
	Total Effective Gross Revenue	\$983,762	\$19,675
EXPENSES	Fixed:		
	Real Estate Taxes	\$72,221	\$1,444
	Insurance	\$100,000	\$2,000
	Variable:		
	Management Fee - Percentage: 5.0%	\$49,188	\$984
	General and Administrative	\$60,000	\$1,200
	Payroll Expenses	\$190,787	\$3,816
	Utilities	\$68,700	\$1,374
	Marketing and Advertising	\$0	\$0
	Maintenance and Repairs	\$25,000	\$500
	Grounds Maintenance and Landscaping	\$15,000	\$300
	Contract Services	\$75,000	\$1,500
	Security	\$44,250	\$885
	Reserve for Replacements	\$15,000	\$300
Total Expenses	\$715,146	\$14,303	
Net Operating Income	\$268,616	\$5,372	
Debt Service Payments			
DEBT SERVICE	First Mortgage - FHFC - Viability	\$20,000	\$400
	Second Mortgage - FHFC - Grant	\$0	\$0
	Third Mortgage - FHFC - NHTF CHIRP	\$0	\$0
	All Other Mortgages -	\$0	\$0
	First Mortgage Fees - FHFC - Viability	\$5,000	\$100
	Second Mortgage Fees - FHFC - Grant	\$0	\$0
	Third Mortgage Fees - FHFC - NHTF CHIRP	\$8,398	\$168
	All Other Mortgages Fees -	\$0	\$0
Total Debt Service Payments	\$33,398	\$668	
Cash Flow After Debt Service	\$235,218	\$4,704	

Debt Service Coverage Ratios		
	DSC - First Mortgage plus Fees	10.745
	DSC - Second Mortgage plus Fees	10.745
	DSC - Third Mortgage plus Fees	8.043
	DSC - All Mortgages and Fees	8.043
Financial Ratios		
	Operating Expense Ratio	72.7%
	Break-Even Ratio	73.2%

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Notes to the Operating Pro forma and Ratios:

- The Development will be utilizing a FHFC Viability, Grant, NHTF and Housing Credits that will impose rent restrictions. The restricted rent schedule is based upon the lesser of the updated 2023 maximum net HC rents, the Appraiser’s estimates or Borrower’s projections. The Borrower provided SMG with a copy of an award letter from the MD PHCD dated July 7, 2023 stating the MD PHCD conditionally approved 48 PBRA units and the proposed contract rents, under PHCD’s Section 8 Housing Choice Voucher program for the Development.
- Updated Utility Allowances (“UAs”) were provided in the MD PHCD Award Letter dated June 6, 2023. The UAs increased from the \$91 that was previously underwritten to, \$105 for a 1-bedroom unit, an increase of \$14, and \$168 for a 2-bedroom unit, an increase of \$77.
- Gross Potential Rental Income increased from \$913,056 in the CUR to \$994,752 as a result of the previously designated IRO units operating as 2-bedroom/2-bathroom units and the updated contract rents.
- The Applicant intends to classify two units as “exempt” units, coming from the 60% AMI set-asides. The Applicant has reflected those units as non-revenue units. Since the units were not officially classified as exempt, Seltzer included them in the rent roll. The Debt Service Coverage (“DSC”) ratio for all mortgages and fees, without the potential income of the two proposed exempt units is in excess of 2.0x, which indicates the Development has sufficient cashflow, even with converting two units to non-revenue.
- The break-even ratio when calculated with all debt is 73.2%, which consists solely of cashflow contingent/soft debt and fees.

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

Miami-Miami Beach-Kendall HMFA / Miami-Dade County

Bed Rooms	Bath Rooms	Units	Square Feet	AMI%	Low HOME Rents	High HOME Rents	Gross HC Rent	Utility Allow.	Net Restricted Rents	PBRA Contr Rents	Applicant Rents	Appraiser Rents	CU Rents	Annual Rental Income
1	1.0	5	695	28%			\$542	\$105	\$437	\$1,595	\$1,595	\$1,595	\$1,595	\$95,700
1	1.0	2	695	60%			\$1,161	\$105	\$1,056		\$0	\$1,056	\$1,056	\$25,344
1	1.0	10	716	30%			\$580	\$105	\$475	\$1,595	\$1,595	\$1,595	\$1,595	\$191,400
1	1.0	1	716	60%			\$1,161	\$105	\$1,056	\$1,595	\$1,595	\$1,595	\$1,595	\$19,140
1	1.0	15	716	60%			\$1,161	\$105	\$1,056	\$1,595	\$1,595	\$1,595	\$1,595	\$287,100
1	1.0	5	716	MKT						\$1,595	\$1,595	\$1,595	\$1,595	\$95,700
2	2.0	3	1,144	MKT						\$1,947	\$1,947	\$1,947	\$1,947	\$70,092
2	2.0	3	1,144	28%			\$650	\$168	\$482	\$1,947	\$1,947	\$1,947	\$1,947	\$70,092
2	2.0	6	1,144	60%			\$1,393	\$168	\$1,225	\$1,947	\$1,947	\$1,947	\$1,947	\$140,184
		50	40,789											\$994,752

- The Appraiser estimated \$15,000 in annual Washer/Dryer income, and \$15,000 ancillary income. Ancillary income includes cable income and other miscellaneous income including vending, late charges, pet deposits, forfeited security deposits, etc.
- Vacancy Loss (3%) and Collection Loss (1%) rates are supported by the Appraisal.
- Management Fees are 5% based upon the management agreement which reflects the greater of \$3,000 per month or 5% of gross income.

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- Replacement reserves are \$300 per unit per year, annually escalating 3% starting in Year-11, which meets RFA 2019-107 and Rule minimum reserve requirement.
- Other operating expense estimates are based on market comparables supported by the appraisal or the Borrower's estimate, whichever was more conservative from an underwriting prospective.
- In the CUR, the DSC for the first and second mortgage loans was calculated to be 5.925 to 1.00. Based on the changes discussed in this letter, the DSC for the first mortgage, Viability Loan and Grant has improved and is now estimated at 10.745 to 1.00.
- The Viability Loan payments will be repaid from available cash flow. The Break-Even Ratio would be 75.5% if Viability Loan payments were excluded.
- Debt service coverage for all mortgages plus fees is estimated at 8.043x in Year 1, an increase from 4.435x as reflected in the CUR. A 15-year income and expense projection shows decreasing debt service coverage. This projection is attached to this CUL as Exhibit 1.

Plan and Cost Review

SMG has reviewed a Draft Plan and Cost Analysis ("PCA") from Moran Construction Consultants, LLC ("Moran") dated July 24, 2023.

The PCA states that the construction documents do appear to include adequate detail to complete the proposed scope of work. The documents were prepared by licensed Architects and Engineers and do appear to address governing codes or ordinances. The materials, systems, and assemblies are considered appropriate with regards to industry standard and project type and are generally of adequate quality.

Moran notes that Florida Housing Administration ("FHA") and Americans with Disabilities Act ("ADA") building codes do appear to be included in the design documents and that all buildings/units will be inspected for FHA/ADA compliance prior to receipt of Certificates of Occupancy. Moran also confirmed that all features and amenities required by RFA 2019-107, are included within the Development's plans and specifications.

The PCA stated the review of the schedule of values indicates a cost per square foot of \$326.08 and a cost per unit of \$465,922.28. This appears higher than normal due to additional site work and special construction scopes including: utility extensions, pool/jacuzzi and pool deck, movie theatre, and art studio. The PCA states there are \$159,000, or 0.68% of the contract sum, in allowances. The GMP includes the following allowances:

Security	\$64,000
Clubhouse millwork	\$50,000
Clubhouse gas service	\$15,000
<u>Well</u>	<u>\$30,000</u>
Total	\$159,000

Moran concluded that, other than the overall high cost per unit/square foot, the costs are reasonable and sufficient to complete the scope of work.

The GMP indicates a project completion date within 420 days of the date of commencement (approximately 14 months). It is Moran's opinion that the construction schedule is partially adequate to complete the proposed scope of work. Moran notes the scheduled duration from start of construction to completion is 479 days.

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Moran estimated the insurable value to be \$19,469,559.10.

Moran's PCA contains the following recommendations:

- Moran recommends the Contractor provide a sub-contractor buy-out log for the project until all scopes have been fully bought-out.
- Moran recommends receipt of an updated, more in-depth Construction Schedule that reflects the actual Notice to Proceed/Mobilization date prior to construction commencement that aligns with the Contract Duration of 420 days.
- Receipt of the fully executed contract immediately upon closing. At the time of underwriting, a draft was provided.
- Receipt of the Project Manager and Superintendent resumes to verify experience with projects of similar size and scope.
- Receipt of final, stamped/signed, "for construction" set of drawings once available.
- Receipt of pavement recommendations provided by the Geotechnical Engineer to verify conformance with the Civil Drawings.
- Receipt of all applicable permits prior to commencement of construction and a permit ready letter prior to closing.

In order to utilize the Construction Features multiplier reflected in RFA 2019-107 (PDC/PDD), the development will provide the following (previously described) safety and accessibility features:

- Additional square footage in dwelling units or common space
- Greater noise abatement/attenuation between units
- Assistive technology hardware
- For those servicing Demographic Commitments that require Level 1 Accessibility Requirements, additional fully accessible units, above the required number of units, in accordance with the 2010 ADA Standards for Accessibility Design

SMG previously received a Plan and Cost Analysis ("PCA") from On Solid Ground, LLC. ("OSG") dated January 3, 2023 where OSG confirmed that all features and amenities required by RFA 2019-107, and the enhanced safety and accessibility features as described in RFA 2019-107, are included within the Development's plans and specifications.

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HC Allocation Calculation

Section I: Qualified Basis Calculation	
Development Cost	\$26,425,761
Less Land Cost	(\$1,830,000)
Less Federal Funds	\$0
Less Other Ineligible Cost	(\$1,664,347)
Less Disproportionate Standard	\$0
Total Eligible Basis	\$22,931,413
Applicable Fraction	82.8268%
DDA/QCT Basis Credit	130.00%
Qualified Basis	\$24,691,355
Housing Credit Percentage	9.00%
Annual Housing Credit Allocation	\$2,222,222

Notes to the Qualified Basis Calculation:

- Other Ineligible Costs primarily include the cost for the community center, income producing washers/dryers, a portion of accounting fees estimated for cost certification, FHFC fees (administrative, application, credit underwriting, compliance monitoring, and extension fees), a portion of demo and site work, market study costs, marketing and advertising, a portion of survey expenses estimate for the boundary survey, a portion of title insurance and recording fees attributed to land acquisition, permanent loan origination fees, start-up/lease-up reserves, and operating deficit reserves.
- The Applicant committed to set aside 42 units resulting in a Unit Fraction of 84.0%. Based on the unit square footages, SMG calculates a Floor Fraction of 82.8268%; therefore, SMG utilized the Floor Fraction of 82.8268% as the Applicable Fraction.
- The Development is located in a Small Area DDA, SADDA ZCTA Number 33173. Therefore, the 130% basis credit has been applied to the Eligible Basis.
- The HC percentage is 9.00% per the Fiscal Year 2016 Omnibus Spending and Tax Bill passed by Congress.

Section II: Gap Calculation	
Total Development Cost (Including Land and Ineligible Costs)	\$26,425,761
Less Mortgages	(\$6,950,000)
Less Grants	(\$2,000,000)
Equity Gap	\$17,475,761
Percentage to Investment Partnership	99.99%
HC Syndication Pricing	\$0.9450
HC Required to Meet Gap	\$18,494,718
Annual HC Required	\$1,849,472

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The Village of Casa Familia
October 12, 2023

Notes to the GAP Calculation:

- According to the RFA, and based on the set-asides and demographic commitment, there is no minimum qualify first mortgage requirement for this transaction.
- Mortgages consist of the \$4,000,000 Viability Loan and the \$2,950,000 NHTF CHIRP Loan.
- Grants consist of the \$4,000,000 FHFC Grant.
- HC Syndication Pricing and Percentage to Investment Partnership are based upon the LOI dated June 2, 2023 from Truist CC.

Section III: Summary	
HC per Applicant Request	\$1,500,000
HC per Qualified Basis	\$2,222,222
HC per Gap Calculation	\$1,849,472
Annual HC Recommended	\$1,500,000

Notes to the Summary:

- The Annual HC Recommended is still limited based on the Applicant's request.

Management Company

The Applicant provided an undated, draft management agreement between Royal American Management, Inc. ("RAM") and the Applicant. The management fee shall be equal to five percent (5%) of gross monthly collections or \$3,000, whichever is greater. The term of the agreement shall be for a period of two years, beginning on the date upon which pre-leasing efforts commence and ending 24 calendar months thereafter. At such time agreed upon by Applicant and RAM, the actual beginning and ending dates of the agreement will be stated in an addendum signed by both Applicant and RAM. In the event the agreement is not renewed upon the expiration of the initial term, it will renew automatically in additional one-year terms unless modified or terminated in accordance with the agreement.

The Asset Management Department of FHFC will need to approve the selection of RAM for The Village of Casa Familia prior to the commencement of lease-up activity pursuant to Rule Chapter 67-53. Continued approval will be contingent upon ongoing satisfactory performance.

Conclusion

SMG concludes that the increase to the existing Truist First Mortgage Construction Loan to a maximum amount of \$18,000,000, removal of the IRO units, Borrower equity and additional debt for the construction and permanent financing of the Development's Community Center and changes in the Applicant and Developer organizational structures would not adversely impact the transaction and/or FHFC's security position. Accordingly, SMG provides this analysis for FHFC's consideration to approve the Borrower's request, subject to the following:

- All closing conditions, as stated in the CUR, must be satisfied.
- FHFC Board approval of RFA 2019-107 waiver for the proposed Applicant and Developer structures.
- Receipt and satisfactory review of an executed Management Plan.

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- Receipt and satisfactory review of an executed Management Agreement with terms not materially different from those as underwritten in this letter.
- The GC fee exceeds the 14% maximum limit required by RFA 2019-107 and Rule by \$1.00. Receipt and satisfactory review of an updated GMP where the GC fee does not exceed 14% and terms are not materially different from those as underwritten in this CUL.
- Receipt and satisfactory review of an updated Market Study reflecting the set-asides in this CUL.
- Receipt and satisfactory review of an updated Appraisal reflecting the set-asides in this CUL.
- Receipt and satisfactory review of a Final PCA that confirms the executed GC Contract complies with RFA 2019-107 and Rule.
- Review and approval of all loan documents consistent with the terms outlined above by FHFC Housing, it's Legal Counsel and Servicer.
- Payment of all costs and fees to Florida Housing, its Legal Counsel, and Servicer, as applicable.
- Any other due diligence required by FHFC, its Legal Counsel and Servicer.

Should you have any questions please feel free to contact me directly.

SELTZER MANAGEMENT GROUP, INC.



Barbara Smith
Associate Credit Underwriter

Exhibit 1
Village of Casa Familia
15 Year Income and Expense Projection

FINANCIAL COSTS:		Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11	Year 12	Year 13	Year 14	Year 15
OPERATING PRO FORMA																
INCOME	Gross Potential Rental Income	\$994,752	\$1,014,647	\$1,034,940	\$1,055,639	\$1,076,752	\$1,098,287	\$1,120,252	\$1,142,657	\$1,165,511	\$1,188,821	\$1,212,597	\$1,236,849	\$1,261,586	\$1,286,818	\$1,312,554
	Other Income:															
	Ancillary Income-Parking	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	Miscellaneous	\$15,000	\$15,300	\$15,606	\$15,918	\$16,236	\$16,561	\$16,892	\$17,230	\$17,575	\$17,926	\$18,285	\$18,651	\$19,024	\$19,404	\$19,792
	Washer/Dryer Rentals	\$15,000	\$15,300	\$15,606	\$15,918	\$16,236	\$16,561	\$16,892	\$17,230	\$17,575	\$17,926	\$18,285	\$18,651	\$19,024	\$19,404	\$19,792
	Cable/Satellite Income	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	Rent Concessions	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	Gross Potential Income	\$1,024,752	\$1,045,247	\$1,066,152	\$1,087,475	\$1,109,225	\$1,131,409	\$1,154,037	\$1,177,118	\$1,200,660	\$1,224,673	\$1,249,167	\$1,274,150	\$1,299,633	\$1,325,626	\$1,352,139
	Less:															
	Economic Loss - Percentage:															
Physical Vacancy Loss - Percentage: 3.0%	(\$30,743)	(\$31,357)	(\$31,985)	(\$32,624)	(\$33,277)	(\$33,942)	(\$34,621)	(\$35,314)	(\$36,020)	(\$36,740)	(\$37,475)	(\$38,225)	(\$38,989)	(\$39,769)	(\$40,564)	
Collection Loss - Percentage: 1.0%	(\$10,248)	(\$10,452)	(\$10,662)	(\$10,875)	(\$11,092)	(\$11,314)	(\$11,540)	(\$11,771)	(\$12,007)	(\$12,247)	(\$12,492)	(\$12,742)	(\$12,996)	(\$13,256)	(\$13,521)	
Total Effective Gross Revenue	\$983,762	\$1,003,437	\$1,023,506	\$1,043,976	\$1,064,856	\$1,086,153	\$1,107,876	\$1,130,033	\$1,152,634	\$1,175,687	\$1,199,200	\$1,223,184	\$1,247,648	\$1,272,601	\$1,298,053	
EXPENSES	Fixed:															
	Real Estate Taxes	\$72,221	\$74,388	\$76,619	\$78,918	\$81,285	\$83,724	\$86,236	\$88,823	\$91,487	\$94,232	\$97,059	\$99,971	\$102,970	\$106,059	\$109,241
	Insurance	\$100,000	\$103,000	\$106,090	\$109,273	\$112,551	\$115,927	\$119,405	\$122,987	\$126,677	\$130,477	\$134,392	\$138,423	\$142,576	\$146,853	\$151,259
	Other	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
	Variable:															
	Management Fee - Percentage: 5.0%	\$49,188	\$50,172	\$51,175	\$52,199	\$53,243	\$54,308	\$55,394	\$56,502	\$57,632	\$58,784	\$59,960	\$61,159	\$62,382	\$63,630	\$64,903
	General and Administrative	\$60,000	\$61,800	\$63,654	\$65,564	\$67,531	\$69,556	\$71,643	\$73,792	\$76,006	\$78,286	\$80,635	\$83,054	\$85,546	\$88,112	\$90,755
	Payroll Expenses	\$190,787	\$196,511	\$202,406	\$208,478	\$214,732	\$221,174	\$227,810	\$234,644	\$241,683	\$248,934	\$256,402	\$264,094	\$272,017	\$280,177	\$288,582
	Utilities	\$68,700	\$70,761	\$72,884	\$75,070	\$77,322	\$79,642	\$82,031	\$84,492	\$87,027	\$89,638	\$92,327	\$95,097	\$97,950	\$100,888	\$103,915
	Marketing and Advertising	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	Maintenance and Repairs	\$25,000	\$25,750	\$26,523	\$27,318	\$28,138	\$28,982	\$29,851	\$30,747	\$31,669	\$32,619	\$33,598	\$34,606	\$35,644	\$36,713	\$37,815
	Grounds Maintenance and Landscaping	\$15,000	\$15,450	\$15,914	\$16,391	\$16,883	\$17,389	\$17,911	\$18,448	\$19,002	\$19,572	\$20,159	\$20,764	\$21,386	\$22,028	\$22,689
	Resident Programs	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	Contract Services	\$75,000	\$77,250	\$79,568	\$81,955	\$84,413	\$86,946	\$89,554	\$92,241	\$95,008	\$97,858	\$100,794	\$103,818	\$106,932	\$110,140	\$113,444
	Security	\$44,250	\$45,578	\$46,945	\$48,353	\$49,804	\$51,298	\$52,837	\$54,422	\$56,055	\$57,736	\$59,468	\$61,252	\$63,090	\$64,983	\$66,932
	Reserve for Replacements	\$15,000	\$15,000	\$15,000	\$15,000	\$15,000	\$15,000	\$15,000	\$15,000	\$15,000	\$15,000	\$15,450	\$15,914	\$16,391	\$16,883	\$17,389
	Total Expenses	\$715,146	\$735,659	\$756,777	\$778,518	\$800,902	\$823,946	\$847,672	\$872,098	\$897,246	\$923,137	\$950,243	\$978,151	\$1,006,884	\$1,036,466	\$1,066,924
Net Operating Income	\$268,616	\$267,779	\$266,729	\$265,458	\$263,954	\$262,206	\$260,204	\$257,935	\$255,388	\$252,550	\$248,957	\$245,033	\$240,764	\$236,134	\$231,129	
DEBT SERVICE	Debt Service Payments															
	First Mortgage - FHFC - Viability	\$20,000	\$20,000	\$20,000	\$20,000	\$20,000	\$20,000	\$20,000	\$20,000	\$20,000	\$20,000	\$20,000	\$20,000	\$20,000	\$20,000	\$20,000
	Second Mortgage - FHFC - Grant	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	Third Mortgage - FHFC - NHTF CHIRP	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	All Other Mortgages -	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	First Mortgage Fees - FHFC - Viability	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000
	Second Mortgage Fees - FHFC - Grant	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	Third Mortgage Fees - FHFC - NHTF CHIRP	\$8,398	\$8,398	\$8,398	\$8,398	\$8,398	\$8,398	\$8,398	\$8,398	\$8,398	\$8,398	\$8,398	\$8,398	\$8,398	\$8,398	\$8,398
Total Debt Service Payments	\$33,398	\$33,398	\$33,398	\$33,398	\$33,398	\$33,398	\$33,398	\$33,398	\$33,398	\$33,398	\$33,398	\$33,398	\$33,398	\$33,398	\$33,398	
Cash Flow After Debt Service	\$235,218	\$234,381	\$233,331	\$232,060	\$230,556	\$228,808	\$226,806	\$224,537	\$221,990	\$219,152	\$215,559	\$211,635	\$207,366	\$202,736	\$197,731	
Debt Service Coverage Ratios																
DSC - First Mortgage plus Fees	10.745	10.711	10.669	10.618	10.558	10.488	10.408	10.317	10.216	10.102	9.958	9.801	9.631	9.445	9.245	
DSC - Second Mortgage plus Fees	10.745	10.711	10.669	10.618	10.558	10.488	10.408	10.317	10.216	10.102	9.958	9.801	9.631	9.445	9.245	
DSC - Third Mortgage plus Fees	8.043	8.018	7.986	7.948	7.903	7.851	7.791	7.723	7.647	7.562	7.454	7.337	7.209	7.070	6.920	
DSC - All Mortgages and Fees	8.043	8.018	7.986	7.948	7.903	7.851	7.791	7.723	7.647	7.562	7.454	7.337	7.209	7.070	6.920	
Financial Ratios																
Operating Expense Ratio	72.7%	73.3%	73.9%	74.6%	75.2%	75.9%	76.5%	77.2%	77.8%	78.5%	79.2%	80.0%	80.7%	81.4%	82.2%	
Break-Even Ratio	73.2%	73.8%	74.3%	74.9%	75.4%	76.0%	76.5%	77.1%	77.7%	78.3%	78.9%	79.6%	80.2%	80.9%	81.6%	

Natural Disaster Recovery Update
Hurricanes Ian and Nicole
Exhibit B

RFA	Application Number	Name of Development	Funding Amount	Name of Applicant	Name of Developers	County	Total Units	Demo Commitment	Current Status	Assigned Credit Underwriter	Credit Underwriting Status, if applicable
2023-304 (RRLP)	2023-201R	Lofts on Lemon Phase II	\$10,657,100.00	Lofts on Lemon II, LLC	Lofts II Fortis Developer, LLC; SHA Affordable Development, LLC	Sarasota	93	F	Invited into credit underwriting on August 23, 2023.	First Housing	
2023-304 (RRLP)	2023-216BR	Palms Landing	\$8,096,200.00	SP Palms LLC	Southport Development, Inc.	Lee	88	F	Invited into credit underwriting on August 23, 2023.	First Housing	
2023-304 (RRLP)	2023-220BR	Legacy Park II	\$8,950,600.00	HTG Legacy II, Ltd.	HTG Legacy II Developer, LLC	Lee	80	E, Non-ALF	Invited into credit underwriting on August 23, 2023.	AmeriNat	
2023-304 (RRLP)	2023-226BR	New York Avenue Apartents	\$9,353,500.00	Blue Ian, LLC	Blue Ian Developer, LLC	Volusia	84	F	Invited into credit underwriting on August 23, 2023.	AmeriNat	
2023-304 (RRLP)	2023-196BR	Town Oaks Apartments	\$5,340,600.00	ECG Town Oaks, LP	ECG Town Oaks Developer, LLC	Orange	60	F	Invited into credit underwriting on August 23, 2023.	Seltzer	
2023-304 (RRLP)	2023-206BR	Lakewood Senior Housing	\$5,394,400.00	Lakewood Senior Housing, LLLP	ACRUVA Community Developers, LLC; Neighborhood Renaissance, Inc.	Volusia	56	E, Non-ALF	Invited into credit underwriting on August 23, 2023.	Seltzer	
2023-108 (HC and RRLP)	2023-190CRA	Blue Coral Apartments	\$2,040,000 HC \$4,200,000 RRLP	Blue CASL Coral, LLC	Blue BC Developer, LLC; CASL Developer, LLC	Lee	72	H	Invited into credit underwriting on June 20, 2023. Carryover Agreement issued on October 2, 2023. Due back October 9, 2023.	First Housing	
2023-108 (HC and RRLP)	2023-192CRA	Fox Pointe	\$2,040,000 HC \$4,200,000 RRLP	HFH Fox Pointe, LLC	HTG Fox Pointe Developer, LLC; HFH Fox Pointe Developer, LLC	Volusia	70	H	Invited into credit underwriting on June 20, 2023. Carryover Agreement issued on October 2, 2023. Due back October 9, 2023.	Seltzer	
2022-206 (HOME)	2023-162H	Parc East	\$6,600,000.00	Parc East, LLC	Rural Neighborhoods, Incorporated	Okeechobee	28	F	Invited into credit underwriting on June 12, 2023.	AmeriNat	
2022-206 (HOME)	2023-163H	Wauchula Place	\$5,700,000.00	NDA Wauchula, LLC	NDA Developer, LLC	Hardee	22	F	Invited into credit underwriting on May 24, 2023.	First Housing	
2022-206 (HOME)	2023-164H	Phoenix Crossings	\$6,250,000.00	Phoenix Crossings, LLC	Rural Neighborhoods, Incorporated	Flagler	28	F	Invited into credit underwriting on May 24, 2023.	AmeriNat	
2022-206 (HOME)	2023-165BH	Sovereign at Harbor West	\$6,173,749.00	Sovereign at Harbor West, LLC	Strategic Sovereign Developers, LLC; N Vision Communities, Inc.	Charlotte	32	F	Invited into credit underwriting on May 24, 2023.	Seltzer	
2022-206 (HOME)	2023-166BH	Sovereign at Parkside East	\$5,653,571.00	Sovereign at Parkside East, LLC	Strategic Sovereign Developers, LLC; N Vision Communities, Inc.	Charlotte	32	E, Non-ALF	Invited into credit underwriting on May 24, 2023.	Seltzer	
2022-206 (HOME)	2023-168H	Holy Child	\$6,994,000.00	Holy Child Housing, Inc.	NDA Developer, LLC; Holy Child Developer, Inc.	Hardee	25	F	Invited into credit underwriting on June 12, 2023. CUR approval on Board agenda for October 27, 2023 meeting.	First Housing	

Exhibit C
Hurricane Ian- Progress Report on Reconstruction and Re-housing of Displaced Households
as of 9/30/2023

Displaced HHs with Catastrophic, Extensive, or Moderate Damage

HFA#	Event	FEMA IA County	Property-HDR	City	County	Ttl Units HDR	Buildings Damaged	Units Damaged	Households Displaced	Estimated Damage	Construction Progress as of 9/30/2023	Households Displaced at 9/30/2023
2513	Hurricane Ian	Yes	Kissimmee Homes	Kissimmee	Osceola	104		97	97	CATASTROPHIC	The first group of 11 units is anticipated to be completed on 3/6/2023. All units scheduled for completion by 6/23/2023. As of 3/31/2023, 12 units are complete and awaiting fire extinguisher inspection prior to CO being issued. Inspection scheduled for 4/17/2023. Anticipate completion date is still 6/23/2023. As of 5/15/2023, 13 units are complete, 6 of those have been reoccupied. As of 6/15/2023, 16 units are complete and ready for occupancy. As of 7/31/2023, 33 units are complete and ready for occupancy. As of 9/30/2023, Certificates of Occupancy have been issued for all 97 units and all units are occupied.	0
1127	Hurricane Ian	Yes	McPines	Arcadia	Desoto	64	2	2	1	MODERATE	Interior drywall and painting is complete. Ready for cabinets, doors, light fixtures and appliances. Exterior siding work worked has started. Anticipated completion date for all work is 5/31/2023. As of 5/15/2023, two (2) units continue to be out of service awaiting roof repairs. As of 6/15/2023, two (2) units continue to be out of service awaiting roof repairs. As of 7/31/2023, the two (2) remaining units (306 and 1515) await final inspection. As of 9/30/2023, all work is 100% complete with all units returned to service.	0

HFA#	Event	FEMA IA County	Property-HDR	City	County	Ttl Units HDR	Buildings Damaged	Units Damaged	Households Displaced	Estimated Damage	Construction Progress as of 9/30/2023	Households Displaced at 9/30/2023
2278	Hurricane Ian	Yes	Renaissance Phase II	Ft. Myers	Lee	96	15	18	6	EXTENSIVE	All tenants were relocated to other properties operated by the Housing Authority of the City of Ft. Myers (HACFM). As of 3/31/2023, HACFM is waiting on insurance funds and/or FEMA funding to begin roof replacement. All roofs are currently tarped. Anticipated completion date is 2024. As of 6/15/2023, owner was still waiting on funds from FEMA and/or insurance carrier to commence work. As of 9/30/2023, the owner continues to negotiate the claim with the insurer. Contract for roof work is anticipated no earlier than December 2023. Anticipated completion date for all work is during the first quarter of 2024.	0
2466	Hurricane Ian	Yes	Renaissance Phase III	Ft. Myers	Lee	88	8	11	4	EXTENSIVE	All tenants were relocated to other properties operated by the Housing Authority of the City of Ft. Myers (HACFM). As of 3/31/2023, HACFM is waiting on insurance funds and/or FEMA funding to begin roof replacement. All roofs are currently tarped. Anticipated completion date is 2024. As of 6/15/2023, owner was still waiting on funds from FEMA and/or insurance carrier to commence work. As of 9/30/2023, the owner continues to negotiate the claim with the insurer. Contract for roof work is anticipated no earlier than December 2023. Anticipated completion date for all work is during the first quarter of 2024.	0

HFA#	Event	FEMA IA County	Property-HDR	City	County	Ttl Units HDR	Buildings Damaged	Units Damaged	Households Displaced	Estimated Damage	Construction Progress as of 9/30/2023	Households Displaced at 9/30/2023
2710	Hurricane Ian	Yes	Renaissance Phase IV	Ft. Myers	Lee	88	8	11	3	EXTENSIVE	All tenants were relocated to other properties operated by the Housing Authority of the City of Ft. Myers (HACFM). As of 3/31/2023, HACFM is waiting on insurance funds and/or FEMA funding to begin roof replacement. All roofs are currently tarped. Anticipated completion date is 2024. As of 6/15/2023, owner was still waiting on funds from FEMA and/or insurance carrier to commence work. As of 9/30/2023, the owner continues to negotiate the claim with the insurer. Contract for roof work is anticipated no earlier than December 2023. Anticipated completion date for all work is during the first quarter of 2024.	0
2010	Hurricane Ian	Yes	Renaissance Senior	Ft. Myers	Lee	120	1	8	0	EXTENSIVE	All tenants were relocated to other properties operated by the Housing Authority of the City of Ft. Myers (HACFM). As of 3/31/2023, HACFM is waiting on insurance funds and/or FEMA funding to begin roof replacement. All roofs are currently tarped. Anticipated completion date is 2024. No change as of 5/15/2023. As of 6/15/2023, owner and insurance carrier were working to finalize contracts for reconstruction. As of 9/30/2023, the owner continues to negotiate the claim with the insurer. Contract for roof work is anticipated no earlier than December 2023. Anticipated completion date for all work is during the first quarter of 2024.	0

HFA#	Event	FEMA IA County	Property-HDR	City	County	Ttl Units HDR	Buildings Damaged	Units Damaged	Households Displaced	Estimated Damage	Construction Progress as of 9/30/2023	Households Displaced at 9/30/2023
634	Hurricane Ian	Yes	Seven Palms	Punta Gorda	Charlotte	336	42	168	0	EXTENSIVE	Roof replacement began 2/27/2023. Anticipated completion date is 6/30/2023. As of 3/31/2023, the anticipated completion date has been pushed out to 10/31/2023 due to permitting and inspection delays. As of 5/15/2023, roof work continued on schedule for a 10/31/2023 completion date. As of 6/15/2023, 27 of 42 damaged buildings have been restored. The final phase of work includes 15 residential buildings, the clubhouse, mail kiosk, gazebo and maintenance building and is scheduled for a 10/31/2023 completion date. As of 7/31/2023, roof work is complete. Fascia and gutters are scheduled for a 9/30/2032 completion date. All nonresidential buildings are scheduled for a 10/31/2023 completion date. As of 9/30/2023, all work is completed.	0
1608	Hurricane Ian	Yes	Valencia Gardens	Wauchula	DeSoto	104	1	16	15	CATASTROPHIC	Sixteen (16) units destroyed by fire due to the Hurricane. No anticipated completion date. Seven (7) households were re-housed at Valencia Gardens. As of 3/31/2023, debris removal has started. Bids for reconstruction of the building are being reviewed. A contract should be finalized by 4/30/2023. As of 5/15/2023, the building site was cleared of all debris. As of 6/15/2023, owner and insurance carrier are working to finalize contracts for reconstruction. As of 7/31/2023, environmental and geotechnical site studies are being conducted along with and draft architectural plans and preliminary cost estimates. As of 9/30/2023, full set of lconctrction plans are complete and being reviewed by cliams adjuster. Contractor will then provide updated price based on adjuster's review.	9

Exhibit D
Hurricane Eta (FEMA-3551_FL) Damage Assessment
as of September 30, 2023

Development	City	County	Demographic	# Units	Damage reported	Current Status	# Displaced Households
Glorieta Gardens	Opa Locka	Miami-Dade	Family	330	Flood damage to first floor units of two (2) buildings	<p>The Local government has agreed to issue permits to begin demolition work. However, commencement of work is dependent on a damaged, storm drain line that extends from the property to a city-owned canal. As of 2/15/2021, building permit are secured and all tenants have been relocated. Owners anticipate having the units back on line by April 30, 2021. As of 4/9/2021, the tenants have all been relocated to either a hotel or another unit at the development. As of 5/15/2021, the completion has been extended to 7/31/2021. There are now 28 tenants currently displaced. As of 6/30/2021, there are now 26 tenants currently displaced. The anticipated completion date is still 7/31/2021. There are now 19 tenants currently displaced. Anticipated completion date is October 31, 2021. As of 9/30/2021, there are 43 units out of service. There are now 15 households currently displaced. There are now 13 tenants currently displaced. No work was completed due to shortage in supply/material. Contractors have placed material and supply orders directly through the manufacturers to expedite delivery. Anticipated completion date is March 31, 2022. As of 2/15/2022, there are remain 13 households displaced and the anticipated completion date continues to be 3/31/2022. As of 3/31/2022, 13 residents are in hotels. Seven (7) units were ready for move-in on 3/31/2022. However, inspection backlogs within the City of Opa Locka Building Dept. have delayed receipt of COs. As of 5/31/2022, 24 units are still out of service and 8 households remain displaced. However, by Thursday, 6/2 only one tenant will remain in a hotel. Pending additional site work, the new anticipated completion date is June 30, 2022. As of 8/31/2022, 16 units remain out of service with 1 household displaced. As of 3/31/2023, one(1) unit remains out-of-service from flooding caused by Hurricane Eta. No households displaced. As of 5/15/2023, one (1) unit remains out-of-service while awaiting air quality testing and final inspection. According to management, as of 6/15/2023, the unit has been fully inspected and a new tenant has a scheduled move-in date of June 28th. As of 9/30/2023, the final unit remains unoccupied.</p>	0

Exhibit A
Hurricane Idalia- Progress Report on Reconstruction and Re-housing of Displaced Households
as of 9/30/2023

HFA#	FEMA IA County	Development Name	City	County	Total Units	Total Bldgs.	Buildings Damaged	Units Damaged	Households Displaced	Estimated Damage	Progress as of 9/30/2023	Households Displaced as of 9/30/2023
1630	Yes	Arbours at Madison	Madison	Madison	72	9	9	2	0	LIMITED	Initial reports of limited roof shingle damage to residential to non-residential buildings (clubhouse, mail kiosk and covered picnic facility).	
118	No	Buena Vista Point	Orlando	Orange	324	12	1	0	0	MODERATE	Initial Report of moderate roof damage to residential buildings and moderate damage to non-residential buildings and landscaping. As of 9/30/023, owner reports that all roof damage has been repaired.	0
188	No	Commander Place	Orlando	Orange	216	9	1	1	0	LIMITED	Initial reports of limited roof damage to one (1) residential buildings. As of 9/30/023, owner reports that all roof damage has been repaired.	
260	No	Falcon Trace	Orlando	Orange	252	12	12	0	0	LIMITED	Initial reports of limited roof damage to 12 residential buildings. As of 9/30/023, owner reports that all roof damage has been repaired.	0
309	Yes	Greenbriar	Jasper	Hamilton	24	5	1	0	0	LIMITED	Initial reports of limited roof damage to one (1) residential buildings. As of 9/30/023, owner reports that all roof damage has been repaired.	0
311	Yes	Greenhaven	Jasper	Hamilton	37	7	1	0	0	LIMITED	Initial reports of limited roof damage to one (1) residential buildings. As of 9/30/023, owner reports that all roof damage has been repaired.	0
324	Yes	Hamilton Village	Jennings	Hamilton	24	5	1	0	0	LIMITED	Initial reports of limited roof damage to one (1) residential buildings. As of 9/30/023, owner reports that all roof damage has been repaired.	0

HFA#	FEMA IA County	Development Name	City	County	Total Units	Total Bldgs.	Buildings Damaged	Units Damaged	Households Displaced	Estimated Damage	Progress as of 9/30/2023	Households Displaced as of 9/30/2023
3128	Yes	Hilltop	Madison	Madison	72	15	2	3	1	MODERATE	Initial reports of moderate roof damage to two (2) residential buildings with three (3) Units in the building damaged .. One household was required to move out.	1
2464	Yes	Live Oak - Meadows	Live Oak	Suwannee	87	18	1		1	MODERATE	Initial Report of extensive damage to non-residential buildings and amenities. moderate roof damage to residential buildings.	1
1020	No	Mission Pointe	Jacksonville	Duval	388	18	3	0	0	LIMITED	Initial reports of limited roof damage to three (3) residential buildings	0
566	Yes	Oaktree	Jasper	Hamilton	24	6	1	0	0	LIMITED	Initial reports of limited roof damage to one (1) residential building.	0
598	No	Park Avenue Villas	Orlando	Orange	120	9	3	0	0	MODERATE	Initial reports of moderate roof damage to three (3) residential buildings. As of 9/30/023, owner reports that all roof damage has been repaired.	0
615	No	Parkside Gardens	Ocala	Marion	144	1	3	0	0	LIMITED	Initial reports of limited roof damage to three (3) residential buildings	0
2909	Yes	Perrytown	Perry	Taylor	100	11	2	3	3	MODERATE	As of 9/30/2023, owner reported moderate roof damage to two (2) residential buildings resulting in three (3) households being displaced.	3
1483	yes	Silas Oaks	Live Oak	Suwannee	110	15	15	0	0	MODERATE	Initial Report of moderate roof damage to 14 residential buildings and the clubhouse/office. As of 9/30/2023, roofs were tarped by licensed/insured contractor within 24 hours of the hurricane's departure. Insurance was contacted, adjusters, insurance representatives and their contractors have visited the property. Roofs and other minor exterior damages were accessed. (3) vendor bids have been submitted for roof replacement/repair and are currently being reviewed by insurance and ownership alike.	0

HFA#	FEMA IA County	Development Name	City	County	Total Units	Total Bldgs.	Buildings Damaged	Units Damaged	Households Displaced	Estimated Damage	Progress as of 9/30/2023	Households Displaced as of 9/30/2023
3100	Yes	Southern Villas of Madison	Madison	Madison	36	7	6			LIMITED	Initial report of limited roof and window damage to residential buildings. Limited damage to non-residential buildings and amenities also reported.	0
3068	Yes	Southern Villas of Perry	Perry	Taylor	36	6	4		3	EXTENSIVE	Initial Report of extensive roof damage to four (4) residential buildings and one (1) non-residential building. Three (3) household reported as displaced. As of 9/30/2023 , owner is soliciting bids from contractors and coordinating with claims	3
3023	Yes	Springhill	Madison	Madison	76	8	2	4	4	MODERATE	Initial Report of moderate roof damage to two (2) residential buildings with four (4) households displaced as a result. As of 9/30/2023, all damage roofs are tarped and owner is soliciting bids from contractors.	4
1180	0	Thomas Chase	Jacksonville	Duval	268	10	2	0	0	MODERATE	Initial Report of moderate roof damage to two (2) residential buildings and limited damage to non-residential buildings.	0
3209	Yes	Timbers	Cross City	Dixie	32		8	1	0	MODERATE	Initial report of moderate damage to one (1) residential building with one (1) unit damage.	0
3211	Yes	Trenton I	Trenton	Gilchrist	36		4	0	0	LIMITED	Initial reports of limited roof damage to four (4) residential buildings	0
3212	Yes	Trenton II	Trenton	Gilchrist	24		4	0	0	LIMITED	Initial reports of limited roof damage to four (4) residential buildings	0
981	Yes	Windsong I - Lake City	Lake City	Columbia	180	10	7	0	0	EXTENSIVE	Initial Report of extensive roof and gutter damage to seven (7) residential buildings. Owner is currently soliciting bids from contractors.	0

Displaced Households- Total

12