



August 23, 2024
Consent Items
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A. In Re: Ambar Trail, LTD

FHFC Case No. 2024-036VW

Development Name (“Development”):	Ambar Trail
Developer/Principal (“Developer”):	Ambar3, LLC/Elena Adames
Number of Units: 210 units	Location: Miami-Dade County
Type: New Construction/ Mid-Rise	Set-Asides: 11 Units @ 40% AMI 188 Units @ 60% AMI 11 Units @ 80% AMI
Demographics: Family	Funding: 4% HC: \$2,279,803 SAIL: \$5,000,000 MMRB: \$32,000,000

1. Background:

- a) Petitioner successfully applied for funding to assist in the construction of Ambar Trail, a 210-unit development located in Miami-Dade County, Florida (the “Development”). On June 17, 2024, Florida Housing received a Petition for Waiver of Rules 67-21.026(13)(e) and 67-48.0072(17)(h), F.A.C. (7/11/2019) (the “Petition”) to allow Petitioner’s General Contractor to perform construction or inspection work that is normally performed by subcontractors. A copy of the Petition is attached as [Exhibit A](#).

2. Present Situation:

- a) Rule 67-21.026(13)(e), F.A.C. (7/11/2019) and Rule 67-48.0072(17)(f), F.A.C. (7/11/2019), apply however, on April 29, 2022, the Board approved an amendment to Rule 67-21.026(13)(e) and Rule 67-48.0072(17)(f), Fla. Admin. Code, effective retroactively to developments that submitted applications under prior rules versions. Rule 67-21.026(13)(e), Fla. Admin. Code (2022) and Rule 67-48.0072(17)(f) states in relevant part:

(e). Ensure that no construction or inspection work is performed by the General Contractor, with the following exceptions:

The General Contractor may self-perform work of a de minimis amount, defined for purposes of this subparagraph as the lesser of \$350,000 or 5 percent of the construction contract.

- b) Petitioner requests a waiver of the above rules to allow Petitioner’s General Contractor (GC) to perform work that is usually performed by subcontractors.
- c) As justification for the request, Petitioner states that COVID-19 created a backlog of construction projects. When pandemic restrictions were lifted, high demand drove up the costs of subcontracting work, including renting equipment. As a result, the GC had subcontractors that would not agree to perform the work for the amount contracted in December 2020. The GC was competing with other projects for the same pool of labor and equipment resulting in instances where the

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GC could not find subcontractors that could perform the work within the requisite time frames. To avoid delays that would prevent satisfying the placed-in-service deadline, the GC self-performed some work for a total of \$1,132,738. The GC has the requisite experience to provide comparable, or even more proficient, labor. In addition to its GC license, the GC holds an underground utilities and excavation license and owns its own heavy equipment used for such work. Nearly half of the work performed by the GC pertained to equipment rental (i.e. concrete equipment rental of \$438,938 and earthwork equipment rental of \$44,266).

- d) On June 19, 2024, the Notice of Petition was published in the Florida Administrative Register in Volume 50, Number 120. 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 67-21.026(13)(e) and 67-48.0072(17)(f), Fla. Admin. Code (2019), allowing Petitioner’s General Contractor to self-perform construction or inspection work that is normally performed by subcontractors. This waiver is conditioned upon the Petitioner’s compliance with the following:

- (1) All costs for the GC Self-Performance over \$350,000 will be at cost with no built-in profit.

As part of the final cost certification process, an independent CPA must confirm and/or verify all self-performed costs over \$350,000 are at cost with no built-in profit, as stated in item 1.

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B. In Re: Solimar Associates, Ltd.

FHFC Case No. 2024-039VW

Development Name: (“Development”):	Solimar
Developer/Principal: (“Developer”):	Cornerstone Group Partners, LLC/Mara Mades Florida Community Development Corporation/Stephanie Williams-Baldwin
Number of Units: 180 units	Location: Miami-Dade
Type: Garden Apartments/New Construction	Set-Asides: 34 units @ 30% AMI 47 units @ 60% AMI 99 units @ 70% AMI
Demographics: Family	Funding: 4% HC \$1,626,192 MMRB \$22,500,000 SAIL \$8,075,000

1. Background:

- a) Solimar Associates, Ltd. (“Petitioner”) successfully applied for funding to assist in the construction of Solimar, a 180-unit development located in Miami-Dade County, Florida (the “Development”). On July 25, 2024, Florida Housing received a Petition for Waiver of Rules 67-21.026(13)(g), 67-21.014(2)(r)8., and 67-48.0072(17)(h), F.A.C. (2018) (the “Petition”) to allow the Petitioner’s General Contractor to subcontract to an affiliated entity. A copy of the Petition is attached as [Exhibit B](#).

2. Present Situation

- a) Rule 67-21.026(13)(g), Fla. Admin. Code (2018), states in relevant part, that the General Contractor must meet the following condition:

- (1) (g) Ensure that no construction cost is subcontracted to any entity that has common ownership or is an Affiliate of with the General Contractor or the Developer. For purposes of this paragraph, “Affiliate” has the meaning given it in subsection 67-21.002(5), F.A.C., except that the term “Applicant” therein shall mean “General Contractor.”

- b) Rule 67-21.014(2)(r)8., Fla. Admin. Code (2018), states in relevant part, that the General Contractor must meet the following condition:

8. Ensure that no construction cost is subcontracted to any entity that has common ownership or is an Affiliate of the General Contractor or the Developer. For purposes of this paragraph, “Affiliate” has the meaning given it in subsection 67-21.002(5), F.A.C., except that the term “Applicant” therein shall mean “General Contractor.”

- c) Rule 67-48.0072(17)(h), Fla. Admin. Code (2018), states in relevant part that the General Contractor must meet the following condition:

(h) Ensure that no construction cost is subcontracted to any entity that has common ownership or is an Affiliate of the General Contractor or the Developer. For purposes of this paragraph, “Affiliate” has the meaning given it in subsection 67-48.002(5), F.A.C., except that the term “Applicant” therein shall mean “General Contractor.”

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- d) Petitioner requests a waiver of the above rules to allow Petitioner's General Contractor ("GC"), Brookstone Construction, LLC ("Brookstone"), to subcontract work to an Affiliate. Petitioner states the subcontracted work to A-Line Construction (A-Line), was approximately \$7,900.00, a de minimis amount, and that Petitioner did not learn of the affiliation until the cost certification review process. The Development, which completed construction in 2022, paid A-Line to perform repair work on brick pavers at the driveway. Petitioner states the Project Manager for the GC hired A-Line to remove, regrade, and reinstall pavers that were sinking or broken after the original subcontractor of Downrite Engineering, Corp., would not make the repairs. A-Line's qualifying agent at the time of the work was Mike Brinegar, who was also the qualifying agent for the GC, Brookstone. A qualifying agent constitutes an Affiliate under Rule 67-48.002(5), F.A.C., as modified by the above Rules.
- e) As justification for its request, Petitioner states Mr. Brinegar was not involved in the selection of A-Line and made no GC fee, nor a fee from A-Line. Further, Petitioner provides that the principals of the GC (Brookstone), who are also principals of the Developer (Cornerstone Group Partners, LLC) and the entity owning the Development, are not owners, shareholders, or officers of A-Line.
- f) On July 26, 2024, the Notice of Petition was published in the Florida Administrative Register in Volume 50, Number 146. To date, Florida Housing has received no comments concerning the Petition.
- g) 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.
- h) 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 the requested waiver of Florida Administrative Rules 67-21.026(13)(g), 67-21.014(2)(r)8., and 67-48.0072(17)(h) (2018), to allow the General Contractor, Brookstone, to subcontract to the affiliated entity A-Line.

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C. In Re: WRDG T3D, LP

FHFC Case No. 2024-038VW

Development Name: (“Development”):	Boulevard Tower 4 and Boulevard Villas
Developer/Principal: (“Developer”):	WRDG T3D Developer, LLC/ Alberto Milo
Number of Units: 134 units	Location: Hillsborough County
Type: New Construction, High-Rise	Set-Asides: 40 units @ 50% AMI 74 units @ 60% AMI 20 units @ 80% AMI
Demographics: Family	Funding: 4% HC: \$2,242,602

1. Background:

- a) WRDG T3D, LP (“Petitioner”) successfully applied for funding to assist in the construction of Boulevard Tower 4 and Boulevard Villas, a 134-unit development located in Hillsborough County, Florida (the “Development”). On July 24, 2024, Florida Housing received a Petition for Waiver of Rule 67-21.026(13)(h) (06/23/2020) (the “Petition”) to allow Petitioner’s General Contractor to Subcontract to an entity affiliated with the General Contractor. A copy of the Petition is attached as [Exhibit C](#).

2. Present Situation

- a) Rule 67-21.026(13)(h), Fla. Admin. Code (2020), provides in relevant part:

The General Contractor must meet the following conditions: ... Ensure that no construction cost is subcontracted to any entity that has common ownership or is an Affiliate of with the General Contractor or the Developer.
- b) Petitioner requests a waiver of the above rule to allow Petitioner’s General Contractor to subcontract to an entity affiliated with the General Contractor. Prior to releasing the retainage to the General Contractor, Petitioner conducted due diligence on the various subcontractors associated with the project and discovered that a rough carpentry subcontractor, B&B Skilled Services Corp. (“B&B”), had some of the same managers as the General Contractor, running it afoul of the above rule. Petitioner states that neither the managers nor the General Contractor have an economic interest in B&B and that B&B was hired solely because it submitted the lowest hourly rates. Petitioner states that the General Contractor has agreed not to take its prescribed fee on the B&B subcontract, and Petitioner has issued a deductive change order removing the fee from the General Contractor’s contract.
- c) On July 25, 2024, the Notice of Petition was published in the Florida Administrative Register in Volume 50, Number 145. To date, Florida Housing has received no comments concerning the Petition.
- d) 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

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of fairness.

- e) 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 the requested waiver of Rule 67-21.026(13)(h), Fla. Admin. Code (2020), to allow Petitioner's General Contractor to subcontract to an entity affiliated with the General Contractor on the condition that no General Contractor Fee will be taken on the costs subcontracted to its affiliated entity.

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D. In Re: Timshel Multifamily 2, LLC

FHFC Case No. 2024-042VW

Development Name: (“Development”):	Tranquility at St. Andrews
Developer/Principal: (“Developer”):	Timshel Hill Tide Developers. LLC/Robert Long
Number of Units: 82	Location: Bay County
Type: New Construction/Garden Apartments	Set-Asides: 9 Units @ 40% AMI 73 Units @ 60% AMI
Demographics: Family	Funding: 9% HC: \$2,142,000

1. Background:

- a) Petitioner successfully applied for funding to assist in the development and construction of Tranquility at St. Andrews, an 82-unit development located in unincorporated Bay County, Florida (the “Development”). On July 31, 2024, Florida Housing received a Petition for Waiver from Rule 67-48.004(3)(j), F.A.C. (2023) (the “Petition”) to allow Petitioner to reduce its Total Set Aside Percentage with the addition of two market rate units, going from 100% set-aside to 97.6% set-aside. A copy of the Petition is attached as [Exhibit D](#).

2. Present Situation

- a) Petitioner is simultaneously requesting to increase the total number of units from 82 to 84 in accordance with Rule 67-48.004(3)(i), F.A.C. (2023), and requesting a waiver of the Rule 67-48.004(3)(j), F.A.C. (2023) to permit a reduction in the Total Set-Aside Percentage from 100% to 97.6%.

- b) Rule 67-48.004(3), Fla. Admin. Code (2023), in relevant part, provides:

“... notwithstanding any other provision of these rules, the following items as identified by the Applicant in the Application must be maintained and cannot be changed by the Applicant after the applicable submission, unless provided otherwise below:

(i) 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, as well as review of 24 CFR Part 92 to ensure continued compliance for the HOME Program;

(j) For the SAIL and HC Programs, the Total Set-Aside Percentage as stated in the last row of the total set-aside breakdown chart for the program(s) applied for in the Set-Aside Commitment Section of the Application.

- c) As grounds for its request, Petitioner states that architect for the Development determined it necessary to include two (2) additional units ("Additional Units"), resulting in 84 total units. Petitioner seeks to deliver the Additional Units at market rate, with no income or rent restrictions.

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- d) Staff requested First Housing to review the request and provide a recommendation. On July 29, 2024, First Housing provided a recommendation and FHFC agreed that the addition of two (2) market rate units and the reduction to the total set-aside would be vetted further in the Appraisal and Credit Underwriting Report.
- e) On August 2, 2024, the Notice of Petition was published in the Florida Administrative Register in Volume 50, Number 151. 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 to increase the total number of units in the Development to 84 and GRANT a waiver of Rule 67-48.004(3)(j) Fla. Admin. Code (2023) to allow Petitioner to reduce its Total Set-Aside Percentage to 97.6%.
- b) This approval is conditioned upon receipt and review of the Appraisal and a positive recommendation in the credit underwriting report.

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E. In Re: Fairfield Abbey Park LP

FHFC Case No. 2024-047VW

Development Name: (“Development”):	Brenton at Abbey Park
Developer/Principal: (“Developer”):	Fairfield Affordable Housing Tranche II LLC/ Gregory Pinkalla
Number of Units: 160 units	Location: Palm Beach County
Type: Rehabilitation, Garden	Set-Asides: 160 units @ 60% AMI.
Demographics: Family	Funding: 4% HC: \$959,720

1. **Background:**

- a) Fairfield Abbey Park LP (“Petitioner”) successfully applied for funding to assist in the rehabilitation of Brenton at Abby Park, a 160-unit development located in Palm Beach County, Florida (the “Development”). On August 7, 2024, Florida Housing received a Petition for Waiver of Rule 67-21.0025(7)(c) and Consent Under Rule 67-21.003(8)(b) (the “Petition”) to allow Petitioner to make certain changes to its Principal disclosures and waive the requirement to disclose the natural person principal disclosures for certain entities within the new organizational structure. A copy of the Petition is attached as [Exhibit E](#).

2. **Present Situation**

- a) Rule 67-21.0025(7)(c), Fla. Admin. Code (2019), provides in relevant part:
- (7) Disclosure of the Principals of the Applicant must comply with the following:
- (a) The Applicant must disclose all of the Principals of the Applicant (first principal disclosure level). For Applicants seeking Housing Credits, the Housing Credit Syndicator/Housing Credit investor need only be disclosed at the first principal disclosure level and no other disclosure is required;
- (b) The Applicant must disclose all of the Principals of all the entities identified in paragraph (a) above (second principal disclosure level);
- (c) The Applicant must disclose all of the Principals of all of the entities identified in paragraph (b) above (third principal disclosure level). Unless the entity is a trust, **all of the Principals must be natural persons**; and
- (d) If any of the entities identified in paragraph (c) above are a trust, the Applicant must disclose all of the Principals of the trust (fourth principal disclosure level), all of whom must be natural persons.
- b) Rule 67-21.003(8)(b), Fla. Admin. Code (2019), provides in relevant part:
- (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;

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- c) Section 6(b)(1) of the Non-Competitive Application Package (2019) ("NCA"), provides in relevant part:

The Applicant entity shall be the recipient of the Housing Credits 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) replacement of the Applicant **or a 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 Applicant entity may be changed without 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. Changes to 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.

- d) Petitioner requests a waiver of the above rule to allow Petitioner to make several changes to its Principal disclosures. The requested changes are fully described in the attached petition. As part of the proposed changes, Petitioner seeks relief from the natural person principal disclosure requirement for four entities within its new ownership structure FRH 2021 PP LLC – JM Series, FRH 2021 PP LLC – AHF T1-T10 Series, FRH CI LLC – AHF LP3 Series, and FRH CI LLC – AHF GP1 Series (collectively, the “Profit-Sharing Entities”). Petitioner states that the employees of the Profit-Sharing Entities receive an ownership share of the company as part of their compensation. Petitioner explains that the employee-owners serve a passive ownership role, and requiring the Profit-Sharing Entities to report each employee and each change in employment status would not be practical. Control of the Profit-Sharing Entities is vested in their manager, FRH Manager, the natural person principals of which are still fully disclosed to the Corporation.
- e) On August 8, 2024, the Notice of Petition was published in the Florida Administrative Register in Volume 50, Number 155. To date, Florida Housing has received no comments concerning the Petition.
- f) 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.

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- 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 the requested waiver of Rules 67-21.025(7)(c), Fla. Admin. Code (2019), and 67-21.003(8)(b), Fla. Admin. Code (2019), to allow Petitioner to make the requested changes to the Applicant and Developer Entities and relieve Petitioner of the principal disclosure requirement for all employee-owners of the referenced Profit-Sharing Entities, unless requested by staff. Failure to do so may result in staff withholding 8609s.

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F. In Re: Roseland Gardens, LLLP

FHFC Case No. 2024-041VW

Development Name: (“Development”):	Roseland Gardens
Developer/Principal: (“Developer”):	SHAG Roseland Gardens Developer, LLC/Darren Smith
Number of Units: 148 units	Location: Palm Beach County
Type: New Construction, Garden	Set-Asides: 15 units @ 30% AMI 133 units @ 60% AMI
Demographics: Elderly, non-ALF	Funding: 9% HC: \$2,850,000

1. Background:

- a) Roseland Gardens, LLLP (“Petitioner”) successfully applied for funding to assist in the construction of Roseland Gardens, a 148-unit development located in Palm Beach County, Florida (the “Development”). On July 30, 2024, Florida Housing received a Petition for Waiver of the 2022 Qualified Allocation Plan's Requirement for Returning Housing Credit Allocations and Rule 67-48.002(96), F.A.C. (07/06/2022) (the “Petition”) to allow Petitioner to return its 2023 housing credit allocation prior to the second quarter of 2025 and receive an allocation of 2024 or later housing credits. A copy of the Petition is attached as [Exhibit F](#).

2. Present Situation

- a) Rule 67-48.002(96), Fla. Admin. Code (2022), incorporates the 2022 Qualified Allocation Plan (QAP) by reference. The QAP (2022) provides in relevant part:

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 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

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the conditions upon which the Housing Credits were originally allocated, and that the Development is still desirable in terms of meeting affordable housing needs. A Development located in a HUD-designated DDA or QCT at the time of original allocation may retain its designation as such.

- b) Pursuant to Section 42 of the Internal Revenue Code ("IRC"), the Development must be placed in service no later than the close of the second calendar year following the calendar year in which the housing tax credit allocation is made. In this case, the development received a 2023 allocation of housing tax credits, and the placed-in-service deadline for the Development is December 31, 2025. Under the IRC, the Development must also expend 10% of the Development's reasonably expected basis within 12 months of the effective date of its Carryover Allocation Agreement, or, in this case, October 20, 2024.
- c) Petitioner requests a waiver of the above rule to allow Petitioner to return its 2023 housing credit allocation prior to the second quarter of 2025 and receive an allocation of 2024 or later housing credits. As justification for its request, Petitioner states that the Development has encountered unforeseen complications that will prevent Petitioner from satisfying the 10% test requirement by October 20, 2024. Petitioner states that the HUD Section 18 Demolition and Disposition process, which involves collaboration between the US Department of Housing and Urban Development, the West Palm Beach Housing Authority, and the City of West Palm Beach's Department of Housing and Community Development, has taken much longer than Petitioner anticipated. Petitioner estimates that delays in connection with the HUD Section 18 Process have totaled approximately 7 months. Petitioner states that it continues to progress through the development process and anticipates closing on financing in December 2024 and completing construction of the Development within 18 months following such closing.
- d) It should be noted that the Principals of this Application have received a reduction in the number of Priority 1 Applications that they could submit in RFA 2024-202 because of the delays outlined in the Petition, which also prohibited the Applicant from closing on the limited partnership agreement in the timeframe required in the Carryover Allocation Agreement. This reduction is a direct result of the requirements of RFA 2022-202, which provides in relevant part:
- Applicants must close on the limited partnership agreement or limited liability company operating agreement, as applicable, by the closing deadlines as set forth in the Carryover Allocation Agreement. If the Application fails to meet these requirements and either requires a closing extension or withdraws from funding, the Principals of the Application will have a reduction of one Priority I Application allowed in the Future Corresponding 2024/2025 RFA cycle.
- e) On August 1, 2024, the Notice of Petition was published in the Florida Administrative Register in Volume 50, Number 150. 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

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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 the requested waiver of Rule 67-48.002(96), Fla. Admin. Code (2022) and the 2022 Qualified Allocation Plan, to allow Petitioner to return its 2023 housing credit allocation prior to the second quarter of 2025 and receive an allocation of 2024 or later housing credits.

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G. In Re: HFH Fox Pointe, LLC

FHFC Case No. 2024-040VW

Development Name (“Development”):	Fox Pointe
Developer/Principal (“Developer”):	HTG Fox Pointe Developer, LLC / Matthew Rieger HFH Fox Pointe Developer, LLC/Rob Cramp
Number of Units: 70 units	Location: Volusia County
Type: New Construction/Garden	Set-Asides: 14 units @ 30% AMI 35 units @ 60% AMI 21 units @ 80% AMI
Demographics: Homeless	Funding: 9% HC: \$2,040,000 ELI: \$235,500 RRLP: \$4,200,000 HOME-ARP: \$1,392,300

1. Background:

- a) HFH Fox Pointe, LLC ("Petitioner") successfully applied for funding to assist in the construction of Fox Pointe, a 70-unit development located in Volusia County, Florida (the “Development”). On August 6, 2024, Florida Housing received an Amended Petition for Waiver of Rule 67-48.002(96), F.A.C. (7/6/22) and the 2022 QAP (the “Petition”) to allow Petitioner to return its 2023 Housing Credit Allocation immediately as opposed to waiting until the second calendar quarter of 2025. A copy of the Petition is attached as [Exhibit G](#).

2. Present Situation:

- a) Petitioner requests a waiver of Rule 67-48.002(96), effective July 6, 2022, which provides in pertinent part:

Notwithstanding any other provision of this QAP, where a Development has not been "QAP" or "Qualified Allocation Plan" means, with respect to the HC Program, the 2022 Qualified Allocation Plan which is adopted and incorporated herein by reference, effective upon approval by the Governor of the State of Florida, pursuant to Section 42(m)(l)(B) of the IRC and sets forth the selection criteria and the preferences of the Corporation for Developments which will receive Housing Credits. The QAP is available on the Corporation's website under the Multifamily Programs link or by contacting the Housing Credit Program at 227 North Bronough Street, Suite 5000, Tallahassee, Florida 32301-1329, or from <http://www.flrules.org/Gateway/reference.asp?No=Ref-14429>.

Subsection 11.J. of the 2022 QAP, provides as follows:

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

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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 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.

- b) Petitioner successfully applied for RFA 2023-108, Housing Credits and RRLP Financing for Homeless Housing Developments Located in Medium and Large Counties Affected by Hurricanes Ian and Nicole, for a development located in Volusia County and was invited into credit underwriting on June 20, 2023. Florida Housing staff executed a 2023 Carryover Allocation Agreement (“CAA”) on October 9, 2023. The CAA required Petitioner to incur at least ten percent of the reasonably expected basis of the Development (the "10% Test") on or before April 30, 2024 (the "CAA Deadline"). By letter dated April 24, 2024, Petitioner requested an extension of the CAA Deadline. On April 25, 2024, Florida Housing granted that request and extended the CAA Deadline to October 9, 2024. Failure to comply with the CAA Deadline will cause the Housing Credits allocated within the CAA to be deemed returned to Florida Housing under 26 U.S.C. §42(h)(3)(C).
- c) Petitioner's progress in obtaining necessary permit has been stalled by civil plan design requirements and discussions with the Water Management District regarding an ERP Permit. Petitioner believes it has a path forward to resolving the issues and anticipates a permit ready letter will be issued and closing will occur by mid-October 2024. However, because Petitioner believes that circumstances outside of its control will prevent it from satisfying the 10% Test by the CAA Deadline, Petitioner respectfully requests a waiver of the 2022 QAP to permit Florida Housing to approve the tax credit exchange now as opposed to waiting until after the end of the second calendar quarter of 2025.
- d) On July 31, 2024, the Notice of Petition was published in the Florida Administrative Register in Volume 50, Number 149. 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

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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 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 a waiver of 67-48.002(96), Fla. Admin. Code (2022) and Subsection II.J. of the 2022 QAP to allow Petitioner to exchange its present allocation of housing credits for an allocation of 2024 or later housing credits.

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H. In Re: TAMPA 47TH STREET APARTMENTS, LLC

FHFC Case No. 2024-046VW

Development Name (“Development”):	Tampa 47th Street Apartments
Developer/Principal (“Developer”):	Tampa 47th Street Apartments Developer, LLC/ Alberto Milo, Jr.
Number of Units: 174 units	Location: Hillsborough County
Type: New Construction/Garden	Set-Asides: 2.8% of units @ 22% AMI 27.586% of units @ 30% AMI 36.782% of units @ 60% AMI 35.632% of units @ 80% AMI
Demographics: Family	Funding: SAIL: \$7,000,000 ELI: \$750,000 NHTF: \$1,375,000 HC: \$2,299,803

1. Background:

- a) Tampa 47th Street Apartments, LLC (“Petitioner”) successfully applied for funding to assist in the construction of Tampa 47th Street Apartments, a 175-unit development located in Hillsborough County, Florida (the “Development”). On August 7, 2024, Florida Housing received an Amended Petition for Waiver of Rules 67-48.004(3)(i) and 67-21.003(8)(h), F.A.C. (6/28/23) and for Board Approval (the “Petition”) to allow Petitioner to decrease the total number of units of the development identified in the application from 175 to 174, and to grant Board approval such that Petitioner may change its organizational structure prior to loan closing. A copy of the Petition is attached as [Exhibit H](#).

2. Present Situation:

- a) Rule 67-48.004(3)(i), Fla. Admin. Code (06/28/2023), states, in relevant part:
- (3) For the SAIL, HOME and Housing Credit Programs, notwithstanding any other provision of these rules, the following items as identified by the Applicant in the Application must be maintained and cannot be changed by the Applicant after the applicable submission, unless provided otherwise below:
- (i) 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, as well as review of 24 CFR Part 92 to ensure continued compliance for the HOME Program.
- b) Rule 67-21.003(8)(h), Fla. Admin. Code (06/28/2023), 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:

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(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

- c) Petitioner submitted the Application on August 3, 2023. Initially, Petitioner intended for the Development to be composed of 175 units. However, due to the location of trees on the Development site, the building configuration is impractical with an odd number of units. Specifically, the development site is a heavily wooded site that has never been developed before with multiple 100+ year old Grand Oak trees on site. Petitioner has maximized the layouts of the garden style, 3-story buildings while impacting these existing trees as little as possible. Four of the buildings are comprised of 36 units (12 units per floor x 3 floors) and one building is comprised of 30 units (10 units x 3 floors), which configuration totals 174 units. Petitioner attempted to expand one of the buildings to capture the additional unit necessary to yield 175 total units, but found the layout would not be feasible due to the adjacent trees as the buildings are already dangerously close to the tree root and canopy protective zones. Petitioner would therefore like to reduce the total number by one unit (i.e., a 0.57% reduction from 175 to 174 units).
- d) Petitioner seeks Board approval so that it may amend its organizational structure. In the Application, Petitioner accurately disclosed at the second principal disclosure level that Milo Family Real Estate Investments, LLC is a member (32.33%) of Tampa 47th Street Apartments Manager, LLC. The members of Milo Family Real Estate Investments, LLC are a married couple: Alberto Milo, Jr. and Maria C. Milo. As husband and wife, they own 97% of Milo Family Real Estate Investments, LLC as tenants by the entirety (a special form of joint ownership between married couples). Based on a scrivener's error, the 97% interest was disclosed in the Application as: Milo, Alberto Jr.; Tenant by the Entireties (97%) and Milo, Maria C.; Tenant by the Entireties (97%). To correct this error, Petitioner respectfully requests approval to make changes to its principal disclosure form as detailed in the Petition. The changes sought are only to specify that each spouse holds an equal interest in the 97% membership of Milo Family Real Estate Investments, LLC held as tenants by the entireties at the third disclosure level.
- e) On August 8, 2024, the Notice of Petition was published in the Florida Administrative Register in Volume 50, Number 155. 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 other participants in funding programs administered by Florida Housing, nor does it detrimentally impact

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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 Rules 67-48.004(3)(i) and 67-21.003(8)(h), Fla. Admin. Code (2023), allowing Petitioner to decrease the total number of units of the development identified in the application from 175 to 174, and to grant Board approval permitting Petitioner to change its organizational structure as described in the Petition.

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I. In Re: Pine Island Park, LLC

Development Name: (“Development”):	Pine Island Park
Developer/Principal: (“Developer”):	RS Development Corporation/Lewis Swezy
Number of Units: 120	Location: Broward County
Type: New Construction/Mid-Rise	Set-Asides: 18 Units @ 30% AMI 48 Units @ 60% AMI 54 Units @ 70% AMI
Demographics: Family	Funding: 4% HC: \$ 1,694,403 MMRB: \$ 24,000,000 NHTF: \$ 1,575,00 SAIL: \$ 5,759,880 ELI: \$ 750,000

1. Background:

- a) Pine Island Park, LLC ("Petitioner") successfully applied for funding to assist in the construction of Pine Island Park, a 120-unit development located in Broward County, Florida (the “Development”). On August 7, 2024, Florida Housing received a Petition for Waiver from Rules 67-48.004(3)(c), 67-21.003(8)(c), 67-21.003(11), F.A.C. (2023) and 67-60.006(1), F.A.C. (2022) (the “Petition”) to allow Petitioner to withdraw from the MMRB issued bonds under RFA 2023-205, without withdrawing from the other Programs. A copy of the Petition is attached as [Exhibit I](#).

2. Present Situation:

- a) Rule 67-48.004(3), Fla. Admin. Code (2023), in relevant part, provides:
- (3) For the SAIL, HOME and Housing Credit Programs, notwithstanding any other provision of these rules, the following items as identified by the Applicant in the Application must be maintained and cannot be changed by the Applicant after the applicable submission, unless provided otherwise below:
- (c) Program(s) applied for;
- b) Rule 67-21.003(8)(c), Fla. Admin. Code (2023), in relevant part, provide:
- (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:
- (c) Program(s) applied for;
- c) Rule 67-21.003(11), Fla. Admin. Code (2023), provides:
- (11) The withdrawal by the Applicant from any one program will be deemed by the Corporation to be a withdrawal of the Application from all programs.
- d) Petitioner simultaneously requests a waiver of Rule 67-60.006(1), Fla. Admin. Code (2022), which provides:

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(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 the Corporation, the Application shall be considered ineligible.

- e) In support of its request, Petitioner states the Development experienced substantial cost increases since the submission of its Application. The cost increases affected construction hard costs, interest rates on construction financing, and other operating costs, in particular, Petitioner's insurance. The increases left a gap in Petitioner's budget, for which they applied for and preliminary received additional subsidy funding from Broward County. However, as a condition to receive the subsidy funding from Broward County, any bond financing for the project must be from the Housing Financing Authority of Broward County. Without allowing Petitioner to be issued HFA bonds as opposed to Florida Housing bonds, Petitioner will not be able to receive the subsidy funding from Broward County and may not be able to construct the Development.
- f) Private Activity Bond Allocation is currently oversubscribed throughout Florida and Petitioner withdrawing from the MMRB program funding will preserve Florida Housing's bond allocation to fund additional developments and ensure that bond allocation is being used as efficiently as possible.
- g) The RFA required the Applicant to provide specific information if it intended to use HFA-issued Tax-Exempt Bonds. Given Petitioner did not intend to use HFA Bonds at the time of application, Petitioner did not include the required information.
- h) On August 8, 2024, the Notice of Petition was published in the Florida Administrative Register in Volume 50, Number 155. To date, Florida Housing has received no comments concerning the Petition.
- i) 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.
- j) 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.

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3. Recommendation:

- a) Staff recommends the Board GRANT a waiver of Rules 67-48.004(3)(c), 67-21.003(8)(c), and 67-21.003(11), F.A.C. (2023), to allow Petitioner to withdraw from the MMRB program funding from RFA 2023-205 without withdrawing from the SAIL, ELI, NHTF and 4HC funding from the RFA and waive Rule 67-60.006(1), F.A.C. (2022), for not providing HFA Bond information at application.

MULTIFAMILY BONDS

Consent

II. MULTIFAMILY BONDS

A. Request Approval of the Credit Underwriting Report and Authorizing Resolutions for The Residences at Martin Manor (RFA 2022-205 / 2023-129BSA / 2022-538C)

Development Name: The Residences at Martin Manor	Location: Palm Beach County
Applicant/Borrower: DM Redevelopment, Ltd.	Set-Asides: 40% @ 60% AMI (MMRN) 15 Units @ 30% AMI (SAIL, ELI, & 4% HC) 31 Units @ 50% AMI (SAIL & 4% HC) 11 Units @ 60% AMI (SAIL & 4% HC) 38 Units @ 80% AMI (SAIL & 4% HC) 5 Units @ 22% AMI (HOME-ARP)
Developers/Principals: DM Redevelopment Developer, LLC / Howard D. Cohen	Demographic/Number of Units: Family / 95 Units
Requested Amounts: \$27,000,000 Multifamily Mortgage Revenue Notes (MMRN) \$4,940,000 State Apartment Incentive Loan (SAIL) \$750,000 Extremely Low Income (ELI) \$1,475,000 Home Investment Partnership Program from The American Rescue Plan Act (HOME-ARP) \$1,894,858 Housing Credits (4% HC)	Development Category/Type: New Construction / Garden Apartments

1. **Background/Present Situation:**

- a) On November 14, 2022, Florida Housing issued a Request for Applications (RFA) 2022-205 SAIL Financing of Affordable Multifamily Housing Developments To Be Used In Conjunction With Tax-Exempt Bonds and Non-Competitive Housing Credits.
- b) On January 27, 2023, the Board approved 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 a preliminary commitment letter and invitation to enter credit underwriting to the Applicant on July 27, 2023. The acceptance was acknowledged on August 3, 2023.
- d) On August 9, 2024, staff received a final credit underwriting report with a positive recommendation for MMRN, SAIL, ELI, and HOME-ARP funding ([Exhibit A](#)). Staff has reviewed this report and finds that the Development meets all requirements of the RFA.

MULTIFAMILY BONDS

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- e) 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 and authorizing resolutions and direct staff to proceed with 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 Credit Underwriting Report and Authorizing Resolutions for The Enclave at Canopy Park (RFA 2022-205 / 2023-160BSN / 2022-542C)

Development Name: The Enclave at Canopy Park	Location: Orange County
Applicant/Borrower: The Enclave at Canopy Partners, LLC	Set-Asides: 40% @ 60% AMI (MMRB) 16 Units @ 30% AMI (SAIL, ELI, & 4% HC) 11 Units @ 50% AMI (SAIL & 4% HC) 48 Units @ 60% AMI (SAIL & 4% HC) 29 Units @ 80% AMI (SAIL & 4% HC) 5 Units @ 22% AMI (NHTF)
Developers/Principals: The Enclave at Canopy Park Developer, LLC / Brett Green	Demographic/Number of Units: Family / 104 Units
Requested Amounts: \$16,500,000 Multifamily Mortgage Revenue Bonds (MMRB) \$7,900,000 State Apartment Incentive Loan (SAIL) \$750,000 Extremely Low Income (ELI) \$1,375,000 National Housing Trust Fund (NHTF) \$1,523,224 Housing Credits (4% HC)	Development Category/Type: New Construction / Garden Apartments

1. Background/Present Situation:

- a) On November 14, 2022, Florida Housing issued a Request for Applications (RFA) 2022-205 SAIL Financing of Affordable Multifamily Housing Developments To Be Used In Conjunction With Tax-Exempt Bonds and Non-Competitive Housing Credits.
- b) On January 27, 2023, the Board approved 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 a preliminary commitment letter and invitation to enter credit underwriting to the Applicant on July 27, 2023. The acceptance was acknowledged on July 31, 2023.
- d) On August 12, 2024, staff received a final credit underwriting report with a positive recommendation for MMRB, SAIL, ELI, and NHTF funding ([Exhibit C](#)). Staff has reviewed this report and finds that the Development meets all requirements of the RFA.
- e) Staff reviewed the authorizing resolutions ([Exhibit D](#)) authorizing the sale and issuance of Multifamily Mortgage Revenue Bonds to finance this affordable housing Development within the State of Florida. Staff requests approval for the execution of the resolutions.

MULTIFAMILY BONDS

Consent

2. **Recommendation:**

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

MULTIFAMILY BONDS

Consent

C. Request Approval of the Credit Underwriting Report, Authorizing Resolutions, and Change to the Organizational Structure of the Applicant Entity for Town Oaks Apartments (RFA 2023-304 / 2023-196BR / 2022-546C)

Development Name: Town Oaks Apartments	Location: Orange County
Applicant/Borrower: ECG Town Oaks, LP	Set-Asides: 40% @ 60% AMI (MMRB) 11 Units @ 30% AMI (RRLP, ELI, & 4% HC) 27 Units @ 60% AMI (RRLP & 4% HC) 33 Units @ 70% AMI (RRLP & 4% HC)
Developers/Principals: ECG Town Oaks Developer, LLC / C. Hunter Nelson	Demographic/Number of Units: Family / 71 Units
Requested Amounts: \$17,000,000 Multifamily Mortgage Revenue Bonds (MMRB) \$4,740,000 Rental Recovery Loan Program (RRLP) \$600,600 Extremely Low Income (ELI) \$1,110,428 Housing Credits (4% HC)	Development Category/Type: New Construction / Mid-Rise (4 Stories)

1. Background/Present Situation:

- a) On April 12, 2023, Florida Housing issued a Request for Applications (RFA) 2023-304 RRLP Financing To Be Used for Rental Developments in Hurricane Ian And Hurricane Nicole Impacted Counties.
- b) On June 9, 2023, the Board approved final scores and recommendations for the RFA and directed staff to proceed with all necessary credit underwriting activities.
- c) On August 29, 2023, staff issued a preliminary commitment letter and invitation to enter credit underwriting to the Applicant. The acceptance was acknowledged on August 29, 2023.
- d) On August 5, 2024, staff received a request dated July 11, 2024, to change the organizational structure of the Applicant Entity ([Exhibit E](#)). The Applicant request changes to Elmington Affordable, LLC, a member of the General Partner of the Applicant entity. The proposed changes would replace four of the current members with four trusts, of which the current members of Elmington Affordable, LLC would be trustees and beneficiaries.
- e) On August 12, 2024, staff received a final credit underwriting report with a positive recommendation for MMRB, RRLP, and ELI funding ([Exhibit F](#)). Staff has reviewed this report and finds that the Development meets all requirements of the RFA.
- f) Staff reviewed the authorizing resolutions ([Exhibit G](#)) authorizing the sale and issuance of Multifamily Mortgage Revenue Bonds to finance this affordable housing Development within the State of Florida. Staff requests approval for the execution of the resolutions.

MULTIFAMILY BONDS

Consent

2. **Recommendation:**

- a) Approve the final credit underwriting report, authorizing resolutions, and change to the organizational structure of the Applicant entity and direct staff to proceed with closing activities, subject to further approvals and verifications by the Credit Underwriter, Bond Counsel, Special Counsel, and the appropriate Florida Housing staff.

MULTIFAMILY BONDS

Consent

D. Request Approval of the Credit Underwriting Update Letter and Amended Authorizing Resolutions for Maison at Solivita Marketplace (2022-104B / 2022-556C)

Development Name: Maison at Solivita Marketplace	Location: Osceola County
Applicant/Borrower: Kissimmee Leased Housing Associates III, LLLP	Set-Asides: 100% @ 60% AMI (MMRB & 4% HC)
Developers/Principals: Kissimmee Leased Housing Development III, LLC / Devon Quist	Demographic/Number of Units: Family / 396 units
Requested Amounts: \$91,000,000 Multifamily Mortgage Revenue Bonds (MMRB) \$8,069,344 Housing Credits (4% HC)	Development Category/Type: New Construction / Garden Apartments

1. **Background/Present Situation:**

- a) The Applicant submitted a 2022 Non-Competitive Application package requesting tax-exempt MMRB in the amount of \$82,440,000 and Non-Competitive Housing Credits in the amount of \$6,389,878. Subsequently, the MMRB request amount was increased to \$91,000,000.
- b) On August 29, 2023, staff issued an opportunity to begin credit underwriting to the Applicant. The acceptance was acknowledged on August 31, 2023.
- c) On June 28, 2024, the Board approved the final credit underwriting report and directed staff to proceed with closing activities.
- d) On August 12, 2024, staff received a final credit underwriting update letter with a positive recommendation to increase the permanent first mortgage from \$53,556,000 to \$59,110,000, increase the construction period second mortgage taxable loan from \$27,959,721 to \$28,118,416, change the source of the affiliated loan, decrease deferred developer fee, reduce deferred general contractor fee during the permanent period, decrease additional equity during the construction and permanent period, and incorporate the property tax exemption from Florida Statute Section 196.1978(4) ([Exhibit H](#)). Staff has reviewed this report and find that it meets all requirements of the Non-Competitive Application.
- e) Staff reviewed the amended authorizing resolutions ([Exhibit I](#)) authorizing the sale and issuance of Multifamily Mortgage Revenue Bonds 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 update letter and amended resolutions and direct staff to proceed with closing activities, subject to further approvals and verifications by the Credit Underwriter, Bond Counsel, Special Counsel, and the appropriate Florida Housing staff.

MULTIFAMILY BONDS

Consent

E. 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 Developments referenced below, the final credit underwriting reports are being presented to the Board for approval simultaneously with this request to assign the appropriate professionals for the transactions and approval of the recommended methods of sale. A brief description of the Developments are 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 structures by the Independent Registered Municipal Advisor (IRMA) in order to make a recommendation to the Board for the methods of bond/note sale for the developments. Caine Mitter and Associates Incorporated has prepared an analysis and recommendation for the methods of bond/note sale for the Developments. The recommendation letters are attached as Exhibits J through L.

2. Present Situation

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

3. Recommendation

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

Table with 6 columns: Development Name, Location of Development, Number of Units, Method of Bond Sale, Recommended Professional, Exhibit. Rows include: The Residences at Martin Manor (Palm Beach County, 95 units, Private Placement, RBC Capital Markets, Exhibit J), The Enclave at Canopy Park (Orange County, 104 units, Public Offering / Private Placement, RBC Capital Markets, LLC, Exhibit K), and Town Oaks Apartments (Orange County, 71 units, Private Placement, RBC Capital Markets, LLC, Exhibit L).

MULTIFAMILY BONDS

Consent

F. Request Approval to Execute Acknowledgement Resolution

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 Development referenced below intending to finance the acquisition, construction and/or rehabilitation of the Development. A brief description of the Development is detailed below. The resolution being presented to the Board for approval is attached as Exhibit M.

2. Recommendation:

- a) Approve the execution of an Acknowledgment Resolution for the proposed Development, as shown in the chart below.

Development Name	Name of Applicant	County	Number of Units	RFA / Applicable Application	Exhibit
Magnolia Trail	SP Magnolia LLC	Escambia	88	RFA 2024-305 / 2024-321BD	<u>Exhibit M</u>

MULTIFAMILY BONDS

Consent

G. Request Approval of the Extension of the MMRN Loan Term for Walden Pond Preservation, L.P. and for Walden Pond Villas (2009 Series B/2009-502C/92L-095)

Development Name: Walden Pond Villas	Location: Miami-Dade County
Applicant/Borrower: Walden Pond Preservation, L.P.	Set-Asides: 85% @ 60% AMI (MMRN) 100% @ 60% AMI (4% & 9% HC)
Developers/Principals: Walden Pond Developer, LLC / Matthew Allen	Demographic/Number of Units: Family / 290 units
Requested Amounts: \$13,700,000 Multifamily Mortgage Revenue Notes (MMRN) \$815,820 Housing Credits (4% HC) \$1,072,537 Housing Credits (9% HC)	Development Category/Type: Acquisition and Rehabilitation / Garden Apartments

1. Background/Present Situation:

- a) Florida Housing financed the above referenced Development in 1992 with an allocation of \$1,072,537 in 9% HC. In 2009 the Development was awarded \$13,700,000 Tax Exempt MMRN designated as 2009 Series B and an allocation of \$815,820 in 4% Housing Credits for the acquisition, rehabilitation, and permanent financing of the Development.
- b) The MMRN funding note currently matures on December 1, 2024. The Borrower has requested Florida Housing's consent to extend the maturity date of the MMRN and amend the loan documents for a term of one year to allow time for the refinancing of the Development ([Exhibit N](#)). The Borrower is exploring financial options for repayment of the MMRN and plans to pay off the MMRN in December of 2025. The Borrower has agreed to extend the MMRN Land Use Restriction Agreement (MMRN LURA) for an additional year.

2. Recommendation:

- a) Approve the extension of the MMRN maturity date and amend the loan documents from the current maturity date to December 1, 2025, and the extension of the MMRN LURA for an additional year, subject to further approvals and verifications by the Credit Underwriter, Note Counsel, Special Counsel, Funding Lender, and the appropriate Florida Housing staff.

MULTIFAMILY PROGRAMS

Consent

III. MULTIFAMILY PROGRAMS

A. Request Approval of Credit Underwriting Report for Perrine Village II (RFA 2022-205 / 2023-136SN / 2022-539C)

Development Name: Perrine Village II	Location: Miami-Dade County
Applicant/Borrower Perrine Apartments II, Ltd.	Set-Asides: 45 Units @ 30% AMI (SAIL, ELI & 4% HC) 5 Units @ 40% AMI (SAIL & 4% HC) 1 Unit @ 50% AMI (SAIL & 4% HC) 5 Units @ 60% AMI (SAIL & 4% HC) 42 Units @ 70% AMI (SAIL & 4% HC) 52 Units @80% AMI (SAIL & 4% HC) 5 Units @ 22% AMI (NHTF)
Developer/Principal: Perrine Development II, LLC/Kenneth Naylor	Demographic/Number of Units: Elderly/150 units
Requested Amounts: \$8,400,000 State Apartment Incentive Loan (SAIL) \$750,000 Extremely Low Income (ELI) \$1,575,000 National Housing Trust Fund (NHTF) \$2,258,592 Housing Credits (4% HC)	Development Category/Type: New Construction/Mid-Rise (5-6 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 August 3, 2023, giving them a firm loan commitment issuance deadline of August 3, 2024.
- d) On August 9, 2024, staff received a 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 Heritage Village South (RFA 2022-205 / 2023-143SN / 2022-540C)

Development Name: Heritage Village South	Location: Miami-Dade County
Applicant/Borrower: Heritage Village South, Ltd.	Set-Asides: 33 Units @ 30% AMI (SAIL, ELI & 4% HC) 7 Units @ 40% AMI (SAIL & 4% HC) 9 Units @ 50% AMI (SAIL & 4% HC) 6 Units @ 60% AMI (SAIL & 4% HC) 61 Units @ 80% AMI (SAIL & 4% HC) 5 Units @ 22% AMI (NHTF)
Developer/Principal: Heritage Village South Development, LLC/Kenneth Naylor	Demographic/Number of Units: Family/116 units
Requested Amounts: \$6,228,000 State Apartment Incentive Loan (SAIL) \$750,000 Extremely Low Income (ELI) \$1,475,000 National Housing Trust Fund (NHTF) \$2,237,458 Housing Credits (4% HC)	Development Category/Type: New Construction/Garden Apartments

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 August 3, 2023, giving them a firm loan commitment issuance deadline of August 3, 2024.
- d) On August 9, 2024, staff received a 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.

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 for Credit Underwriting Report for Mercy Village (RFA 2023-103 / 2023-175CSN)

Development Name: Mercy Village	Location: Marion County
Applicant/Borrower: Mercy Village, LLLP	Set-Asides: 15% @ 40% AMI (SAIL, ELI & 9% HC) 85% @ 60% AMI (SAIL & 9% HC) 6 Units @ 22% AMI (NHTF)
Developer/Principal: Carrfour Supportive Housing, Inc./Stephanie Berman	Demographic/Number of Units: Homeless/Persons with Special Needs/59 units
Requested Amounts: \$4,066,500 State Apartment Incentive Loan (SAIL) \$133,500 Extremely Low Income (ELI) \$1,680,000 National Housing Trust Fund (NHTF) \$2,040,000 Housing Credits (9% HC)	Development Category/Type: New Construction/Garden Apartments

1. Background/Present Situation:

- a) On November 1, 2022, Florida Housing Finance Corporation issued a Request for Applications (RFA) 2023-103 for Housing Credit and SAIL Financing for Homeless Housing Developments Located in Medium and Large 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 31, 2023, 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 March 31, 2023, giving them a firm loan commitment issuance deadline of March 31, 2024. Per the RFA, Applicants may request one (1) extension of up to 6 months to secure a firm loan commitment.
- d) On May 10, 2024, the Board approved a firm loan issuance commitment deadline extension from March 31, 2024, to September 30, 2024.
- e) On August 9, 2024, staff received a 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.

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 Credit Underwriting Report for Asher House (RFA 2021-105 / 2021-310G)

Development Name: Asher House	Location: Hillsborough County
Applicant/Borrower: Human Development Center, Inc.	Set-Asides: 33.3% @ 33% AMI (Grant) 66.7% @ 60% AMI (Grant)
Developers/Principals: Human Development Center, Inc./Kimberly E. Church	Demographic/Number of Residents: Persons with Developmental Disabilities/6 residents
Requested Amounts: \$488,150 Grant	Development Category/Type: New Construction/Community Residential Home (CRH)

1. **Background/Present Situation:**

- a) On March 9, 2021, Florida Housing Finance Corporation issued a Request for Applications (RFA) 2021-105 for Financing to Build Smaller Permanent Supportive Housing Properties for Persons with Development Disabilities.
- b) On June 18, 2021, the Board approved the final scores and recommendations for the RFA and directed staff to proceed with all necessary credit underwriting activities.
- c) On June 25, 2021, staff issued a Letter of Preliminary Award and subsequently, on September 26, 2022, an invitation to enter credit underwriting to the Borrower, giving them a firm commitment issuance deadline of October 3, 2023.
- d) On September 18, 2023, staff approved a firm commitment deadline extension from October 3, 2023 to April 3, 2024. On April 4, 2024, an additional extension was approved by staff from April 3, 2024 to October 3, 2024.
- e) On August 7, 2024, 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.

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 Report for Fox Pointe (RFA 2023-108 / 2023-192CRA)

Development Name: Fox Pointe	Location: Volusia County
Applicant/Borrower: HfH Fox Pointe, LLC	Set-Asides: 14 Units @ 30% AMI (SAIL, ELI & 9% HC) 35 Units @ 60% AMI (SAIL & 9% HC) 21 Units @ 80% AMI (SAIL & 9% HC) 7 Units @ 22% AMI (HOME-ARP)
Developer/Principal: HTG Fox Pointe Developer, LLC; HfH Fox Pointe Developer, LLC/Rob Cramp	Demographic/Number of Units: Homeless/Persons with Special Needs /70 units
Requested Amounts: \$3,964,500 Rental Recovery Loan Program (RRLP) \$235,500 Extremely Low Income (ELI) \$1,392,300 Home Investment Partnerships Program (HOME) from The American Rescue Plan Act (ARP) (“HOME-ARP”) \$2,040,000 Housing Credits (9% HC)	Development Category/Type: New Construction/ Garden Apartments

1. Background/Present Situation:

- a) On April 11, 2023, Florida Housing Finance Corporation issued a Request for Applications (RFA) 2023-108 for Housing Credit and RRLP Financing for Homeless Housing Developments Located in Medium and Large Counties Affected by Hurricanes Ian and Nicole.
- b) On June 9, 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 June 20, 2023, 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 June 26, 2023, giving them a firm loan commitment issuance deadline of June 26, 2024. Per the RFA, Applicants may request one (1) extension of up to 6 months to secure a firm loan commitment.
- d) On June 28, 2024, the Board approved the request for a firm loan commitment issuance deadline extension from June 26, 2024, to December 26, 2024.
- e) On August 12, 2024, staff received a final credit underwriting report with a positive recommendation for funding ([Exhibit E](#)). 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

F. Request Approval for Firm Loan Commitment Issuance Deadline Extension for Bayside Breeze (RFA 2022-205 / 2022-151BSA / 2022-535C)

Development Name: Bayside Breeze	Location: Okaloosa County
Applicant/Borrower: Bayside Breeze Redevelopment, LLLP	Set-Asides: 10% @ 30% AMI (SAIL, ELI & 4% HC) 90% @ 60% AMI (SAIL & 4% HC) 40% @ 60% AMI (MMRB) 3% @ 22% AMI (HOME-ARP)
Developer/Principal: TEDC Affordable Communities, Inc./Carol Gardner; Bayside Development of Fort Walton, LLC/Gail Sansbury; 42 Partners, LLC/Jorge Aguirre	Demographic/Number of Units: Elderly/100 units
Requested Amounts: \$18,000,000 Multifamily Mortgage Revenue Bonds (MMRB) \$6,850,000 State Apartment Incentive Loan Program (SAIL) \$750,000 Extremely Low Income (ELI) \$780,000 Home Investment Partnerships Program (HOME) from The American Rescue Plan Act (ARP) (“HOME-ARP”) \$2,040,000 Housing Credits (4% HC)	Development Category/Type: New Construction/ Garden Apartments

1. Background/Present Situation:

- a) On November 14, 2022, Florida Housing Finance Corporation issued a Request for Applications (RFA) 2022-205 SAIL Financing Of Affordable Multifamily Housing Developments To Be Used In Conjunction With Tax-Exempt Bonds 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 Jul 27, 2023, 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 July 29, 2023, giving them a firm loan commitment issuance deadline of July 29, 2024. Per the RFA, Applicants may request one (1) extension of up to 6 months to secure a firm loan commitment.
- d) On July 25, 2024, staff received a request from the Applicant to extend the firm loan issuance commitment deadline from July 29, 2024, to January 29, 2025 ([Exhibit F](#)). An extension is needed to allow more time to finalize the selection of a LIHTC equity investor and construction lender, submit the architectural plans for permits, and receive HUD approvals. Staff has reviewed this request and finds that it meets all requirements of the RFA.

2. Recommendation:

- a) Approve the request for a firm loan commitment issuance deadline extension from July 29, 2024, to January 29, 2025, subject to payment of the required non-

MULTIFAMILY PROGRAMS

Consent

refundable extension fee of one percent of each loan amount, pursuant to the requirements of the RFA.

MULTIFAMILY PROGRAMS

Consent

G. Request Approval of Loan Closing Deadline Extension for Rainbow Village (RFA 2021-208 / 2021-315S / 2020-529C & RFA 2023-211 / 2023-246V)

Development Name: Rainbow Village	Location: Miami-Dade County
Applicant/Borrower: RGC Phase I, LLC	Set-Asides: 52 Units @ 30% AMI (SAIL & 4% HC) 42 Units @ 50% AMI (SAIL & 4% HC) 60 Units @ 60% AMI (SAIL & 4% HC) 114 Units @ 70% AMI (SAIL, Workforce & 4% HC) 42 Units @ 80% AMI (SAIL, Workforce & 4% HC)
Developer/Principal: RGC Phase I Developer, LLC / Matthew A. Rieger	Demographic/Number of Units: Workforce/310 units
Requested Amounts: \$6,000,000 State Apartment Incentive Loan (SAIL) \$9,000,000 Viability Loan \$8,285,984 Housing Credits (4% HC)	Development Category/Type: New Construction/High-Rise (8 Stories)

1. Background/Present Situation:

- a) On March 15, 2021, Florida Housing Finance Corporation issued a Request for Applications (RFA) 2021-208 for SAIL and Housing Credit Financing for the Construction of Workforce Housing.
- b) On June 18, 2021, 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 12, 2021, 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 July 15, 2021, giving them a firm loan commitment issuance deadline of July 15, 2022.
- d) On June 17, 2022, the Board approved extending the firm loan commitment issuance deadline from July 15, 2022, to January 15, 2023. Subsequently, the Board has approved Rule waivers extending the firm loan commitment issuance deadline to January 15, 2024.
- e) 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.
- 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 16, 2023.

MULTIFAMILY PROGRAMS

Consent

- g) On February 2, 2024, the Board approved the final credit underwriting report and directed staff to proceed with issuance of a firm commitment and closing activities. On February 7, 2024, staff issued a firm commitment to the Applicant giving them a loan closing deadline of August 5, 2024. A request for an extension of the loan closing deadline may be considered by the Board for an extension term of up to 90 Calendar Days.
- h) On July 23, 2024, the Borrower requested an extension to the loan closing deadline from August 5, 2024 to November 4, 2024 ([Exhibit G](#)) due to significant delays created by circumstances beyond the Applicant's control, including, but not limited to, acquiring additional funding, which in turn, delayed HUD approvals. Staff has reviewed this request and finds that the Development meets all requirements of the RFAs.

2. **Recommendation:**

- a) Approve the request for a loan closing deadline extension from August 5, 2024 to November 4, 2024, subject to payment of the required non-refundable extension fee of one percent of the loan amount, pursuant to the requirements of the RFAs.

MULTIFAMILY PROGRAMS

Consent

H. Request Approval of Loan Closing Deadline Extension for Cross Creek Gardens at Quincy (RFA 2021-206 / 2022-247H & RFA 2023-211 / 2023-243V)

Development Name: Cross Creek Gardens at Quincy	Location: Gadsden County
Applicant/Borrower: Cross Creek Gardens at Quincy, LLC	Set-Aside(s): 20% @ 50% AMI (HOME) 80% @ 60% AMI (HOME) 36 HOME Units
Developer/Principal: ACRUVA Community Developers, LLC; Neighborhood Renaissance, Inc./Terri Murray	Demographic/Number of Units: Family/36
Requested Amounts: \$6,000,000 Home Investment Partnerships Program (HOME) \$1,223,928 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 29, 2022, staff issued an invitation to enter credit underwriting to the Applicant for HOME funds. The acceptance was acknowledged on March 31, 2022, giving them a firm loan commitment issuance deadline of March 31, 2023.
- c) On March 10, 2023, the Board approved extending the firm loan commitment issuance deadline from March 31, 2023, to October 2, 2023. On October 13, 2023, the Board approved the Rule waiver extending the firm loan commitment issuance deadline from October 2, 2023 to April 2, 2024.
- d) 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.
- e) 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 19, 2023.
- f) On February 2, 2024, the Board approved the final credit underwriting report and directed staff to proceed with issuance of a firm commitment and closing activities. On February 7, 2024, staff issued a firm commitment to the Applicant giving them a loan closing deadline of August 5, 2024. A request for an extension of the loan closing deadline may be considered by the Board for an extension term of up to 90 Calendar Days.

MULTIFAMILY PROGRAMS

Consent

- g) On May 10, 2024, the Board approved an RFA waiver of Applicant entity change and a credit underwriting update letter increasing the Viability Loan funding, changing the Housing Credit Equity Provider and reducing the Housing Credit Equity funds.
- h) On July 16, 2024, the Borrower requested an extension to the loan closing deadline from August 5, 2024 to November 4, 2024 ([Exhibit H](#)) due to delays caused by changes needed to accommodate the City of Quincy's scope of work. Staff has reviewed this request and finds that the Development meets all requirements of the RFAs.

2. **Recommendation:**

- a) Approve the request for a loan closing deadline extension from August 5, 2024 to November 4, 2024, subject to payment of the required non-refundable extension fee of one percent of the loan amount, pursuant to the requirements of the RFAs.

PREDEVELOPMENT LOAN PROGRAM (PLP)

Consent

IV. PREDEVELOPMENT LOAN PROGRAM (PLP)

A. Request Approval of PLP Loan for Alachua Habitat for Humanity, Inc., a not-for-profit entity, for Toloosa North (PLP 2024--005P-09).

DEVELOPMENT NAME (“Development”):	Toloosa North
APPLICANT/DEVELOPER (“Developer”):	Alachua Habitat for Humanity, Inc.
CO-DEVELOPER:	N/A
NUMBER OF UNITS:	52 homeownership units
LOCATION (“County”):	Alachua
TYPE:	Family
MINIMUM SET ASIDE:	50% @ 80% AMI and 50% @ 120% AMI
PLP LOAN AMOUNT:	\$750,000
ADDITIONAL COMMENTS:	N/A

1. Background:

- a) On May 3, 2024, the Applicant submitted a PLP application for a loan for Toloosa North in the amount of \$750,000. Of this loan amount request, \$500,000 is being requested for the acquisition of the subject property. The acquisition portion of the loan is subject to a review and positive recommendation from an assigned credit underwriter.

2. Present Situation:

- a) On August 2, 2024, staff received a recommendation ([Exhibit A](#)) from the assigned technical assistance provider recommending a PLP loan in the amount of \$750,000.
- b) The Applicant has purchased the land but is requesting reimbursement of those costs from the PLP loan. This request is allowable under 67-38.014 (3), Florida Administrative Code. This will be subject to recommendation of the assigned credit underwriter.
- c) Staff has reviewed the development plan and recommendation and believe that all proposed items are PLP eligible.

3. Recommendation:

- a) Approve the PLP loan in the amount of \$750,000 to Alachua Habitat for Humanity, Inc. for Toloosa North and allow staff to commence with the loan document process on the non-site acquisition funds and assign the site acquisition to a credit underwriter for review.

PREDEVELOPMENT LOAN PROGRAM (PLP)

Consent

B. Request Approval of PLP Loan for Pathway 2 Success, Inc., a not-for-profit entity, for Midtown St. Petersburg Apartments (PLP 2023--008P-09).

DEVELOPMENT NAME (“Development”):	Midtown St. Petersburg Apartments
APPLICANT/DEVELOPER (“Developer”):	Pathway 2 Success, Inc.
CO-DEVELOPER:	N/A
NUMBER OF UNITS:	27 rental units
LOCATION (“County”):	Pinellas
TYPE:	Family
MINIMUM SET ASIDE:	20% @ 50% AMI
PLP LOAN AMOUNT:	\$439,900
ADDITIONAL COMMENTS:	N/A

1. Background:

- a) On May 15, 2023, the Applicant submitted a PLP application for a loan for Midtown St. Petersburg Apartments in the amount of \$439,900.

2. Present Situation:

- a) On July 31, 2024, staff received a recommendation ([Exhibit B](#)) from the assigned technical assistance provider recommending a PLP loan in the amount of \$439,900.
- b) Staff has reviewed the development plan and recommendation and believe that all proposed items are PLP eligible.

3. Recommendation:

- a) Approve the PLP loan in the amount of \$439,900 to Pathway 2 Success, Inc. for Midtown St. Petersburg Apartments and allow staff to commence with the loan document process.

PREDEVELOPMENT LOAN PROGRAM (PLP)

Consent

C. Request Approval of PLP Loan Budget Revision for Notre Maison I, LLLP, a not-for-profit entity, for Notre Maison (PLP 2024--002P-09).

DEVELOPMENT NAME (“Development”):	Notre Maison
APPLICANT/DEVELOPER (“Developer”):	Notre Maison I, LLLP
CO-DEVELOPER:	N/A
NUMBER OF UNITS:	75 rental units
LOCATION (“County”):	Miami-Dade
TYPE:	Homeless
MINIMUM SET ASIDE:	20% @ 50% AMI
PLP LOAN AMOUNT:	\$500,000
ADDITIONAL COMMENTS:	N/A

1. Background:

- a) On March 26, 2024, the Board approved a PLP loan for Notre Maison in the amount of \$500,000.
- b) On June 25, 2024, the Applicant closed on the PLP loan. The maturity date is June 25, 2027. To date, \$217,229.43 has been disbursed on this loan.

2. Present Situation:

- a) On July 30, 2024, staff received a letter ([Exhibit C](#)) from the assigned technical assistance provider recommending the budget revisions to the PLP loan.
- b) The total PLP loan amount remains at \$500,000.
- c) Staff has reviewed the recommendation and believe that the budget revisions are necessary to allow the development to move forward.

3. Recommendation:

- a) Approve the budget revisions to the PLP loan for Notre Maison and allow staff to revise loan documents.

PREDEVELOPMENT LOAN PROGRAM (PLP)

Consent

D. Request Approval of PLP Loan for Mary Alice Brown Family Villas, LLC., a not-for-profit entity, for Mary Alice Brown Apartments (PLP 2024--006P-09).

DEVELOPMENT NAME (“Development”):	Mary Alice Brown Apartments
APPLICANT/DEVELOPER (“Developer”):	Mary Alice Brown Family Villas, LLC
CO-DEVELOPER:	N/A
NUMBER OF UNITS:	216 rental units
LOCATION (“County”):	Miami-Dade
TYPE:	Family
MINIMUM SET ASIDE:	20% @ 50% AMI
PLP LOAN AMOUNT:	\$500,000
ADDITIONAL COMMENTS:	N/A

1. Background:

- a) On May 3, 2024, the Applicant submitted a PLP application for a loan for Mary Alice Brown Family Villas in the amount of \$500,000.

2. Present Situation:

- a) On August 2, 2024, staff received a recommendation ([Exhibit D](#)) from the assigned technical assistance provider recommending a PLP loan in the amount of \$500,000.
- b) The property has a first mortgage currently. The PLP loan will be secured with a second mortgage acceptable to Florida Housing or a letter of credit for the loan amount.
- c) Staff has reviewed the development plan and recommendation and believe that all proposed items are PLP eligible.

3. Recommendation:

- a) Approve the PLP loan in the amount of \$500,000 to Mary Alice Brown Family Villas, LLC, Inc. for Mary Alice Brown Apartments and allow staff to commence with the loan document process.

SPECIAL ASSETS

Consent

V. SPECIAL ASSETS

A. Request Approval of the Transfer of Ownership and Assumption of the HOME Loan for Community Housing Partners Corporation of Florida, Inc. (CHPC) for Azalea Apartments (2002-720H)

Development Name: ("Development") Azalea	Location: Hardee County
Developer/Principal: Heritage Affordable Development, Inc. ("Developer"); Community Housing Partners Corp of Florida ("Borrower")	Set-Aside: HOME 20% @ 50%, 80% @ 60%; AMI HOME LURA: 50 years
Number of Units: 40	Allocated Amount: HOME \$2,325,000;
Demographics: Family	Servicer: First Housing Development Corporation

1. Background:

- a) Florida Housing Finance Corporation ("Florida Housing") issued a Home Investment Partnership Loan ("HOME") in the amount of \$2,325,000 to Community Housing Partners Corp of Florida ("Borrower"), a Florida Corporation, for construction of a 40-unit multifamily development in Hardee County, Florida. The loan closed on May 3, 2004, and will mature on May 3, 2034.

2. Present Situation:

- a) The Borrower has requested approval to the transfer of ownership and assumption of the HOME loan and LURA to Florida Non-Profit Housing Inc., who will be purchasing the property through their non-profit affiliate, Florida Non-Profit Holdings, Inc.
- b) Staff has received a credit underwriting report ([Exhibit A](#)) from First Housing Development Corporation with a positive recommendation for approval of the transfer and assumption of the HOME loan documents.

3. Recommendation:

- a) Approve the transfer of ownership and assumption of the HOME Loan documents, all subject to the conditions outlined in the credit underwriter's report, further approvals and verifications by the credit underwriter, counsel and appropriate FHFC staff, and direct staff to proceed with loan document modification activities, as needed.

SPECIAL ASSETS

Consent

B. Request Approval of the Addition of Subordinate Debt to the SAIL Loan for Villa Aurora, LLLP, for Villa Aurora (2005-020S | 2005-020CS, 2007-004CS)

Development Name: Villa Aurora ("Development")	Location: Miami-Dade County
Developer/Principal: Carrfour Supportive Housing Inc. ("Developer"); Villa Aurora, LLLP ("Borrower")	Set-Aside(s): SAIL & HC 9% 21%@30%, 79%@60%; AMI SAIL LURA 50 years, HC 9% 50 years
Number of Units: 76	Allocated Amount: SAIL \$3,000,000; HC 9% \$2,189,896
Demographics: Homeless	Servicer: Seltzer Management Group

1. Background:

- a) Florida Housing Finance Corporation ("Florida Housing") issued a State Apartment Incentive Loan ("SAIL") in the amount of \$3,000,000 to Villa Aurora, LLLP ("Borrower"), a Florida Limited Liability Limited Partnership, for construction of a 76-unit multifamily development in Miami-Dade County, Florida. The loan closed on December 4, 2007 and will mature on May 3, 2034.

2. Present Situation:

- a) The Borrower has requested approval of an addition of subordinate debt to repair and rehabilitate the seventy-six (76) units at Villa Aurora. The Borrower plans on entering a CDBG Loan Agreement with the City of Miami for a loan of \$800,000.00 secured by a Leasehold Mortgage and Security Agreement, in the amount of \$800,000. The CDBG funds will be subordinate to the SAIL Loan.
- b) Staff has received a credit underwriting report ([Exhibit B](#)) from Seltzer Management Group with a positive recommendation for approval of the addition of subordinate debt to the SAIL loan and SAIL documents.

3. Recommendation:

- a) Approve the additional subordinate debt to the SAIL Loan Documents and modification of any other loan documents deemed necessary by FHFC counsel, all subject to the conditions outlined in the credit underwriter's report, further approvals and verifications by the credit underwriter, counsel and appropriate FHFC staff, and direct staff to proceed with loan document modification activities, as needed.

SPECIAL ASSETS

Consent

C. Request Approval of the Transfer of Ownership, Refinancing of the First Mortgage and Renegotiation of the SAIL ELI Loan for Banyan Senior Limited Partnership, a Florida limited partnership, for Banyan Senior Apartments | 9% Housing Credit (2007-190C)

Development Name: Banyan Senior Apartments ("Development")	Location: Pasco County
Developer/Principal: RLI Beneficial Development 7, LLC ("Developer"); Banyan Senior Limited Partnership & Beneficial Pines LLC (Borrower")	Set-Aside: 20% @ 33% AMI, and 80% @ 60%; AMI LURA: 50 years
Number of Units: 96	Allocated Amount: \$850,000
Demographics: Elderly	Servicer: Seltzer Management Group, Inc.

1. Background:

- a) Florida Housing Finance Corporation ("Florida Housing") issued a SAIL Supplemental Loan ("SAIL ELI") in the amount of \$850,000 to Banyan Senior Limited Partnership, ("Borrower"), a Florida limited partnership, for construction of a 96-unit multifamily development in Pasco County, Florida. The loan closed on February 13, 2009, and currently is in an automatic extension maturing February 13, 2053, with 0% interest. FHFC issued a 9% Housing Credit in the amount of \$1,436,183 on January 4, 2010.
- b) The General Partner of the Borrower is Beneficial Banyan LLC, with 51% ownership interest and the Limited Partner of the Borrower is Beneficial Pines, LLC, with 49% ownership interest.

2. Present Situation:

- a) The Borrower has requested approval to transfer ownership to Lincoln Capital Acquisition, LLC, a Delaware limited liability company who will be purchasing the property and intends to refinance with a loan from NEF Preservation Mortgage Loan Fund III LP or one of its affiliates. Seeking approval of the assignment and assumption of the FHFC Loan with subordination to the NEF Loan. Along with the release and replacement of Guarantors and change of management. Approval of the request to convert the Supplemental Loan terms back to a forgivable loan.
- b) Seltzer Management Group, Inc. has reviewed these requests and provided a positive recommendation ([Exhibit C](#)) for the transfer of ownership with the GP and LP change to Lincoln Avenue Capital or affiliate, the refinancing of the first mortgage and renegotiation of the SAIL ELI loan, subordination of and assignment and assumption of the SAIL ELI LURA and the ELIHA.

3. Recommendation:

- a) Approve the transfer of ownership, the refinancing of the first mortgage and renegotiation/assumption and subordination of the SAIL ELI Loan Documents and ELIHA modification of any other loan documents deemed necessary by FHFC counsel, all subject to the conditions outlined in the credit underwriter's report, further approvals and verifications by the credit underwriter, counsel and

SPECIAL ASSETS

Consent

appropriate FHFC staff, and direct staff to proceed with loan document modification activities, as needed.

SPECIAL ASSETS

Consent

D. Request Approval to Refinance the First Mortgage for POAH Cutler Manor, LLC, a Florida Limited Liability Company, for Cutler Manor Apartments (2001-036S)

Development Name: Cutler Manor Apartments (“Development”)	Location: Miami-Dade County
Developer/Principal: Preservation of Affordable Housing (“Developer”)/ POAH Cutler Manor, LLC (“Borrower”)	Set-Aside: SAIL 15.5%@33%, 5%@50%, 79.5%@60% LURA: 50 years
Number of Units: 219	Allocated Amount: SAIL \$2,661,095
Demographics: Family	Servicer: Seltzer Management Group

1. Background:

- a) During the 2001 funding cycle, Florida Housing Finance Corporation (“FHFC”) awarded a State Apartment Incentive Loan (“SAIL”) in the original amount of \$1,900,000, to Cutler Manor, LLC, a Florida Limited Liability Company, for the development of a 219-unit apartment complex in Miami-Dade County, Florida. On June 13, 2008, FHFC’s Board approved the transfer of this Development from Greater Miami Neighborhoods (GMN) to Preservation of Affordable Housing (POAH) and on December 23, 2008 POAH acquired the Development with recapitalized SAIL debt of \$2,661,095.

2. Present Situation:

- a) The Borrower requests consent from the Board to refinance the existing first mortgage and subordinate the SAIL loan and SAIL documents to the new first mortgage.
- b) Staff has received a credit underwriting report ([Exhibit D](#)) from Seltzer Management Group with a positive recommendation for approval of the refinancing of the first mortgage and subordination of the SAIL loan and SAIL documents to the new first mortgage.

3. Recommendation:

- a) Approve the refinancing of the first mortgage loan and subordination of the SAIL loan and SAIL documents to the new first mortgage, subject to the conditions provided in the credit underwriter’s report, further approvals and verifications by the credit underwriter, counsel, and appropriate Florida Housing staff, and direct staff to proceed with loan document modification activities, as needed.

SPECIAL ASSETS

Consent

E. Request Approval of the Transfer of General Partner Interest and Release and Replacement of Guarantors, and Assumption of RRLP Loan for Gulf Breeze Apartments Partners, Ltd., a Florida Limited Partnership, for Gulf Breeze Apartments (2005-319HR/2007-520C)

Development Name: Gulf Breeze Apartments (“Development”)	Location: Charlotte County
Developer/Principal: Norstar Development (“Developer”)/ Gulf Breeze Apartments Partners, Ltd. (“Borrower”)	Set-Aside: RRLP 15% @ 40%; 83% @ 60% AMI; HC 15% @ 40%; 84% @ 60% AMI LURA 50 years; EUA 50 years
Number of Units: 170	Allocated Amount: RRLP \$2,300,000; HC \$835,923
Demographics: Family	Servicer: Seltzer Management Group, Inc.

1. Background:

- a) During the 2005 funding cycle, Florida Housing Finance Corporation (“Florida Housing”) awarded a loan from the Rental Recovery Loan Program (“RRLP”) consisting of a base loan in the amount of \$1,000,000 and a supplemental loan in the amount of \$1,300,000, totaling \$2,300,000, to Gulf Breeze Apartments Partners, Ltd. (“Borrower”), a Florida limited partnership, for the development of a 170-unit property in Charlotte County, Florida. The RRLP loan matures on October 31, 2027. The Development also received a 2007 allocation of low-income housing tax credits (“HC”) of \$835,923.

2. Present Situation:

- a) The Borrower requests consent from the Board to transfer the general partner interest of the Development from Norstar Gulf Breeze, Inc., existing co-GP, to Gulf Breeze Apartments Partners, LLC (“GBAP”), an entity wholly owned by Punta Gorda Housing Authority (“PGHA”), and the assumption of the RRLP loan and the Extended Low-Income Housing Agreement (“ELIHA”).
- b) The Borrower also requests the release of Norstar and its affiliates as guarantors. PGHA and its selected affiliates will be replacement guarantors.
- c) Staff received a credit underwriting report ([Exhibit E](#)) from Seltzer Management Group, Inc. with a positive recommendation for approval of the transfer of the general partner interest, assumption of the RRLP loan and the ELIHA, and the release and replacement of guarantors.

3. Recommendation:

- a) Approve the transfer of general partner interest, assumption of the RRLP loan and the ELIHA, and the release and replacement of guarantors, subject to the conditions provided in the credit underwriter’s report, further approvals and verifications by the credit underwriter, counsel, and appropriate Florida Housing staff, and direct staff to proceed with loan document modification activities, as needed.

SPECIAL ASSETS

Consent

F. Request Approval of the Extension of the SAIL Loan for Royalton Apartments, Ltd., a Florida Limited Partnership, for Royalton (2004-037CS)

Development Name: ("Development")	Royalton	Location: Miami-Dade County
Developer/Principal: Carrfour Supportive Housing Inc. ("Developer"); Royalton Apartments, Ltd. ("Borrower")		Set-Aside: SAIL 16% @ 30%, 84%@60% AMI; HC 16% @ 30% & 84% @ 60% AMI LURA: 53 years EUA: 50 years
Number of Units: 100		Allocated Amount: SAIL \$3,000,000 HC \$921,555
Demographics: Homeless		Servicer: Seltzer Management Group, Inc.

1. Background:

- a) During the 2005 funding cycle, Florida Housing Finance Corporation ("Florida Housing") awarded a State Apartment Incentive Loan ("SAIL") in the amount of \$3,000,000 to Royalton Apartments, Ltd. ("Borrower"), a Florida limited partnership, for the development of a 100-unit property in Miami-Dade County, Florida. The loan closed on October 11, 2006, and matured on October 11, 2021. The Development also received a 2004 allocation of low-income housing tax credits of \$921,555. The Board has approved previous extensions providing a maturity date of October 11, 2024.

2. Present Situation:

- a) On July 23, the Borrower requested approval to extend the SAIL loan, for one (1) year, to October 11, 2025 and informed us that the tax investor had exited the partnership while efforts to review their options to refinance/re-syndicate to repay the SAIL Loan of the Development have sustained. They believe this extension will provide the opportunity in continuing to improve operations and move forward with refinancing or re-syndication by the extended maturity date requested.

3. Recommendation:

- a) Approve the extension of the SAIL loan at its current terms to October 11, 2025, extension of the LURA for an additional year, and direct staff to proceed with loan document modification activities, as needed.

SPECIAL ASSETS

Consent

G. Request Approval of the Refinance of the First Mortgage, Transfer of Ownership, Loan Extension, Renegotiation, and Assumption, and Release and Replacement of Guarantors for Cocoa Leased Housing Associates I, LLLP, a Minnesota Limited Liability Limited Partnership, for Oak Meadows Apartments (2006-310HR/2008-506C)

Development Name: Oak Meadows Apartments (“Development”)	Location: Brevard County
Developer/Principal: Dominion (“Developer”)/ Oak Meadows Limited Partnership (“Prior Borrower”); Cocoa Leased Housing Associates I, LLLP (“Borrower”)	Set-Aside: RRLP, Sup. & HC 25%@35%, 75%@60% - first 20 years; RRLP, Sup. & HC 100%@60% -remaining 30 years AMI LURA 50 years; Sup. 50 years; EUA 50 years
Number of Units: 120	Allocated Amount: RRLP \$8,000,000; Supplemental \$2,070,000; HC \$770,927
Demographics: Family	Servicer: AmeriNat, LLC

1. Background:

- a) During the 2006 funding cycle, Florida Housing Finance Corporation (“Florida Housing”) awarded a loan from the Rental Recovery Loan Program (“RRLP”) in the amount of \$8,000,000 and a Supplemental loan in the amount of \$2,070,000 to Oak Meadows Limited Partnership (“Prior Borrower”), a Florida limited partnership, for the development of a 120-unit property in Brevard County, Florida. The RRLP loan matures on July 1, 2040. The Supplemental loan matures on December 20, 2027, with an automatic extension to December 20, 2057. The Development also received a 2008 allocation of low-income housing tax credits (“HC”) of \$770,927.
- b) In August 2022, the Board approved the Prior Borrower’s request to transfer the ownership of the Development from Oak Meadows Limited Partnership to a Dominion affiliate, and the assumption of the RRLP loan documents and the Extended Low-Income Housing Agreement (ELIHA). The Board also approved the Prior Borrower’s request that Dominion Holdings I, LLC and Dominion Holdings II, LLC be replacement guarantors.

2. Present Situation:

- a) The Borrower requests consent from the Board to refinance with a new first mortgage, subordinate the RRLP loan documents and the ELIHA to the new first mortgage, extend the RRLP loan to be coterminous with the first mortgage, if needed, and renegotiate the RRLP loan. The affordability period will need to be extended by an equal amount of time as the loan extension.
- b) The Borrower also requests consent from the Board to transfer the ownership of the Development from the Borrower to a to-be formed Dominion affiliate, and the assumption of the RRLP loan documents and the ELIHA.
- c) The Borrower further requests that the current guarantors be released and replaced with to-be named entities and/or principals. FHFC will require any other principals and/or entities, as deemed necessary. The Borrower also agrees to make a negotiated principal payment in the amount of \$1,500,000, and to pay all outstanding accrued interest.

SPECIAL ASSETS

Consent

- d) Staff received a credit underwriting report ([Exhibit F](#)) from AmeriNat with a positive recommendation for approval of the refinance of the first mortgage, transfer of ownership, loan renegotiation, and loan and affordability period extension if needed, and subordination and assumption of RRLP loan documents and the ELIHA, and the release and replacement of guarantors.

3. Recommendation:

- a) Approve the refinance of the first mortgage, transfer of ownership, loan renegotiation, loan and affordability period extension if needed, and subordination and assumption of RRLP loan documents and ELIHA, and the release and replacement of guarantors subject to the conditions provided in the credit underwriter's report, further approvals and verifications by the credit underwriter, counsel, and appropriate Florida Housing staff, and direct staff to proceed with loan document modification activities, as needed.

SPECIAL ASSETS

Consent

H. Request Approval of the Transfer of Ownership for Huntington Reserve Associates, Ltd., a Florida Limited Partnership, for Huntington Reserve (1990-003S / 90L-041 / 2006 Series C / 2006-503C)

Development Name: Huntington Reserve ("Development")	Location: Seminole County
Developer/Principal: Huntington Reserve Associates, Ltd. ("Developer")	Set-Aside: SAIL & HC 100%@60% AMI; MMRB 85%@60% AMI LURA: 50 years EUA: 30 years
Number of Units: 168	Allocated Amount: HC 4% \$424,046; HC 9% \$694,170; SAIL \$2,106,000; MMRB \$6,515,000
Demographics: Family	Servicer: Seltzer Management Group, Inc.

1. Background:

- a) During the 1990 funding cycle Florida Housing Finance Corporation ("Florida Housing") issued a State Apartment Incentive Loan ("SAIL") in the amount of \$2,106,000. The Development also received a 1990 allocation of low-income housing tax credits ("HC") of \$694,170. The Development was rehabilitated in 2006 with \$6,515,000 in tax-exempt Multifamily Mortgage Revenue Bonds ("MMRB"). Additionally, \$424,046 in non-competitive low-income housing tax credits were allocated to the Development.
- b) On May 1, 2019, Florida Housing received a request from the Developer to refinance the first mortgage and pay off all existing debt to the Corporation as well as subordination of all restrictive covenants to new first mortgage. Payment was received and the transaction closed on September 30, 2019.

2. Present Situation:

- a) Huntington Reserve Associates, Ltd. has requested Florida Housing's consent to the transfer of its ownership in the Development from Current Owner to Huntington Reserve Preservation, LTD, the subordination, assignment, and assumption of the SAIL Land Use Restriction Agreement ("LURA"), MMRB LURA, and Extended Low-Income Housing Agreements as well as the refinancing of the first mortgage.
- b) Staff received a credit underwriting report ([Exhibit G](#)) from Seltzer Management Group, Inc. with a positive recommendation for approval of the transfer of ownership, assignment and assumption, and subordination of the SAIL LURA, MMRB LURA, and ELIHA's.

3. Recommendation:

- a) Approve the transfer of ownership interest, assignment and assumption, and subordination of the restrictive covenants, subject to the conditions provided in the credit underwriter's report, further approvals and verifications by the credit underwriter, counsel, and appropriate Florida Housing staff, and direct staff to proceed with loan document modification activities, as needed.

STATE OF FLORIDA
FLORIDA HOUSING FINANCE CORPORATION

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FLORIDA HOUSING
FINANCE CORPORATION

AMBAR TRAIL, LTD.,
A Florida Limited Partnership,

Petitioner

vs.

Case No. 2024-036VW
Application No.: 2020-436BS/2019-545C
RFA 2019-116

FLORIDA HOUSING FINANCE
CORPORATION,

Respondent

**PETITION FOR WAIVER OF RULES 67-21.026(13)(e) AND
67-48.0072(17)(f) F.A.C. (7-11-19)**

Petitioner Ambar Trail, Ltd., a Florida limited partnership (“Petitioner”) submits its Petition to Respondent Florida Housing Finance Corporation (the “Corporation”) for a waiver of the Corporation’s general prohibition against the General Contractor (“GC”) performing construction or inspection work that is normally performed by subcontractors. *See* Rules and 67-21.026(13)(e) and 67-48.0072(17)(f), Florida Administrative Code (“F.A.C.”) (eff. 7-11-19) (the “Rules”). Because so many construction projects were delayed or slowed to a crawl during the COVID-19 pandemic, a significant backlog of construction work accrued. Accordingly, the GC was unable to secure subcontracts for labor and equipment related to certain work within a schedule that would satisfy the timing requirements. Due to this lack of availability, the GC performed the work itself. The self-performed work (including work for which the GC holds an underground utilities and excavation license and owns the related heavy equipment) likely resulted in significant cost-savings given that the post-COVID high demand for labor and equipment drove up prices during the nine-month period between execution of the GC contract and the notice to proceed with construction. Petitioner therefore respectfully requests a waiver of the Rules. In

support thereof, Petitioner states as follows:

A. THE PETITIONER

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

Ambar Trail, Ltd.
3030 Hartley Road, Suite 310
Jacksonville, FL 32257
Attention: Elena Adames
Telephone: 305-216-1894
Facsimile: N/A
E-Mail: eadames@ambarco.com

2. The name, address, telephone and facsimile numbers for Petitioner's attorneys 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
Facsimile: (305) 789-3395
E-Mail:
bmcdonough@stearnsweaver.com

Bridget Smitha
Stearns, Weaver, Miller, Weissler,
Alhadeff & Sitterson, P.A.
106 E. College Ave. Suite 700
Tallahassee, FL 32301
Telephone: (850)329-4852
Facsimile: (850) 329-4864
E-Mail: bsmitha@stearnsweaver.com

B. THE DEVELOPMENT

3. Petitioner timely submitted its application on December 30, 2019 in response to Request for Applications 2019-116 SAIL Financing Of Affordable Multifamily Housing Developments to Be Used in Conjunction with Tax-Exempt Bonds and Non-Competitive Housing Credits (the "RFA") with respect to the following development:

- Development Name: Ambar Trail (the "Development")
- Developers: Ambar3, LLC
- County of Development: Miami-Dade
- Number of Units: 210
- Type: Mid-Rise, 4-stories

- Set Asides 11 units (5.24%) at or below 40% AMI, 188 units (89.52%) at or below 60% AMI, and 11 units (5.24%) at or below 80% AMI.
- Demographics: Family
- Funding Amounts: \$5,000,000 in SAIL funding, \$32,000,000 MMRB, \$2,279,803 4% HC (annual allocation), and \$2,500,000.00 Self-Sourced: Bond Financing.

C. PERMANENCY

4. The waiver being sought is permanent in nature.

D. RULES FROM WHICH WAIVER IS SOUGHT

5. Petitioner requests a waiver from the Rules, which provide, in relevant part, as follows:

(17) The General Contractor must meet the following conditions:

- (f) Ensure that no construction or inspection work that is normally performed by subcontractors is performed by the General Contractor;

Rule 67-48.0072(17)(f), F.A.C. (7/11/19)

(13) The General Contractor must meet the following conditions:

- (e) Ensure that no construction or inspection work that is normally performed by subcontractors is performed by the General Contractor;

Rule 67-21.026(13)(e), F.A.C. (7/11/19)

E. STATUTES IMPLEMENTED BY THE RULES

6. The Rules implement, among other sections of the Florida Housing Finance Corporation Act (the “Act”), Section 420.5087 (State Apartment Incentive Loan Program), 420.5089 (HOME Investment Partnership Program; HOME Investment Partnership Fund), and 420.5099 (Allocation of the low-income housing tax credit, Florida Statutes. Per Section 420.5099(1)-(2), Fla. Stat., the Corporation 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 WAIVER

7. In 2020, during the COVID-19 pandemic, many restrictions were put in place that delayed the start of construction projects and/or substantially delayed progress on then-existing projects. Accordingly, when the GC contract was executed in December 2020, subcontractors were hungry for work and submitted competitive bids. However, the GC was unable to obtain the notice to proceed with construction for the Development until September 2021. In that nine-month interim, the COVID-19 restrictions were loosened and/or eliminated, creating a construction boom. With a larger than normal amount of construction going on at that time due to the COVID-19 backlog, the high demand drove up the costs of subcontracting work, including renting equipment. As a result, the GC had subcontractors that would not agree to perform the work for the amount estimated in the GC contract back in December 2020. These subcontractors instead opted to work on other more lucrative projects. Because the GC was competing with other projects for the same pool of labor and equipment, there were instances where the GC could not find subcontractors that could perform the work within the requisite timeframes.

8. Due to the lack of available subcontractors, and to avoid delays that would prevent satisfying the placed-in-service deadline, the GC self-performed that work. The GC had the requisite experience to provide comparable, or even more proficient, labor. In addition to the GC license, the GC also holds an underground utilities and excavation license, and owns heavy equipment used to perform work under such licenses. Because the cost to rent such equipment was substantially inflated given the post-COVID demand, and because the GC's self-performance eliminated mark-ups from middlemen, it was likely more cost effective for the GC to self-perform, even if such equipment and labor had been available. This is particularly true where nearly half of the work performed by the GC pertained to equipment rental (*i.e.*, concrete equipment rental of \$438,938 and earthwork equipment rental of \$44,266). Despite the substantial industry-wide

increase in labor and equipment costs in 2021, the GC essentially performed the work for the amounts budgeted back in December 2020.

9. Additionally, even if the GC could have retained a subcontractor, having that work instead performed by the GC prevented interruptions that would have otherwise caused delay. This is because, where the GC controls its own labor pool, there is no downtime or scheduling gaps as the GC's labor can immediately flow from one project to the next within the same Development. In contrast, where the work is subcontracted, the GC must wait for the subcontractor to have room in its schedule to come to the Development.

10. Neither the Development, the Corporation, nor any other applicant would be prejudiced if this request is granted.

11. Under Section 120.542(1), Florida Statutes, and Chapter 28-104, Florida Administrative Code, the Corporation 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 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. *See* Section 120.542(2), Florida Statutes.

12. If the requested waiver is not granted, Petitioner will suffer a substantial and unnecessary economic and operational hardship.

13. In this instance, Petitioner meets the standards for the requested waiver. The requested waiver will not adversely impact the Development or the Corporation and will ensure that 210 affordable housing units will be preserved and made available for the target population in Miami-Dade County, Florida. Further, the waiver will serve the purposes of the Statute 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.

14. The requested waiver will not adversely affect the Corporation, the Development, or any other applicant.

15. 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.

G. RELIEF REQUESTED

WHEREFORE, Petitioner Ambar Trail, Ltd, respectfully requests that the Corporation:

- a. Grant Petitioner the requested permanent waiver from Rules and 67-21.026(13)(e) and 67-48.0072(17)(f), (July 11, 2019) such that the General Contractor may perform construction or inspection work that is normally performed by subcontractors.
- b. Grant the Petition and all the relief requested therein; and
- c. Award 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

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

CERTIFICATE OF SERVICE

The Petition is being served via e-mail for filing with the Corporation Clerk for the Florida Housing Finance Corporation, CorporationClerk@FloridaHousing.org, with copies served by U.S. Mail on the Joint Administrative Procedures Committee, Pepper Building, Room 680, 111 West Madison Street, Tallahassee, Florida 32399-1400, this 17th of June, 2024.

s/ Brian J. McDonough

BRIAN J. MCDONOUGH, ESQ.

JUL 25 2024 10:56 AM

FLORIDA HOUSING
FINANCE CORPORATION

STATE OF FLORIDA
FLORIDA HOUSING FINANCE CORPORATION

Solimar Associates, Ltd.,
a Florida limited partnership,

Petitioner,

FHFC CASE NO. 2024-039VW

Application No. 2019-027BS / 2018-540C

v.

RFA No. 2018-114

FLORIDA HOUSING FINANCE
CORPORATION,

Respondent.

_____ /

**PETITION FOR WAIVER OF RULES 67-21.026(13)(g), 67-21.014(2)(r)8., AND
67-48.0072(17)(h) F.A.C. (7-8-18)**

Petitioner Solimar Associates, Ltd., a Florida limited partnership ("Petitioner") submits its Petition to Respondent Florida Housing Finance Corporation (the "Corporation") for a waiver of the Corporation's general prohibition against subcontracting a construction cost to an entity that has common ownership or is an Affiliate of the General Contractor ("GC"). *See* Rules and 67-21.026(13)(g), 67-21.014(2)(r)8., and 67-48.0072(17)(h), Florida Administrative Code ("F.A.C.") (eff. 7-8-18) (the "Rules"). In the cost certification review process, it was discovered that approximately \$7,900 of repair work was performed by a subcontractor whose qualifying agent was previously also the qualifying agent for the general contractor for the development. Petitioner therefore respectfully requests a waiver of the Rules and states as follows in support:

A. THE PETITIONER

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

Leon Wolfe
2100 Hollywood Blvd
Hollywood, FL 33020
Telephone: 305.443.8288

FAX: 305.443.9339
Email: Lenny.Wolfe@CornerstoneGrp.com

2. The name, address, telephone and facsimile numbers for Petitioner's attorneys 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
Facsimile: (305) 789-3395
E-Mail:
bmcdonough@stearnsweaver.com

Bridget Smitha
Stearns, Weaver, Miller, Weissler,
Alhadeff & Sitterson, P.A.
106 E. College Ave. Suite 700
Tallahassee, FL 32301
Telephone: (850)329-4852
Facsimile: (850) 329-4864
E-Mail: bsmitha@stearnsweaver.com

B. THE DEVELOPMENT

3. The following information pertains to the development ("Development"):

- Development Name: Solimar
- Development Address: 825 NW 5th Ave, Florida City, 33034
- County: Miami-Dade County
- Developer: Cornerstone Group Partners, LLC; Florida Community Development Corporation
- Number of Units: 180 Unit (New Construction)
- Type: Garden Apartments
- Set Asides: 18.889% (34 units) at or below 30% AMI; 26.111% (47 units) at or below 60% AMI; 55% (99 units) at or below 70% AMI
- Demographics: Family
- Funding: MMRB loan in the amount of \$22,500,000 (prior to redemption), a SAIL Loan in the amount of \$8,075,000, and an annual 4% HC allocation in the amount of \$1,626,192. It also received Surtax funds from Miami-Dade County.

C. PERMANENCY

4. The waiver being sought is permanent in nature.

D. RULES FROM WHICH WAIVER IS SOUGHT

5. Petitioner requests a waiver from the Rules, which provide, in relevant part, as follows:

(17) The General Contractor must meet the following conditions:

- (h) Ensure that no construction cost is subcontracted to any entity that has common ownership or is an Affiliate of the General Contractor or the Developer. For purposes of this paragraph, “Affiliate” has the meaning given it in subsection 67-48.002(5), F.A.C., except that the term “Applicant” therein shall mean “General Contractor.”

Rule 67-48.0072(17)(h), F.A.C. (7-8-18)

(13) The General Contractor must meet the following conditions:

- (g) Ensure that no construction cost is subcontracted to any entity that has common ownership or is an Affiliate of with the General Contractor or the Developer. For purposes of this paragraph, “Affiliate” has the meaning given it in subsection 67- 21.002(5), F.A.C., except that the term “Applicant” therein shall mean “General Contractor.”

Rule 67-21.026(13)(g), F.A.C. (7-8-18)

(r) The General Contractor must meet the following conditions:

8. Ensure that no construction cost is subcontracted to any entity that has common ownership or is an Affiliate of the General Contractor or the Developer. For purposes of this paragraph, “Affiliate” has the meaning given it in subsection 67-21.002(5), F.A.C., except that the term “Applicant” therein shall mean “General Contractor.

Rule 67-21.014(2)(r)8., F.A.C. (7-8-18).

E. STATUTES IMPLEMENTED BY THE RULES

6. The Rules implement, among other sections of the Florida Housing Finance Corporation Act (the “Act”), Section 420.507 (Powers of the corporation), Section 420.508 (Special powers; multifamily and single-family projects), Section 420.5087 (State Apartment Incentive Loan Program), Section 420.5089 (HOME Investment Partnership Program; HOME

Investment Partnership Fund), Section 420.509 (Revenue bonds), and Section 420.5099 (Allocation of the low-income housing tax credit, Florida Statutes. Per Section 420.5099(1)-(2), Fla. Stat., the Corporation 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 WAIVER

7. The Development completed construction in 2022.

8. The Development utilized a subcontractor, A-Line Construction ("A-Line"), who was paid approximately \$7,900 to perform repair work on brick pavers at the driveway. The pavers were sinking in various locations, while others were also damaged from use during construction. Unfortunately, Downrite Engineering, Corp. could not get their subcontractor to return to the project to make the repairs. A-Line was hired to remove, regrade, and reinstall the pavers that were sinking, and to replace the broken pavers. At that time, A-Line's qualifying agent was Mike Brinegar, who also served as the qualifying agent for the general contractor for the Development's GC, Brookstone Construction, LLC ("Brookstone"). Mr. Brinegar was not involved in the selection of A-Line; rather, the Project Manager hired A-line to repair the pavers because A-Line was willing to perform a project having such a small scope and able to mobilize quickly to complete the repairs. Mr. Brinegar made no GC fee, nor a fee from A-Line. Mr. Brinegar is no longer the qualifying general contractor for Brookstone.

9. The principals of Brookstone are Jorge Lopez, Leon J. Wolfe and Mara S. Mades, who are also the principals of the ownership entity of the Development, as well as principals of the developer entity. Jorge Lopez, Leon J. Wolfe and Mara S. Mades are not owners, shareholders or officers of A-Line, and have never been involved with A-Line as either owners, shareholders or officers. A-Line was a third-party subcontractor with no affiliation to the Developer, nor its related construction, developer or ownership entities for the Development.

10. Petitioner did not learn of Mr. Brinegar's affiliation with A-Line until the cost certification review process.

11. Under Section 120.542(1), Florida Statutes, and Chapter 28-104, Florida Administrative Code, the Corporation 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 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. *See* Section 120.542(2), Florida Statutes.

12. In this instance, Petitioner meets the standards for the requested waiver. The requested waiver will not adversely impact the Development or the Corporation and will ensure that 180 affordable housing units will be preserved and made available for the target population in Miami-Dade County, Florida. Further, the waiver will serve the purposes of the Statute 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.

13. 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.

G. RELIEF REQUESTED

WHEREFORE, Petitioner Solimar Associates, Ltd. respectfully requests that the Corporation:

- a. Grant Petitioner the requested permanent waiver from Rules and 67-21.026(13)(g), 67-21.014(2)(r)8., and 67-48.0072(17)(h), F.A.C. (July 8, 2018) such that the General Contractor may subcontract a de minimis amount to an entity that was technically an Affiliate of the General Contractor;

- b. Grant the Petition and all the relief requested therein; and
- c. Award 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

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

CERTIFICATE OF SERVICE

The Petition is being served via e-mail for filing with the Corporation Clerk for the Florida Housing Finance Corporation, CorporationClerk@FloridaHousing.org, with copies served by U.S. Mail on the Joint Administrative Procedures Committee, Pepper Building, Room 680, 111 West Madison Street, Tallahassee, Florida 32399-1400, this 25th of July, 2024.

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

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FLORIDA HOUSING
FINANCE CORPORATION

STATE OF FLORIDA
FLORIDA HOUSING FINANCE CORPORATION

WRDG T3D, LP, a Florida
limited partnership,

Petitioner,

FHFC CASE NO. 2024-038VW
Application No. 2020-515C

v.

FLORIDA HOUSING FINANCE
CORPORATION,

Respondent.

_____ /

PETITION FOR WAIVER OF RULE 67-21.026(13)(h) (06/23/2020)

Pursuant to Section 120.542, Florida Statutes, and Rule 28-104.002, Florida Administrative Code, Petitioner WRDG T3D, LP, (the “Petitioner”) by and through its undersigned counsel, hereby petitions Respondent, Florida Housing Finance Corporation (“Florida Housing”) for a waiver of the requirement in Rule 67-21.026(13)(h), Florida Administrative Code (“F.A.C.”) (06/23/2020) (the “Rule”) that a general contractor may not subcontract to an entity that is an Affiliate of the General Contractor. In the course of conducting its own due diligence, Petitioner discovered that a subcontractor is technically affiliated with the General Contractor (“GC”) in the sense that a couple of the individuals that manage the GC also manage the Affiliate. However, neither these individuals, nor the GC itself, have any economic interest in the Affiliate. The Affiliate was only utilized because it submitted the lowest unit cost bid for skilled hourly rates. Since Petitioner caught it before the retainage was released to the GC, Petitioner issued a deductive change order and informed the GC that it could not charge fees on that work. Nonetheless, because the work was subcontracted in violation of the Rule, Petitioner respectfully requests a Rule waiver. 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:

WRDG T3D, LP
c/o Jerome Ryans
5301 W. Cypress St.
Tampa, FL 33607
Telephone: (813) 253-0551
Fax: (813) 367-0784
Email: JeromeR@thafl.com

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

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 E College Ave.
Suite 700
Tallahassee, Florida 32301
Telephone: 850-329-4852
Fax: 850-329-4864
Email: BSmitha@stearnsweaver.com

B. THE DEVELOPMENT

3. The following information pertains to the development ("Development"):

- Development Name: Boulevard Tower 4 and Boulevard Villas
- Address: 1308 and 1546 W. Chestnut St. Tampa, FL. 33607
- Developer: WRDG T3D Developer, LLC
- County of Development: Hillsborough
- Number of Units: 134
- Type: Boulevard Tower 4 comprises 8 stories (102 units) and Boulevard Villas comprises 3 stories (32 units)

- Demographics: Family
- Set Asides: 40 units (29.85%) @ or below 50% AMI; 74 units (55.22%) @ or below 60% AMI; and 20 units (14.93%) @ or below 80% AMI
- Funding Amounts: \$2,242,602 4% Housing Credits (annual allocation)

C. THE RULE FROM WHICH WAIVER IS REQUESTED

4. Petitioner requests a waiver of Rule 67-21.026(13)(h), F.A.C. (6/23/2020), which provides:

The General Contractor must meet the following conditions: . . . Ensure that no construction cost is subcontracted to any entity that has common ownership or is an Affiliate of [sic] with the General Contractor or the Developer. For purposes of this paragraph, “Affiliate” has the meaning given it in subsection 67-21.002(5), F.A.C., except that the term “Applicant” therein shall mean “General Contractor.”

Id.

D. STATUTES IMPLEMENTED BY THE RULE

5. The Rule implements, among other sections of the Florida Housing Finance Corporation Act (the “Act”):

- Section 420.507, Powers of the corporation.
- Section 420.508, Special powers; multifamily and single-family projects.
- Section 420.509, Revenue bonds.

See §§ 420.507, 420.508, and 420.509, Fla. Stat. (the “Statutes”).

E. JUSTIFICATION FOR GRANTING WAIVER

6. Petitioner submitted Non-Competitive Application No. 2020-515C and was invited to credit underwriting on March 18, 2021.

7. Prior to releasing the retainage to the GC, Petitioner conducted due diligence on the various subcontractors and discovered B&B Skilled Services Corp. (the “Affiliate”), which provided rough carpentry work, had some of the same agents as the GC, such that it technically

meets the definition of an “Affiliate” under Rule 67-21.002(5), F.A.C., as modified by the Rule.¹ Specifically, some of the individuals that manage the Affiliate also manage the GC. The GC did not report the relationship to Petitioner because neither the individuals, nor the GC, have any economic interest in the Affiliate. Rather, the Affiliate was selected solely because it submitted the lowest unit cost bids for skilled hourly rates. Thus, the motivation for using the Affiliate was purely to secure a financial benefit and cost savings for the Development.

8. In an attempt to undo the effect of the GC subcontracting to an affiliated entity, Petitioner issued a deductive change order in the amount of \$27,626.76² and informed the GC that it cannot charge fees on this work. The GC agreed that no General Contractor Fee will be taken on the costs subcontracted to its affiliated entity.

9. Because the Rule prohibits the use of affiliated subcontractors, Petitioner is in need of a Rule waiver.

10. 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 rules demonstrates that the application of the rules 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. § 120.542(2), Fla. Stat.

¹ The total amount of the work completed by the Affiliate was \$197,334.

² To calculate the deductive change order value, Petitioner multiplied the value of work performed on the job by the Affiliate by the 14% that could not be charged.

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.

11. In this instance, Petitioner meets the standards for a waiver of the Rules. The requested waiver will not adversely impact the Development or Florida Housing and will ensure that 134 affordable housing units will remain available for the target population in Hillsborough County, Florida. The strict application of the Rule will create substantial hardship for Petitioner because failure to satisfy the technical requirements of the Rule would result in rescission of allocation of housing credits awarded to the Development. The waiver will serve the purposes of the Statutes and the Act, because one of the Act's primary purposes is to facilitate the availability of decent, safe and sanitary low-cost housing in the State.

12. By granting this waiver, Florida Housing would recognize the goal of increasing the supply of affordable housing to persons of low-income, and recognizing the economic realities and principles of fundamental fairness in developing affordable rental housing. *See* § 420.5099(2), Fla. Stat.

F. WAIVER IS PERMANENT

13. The waiver being sought is permanent in nature.

G. ACTION REQUESTED

14. For the reasons set forth herein, Petitioner respectfully requests Florida Housing: (i) grant the requested waiver of the Rule and allow the General Contractor to subcontract to an Affiliate on the condition that no General Contractor Fee will be taken on the costs subcontracted to its affiliated entity; (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: Brian J. McDonough
BRIAN J. MCDONOUGH, ESQ.

CERTIFICATE OF SERVICE

The Petition For Rule Waiver is being served by electronic transmission for filing with the Florida Housing Clerk for the Florida Housing Finance Corporation via CorporationClerk@floridahousing.org, with copies served U.S. Mail on the Joint Administrative Procedures Committee, 680 Pepper Building, 111 W. Madison Street, Tallahassee, Florida 32399-1400, this 24th day of July, 2024.

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

STATE OF FLORIDA
FLORIDA HOUSING FINANCE CORPORATION

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TIMSHEL MULTIFAMILY 2, LLC
a Florida limited liability company,

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Petitioner,

FLORIDA HOUSING
FINANCE CORPORATION

v.

FHFC CASE NO. 2024-042VW
FHFC APPLICATION NO. 2024-124C

FLORIDA HOUSING FINANCE
CORPORATION,

Respondent.

PETITION FOR WAIVER OF RULE 67-48.004(3)(j)
FLORIDA ADMINISTRATIVE CODE
FOR A CHANGE IN TOTAL SET-ASIDE PERCENTAGE

TIMSHEL MULTIFAMILY 2, LLC, a Florida limited liability company ("Petitioner"), by and through its undersigned counsel, and pursuant to Section 120.542, Florida Statutes and Chapter 28-104, Florida Administrative Code ("F.A.C.") (2023), hereby petitions Florida Housing Finance Corporation (the "Corporation") for a waiver of Rule 67-48.004(3)(j) (the "Rule"). The waiver sought is to decrease the Total Set-Aside Percentage designated by Petitioner in its Application (as defined herein) from 100% to 97.6% based on the addition of two (2) additional units. Notably, Petitioner does not seek to reduce the absolute set-aside unit count of 82 units designated in its Application. Rather the decrease in the Total Set-Aside Percentage would result from the addition of two (2) market rate units. In support, Petitioner states the following:

THE PETITIONER

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

Timshel Multifamily 2, LLC
1000 Bryn Mawr St.
Orlando, FL 32804

Attn: Todd Wind
Telephone: (917) 497-8520
Email: twind@timsheldevelopment.com
Facsimile: (904) 456-8948

Attn: Brian Waterfield
Telephone: (407) 461-4651
Email: bwaterfield@timsheldevelopment.com
Facsimile: (904) 456-8948

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

Coleman Talley LLP
1 Independent Dr, Suite 3130
Jacksonville, FL 32202

Attn: Gregory Q. Clark, Esq.
Telephone: (904) 456-8960
Email: greg.clark@colemantalley.com
Facsimile: (904) 456-8948

Attn: Hannah Anderson, Esq.
Telephone: (904) 456-8962
Email: hannah.anderson@colemantalley.com
Facsimile: (904) 456-8948

3. On September 12, 2023, Petitioner timely submitted an application in response to RFA 2023-201 Housing Credit Financing For Affordable Housing Developments Located in Small and Medium Counties (the "Application") to finance the development and construction of an 82-unit multifamily residential apartment complex in unincorporated Bay County, to be commonly known as Tranquility at St. Andrews (the "Development").

4. Section 4.A.6(c)(2) of the Application required applicants to provide a minimum set-aside commitment for a proposed development. In the Application, Petitioner provided that 10% of the units (9 units) would be set-aside for residents at 40% AMI or below and 90% of the

units (73 units) would be set-aside for residents at 60% AMI or below. This resulted in the Total Set-Aside Percentage equaling 100%, or all 82 units in the Development.

5. The contracted architect for the Development has determined it necessary to include two (2) additional units in the Development, resulting in a total unit count of 84, or two (2) units greater than the unit count proposed in the Application (the "Additional Units"). Petitioner seeks to deliver the Additional Units at market rate, with no income or rent restrictions.

6. Petitioner has attached a revised proposed Total Set-Aside Commitment Breakdown Chart herein as Exhibit "A."

7. The Corporation awarded Petitioner \$2,142,000 of 9% low-income housing tax credits.

8. Petitioner has not yet closed on its financing.

THE RULES FROM WHICH WAIVER IS SOUGHT

9. Petitioner requests a waiver of Rule 67-48.004(3)(j), F.A.C. (2023), which provides:

67-48.004 Selection Procedures for Developments.

(3) For the SAIL, HOME and Housing Credit Programs, notwithstanding any other provision of these rules, the following items as identified by the Applicant in the Application must be maintained and cannot be changed by the Applicant after the applicable submission, unless provided otherwise below:

(j) For the SAIL and HC Programs, 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. For the HOME Program, the total

number of HOME-Assisted Units committed to in the Set-Aside Commitment section of the Application. Notwithstanding the foregoing, the Total Set-Aside Percentage, or total number of HOME-Assisted Units, as applicable, 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, as well as review of 24 CFR Part 92 to ensure continued compliance for the HOME Program;

(Emphasis added.)

10. For clarification, Petitioner is not seeking a waiver from Rule 67-48.004(3)(i), F.A.C. (2023) (the rule governing a change in the total number of units). Specifically, Petitioner is not seeking to decrease the total number of units. Rather, Petitioner is requesting Corporation staff to increase the total number of units in the Development, which is the mechanism set forth in Rule 67-48.004(3)(i) for Petitioner to request and increase in the total number of units.

STATUTE IMPLEMENTED BY THE RULE

11. The Rule implements, among other sections of the Florida Housing Finance Corporation Act (“Act”), the statute that created the Housing Tax Credit Program and authorizes the Corporation to establish procedures for allocating low-income housing tax credits. See § 420.5099, Fla. Stat.

JUSTIFICATION FOR GRANTING A WAIVER OF THE RULE

12. Petitioner requests a waiver of the Rule to decrease the Total Set-Aside Percentage for the Development from 100% to 97.6% resulting from the Additional Units.

13. Petitioner’s request would not change the set-aside unit count from its Application: 9 units would still be set-aside at 40% AMI or below, and 73 units would still be set-aside at 60% AMI or below, and there would be 2 additional units at market rate.

14. Pursuant to Section 120.542 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 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. *See* § 120.542(2), Fla. Stat.

15. "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(2).

16. Petitioner would suffer substantial economic hardship absent the rule waiver. Due to decreased tax credit equity pricing, rising insurance premiums, and inflated construction costs and interest rates, among other unforeseen circumstances related to the Development, Petitioner has determined that the Development would not be financially feasible if the Additional Units were set-aside at or below 60% AMI. More specifically, if the Additional Units were set aside at 60% AMI, with no additional corresponding tax credit equity, the addition of two (2) set-aside units would negatively impact the viability of the Development. On the other hand, adding the Additional Units as market rate units allows the Development to continue to be viable from a financial perspective.

17. Further, the contracted architect for the Development has determined that continuing without the Additional Units would create inefficiencies in the building design related

to roof structure, additional truss profiles, stacking of utilities (mechanical, electrical, and plumbing), routing of engineering systems, fire rating continuity, and waterproofing. The architect also noted that the inefficiencies will increase construction costs and could potentially lengthen the construction timeline.

18. A denial of the Rule waiver would violate principles of fairness as it would operate to deprive the citizens of Bay County of additional housing units at a time when the demand for both affordable and market rate housing continues to increase. Per Bay County's 2023 Housing Needs Assessment, "Recent years have presented significant challenges to the housing market in Bay County. Hurricane Michael, the COVID-19 Pandemic, and ongoing supply chain disruptions have all contributed to a tightening market. The damage or destruction of more than 60% of the county's housing stock by the hurricane is coupled with significant increases in demand and challenges for new construction."¹ The addition of two market rate units will be beneficial for the replenishment of Bay County's housing stock.

19. The purpose of the Act will be achieved if the rule waiver is granted. The Act was passed to encourage private and public investment in facilities for persons of low-income, and the purpose of the Housing Tax Credit Program is to stimulate and prioritize initiatives to increase the supply of affordable housing.

20. By granting the requested waiver, the Corporation would recognize the goal of providing persons of low-income with affordable housing through private investment and would ensure that the affordable housing units of the Development as applied for be preserved and made available for Bay County residents to obtain decent, safe, and sanitary housing. Further, Bay County's 2023 Housing Needs Assessment provided that an increase in housing supply, regardless of whether the units are market rate or rent restricted, will help control rent prices.

¹Bay County Housing Needs Assessment Study, Pg. 4, Emerald Coast Regional Council, May 15, 2023.

21. In addition, the requested waiver would not adversely impact the Development or the Corporation, nor would it provide Petitioner with an unfair advantage.

22. Importantly, the requested waiver would not result in a decrease in the number of set-aside units that Petitioner submitted in its Application. Rather, the Total Set-Aside Percentage would decrease solely as a result of the Additional Units.

23. Petitioner's Application would not have been scored differently had Petitioner originally included the Additional Units in the Application. In other words, the waiver does not result in an unfair competitive advantage to Petitioner.

24. By granting this Petition for a waiver of the Rule, the Corporation would (1) recognize the economic realities of developing affordable rental housing, (2) encourage the development of mixed-income housing projects, and (3) enable Petitioner to meet the housing needs of Bay County residents. A waiver of the Rule would meet the Act's purpose of efficiently providing decent, safe, sanitary, and affordable housing through private investment.

TYPE OF WAIVER

25. The waivers or variances being sought are permanent in nature.

ACTION REQUESTED

26. For clarification purposes, the Petitioner respectfully requests the following:

a. Waiver of rule 67-48.004(3)(j) F.A.C, and specifically, a waiver of the rule for Petitioner to reduce the Total Set-Aside Percentage from 100% to 97.6%; and

b. Approval for the set-aside commitments in Purchaser's Application to reflect the following:

1. 9 units (10.7%) at 40% AMI; and
2. 73 units (86.9%) at 60 % AMI; and

3. 2 units (2.4%) at market rate.

27. For the reasons set forth herein, Petitioner respectfully requests the Corporation (i) grant the requested waiver of the Rule to reduce the Total Set-Aside Percentage for the Development as specified in Petitioner's Application; (ii) grant the Petition and all the relief requested herein; and (iii) grant such further relief as it may deem appropriate.

28. A copy of the Petition has been provided to the Joint Administration Procedures Committee, Room 680, Pepper Building, 111 W. Madison Street, Tallahassee, FL 32399-1400, as required by § 120.542(5), Florida Statutes.

Respectfully submitted this 31st day of July 2024.



Hannah Anderson, Esq.
Fla. Bar No. 1003186
Counsel for Petitioner
Coleman Talley LLP
1 Independent Drive, Suite 3130
Jacksonville, FL 32202
Telephone: (904) 456-8962
Facsimile: (904) 456-8948
Email: Hannah.Anderson@colemantalley.com

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
japc@leg.state.fl.us

This 31st day of July 2024

By: 
Hannah Anderson, Esq.
Fla. Bar No. 1003186

EXHIBIT "A"

Number of Residential Units	Percentage of Units	AMI Level, at or below:	Types of Units
0		25%	Housing Credit Units
0		28%	
0		30%	
0		33%	
0		35%	
9	10.7%	40%	
0		45%	
0		50%	
73	86.9%	60%	
2	2.4%	Above 60%	Market Rate Housing Units
82	97.62%		Total Qualifying HC Units
84	100.00%		Total Units

STATE OF FLORIDA
FLORIDA HOUSING FINANCE CORPORATION

FHFC CASE NO. 2024-047VW
APPLICATION NO. 2019-502C

FAIRFIELD ABBEY PARK LP,

Petitioner

vs.

FLORIDA HOUSING FINANCE
CORPORATION,

Respondent.

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FLORIDA HOUSING
FINANCE CORPORATION

**PETITION FOR WAIVER OF RULE 67-21.0025(7)(c) AND CONSENT UNDER RULE
67-21.003(8)(b)**

FAIRFIELD ABBEY PARK LP, a Florida limited partnership (“Petitioner”), by and through its undersigned counsel, hereby petitions Respondent, the FLORIDA HOUSING FINANCE CORPORATION (the “Corporation”) for a waiver of the Corporation's rule which requires that all natural persons that constitute the ownership of a principal be disclosed. Petitioner further requests the consent of the Corporation to make certain changes to the structure of Petitioner as set forth in Petitioner’s Principal Disclosure Form (the “Principal Disclosure Form”). This Petition is filed pursuant to Section 120.542 of the Florida Statutes (2019) and Chapter 28-104 of the Florida Administrative Code (2019). In support of its Petition, the Petitioner states:

A. PETITIONER AND DEVELOPMENT

1. The address, telephone number, facsimile number and e-mail address of the Petitioner are:

Fairfield Abbey Park, LP
5355 Mira Sorrento Place, Suite 100
San Diego, California 92121
Attn: Richard Boynton
Telephone: (858) 824-6424
Facsimile: (858) 625-6047
Email: rboynton@ffres.com

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

Hollie A. Croft, Esq.
Nelson Mullins Riley & Scarborough
390 N. Orange Avenue, Suite 1400
Orlando, Florida 32801
Telephone: (407) 839-4200
Facsimile: (407) 425-8377
Email: hollie.croft@nelsonmullins.com

3. Petitioner is the owner of that certain 160-unit multifamily housing development to be known as Brenton at Abbey Park (formerly known as Pinnacle at Abbey Park), located at 1921 Abbey Park Road, West Palm Beach Florida (the "Development") for which multifamily housing revenue notes were issued in connection with the acquisition and rehabilitation of the Development. In connection with the Petitioners acquisition and rehabilitation of the Developer Petitioner submitted an application to the Corporation for an allocation of 4% Housing Credits to fund a portion of the acquisition or rehabilitation of the Development on April 30, 2019 and for which the Corporation issued its Preliminary Determination on July 15, 2020, though IRS Forms 8609 have not yet been issued.

B. WAIVER IS PERMANENT

4. The waiver being sought is permanent in nature.

C. THE RULE FROM WHICH WAIVER AND/OR CONSENT IS REQUESTED

5. Petitioner requests a waiver from Rule 67-21.0025(7)(c), F.A.C. (2019) which requires the Petitioner to disclose all natural persons that constitute the ownership of a Principal,

and consent from the Corporation for certain changes to the Petitioner (and Developer) structure as required under the relevant provisions of the Application and 67-21.003(8)(b), F.A.C. (2019) (collectively, the “Rule”). The specific provisions of the Rule from which Petitioner is seeking a waiver and/or consent are as follows:

Rule 67-21.0025(7)(c), F.A.C (2019), which provides in relevant part:

(7) Disclosure of the Principals of the Applicant must comply with the following:

- (a) The Applicant must disclose all of the Principals of the Applicant (first principal disclosure level). For Applicants seeking Housing Credits, the Housing Credit Syndicator/Housing Credit investor need only be disclosed at the first principal disclosure level and no other disclosure is required;
- (b) The Applicant must disclose all of the Principals of all the entities identified in paragraph (a) above (second principal disclosure level);
- (c) The Applicant must disclose all of the Principals of all of the entities identified in paragraph (b) above (third principal disclosure level). Unless the entity is a trust, **all of the Principals must be natural persons**; and
- (d) If any of the entities identified in paragraph (c) above are a trust, the Applicant must disclose all of the Principals of the trust (fourth principal disclosure level), all of whom must be natural persons.

(emphasis added)

Section 6(b)(1) of the Non-Competitive Application Package (Rev. 04-2019) which provides in relevant part:

The Applicant entity shall be the recipient of the Housing Credits 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) replacement of the Applicant **or a 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 Applicant entity may be changed without 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. Changes to 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.

(emphasis added)

Rule 67-21.003(8)(b), F.A.C. (2019), which provides in relevant part

(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;

(emphasis added)

D. STATUTES IMPLEMENTED BY THE RULE

6. 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.* (2019) (the “Statute”).

7. The Corporation has the authority pursuant to Section 120.542(1), Florida Statutes, and Chapter 28-104, F.A.C., to grant waivers to its rule requirements when strict application of such rules would lead to unreasonable, unfair and unintended results in particular instances. Waivers shall be granted when the person subject to the rule demonstrates that the

application of the rule would (1) create a substantial hardship or violate principals 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.*

E. JUSTIFICATION FOR GRANTING THE WAIVER OF THE RULE AND GRANTING CONSENT UNDER THE RULE

8. As Petitioner prepares for issuance of the IRS Forms 8609s, Petitioner desires the Corporations consent with respect to certain changes to the Petitioner's (and Developer's) ownership structure (the "Organizational Structure"), which would materially mirror the approved ownership structures the Petitioner's parent company has utilized in a number of its other applications for 4% Housing Credits with the Corporation. Petitioner previously sought and was granted by the Board a waiver of Rule 67-21.0025(7)(c) and 67-21.003(1)(b), F.A.C. (2019), pursuant to FHFC Case No. 2019-089VW (the "Prior Waiver"). Under the Prior Waiver, Petitioner was permitted to submit the Principal Disclosure Form (as defined in Section A.6.a. of the Non-Competitive Application Package (Rev. 04-2019)) included in its application without disclosing all natural person principals by the third level, in order to allow for a public pension fund to be included in Petitioner's ownership structure.

9. The Applicant is a limited partnership comprised of: (i) FFI Abbey Park LLC, as general partner (the "General Partner") and (ii) RJMT Fairfield Abbey Park L.L.C., as investor limited partner. In relevant part for purposes of this consent request, at the time of the Application, FRH GP LLC ("FRH GP") was the non-member manager of the General Partner; Fairfield Affordable Housing Fund Tranche II LLC ("Developer"), the developer of the Development, was the sole member of the General Partner; FRH Affordable Housing Fund Tranche II LLC ("FRH II") was the one percent (1%) member of Developer; CSJV FF Affordable Housing I, LLC ("CSJV") was the ninety-nine (99%) member of Developer; FRH

Affordable Manager LLC (“FRH Manager”) was the manager of FRH II and Developer; FRH Holdings LLC (“Holdings”) was the sole member of FRH II, FRH GP and FRH Manager; Fairfield Residential Holdings LLC (“Residential”) was the one hundred percent (100%) managing member of Holdings; Residential was controlled by its board of managers consisting of: Gregory Pinkalla, Mitch Pleis and Julie Donegan; FRH Management LLC (“Management”) was the one percent (1%) member of Residential; and Management was owned by the following four (4) members as follows: Gregory Pinkalla (40%), Jon A. MacDonald (20%), Shant Koumriqian (20%) and Thomas Brunson (20%), all as were noted in the previously provided Principal Disclosure, which is attached hereto as Exhibit A. As previously mentioned, Petitioner desires to effect certain changes with respect to the Organizational Structure, which do not impact the Development and are in line with previously approved organizational structures that Petitioner’s parent company has utilized in other application for 4% Housing Credits with the Corporation, and for which Petitioner seeks the Corporation’s consent. Specifically, Petitioner seeks consent for the following changes to the Organizational Structure, (i) changing the name of FRH Manager from ‘FRH Affordable Manager LLC’ to ‘FRH Vehicle Manager LLC’, (ii) making Residential the sole member of FRH GP and FRH Manager instead of Holdings, this is merely a streamlining of ownership as Residential is already the 100% owner of Holdings and as such this change simply removes an intermediary level of ownership and has no impact on the actual ownership, (iii) the reallocation of ownership in the Developer to 5% held by FRH II and 95% held by CSJV, which merely reflects the agreed on economic arrangement between FRH II and CSJV and pertains to only a 4% change in ownership of the Developer, (iv) replacement of Gregory Pinkalla as a manager of Residential with Richard Boyton, which reflects Gregory Pinkalla’s retirement and the appointment of Richard Boyton in his stead (who has been

disclosed to and approved as manager principal by the Corporation in the aforementioned other transactions), (v) replacement of Mitch Pleis and Julie Donegan as managers of Residential with Orintheo Swanigan and Christopher Preston, while this would ostensibly be a material change in control of Residential, these two manager board seats are within the discretion of CALSTRS to fill in its ordinary course of business and as such, while the specific individuals would be changing, actual control would remain materially the same via CALSTRS (vi) the addition of Richard Boyton as a sixteen and 2/3 percent (16.6667%) member of Management (making the prior members' new ownership percentages, Gregory Pinkalla (33.3333%), Jon A. MacDonald (16.6667%), Shant Koumriqian (16.6667%) and Thomas Brunson (16.6667%)), which does not impact any control of the Petitioner or Manager and relates to a less than 1% ultimate ownership in the general partner of Petitioner (and of the Developer itself); and (vii) the addition of the following employee profit sharing entities into the ownership of FRH II at the indicated ownership percentages: FRH 2021 PP LLC – JM Series (0% promote member), FRH 2021 PP LLC – AHF T1-T10 Series (0% promote member), FRH CI LLC – AHF LP3 Series (80%), FRH CI LLC – AHF GP1 Series (5%) (collectively, the “Profit-Sharing Entities”) with the new ownership of Holdings being 15%, this change is solely to implement an employee profit sharing structure and has no impact on control of the Developer or Petitioner which is expanded on further in conjunction with the rule waiver justification laid out below, the Profit-Sharing Entities being a key facet of the need for the rule waiver. In connection with the foregoing a revised Principal Disclosure has been attached hereto as Exhibit B (prepared on the assumption that the rule waiver request is likewise granted).

10. As mentioned above, it is in connection with the admission of the Profit-Sharing Entities specifically, that Petitioner is seeking a further waiver from Rule 67-21.0025(7)(c),

F.A.C. (2019), which requires that the Petitioner disclose all natural persons that constitute the ownership of a principal. The Profit Sharing Entities own, collectively, less than a 5% ultimate interest in the general partner of Petitioner (and of the Developer itself), with ownership of the Profit-Sharing Entities made up completely by employees/contractors (or trusts established by an employee/contractors). As the Profit-Sharing Entities are utilized to provide compensation to employees, changes in ownership of the Profit-Sharing Entities are intrinsically tied to changes to the employees, and therefore it would not be practical or reasonable for them to be included in the Principal Disclosure Form as principals of the Petitioner. To do so would require Petitioner to effectively consult with the Corporation on its hiring, firing and other employment practices on an ongoing basis. Further the ultimate owners of the Profit-Sharing Entities, explicitly have no ability to control the investments or to exercise meaningful control of the Profit-Sharing Entities, such control being vested in the manager of the Profit-Sharing Entities, FRH Manager, the natural person principals of which are still fully disclosed to the Corporation. The only role these members serve is to passively receive any cash flow that passes through the Profit-Sharing Entities as additional compensation for their employment.

11. A waiver of the Rule and approval of the change in Organizational Structure, will permit Petitioner to continue its application for non-competitive tax credits to finance a portion of the rehabilitation of the Development. Without this additional source of investor equity, the Petitioner will not have enough funds to continue the preservation and rehabilitation of these much needed 160 affordable units in West Palm Beach, Florida. Petitioner acquired the Development on July 24, 2019. While the Development is currently encumbered by certain rent restrictions, the re-syndication of the Development will result in rent restrictions at the Development being extended.

12. In this instance, Petitioner meets the standards for a waiver of the Rule. The Corporation has the authority pursuant to Section 120.542(1), Florida Statutes, to provide relief from its rules if strict application of those rules will lead to unreasonable, unfair or unintended results in particular instances. Unless the Rule is waived to allow the Petitioner to continue its application for non-competitive housing credits, certain unreasonable, unfair and unintended results will occur, resulting in a substantial hardship to the Petitioner and the Development. Specifically, the purpose of the Rule was for the Corporation to know who is actively participating in its programs. However, strict application of the Rule would lead to the unintended result that an employer utilizing employee-profit sharing entities in its deal structure as a means by which to compensate its employees would make their general employment practices subject to Corporation consent in order to participate in the Corporation's programs, as well as result in a substantial hardship to the Petitioner. In this specific instance, 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, will not be able to maintain the much-needed rehabilitation of the Development. The Corporation will not be harmed by granting this Petition as the intent of the Rule will not be violated. The Rule was implemented to permit the Corporation to ascertain the parties actively involved in its programs. Petitioner is still able to provide to the Corporation disclosure all principals and has provided a revised Principal Disclosure in connection herewith (except with regards to the CalSTRS public pension in connection with the Prior Waiver, and the requested waivers for the Profit-Sharing Entities herein).

13. The requested waiver of the Rule serves the purpose of the Statute that is implemented by the Rule. The Florida Housing Finance Corporation Act (Section 420.501, *et*

seq.) was passed in order to encourage private and public investment in facilities for persons of low-income. The purpose of the creation of the Housing Tax Credit Program and Multifamily Mortgage Revenue Bonds Program is to stimulate creative private sector initiatives to increase the supply of affordable housing. By granting the waiver of the Corporation's requirement that all natural persons that constitute the ownership of a principal be disclosed, Petitioner will be able to continue its application for non-competitive housing credits, as requested in this Petition, the Corporation would recognize the goal of increasing the supply of affordable housing through private investment in persons of low-income.

F. ACTION REQUESTED

14. For the reasons set forth herein, Petitioner respectfully requests the Board (i) grant the requested consent request with respect to the modifications of the Organizational Structure; (ii) grant the requested waiver of the Corporation's rule which requires that all natural persons that constitute the ownership of a principal be disclosed; (iii) grant the Petition and all of the relief requested herein; and (iv) grant such further relief as it may deem appropriate.

Respectfully submitted,



Andrew Bennett, Esq.

Fla. Bar No. 0125189

Hollie A. Croft, Esq.

Fla. Bar No. 886181

NELSON MULLINS RILEY & SCARBOROUGH

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Orlando, Florida 32801

Telephone: (407) 839-4200

Facsimile: (407) 425-8377

Email: drew.bennett@nelsonmullins.com

hollie.croft@nelsonmullins.com

COUNSEL FOR PETITIONER

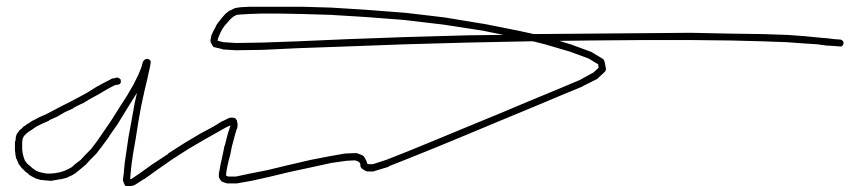
CERTIFICATE OF SERVICE

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 7th day of August, 2024.



Andrew Bennett, Esq.
Fla. Bar No. 0125189

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STATE OF FLORIDA
FLORIDA HOUSING FINANCE CORPORATION

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ROSELAND GARDENS, LLLP,
a Florida limited liability limited partnership,

FLORIDA HOUSING
FINANCE CORPORATION

Petitioner,

CASE NO. 2024-041VW

vs.

Application No. 2023-115C

FLORIDA HOUSING FINANCE
CORPORATION,

RFA 2022-202

Respondent.

_____ /

**PETITION FOR WAIVER OF THE 2022 QUALIFIED ALLOCATION PLAN'S
REQUIREMENT FOR RETURNING HOUSING CREDIT ALLOCATIONS
AND RULE 67-48.002(96), F.A.C. (07/06/2022)**

The petitioner Roseland Gardens, LLLP, a Florida limited liability limited partnership (the "Petitioner"), hereby petitions the Florida Housing Finance Corporation (the "Corporation") for a waiver of the Corporation's 2022 Qualified Allocation Plan's prohibition on returning a 2023 Housing Credit Allocation prior to the second calendar quarter of 2025. The return of these 2023 Housing Credits is required before the Corporation may reserve a new allocation of Housing Credits that the Petitioner requests be immediately allocated by the Corporation. Accordingly, pursuant to Section 120.542 of the Florida Statutes (2022) and Rules 28-104.001 through 28-104.006 of the Florida Administrative Code (2022), the Petitioner hereby requests a waiver of Rule 67-48.002(96) of the Florida Administrative Code (July 6, 2022) and Section II.J. of the 2022 Qualified Allocation Plan (June 9, 2022) to allow for the immediate return of its 2023 Housing Credit Allocation coupled with an immediate allocation of new Housing Credits (year 2024 or later). In support of this Petition, the Petitioner states the following:

A. THE PETITIONER

1. The name, mailing address, telephone number and email address for the Petitioner and its qualified representative are:

Roseland Gardens, LLLP
Attention: Darren Smith
1100 NW 4th Avenue
Delray Beach, Florida 33444
Telephone: (561) 859-8520
E-mail: dsmith@smithhenzy.com

2. For purposes of this Petition, the name, mailing address, telephone number and email address of the Petitioner’s attorney are:

Bilzin Sumberg Baena Price & Axelrod LLP
Attention: Terry M. Lovell, Esquire
1450 Brickell Avenue, 23rd Floor
Miami, Florida 33131
Telephone: (305) 350-2428
E-mail: tlovell@bilzin.com

B. THE DEVELOPMENT

3. The Petitioner timely submitted its Application No. 2023-115C (the “Application”) on December 29, 2022 in response to RFA 2022-202 issued on November 14, 2022 (the “RFA”) for the development named “Roseland Gardens” (the “Development”).

4. The Application was submitted by the Petitioner for competitive Housing Credits under the Corporation’s Housing Credit Program.

5. Equity raised from the Housing Credits will be used for the development and construction of the Development. The following information pertains to the Development, which is set forth in the 2023 CAA (as defined below):

- Development Name: Roseland Gardens
- Development Location: City of West Palm Beach, Palm Beach County, Florida
- Type of Construction: New Construction
- Number of Total Units: 148
- Number of Residential Buildings: 2
- Demographics: Elderly, Non-ALF
- Set-Asides: 10% (15 units) at or below 30% AMI; 90% (133 units) at or below 60% AMI; and 50% of ELI units will be set-aside for Persons with Special Needs
- Funding: 9% Housing Credits; annual amount of \$2,850,000

6. The Application was preliminarily selected for funding by the Corporation, the Petitioner was invited by the Corporation to enter into credit underwriting, and the Petitioner accepted the invitation to credit underwriting on April 14, 2023.

7. Under Rule 67-48.028(1) of the Florida Administrative Code (July 6, 2022), if an applicant is not able to 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 with the Corporation by December 31st of such year in which the preliminary allocation of Housing Credits is issued. As such, on October 20, 2023, the Petitioner and the Corporation entered into that certain 2023 Carryover Allocation Agreement (the “2023 CAA”) in connection with a certain 2023 Housing Credit Allocation for the Development.

8. In accordance with Section 42 of the U.S. Internal Revenue Code, the carryover allocation agreement should require that the applicant place the development in service by the end of the second year following the year in which the carryover allocation was issued. Thus, pursuant to the 2023 CAA, the Corporation mandated that the Development be placed in service by the Petitioner no later than December 31, 2025 (the “Placed In Service Deadline”).

9. In accordance with Section 42 of the U.S. Internal Revenue Code, the property owner must expend ten percent (10%) of the property’s reasonably expected basis within twelve (12) months of the effective date of the carryover allocation. Pursuant to a letter from the Corporation to the Petitioner dated May 1, 2024 (the “Letter”), the Corporation extended the deadline for the Petitioner to satisfy the ten percent (10%) test requirement, with respect to the Development, to a date no later than October 20, 2024 (the “Ten Percent Test Deadline”).

10. As explained in greater detail below, there is uncertainty as to whether (or not) the Petitioner and the Development will be able to satisfy the Ten Percent Test Deadline; and as such, the Petitioner is requesting an exchange of Housing Credits in order to effectuate an extension of the Ten Percent Test Deadline.

11. The requested waivers and relief set forth in this Petition will not adversely affect the Development or the Corporation. However, a denial of this Petition: (i) would result in substantial hardship to the Petitioner,¹ (ii) could deprive the City of West Palm Beach and Palm

¹ “Substantial hardship” means a demonstrated economic, technological, legal or other type of hardship to the person requesting the variance or waiver. *See* Section 120.542(2) of the Florida Statutes (2022).

Beach County of desperately needed affordable housing units, particularly Housing for the Elderly, (iii) would prevent or hinder the implementation of the Corporation's Housing Credit Program, and (iv) would violate principles of fairness.²

C. RULE AND QAP FROM WHICH WAIVER IS REQUESTED

12. The Petitioner hereby requests a waiver from Rule 67-48.002(96) of the Florida Administrative Code (July 6, 2022) (the "FAC Rule") and a waiver from Section II.J. of the 2022 Qualified Allocation Plan (June 9, 2022) (the "2022 QAP Requirement").

13. The FAC Rule provides in relevant part:

"QAP" or "Qualified Allocation Plan" means, with respect to the HC Program, the 2022 Qualified Allocation Plan which is adopted and incorporated herein by reference, effective upon approval by the Governor of the State of Florida, pursuant to Section 42(m)(1)(B) of the IRC and sets forth the selection criteria and the preferences of the Corporation for Developments which will receive Housing Credits. The QAP is available on the Corporation's website under the Multifamily Programs link or by contacting the Housing Credit Program at 227 North Bronough Street, Suite 5000, Tallahassee, Florida 32301-1329, or from <http://www.flrules.org/Gateway/reference.asp?No=Ref-14429>.

14. The 2022 QAP Requirement provides in relevant part:

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 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,

² "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* Section 120.542(2) of the Florida Statutes (2022).

and that the Development is still desirable in terms of meeting affordable housing needs. A Development located in a HUD-designated DDA or QCT at the time of original allocation may retain its designation as such.

D. STATUTES IMPLEMENTED BY THE RULE AND QAP

15. Section 42(m) of the U.S. Internal Revenue Code requires that each state housing credit agency adopt an allocation plan for the allocation and distribution of section 42 low-income housing tax credits. The Corporation, as the state housing credit agency, must allocate and distribute section 42 low-income housing tax credits to applicants pursuant to, and in accordance with, its applicable qualified allocation plan (QAP).

16. The FAC Rule and the 2022 QAP Requirement are enforcing Sections 420.5093 and 420.5099 of the Florida Statutes (2022), among other sections of the Florida Housing Finance Corporations Act (the “Act”),³ the statute that designates the Corporation as the housing credit agency for the State of Florida (within the meaning of Section 42(h)(8)(A) of the U.S. Internal Revenue Code) and grants the Corporation with the responsibility, power and authority to establish and implement the section 42 low-income housing tax credit program for the State of Florida. Accordingly, the Corporation is responsible for, and is authorized to establish and implement, the procedures for allocating and distributing section 42 low-income housing tax credits in the State of Florida (the “Tax Credit Allocation Procedures”); and therefore, the FAC Rule and the 2022 QAP Requirement effectuate, among other sections of the Act, the statutory power and authority for the Corporation’s establishment and implementation of the Tax Credit Allocation Procedures for the Housing Credit Program.

E. JUSTIFICATION FOR GRANTING THE REQUESTED WAIVER

17. Under Section 120.542(1) of the Florida Statutes (2022) and Chapter 28-104 of the Florida Administrative Code (2022), the Corporation has the power and authority to grant waivers to its rule requirements when strict application of such rules or requirements would lead to unreasonable, unfair and unintended consequences in particular instances. Pursuant to Section 120.542(2) of the Florida Statutes (2022), a waiver shall be granted when: (i) the person subjected to the rule demonstrates that application of the rule would either create a substantial hardship or violate principles of fairness; and (ii) the purpose of the underlying statute has been, or otherwise will be, achieved by other means by the person.

³ The Florida Housing Finance Corporation Act is set forth in Sections 420.501 through 420.55 of the Florida Statutes (2022).

18. The Petitioner timely submitted the Application on December 27, 2022 in response to the RFA, and the Petitioner was invited by the Corporation to enter into credit underwriting. In turn, the Development received an allocation of 2023 Housing Credits from the Corporation in accordance with the Housing Credit Program and Sections 42(h)(1) and 42(m)(2) of the U.S. Internal Revenue Code (the “Petitioner’s Current Tax Credits”). Furthermore, the Petitioner and the Corporation executed the 2023 CAA on October 20, 2023 in connection with the Petitioner’s Current Tax Credits.

19. Pursuant to Section 42(h)(1)(E)(i) of the U.S. Internal Revenue Code, the Development must be placed in service no later than the close of the second calendar year following the calendar year in which the section 42 low-income housing tax credit allocation is made. In this case, the federally-mandated placed-in-service deadline for the Development is December 31, 2025 (as memorialized by the Placed In Service Deadline within the 2023 CAA).

20. Pursuant to Section 42(h)(1)(E)(ii) of the U.S. Internal Revenue Code, the Petitioner must expend ten percent (10%) of the Development’s reasonably expected basis within twelve (12) months of the effective date of the 2023 CAA. In this case, the federally-mandated ten percent (10%) test deadline for the Development is October 20, 2024 (as memorialized by the Ten Percent Test Deadline within the Letter).

21. Since the execution of the 2023 CAA on October 20, 2023, the Development has encountered unforeseen events that unmistakably demonstrate to the Petitioner that the Petitioner will not satisfy the ten percent (10%) test requirement by the Ten Percent Test Deadline.

22. The Development has encountered substantial delay due to the HUD Section 18 Demolition and Disposition processes and procedures (collectively, the “HUD Section 18 Process”). As you may know, the Development is a redevelopment and rehabilitation of an existing public housing development; and therefore, the Development’s utilization of the HUD Section 18 Process requires the cooperation and collaboration of the U.S. Department of Housing and Urban Development (“HUD”), the West Palm Beach Housing Authority (the “WPB Housing Authority”), and the City of West Palm Beach’s Department of Housing and Community Development (the “City of WPB’s DHCD”).

23. The initial review and approval process conducted by the City of WPB’s DHCD, in order for the Petitioner to complete and submit the application for the HUD Section 18 Process (such as the review and approval of environmental reports), expended more time and

resources than originally anticipated. The environmental reports for the Development, completed by D3G (Dominion Due Diligence Group) on the HUD-required form (the “Environmental Reports”), were originally submitted to the City of WPB’s DHCD (as the “responsible entity”) for review and approval on August 2, 2023, immediately after review of the draft Environmental Reports was completed by the Petitioner and the WPB Housing Authority.⁴ Subsequent to the submission of the Environmental Reports to the City of WPB’s DHCD, various additional reviews were required by various governmental authorities, one such governmental authority being the U.S. State Historic Preservation Offices (“SHPO”), which required a case study for the Development. The case study, and the related memorandum of agreement, was submitted by the Petitioner to SHPO on October 18, 2023 and November 29, 2023, respectively. SHPO did not provide approval and issue a signed memorandum of agreement to the Petitioner until January 29, 2024. Copies of such case study and such executed memorandum of agreement were provided by the Petitioner to the City of WPB’s DHCD.

24. Moreover, the City of WPB’s DHCD required a review of the Environmental Reports by the U.S. Fish and Wildlife Service (“FWS”), and the Petitioner reached out to FWS on January 18, 2024 regarding same, and FWS sent a response to the Petitioner on March 22, 2024. Promptly following receipt of the response by FWS, the Petitioner had the Environmental Reports updated and resubmitted to the City of WPB’s DHCD. Thereafter, the City of WPB’s DHCD conducted its final review and confirmed on April 22, 2024 that its approvals would be available in the near future; and as such, the City of WPB’s DHCD provided all of its approvals and signed forms on May 10, 2024 to the Petitioner and the WPB Housing Authority.

25. With the Petitioner and the WPB Housing Authority having received the necessary approvals and documentation from the City of WPB’s DHCD in order for the Petitioner and the WPB Housing Authority to complete and submit the application for the HUD Section 18 Process (the “HUD Section 18 Submission”), on or around May 28, 2024, the Petitioner and the WPB Housing Authority filed the HUD Section 18 Submission with HUD. The Petitioner and the WPB Housing Authority expect to hear an initial response from HUD, in connection with the HUD Section 18 Submission, by the beginning of August 2024.

⁴ Please note that the WPB Housing Authority (as a partner in the Development) had a complete draft of the HUD Section 18 Submission ready to submit to HUD, in July 2023, pending approval of the environmental reports by the City of WPB’s DHCD.

26. The Petitioner estimates that delays in connection from the HUD Section 18 Process have totaled, as of the date hereof, approximately seven (7) months of time.⁵ These delays were not a result of the Petitioner's mistakes or negligence (as the Petitioner worked to provide documents and information, and engage consultants, in order to move the Development forward through the review processes of various governmental authorities), but such delays were caused by various governmental authorities reviewing documents, reports and studies.

27. As of the date hereof, the Petitioner continues to progress through the development process for the Development, and the Petitioner currently anticipates (i) closing on the necessary financing in December 2024 and (ii) completing the development and construction of the Development within eighteen (18) months following such closing (i.e., completion of the development and construction of the Development by July 2026).

28. As outlined above, the delays have been caused by circumstances outside the control of the Petitioner and not by any fault of the Petitioner. As a result, such delays currently make it impossible for the Petitioner to satisfy the Ten Percent Test Deadline; and as such, the Petitioner currently requests the relief set forth in this Petition so that the Petitioner is able to create a new and accurate schedule, including updated deadlines, for the redevelopment and rehabilitation of the Development (the "New Schedule"), and then a copy of the New Schedule may be provided to the various interested parties (including, for example, the WPB Housing Authority, the City of WPB's DHCD, and the Corporation).

29. Additionally, the Petitioner respectfully requests the Corporation's acknowledgement of the fact that the Petitioner continues to act in good faith and with due diligence to complete the Development pursuant to the RFA and the Application, as demonstrated by the Petitioner's recent completion and filing of the HUD Section 18 Submission with HUD.

30. Because the Petitioner knows that circumstances outside the control of the Petitioner will prevent satisfaction of the Ten Percent Test Deadline, the Petitioner hereby (i) respectfully requests a waiver from the FAC Rule and the 2022 QAP Requirement, (ii) seeks the current return to the Corporation of the Petitioner's Current Tax Credits, rather than wait for the

⁵ On an additional note, it has recently become known to the public that HUD will be performing an extensive computer system conversion in this 2024 year, and this extensive computer system conversion is expected to create some delay in connection with HUD's upcoming review and approval processes.

second calendar quarter of 2025 (as required under the 2022 Qualified Allocation Plan), (iii) seeks to obtain from the Corporation a new allocation of Housing Credits (year 2024 or later), (iv) seeks an extension of the Ten Percent Test Deadline, and (v) seeks an extension of those other applicable and additional deadlines set forth in the 2023 CAA.

31. As demonstrated above, the Petitioner meets the standards for a waiver of the FAC Rule and the 2022 QAP Requirement because the Petitioner (i) has demonstrated the hardships and other circumstances which justify the Petitioner's requests set forth in this Petition and (ii) has acted in good faith and with proper diligence to develop and construct the Development pursuant to the RFA, the Application and the 2023 CAA.

32. The granting of this Petition will not adversely impact the Development or the Corporation; and rather, the granting of this Petition will ensure that much needed affordable housing units will be made available for the Elderly population in Palm Beach County.

33. If this Petition is not granted, then the Petitioner and the Development will suffer substantial and irrevocable hardship because the Development will need to be abandoned (as the Petitioner will not have sufficient time to satisfy the Ten Percent Test Deadline, leading to a loss of the Petitioner's Current Tax Credits). Consequently, granting this Petition will (i) ensure the availability of Housing Credits which may otherwise be lost due to the aforementioned delays, (ii) promote principles of fundamental fairness in the development of affordable housing, (iii) permit the development and construction of new affordable housing units via the Development, (iv) enable the Petitioner to utilize (and not lose) its significant investments made to-date in connection with the Development, (v) allow the Petitioner to obtain the necessary financing in order to proceed with the development and construction of the Development, (vi) encourage private and public investment in facilities benefiting persons of low income, and (vii) promote the goal of increasing the supply of affordable housing through private investment.

34. Further, this Petition should be granted, as opposed to de-obligating the award of 2023 Housing Credits, because Palm Beach County is currently experiencing a shortage of affordable housing units, particularly Housing for the Elderly. Granting this Petition will result in the delivery of one hundred forty-eight (148) affordable housing units for the Elderly in Palm Beach County (increasing the availability of decent, safe, affordable and sanitary housing for the Elderly in Palm Beach County) much faster than would a reallocation of funds to a new

development. As such, the granting of this Petition would serve the purposes of the Act, the RFA and the Corporation's 2022 Qualified Allocation Plan.⁶

35. Should the Corporation require any additional information, a representative of the Petitioner is available to answer questions and to provide information necessary for the Corporation's review and consideration of this Petition.

F. PERMANENCY OF WAIVER

36. The waiver being sought is permanent in nature.

G. ACTIONS REQUESTED

For the reasons set forth in this Petition, the Petitioner respectfully requests that the Corporation:

- a. Grant this Petition and all of the relief requested herein;
- b. Waive application of the FAC Rule and the 2022 QAP Requirement in connection with the Petitioner, the Development and the 2023 CAA;
- c. Allow the immediate return of the Petitioner's Current Tax Credits back to the Corporation;
- d. Allocate new Housing Credits (year 2024 or later) to the Petitioner in the same annual amount equal to the Petitioner's Current Tax Credits;
- e. Grant an extension of the Ten Percent Test Deadline relative to the new Housing Credits (year 2024 or later);
- f. Grant extensions to other deadlines set forth in the 2023 CAA relative to the new Housing Credits (year 2024 or later); and
- g. Award or grant such further relief as may be deemed appropriate.

⁶ One of the primary goals of the Act is to facilitate the availability of decent, safe and sanitary housing in the State of Florida to low-income individuals 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 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." *See* Section 420.5099(2) of the Florida Statutes (2022).

Respectfully submitted,

Bilzin Sumberg Baena Price & Axelrod LLP
1450 Brickell Avenue, 23rd Floor
Miami, Florida 33131
Tel: (305) 350-2428
Fax: (305) 351-2126
E-mail: tlovell@bilzin.com

/s/ Terry M. Lovell

CERTIFICATE OF SERVICE

This Petition is being served via electronic transmission for filing with the Corporation Clerk for the Florida Housing Finance Corporation (CorporationClerk@FloridaHousing.org), with a copy being served by U.S. Mail on the Joint Administrative Procedures Committee, Pepper Building, Room 680, 111 West Madison Street, Tallahassee, Florida 32399-1400, as of this 30th day of July, 2024.

/s/ Terry M. Lovell

STATE OF FLORIDA
FLORIDA HOUSING FINANCE CORPORATION

AUG 6 2024 9:00 AM

FLORIDA HOUSING
FINANCE CORPORATION

HFH FOX POINTE, LLC
a Florida limited liability company,

Petitioner,

FLORIDA HOUSING FINANCE
CORPORATION,

Respondent.

FHFC CASE NO. 2024-040vw
Application No. 2023-192CRA
RFA 2023-108

AMENDED¹ PETITION FOR WAIVER OF RULE 67-48.002(96), F.A.C. (7/6/22)
AND THE 2022 QAP

HfH Fox Pointe, LLC (the “Petitioner”) by and through its undersigned counsel, hereby petitions Respondent, Florida Housing Finance Corporation (“Florida Housing”), for a waiver of the provisions of the 2022 Qualified Allocation Plan (“2022 QAP”) as incorporated and adopted by Rule 67-48.002(96), Florida Administrative Code (“F.A.C.”) (7/6/22), such that Petitioner may return its 2023 Housing Credit Allocation now as opposed to waiting until after the end of the second calendar quarter of 2025. Due to forces outside of Petitioner’s control, specifically civil plan design requirements and delays inherent in the Environmental Resource Program (“ERP”) permit process, Petitioner believes it will be unable to incur the costs necessary to meet the Site Control and 10% Test by the October 9, 2024, deadline.² Thus, in an abundance of caution, and in an effort to remain at all times in compliance with Florida Housing’s

¹ Petitioner initially filed a petition on July 30, 2024. That petition is amended here to address issues of fact; the requested relief remains the same.

² By letter dated April 24, 2024, Petitioner requested an extension of the April 30, 2024 Site Control and 10% Test deadline, which was granted on April 25, 2024. The request was necessitated because Petitioner was pursuing additional funding sources from Volusia County.

requirements, Petitioner respectfully requests a Rule waiver. 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:

Rob Cramp
HfH Fox Pointe, LLC
4087 S. US 1, Suite 3
Rockledge, FL 32955
Phone: (321) 639-0166
Fax: N/A
E-mail: rob@housingforhomeless.org

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

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: Fox Pointe
- Development Address: 1088 10th St., Holly Hill, FL
- County: Volusia
- Developer: HTG Fox Pointe Developer, LLC and HfH Fox Pointe Developer, LLC

- Number of Units: 70 new construction
- Type: Garden Apartments
- Set Asides: 20.000% (14 units) at or below 30% AMI; 50.000% (35 units) at or below 60% AMI; 30.000% (21 units) at or below 80% AMI
- Demographics: Homeless
- Funding: 9% HC request of \$2,040,000 annually; Total RRLP loan in an amount up to \$4,200,000 (RRLP Base Loan \$3,964,500 plus ELI Loan \$235,500) and a HOME-ARP loan in an amount up to \$1,392,300.

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 67-48.002(96), effective July 6, 2022, which provides in pertinent part:

“QAP” or “Qualified Allocation Plan” means, with respect to the HC Program, the 2022 Qualified Allocation Plan which is adopted and incorporated herein by reference, effective upon approval by the Governor of the State of Florida, pursuant to Section 42(m)(1)(B) of the IRC and sets forth the selection criteria and the preferences of the Corporation for Developments which will receive Housing Credits. The QAP is available on the Corporation’s website under the Multifamily Programs link or by contacting the Housing Credit Program at 227 North Bronough Street, Suite 5000, Tallahassee, Florida 32301-1329, or from <http://www.flrules.org/Gateway/reference.asp?No=Ref-14429>.

6. Subsection II.J. of the 2022 QAP, provides as follows:

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 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.

E. STATUTES IMPLEMENTED BY THE RULE AND THE 2022 QAP.

7. The Rule implements Section 420.5087 (State Apartment Incentive Loan Program), and Section 420.5089 (HOME Investment Partnership Program; HOME Investment Partnership Fund) of the Florida Housing Finance Corporation Act (the "Act").³ 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"). *See* § 420.5099(1) and (2), Fla. Stat. Accordingly, the, Rule implements, among other sections of the Act, the statutory authorization for Florida Housing's establishment of Allocation Procedures for the HC Program.

Id.

F. JUSTIFICATION FOR GRANTING WAIVER OF THE RULE.

8. Petitioner timely submitted Application No. 2023-192CRA on April 27, 2023 in response to RFA 2023-108 (RFA 2023-108 Housing Credit and RRLP Financing for Homeless

³ The Act is set forth in Sections 420.50 through 420.55 of the Florida Statutes.

Housing Developments Located in Medium and Large Counties Affected by Hurricane Ian and Nicole) (the “RFA”).

9. The Development was selected for funding and invited to credit underwriting on June 20, 2023.

10. The Development received an allocation of the 2023 Housing Credit dollar amount meeting the requirements of Section 42(h)(1)(E) and (F) of the Internal Revenue Code of 1986 as amended (“Tax Credits”).

11. Florida Housing staff executed a 2023 Carryover Allocation Agreement (“CAA”) on or about October 9, 2023 for the allocation of its Tax Credits. The CAA required Petitioner to incur at least ten percent of the reasonably expected basis of the Development (the “10% Test”) and meet the site control requirement (“Site Control”) on or before April 30, 2024 (the “CAA Deadline”). By letter dated April 24, 2024, Petitioner requested an extension of the CAA Deadline. On April 25, 2024, Florida Housing granted that request and extended the CAA Deadline to October 9, 2024.

12. Failure to comply with the CAA Deadline will cause the Housing Credits allocated within the CAA to be deemed returned to Florida Housing under 26 U.S.C. § 42(h)(3)(C).

13. Pursuant to 26 U.S.C. § 42(h)(1)(E)(i), the Development must be placed in service no later than the close of the second calendar year following the calendar year in which the allocation is made; in this case, the federally-mandated placed-in-service date would be December 31, 2025.

14. After being selected for funding and invited to credit underwriting, Petitioner took all steps within its power to move the Development forward toward a successful groundbreaking.

Petitioner began predevelopment activities immediately upon accepting its invitation to enter credit underwriting. Since that time, Petitioner has been engaged in the pursuit of all necessary development approvals; specifically:

- Petitioner applied for Final Site Plan approval (i.e. a site development permit) on October 5, 2023, which permit is still under review.
- Petitioner applied for a Water Management District ERP Permit on December 9, 2023, which permit is still under review.
- Petitioner submitted a building permit application on January 16, 2024.

Unfortunately, Petitioner's progress has been stalled by civil plan design requirements and ongoing discussion with the Water Management District. Petitioner believes a cost effective civil plan design standard has been agreed upon and is moving forward in the ERP permit process. Petitioner believes a permit ready letter will be issued by mid-October, 2024 and anticipates that closing will occur by October 15, 2024. Petitioner has been actively engaged with the Credit Underwriter for the Development and the Credit Underwriting Report ("CUR") was submitted to Florida Housing on July 16, 2024. Petitioner anticipates that the CUR will be approved at the August 23, 2024 Florida Housing Board meeting. While Petitioner believes it has a path forward to resolving the issues, it will cause a significant amount of delay. Petitioner therefore knows now that it will be unable to move forward in sufficient time to allow Petitioner to incur the costs necessary to meet the Site Control and/or 10% Test by the CAA Deadline.

15. The 10% Test cannot be satisfied before the Deadline by, for example, purchasing and storing materials because, until the ERP permit process is complete, the design cannot be finalized as is necessary for the materials to be identified and purchased.

16. Because Petitioner believes that circumstances outside of its control will prevent it from satisfying the Site Control and 10% Test by the CAA Deadline, Petitioner respectfully requests a waiver of the 2022 QAP to permit Florida Housing to approve the tax credit exchange now as opposed to waiting until after the end of the second calendar quarter of 2025.

17. 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 towards construction.

18. If the Petition is denied, and Petitioner loses the allocated Housing Credits as a result of insufficient time to satisfy the Site Control and 10% Test, Petitioner will be forced to abandon the Development. Stated differently, losing this funding source will cause Volusia County to lose the Development's 70 affordable housing units.

19. This Petition should be granted, as opposed to de-obligating the award, because Volusia County is currently experiencing a shortage of affordable housing units. Granting the Petition will result in the delivery of 70 new affordable housing units much faster than would reallocating the funding to a new development.

20. 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,⁴

⁴ "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.*

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.

21. Strict adherence to Subsection II.J. of the QAP would violate principles of fairness, as Florida Housing has granted waivers to other Developments similarly facing unforeseen delays beyond their control (*e.g.*, Arbor Village- granted credit swap in November 2019; Georgian Gardens- granted credit swap in November 2019; Luna Trails- granted credit swap in 2019; Northside Transit Village- granted credit swap in November 2019; Residences at Dr. King Boulevard, Ltd.- granted credit swap in 2019).⁵

22. In this instance, Petitioner meets the standards for a waiver of the Rule and the 2022 QAP. The requested waiver will not adversely impact the Development or Florida Housing and will ensure that 70 affordable housing units will be made available for the target population in Volusia County, Florida. The strict application of the 2022 QAP would prevent Petitioner from completing the swap now and will create a substantial hardship for Petitioner because it likely cannot – due to no fault of its own – meet the Site Control and 10% Test by the CAA deadline. Further, the waiver will serve the purposes of the Statute 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. Moreover, the Statute was enacted, in part, to encourage private and public investment in facilities for persons of low-income. By granting this waiver, and further ensuring the development of 70 affordable housing units in Volusia County, Florida Housing would recognize the goal of increasing the supply of affordable housing through private investment in persons of

⁵ The reasons that precipitated the credit swaps include, but are not limited to: need for off-site improvements, which required negotiation with neighboring property owners; revision to construction plans due to increased construction costs, which required the securing of additional funds; redesign requirements due to a fire code violation in the design of a staircase; post-Hurricane clean up; and title issues, which only became known after the design process.

low-income, and recognizing the economic realities and principles of fundamental fairness in developing affordable housing. *See* § 420.5099(2), Fla. Stat.

23. The foregoing demonstrates the hardship and other circumstances justifying this Petition.

24. The requested waiver should be granted because, as demonstrated above, the delay was caused by circumstances beyond Petitioner's control, due diligence was employed in an attempt to resolve those circumstances, the Development in all respects, except timing, still meets the conditions upon which the Housing Credits were originally allocated, and the Development is still desirable in terms of meeting affordable housing needs.

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

G. ACTION REQUESTED

26. For the reasons set forth herein, Petitioner respectfully requests Florida Housing: (i) grant the requested waiver to permit the requested credit exchange, immediate return of Petitioner's 2023 Housing Credit Allocation, and an immediate allocation of new Housing Credits; (ii) grant a corresponding extension of deadlines relative to those credits; (iii) grant this Petition and all of the relief requested herein; and (iv) 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 6th day of August, 2024.

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

RECEIVED

AUG 7 2024 10:09 AM

STATE OF FLORIDA
FLORIDA HOUSING FINANCE CORPORATION

TAMPA 47TH STREET APARTMENTS, LLC,
a Florida limited liability company,

Petitioner,

FLORIDA HOUSING FINANCE
CORPORATION,

Respondent.

FHFC CASE NO. 2024-046VW
Application No. 2024-058SN; 2023-527C
RFA 2023-205

FLORIDA HOUSING
FINANCE CORPORATION

AMENDED¹ PETITION TO WAIVE RULES 67-48.004(3)(i) AND 67-21.003(8)(h), F.A.C.
(6/28/23)
AND FOR BOARD APPROVAL

Tampa 47th Street Apartments, LLC (the “Petitioner”) by and through its undersigned counsel, hereby petitions Respondent, Florida Housing Finance Corporation (“Florida Housing”), for a waiver of Rule 67-48.004(3)(i) and Rule 67-21.003(8)(h), Florida Administrative Code (“F.A.C.”) effective June 28, 2023 (the “Rules”), which prohibit decreasing the total number of units identified in the application. After Petitioner submitted Application No. 2024-058SN/2023-527C (the “Application”) in response to RFA 2023-205 SAIL Financing Of Affordable Multifamily Housing Developments To Be Used In Conjunction With Tax-Exempt Bond Financing And Non-Competitive Housing Credits (the “RFA”), Petitioner determined that the building configuration on the site was not practicable with an odd number of units given the proximity of the buildings to tree root and canopy protective zones. Accordingly, Petitioner seeks to decrease² the total number of units by less than 1% (*i.e.*, a 0.57% change), from 175 to

¹ The original Petition is amended solely to change the set asides.

² Petitioner seeks a decrease because increasing the total number of units would require numerous trees to be cut down that could otherwise remain standing. The development site is currently wooded and undeveloped with many grand oak trees. Petitioner has worked diligently

174 units. Additionally, Petitioner seeks Board approval to correct a scrivener's error appearing at the third principal disclosure level. 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:

Alberto Milo, Jr.
2850 Tigertail Avenue, Suite 800
Miami, FL 33133
Phone: 305-460-9900
Fax: n/a
Email: amilo@relatedgroup.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: Tampa 47th Street Apartments
- Development Address: 5709 North 47th Street, Tampa, Hillsborough County, Florida 33610
- County: Hillsborough

with its design team to work around these trees as best as possible to preserve the beautiful tree canopy.

- Developer: Tampa 47th Street Apartments Developer, LLC
- Number of Units: 175 newly constructed units were identified in the Application, but Petitioner respectfully requests approval to decrease this amount to 174 units
- Type: Garden Apartments
- Set Asides: in the Application, Petitioner identified set asides of 35 units (20%) at or below 30% AMI, 88 units (50.286%) at or below 60% AMI, and 52 units (29.714%) at or below 80% AMI, and 5 units (2.8%) at or below 22% AMI for NHTF Funds (treated as 60% AMI units for income averaging purposes) (includes NHTF). If this Petition is granted, the set asides will be revised as follows: 5 units (2.8%) at or below 22% AMI for NHTF Funds (treated as 60% AMI units for income averaging purposes); 43 units (27.586%) at or below 30% AMI, 64 units (36.782%) at or below 60% AMI (includes NHTF), and 62 units (35.632%) at or below 80% AMI
- Demographics: Family
- Funding: \$7,000,000 SAIL; \$750,000 ELI; \$1,375,000 NHTF; \$2,299,803 Housing Credits (annual amount)

C. WAIVER IS PERMANENT

4. The waiver being sought is permanent in nature.

D. THE RULES FROM WHICH WAIVER IS REQUESTED

5. Petitioner requests a waiver of Rule 67-48.004(3)(i), F.A.C., effective June 28, 2023, which provides in pertinent part:

(3) For the SAIL, HOME and Housing Credit Programs, notwithstanding any other provision of these rules, the following items as identified by the Applicant in the Application must be maintained and cannot be changed by the Applicant after the applicable submission, unless provided otherwise below:

(i) 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, as well as review of 24 CFR Part 92 to ensure continued compliance for the HOME Program;

Id. Petitioner also seeks a waiver of Rule 67-21.003(8)(h), F.A.C., effective June 28, 2023, which similarly 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:

(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. THE NCA AND RFA PROVISIONS PURSUANT TO WHICH BOARD APPROVAL IS SOUGHT.

6. The Non-Competitive Application Package ("NCA")³ states:

Prior to loan closing, any change (materially or non-materially*) in the ownership structure of the named Applicant will require review and recommendation of the Corporation, as well as Board approval prior to the change. After loan closing, (i) any material* change will require review and approval of the Credit Underwriter, as well as approval of the Board prior to the change, and (ii) any non-material* change will require review and approval of the Corporation prior to the change. Changes to the Applicant entity (material or non-material*) prior to the loan closing or without Board or Corporation approval, as applicable, after the loan closing may result in disqualification from receiving funding and may be deemed a material misrepresentation. The Applicant must comply with Principal disclosure requirements outlined in Rule Chapters 67-21 and 67-48, F.A.C. for the duration of the Compliance Period. Changes to the limited partner of an investor limited partnership or an investor member of a limited liability company owning

³ Rule 67-21.003(1), F.A.C. (06/28/2023) incorporated by reference NCA (Rev. 06-2023), which is available at <http://www.flrules.org/Gateway/reference.asp?No=Ref-15428>

the syndicating interest therein will not result in disqualification; however, if a change to the investor limited partner or investor member is made after the closing of the partnership agreement, the amended agreement reflecting the change must be provided to the Corporation. Changes to the officers or directors of a Public Housing Authority or a Non-Profit entity, regardless of when they occur, shall require Corporation approval. Any allowable replacement to the natural person Principals of a Public Housing Authority or officers and/or directors of a non-profit entity will apply to all preliminarily awarded Applications and Applications pending final Board action that include the Public Housing Authority or non-profit entity.*A material change shall mean 33.3 percent or more of the Applicant, a general partner of the Applicant, or a non-investor member of the Applicant, and a non-material change shall mean less than 33.3 percent of the Applicant, a general partner of the Applicant, or a non-investor member of the Applicant.

Id.

7. The RFA similarly states:

(4) Material and non-material changes to the Applicant entity or Developer entity

(b) Prior to loan closing, any change (materially or non-materially*) in the ownership structure of the named Applicant will require review and recommendation of the Corporation, as well as Board approval prior to the change. After loan closing, (i) any material* change will require review and approval of the Credit Underwriter, as well as approval of the Board prior to the change, and (ii) any non-material* change will require review and approval of the Corporation prior to the change. Changes to the Applicant entity (material or non-material*) prior to the loan closing or without Board or Corporation approval, as applicable, after the loan closing may result in disqualification from receiving funding and may be deemed a material misrepresentation. The Applicant must comply with Principal disclosure requirements outlined in Rule Chapters 67-21 and 67-48, F.A.C. for the duration of the Compliance Period. . . . *A material change shall mean 33.3 percent or more of the Applicant, a general partner of the Applicant, or a non-investor member of the Applicant, and a non-material change shall mean less than 33.3 percent of the Applicant, a general partner of the Applicant, or a non-investor member of the Applicant.

RFA Section 4, A.3.c.(4)(b). Because Petitioner is seeking to correct a scrivener's error prior to the loan closing, Board approval is necessary.

F. STATUTES IMPLEMENTED BY THE RULES.

8. Rule 67-48.004(3)(i), 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 420.5087, State Apartment Incentive Loan Program.
- Section 420.5089, HOME Investment Partnership Program; HOME Investment Partnership Fund.
- Section 420.509, Revenue bonds.
- Section 420.5099, Allocation of the low-income housing tax credit.

9. 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 RULES.

10. Petitioner submitted the Application on August 3, 2023.

11. Initially, Petitioner intended for the Development to be composed of 175 units.

12. However, due to the location of trees on the Development site, the building configuration is impractical with an odd number of units. Specifically, the development site is a heavily wooded site that has never been developed before, with multiple 100+ year old Grand Oak trees on site. Petitioner has maximized the layouts of the garden style, 3-story buildings while impacting these existing trees as little as possible. Four of the buildings are comprised of 36 units (12 units per floor x 3 floors) and one building is comprised of 30 units (10 units x 3 floors), which configuration totals 174 units. Petitioner attempted to expand one of the buildings

to capture the additional unit necessary to yield 175 total units, but found the layout would not be feasible due to the adjacent trees as the buildings are already dangerously close to the tree root and canopy protective zones.

13. Petitioner would therefore like to reduce the total number by one unit (*i.e.*, a 0.57% reduction from 175 to 174 units).

14. While an even number of units could also be achieved by adding a unit, increasing the total number of units to 176 would require numerous trees to be cut down. Because trees provide natural beauty, shade, erosion control, and wildlife habitat (and removing trees increases Development costs related to planning, permit approval, labor, and disposal), Petitioner would like to avoid cutting down additional trees where possible.

15. If this Petition is granted, and Petitioner is able to decrease the total number of units in the Application by one unit, no prejudice would occur.

16. In contrast, if the Petition is denied, Petitioner must cut down a substantial number of trees that could otherwise remain in place.

17. 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,⁴

⁴ “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.

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.

18. If the Rules are imposed, Petitioner will suffer the substantial and unnecessary economic and operational hardship described above.

19. Petitioner meets the standards for granting the requested waiver. Granting the waiver will serve the purposes of the Rules 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.

H. JUSTIFICATION FOR GRANTING BOARD APPROVAL.

20. Petitioner seeks Board approval so that it may amend its organizational structure from the current chart attached as Exhibit A to the proposed chart attached as Exhibit B.

21. In the Application, Petitioner accurately disclosed at the second principal disclosure level that Milo Family Real Estate Investments, LLC is a member (32.33%) of Tampa 47th Street Apartments Manager, LLC.⁵ The members of Milo Family Real Estate Investments, LLC are a married couple: Alberto Milo, Jr. and Maria C. Milo. As husband and wife, they own 97%⁶ of Milo Family Real Estate Investments, LLC as tenants by the entirety (a special form of joint ownership between married couples). For other developments (*e.g.*, Residences at SoMi Parc, Residences at Marina Village, and Tampa 47th Street Apartments), Petitioner has disclosed this 97% interest as: Milo, Alberto Jr.; Tenant by the Entireties (48.5%) and Milo, Maria C.; Tenant by the Entireties (48.5%). Based on a scrivener's error, the 97% interest was disclosed in the Application as: Milo, Alberto Jr.; Tenant by the Entireties (97%) and Milo, Maria C.; Tenant

⁵ Tampa 47th Street Apartments Manager, LLC was accurately disclosed in the Application at the first level as the manager and non-investor member (0.01%) of the Petitioner.

⁶ Mr. and Mrs. Milo split the ownership of the remaining 3% in their individual capacities; *i.e.*, Alberto Milo, Jr. (1.5%) and Maria C. Milo (1.5%).

by the Entireties (97%). To correct this error, petitioner respectfully requests approval to make the following changes to its principal disclosure form:

Current Form	Proposed Change
Line 109: Milo, Alberto Jr.; Tenant by the Entireties (Member, 97%)	Line 109: Milo, Alberto Jr.; Tenant by the Entireties (Member, 48.5%)
Line 110: Milo, Maria C.; Tenant by the Entireties (Member, 97%)	Line 110: Milo, Maria C.; Tenant by the Entireties (Member, 48.5%)
Line 121: Milo, Alberto Jr.; Tenant by the Entireties (Member, 97%)	Line 121: Milo, Alberto Jr.; Tenant by the Entireties (Member, 48.5%)
Line 122: Milo, Maria C.; Tenant by the Entireties (Member, 97%)	Line 122: Milo, Maria C.; Tenant by the Entireties (Member, 48.5%)

No other changes would be made to the principals or their percentage of interest. *Compare* Exhibit A (Current Organizational Structure) with Exhibit B (Proposed Organizational Structure).

22. If this request for approval is denied, it will create an inconsistency with principal disclosures submitted in conjunction with other developments, necessitating that they all request to amend their principal disclosures. If the request is granted, the natural person principals identified in the Application will remain the same; the percentage held by each spouse as tenants by the entireties would simply be clarified. Neither Florida Housing nor the Development would be prejudiced by this request. Rather, Florida Housing would be benefitted by the clarification.

23. The changes sought are only to specify that each spouse holds an equal interest in the 97% membership of Milo Family Real Estate Investments, LLC held as tenants by the entireties at the third disclosure level. 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 was not changed. Accordingly, granting the Petition should not impact Florida Housing's confidence in the Development, Petitioner, or its principals.

I. ACTION REQUESTED

24. For the reasons set forth herein, Petitioner respectfully requests Florida Housing: (i) grant the requested permanent waiver of the Rules such that Petitioner may decrease the total number of units identified in the Application from 175 to 174; (ii) grant Board approval such that Petitioner may change its organizational structure to reflect the attached Exhibit B prior to loan closing; (iii) grant this Petition and all of the relief requested herein; and (iv) 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

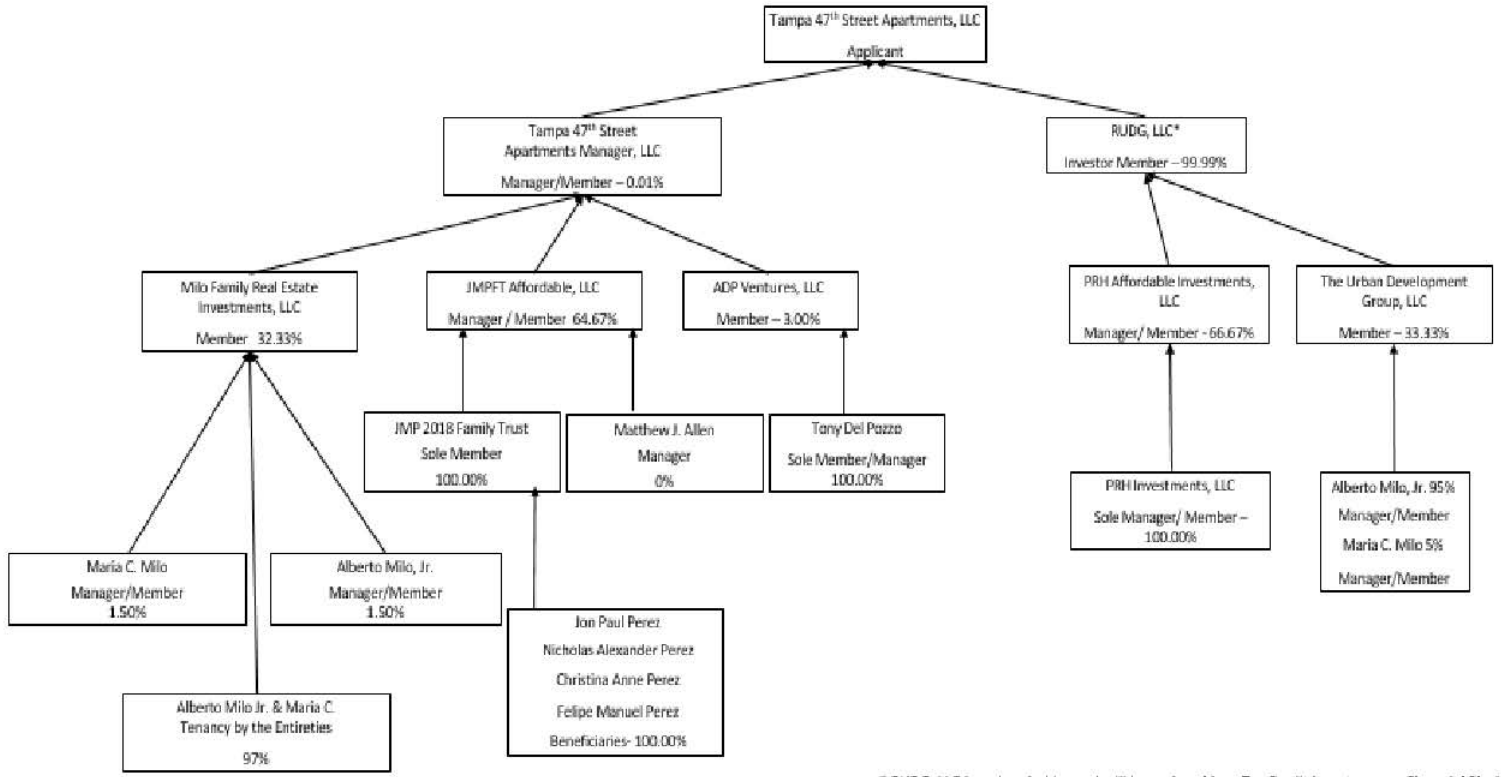
By: /s/ Brian J. McDonough
BRIAN J. MCDONOUGH, ESQ.

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 7th day of August, 2024.

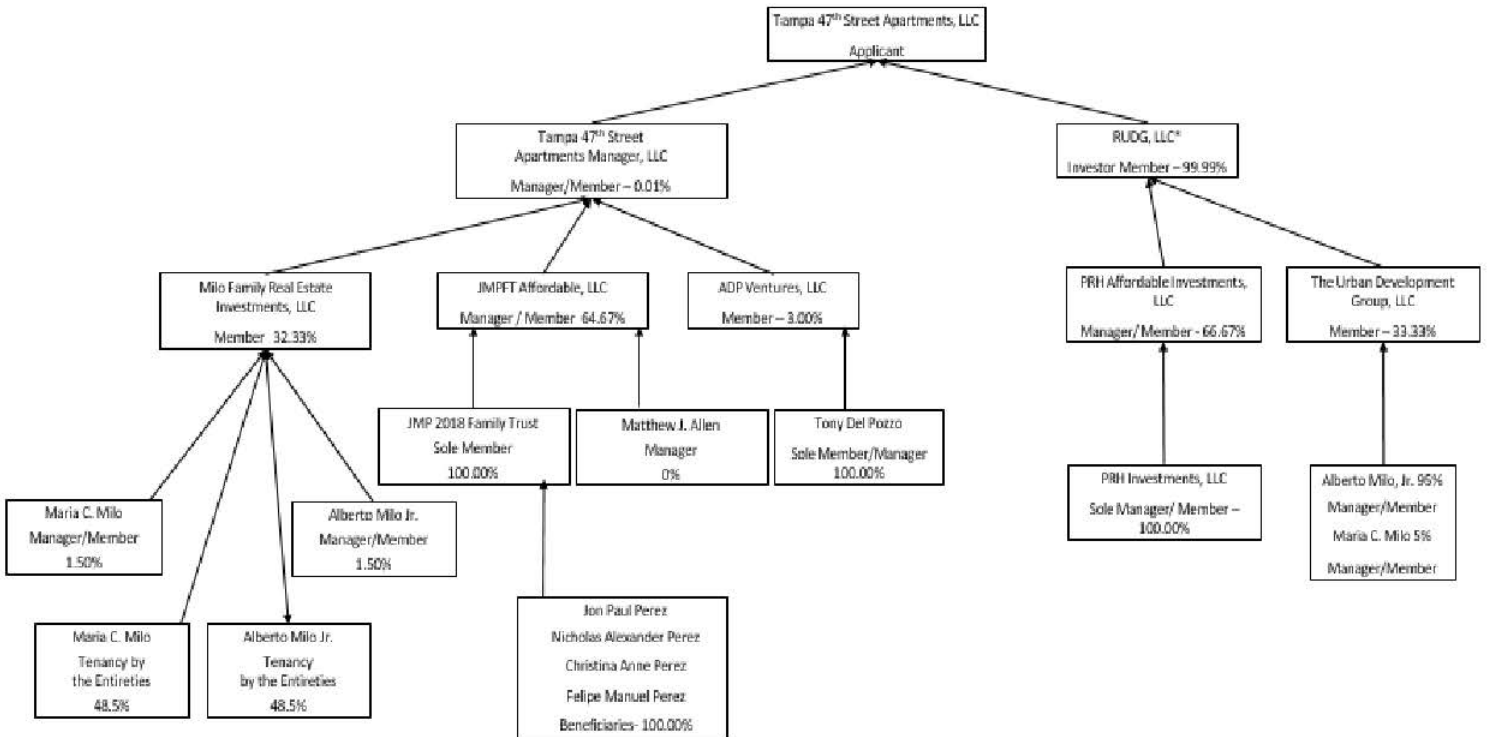
By: /s/ Brian J. McDonough
Brian J. McDonough, Esq.

Exhibit A - Current Organizational Chart



* RUDG, LLC is a place holder and will be replaced by a Tax Credit Investor upon Financial Closing.

Exhibit B – Proposed Organizational Structure



* RUDG, LLC is a place holder and will be replaced by a Tax Credit Investor upon Financial Closing.

STATE OF FLORIDA
FLORIDA HOUSING FINANCE CORPORATION

FHFC CASE NO. 2024-045VW
Application No.: **2024-033BSN/2023-524C**

PINE ISLAND PARK LLC,

Petitioner,

vs.

FLORIDA HOUSING FINANCE
CORPORATION,

Respondent.

RECEIVED

AUG 7 2024 8:00 AM

FLORIDA HOUSING
FINANCE CORPORATION

**PETITION FOR WAIVER OF RULES 67-48.004(3)(c), 67-21.003(8)(c), 67-21.003(11)
FLORIDA ADMINISTRATIVE CODE (EFFECTIVE JUNE 28, 2023), AND 67-60.006(1)
FLORIDA ADMINISTRATIVE CODE (EFFECTIVE JULY 6, 2022)**

Petitioner, Pine Island Park LLC, a Florida limited liability company (“Petitioner”), pursuant to Section 120.542, Florida Statutes, and Chapter 28-104, Florida Administrative Code, through its undersigned counsel, hereby petitions Florida Housing Finance Corporation (“Florida Housing”) for a waiver of Rules 67-48.004(3)(c) F.A.C.(06/28/2023), 67-21.003(8)(c) F.A.C.(06/28/2023), 67-21.003(11) F.A.C. (06/28/2023), and 67-60.006(1) F.A.C. (07/06/2022) (the “Rules”), in order for Petitioner to pursue issuance of tax exempt bonds by the Housing Finance Authority of Broward County (“HFA”) instead of utilizing Florida Housing issued tax exempt bonds. In support of this Petition, Petitioner states as follows:

A. PETITIONER AND THE DEVELOPMENT

1. The name, address, e-mail address, and telephone number for Petitioner and the qualified representative is:

Pine Island Park LLC
Attn: Lewis V. Swezy
7735 NW 146 Street, Suite 306
Miami Lakes, Florida 33016

E-mail: lswezy@centennialmgt.com
Telephone: (305) 720-3350

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

Nicholas W. Heckman, Esq.
Nelson Mullins Riley & Scarborough LLP
390 N. Orange Avenue, Suite 1400
Orlando, Florida 32801-4961
Email: nick.heckman@nelsonmullins.com
Telephone: 407-669-4241

3. On August 3, 2023, Petitioner, submitted Application No. 2024-033BSN/2023-524C (the "Application") in response to RFA 2023-205 for SAIL Financing of Affordable Multifamily Housing Developments To Be Used In Conjunction With Tax-Exempt Bonds and Non-Competitive Housing Credits (the "RFA") seeking (i) Florida Housing issued Multifamily Mortgage Revenue Bonds ("MMRB"), in which such bond proceeds will be loaned to Petitioner, in conjunction with (ii) State Apartment Incentive Loan ("SAIL") program funds; (iii) Extremely Low Income ("ELI") funds; (iv) National Housing Trust Fund ("NHTF"); and (v) non-competitive housing credits ("Housing Credits") in order to finance the construction, development and operation of a 120-unit affordable multifamily housing development located in Broward County, Florida to be known as Pine Island Park (the "Development").

4. On December 20, 2023, the Petitioner received its invitation from Florida Housing to enter into credit underwriting with a preliminary award for: (i) Florida Housing issued MMRB's in the amount up to \$24,000,000 (the "MMRN Loan"), in conjunction with (ii) SAIL and ELI funds in an amount up to \$6,509,880 (the SAIL base loan of \$5,759,880 (the "SAIL Loan"), plus ELI funds of \$750,000 (the "ELI Loan")); (iii) NHTF funds in an amount of \$1,575,000 (the "NHTF Loan," and collectively with the MMRN Loan, the SAIL Loan and the

ELI Loan, referred to herein as the “Loans”); and (iv) non-competitive Housing Credits. The Petitioner accepted its invitation to credit underwriting on December 21, 2023.

5. Since the submission of the Application, the Development experienced substantial cost increases that have strained feasibility. Cost increases have affected construction hard costs, interest rates on Petitioner’s construction financing, various other operating costs, such as, in particular, Petitioner’s insurance. Such increases have left a significant funding gap in Petitioner’s budget. In order to address such funding gap, the Petitioner has applied for additional subsidy funding from Broward County (the “County”) and has received a preliminary award of up to \$5,400,000 from the County (the “County Funding”). However, as a condition to receiving the County Funding, when tax exempt bonds are to be used as a source for funding for a project, the County requires all recipients of the County Funding to have any such bond financing for the proposed development to be issued by the HFA.

6. Petitioner therefore respectfully requests a waiver of the Rules in order to allow the Petitioner to be issued MMRB bonds from the HFA opposed to Florida Housing in order to fund the gap in financing and successfully construct the Development.

B. TYPE OF WAIVER

7. The waiver being sought is permanent in nature.

C. RULES FOR WHICH A WAIVER IS REQUESTED

8. Petitioner requests a waiver from Rule 67-48.004(3)(c), F.A.C. (2023), which provides, in relevant part, as follows:

“(3) For the SAIL, HOME and Housing Credit Programs, notwithstanding any other provision of these rules, the following items as identified by the Applicant in the Application must be maintained and cannot be changed by the Applicant after the applicable submission, unless provided otherwise below:

(c) Program(s) applied for;”

9. Petitioner requests a waiver from Rule 67-21.003(8)(c), F.A.C. (2023), which provides, in relevant part, as follows:

“(3) 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:

.....
(c) Program(s) applied for;”

10. Petitioner requests a waiver from Rule 67-21.003(11), F.A.C. (2023), which provides, in relevant part, as follows:

“(11) The withdrawal by the Applicant from any one program will be deemed by the Corporation to be a withdrawal of the Application from all programs.”

11. Petitioner requests a waiver from Rule 67-60.006(1), F.A.C. (2022), which provides, in relevant part, as follows:

“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 the Corporation, the Application shall be considered ineligible.”¹

1 The RFA required, among other things, that if the Applicant intends to use County HFA-issued Tax-Exempt Bonds: “[the applicant must] Provide, as Attachment 8 to Exhibit A, a letter, executed by the chair or vice chair of the governing body, mayor, or deputy mayor, city manager or assistant city manager, county manager/administrator/coordinator or assistant county manager/administrator/coordinator, executive director or assistant executive director, or by an individual occupying a position reasonably equivalent to any of the foregoing, as applicable, of the entity issuing the Tax-Exempt Bonds, that (a) confirms that the Applicant has submitted an application for Tax-Exempt Bonds for the Development proposed in this RFA, (b) states the amount of the Applicant’s Bond request, and (c) confirms that the closing on the Bonds has not occurred and will not occur prior to the Application Deadline for this RFA; and (ii) The Applicant must include the anticipated amount of such Bond financing on the Construction/Rehab Analysis and the Permanent Analysis...” Given Petitioner’s intent to finance the Development with bonds issued by the HFA, Petitioner did not include the subject letter in Attachment 8 of its Application. Petitioner simultaneously requests a waiver of this RFA requirement in conjunction with this Petition.

D. STATUTES IMPLEMENTED BY THE RULES

12. The Rules implements, among other sections of the Florida Housing Finance Corporation Act (the “Act”): Section 420.5099, Allocation of the low-income housing tax credit; Section 420.502, Legislative findings; Section 420.507, Powers of the corporation; Section 420.508, Special powers; multifamily and single-family projects; and Section 420.509, Revenue bonds; the statutes relating to the State Apartment Incentive Loan Program contained in Section 420.5087 of the Florida Statutes.

E. JUSTIFICATION FOR GRANTING WAIVER OF THE RULES

13. Petitioner requests a waiver from the Rules because Petitioner may not feasibly be able to construct the Development and otherwise proceed to closing without allowing Petitioner to be issued HFA bonds opposed to Florida Housing issued bond. But for the unexpected increases in costs, in particular insurance costs, Petitioner would have continued to pursue issuance of the bonds via Florida Housing. Such increases in costs lead to a gap in the financing of the Development and Petitioner has been able to successfully find additional financing resources needed to construct the Development adequately and efficiently. However, as provided above, the only way for Petitioner to receive such funding from the County, the HFA opposed to Florida Housing, must issue the Bonds. As such in order for Petitioner to successfully construct, develop and operate the Development, Petitioner must utilize bonds issued by the HFA opposed to bonds issued by Florida Housing. Bond allocation is currently oversubscribed throughout Florida and the additional funding subsidy from the County will preserve Florida Housing’s bond allocation to fund additional developments. By approving the request, Florida Housing can ensure that bond

allocation is being used as efficiently as possible to maximize the production and preservation of affordable housing.

14. 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 shall be granted when: (1) the person who is subject to the rule demonstrates 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.

15. For the reasons stated above, application of the Rules would have a material adverse effect on the Development's viability. Strict application of the Rules would create a substantial hardship for Petitioner in that it may not be able to find additional financing to close the gap in its budget and would therefore not be able to close financing of its MMRB bonds, the SAIL Loan, the ELI Loan, or the NHTF loans which would otherwise make the construction of the Development not feasible. If this requested waiver is not granted, Petitioner will suffer a substantial and unnecessary economic and operational hardship. Without the HFA issued bonds, the Development may not be able to cover the gap in its budget and may render the Development financially infeasible. Thus, denial of the requested waiver would deny Broward County of this much needed affordable housing.

16. A waiver of the Rules' requirements would serve the purposes of the implementing statutes, and the Act as a whole, because one of the Act's primary purposes is to facilitate the availability of decent, safe and sanitary housing in the State of Florida to households of limited means.

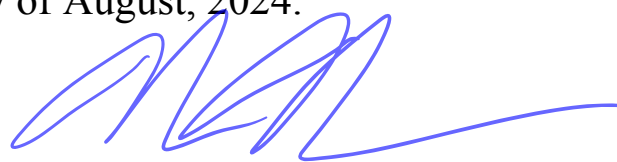
17. Petitioner believes that a waiver of the Rules will serve the purposes of the Statute, which is implemented by the Rules. The Florida Housing Finance Corporation Act (Section 420.501, et. seq.) was passed to increase the supply of affordable rental housing. Furthermore, the purpose of the Housing Tax Credit Program is to encourage the development of low-income housing in the State. By granting this waiver and permitting Petitioner to change the bond issuer from Florida Housing to the HFA, as requested in this petition, Florida Housing would further its goal of increasing the supply of affordable housing for persons of low-income by allowing the Petitioner to construct and operate 120 much needed affordable housing units in Broward County.

18. In this instance, Florida Housing has jurisdiction to grant a waiver of the Rules and Petitioner meets the standards for a waiver of the Rules.

F. ACTION REQUESTED

19. WHEREFORE, Petitioner respectfully requests that Florida Housing: (i) Grant Petitioner a waiver from Rules 67-48.004(3)(c), 67-21.003(8)(c), 67-21.003(11) and 67-60.006(1) F.A.C., so that Petitioner may pursue issuance of the bonds by the Housing Finance Authority of Broward County instead of Florida Housing; (ii) Grant this petition and all relief request therein; and (iii) Grant such further relief as may be deemed appropriate.

Respectfully submitted this 6th day of August, 2024.



Nicholas W. Heckman, Esq.
Fla. Bar No. 0127356
Nelson Mullins Riley & Scarborough LLP
390 N. Orange Avenue, Suite 1400
Orlando, Florida 32801
Telephone: (407) 669-4241
Facsimile: (407) 425-8377
Email: nick.heckman@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 6th day of August, 2024.



Nicholas W. Heckman, Esq.
Fla. Bar No. 0127356

The Residences at Martin Manor

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Section A

Report Summary

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 (15 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 (8 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 (Palm Beach County). The MOU was approved by Florida Housing Finance Corporation (“Florida Housing”, “FHFC”, or “Corporation”) on October 4, 2023.

The proposed Development must set aside 5 units as HOME-ARP 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 13 units targeted for Link Units for Persons with Special Needs (ELI - 8 units, HOME-ARP - 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 HOME-ARP 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 - 3 Non-Residential - 2
 Parking: Parking Spaces - 124 Accessible Spaces - 10

Set Asides:

Program	% of Units	# of Units	% AMI	Term (Years)
MMRN	40%	38	60%	50
SAIL/ELI/HC	15.789%	15	30%	50
SAIL/HC	32.632%	31	50%	50
SAIL/HC	11.579%	11	60%	50
SAIL/HC	40%	38	80%	50
HOME	5.263%	5	22%	50

Absorption Rate: 30 units per month for 3.2 months.

Occupancy Rate at Stabilization: Physical Occupancy 96.00% Economic Occupancy 95.50%
 Occupancy Comments N/A - New Construction

DDA: Yes QCT: No Multi-Phase Boost: No QAP Boost: No
 Site Acreage: 5.521 Density: 17.2070 Flood Zone Designation: X
 Zoning: R-3 (Residential Medium) Flood Insurance Required?: No

The Development is located in a HUD-designated Small Area Difficult Development Area (“SADDA”) for Palm Beach County.

DEVELOPMENT TEAM		
Applicant/Borrower:	DM Redevelopment, Ltd.	% Ownership
General Partner	BRHA DM Redevelopment, LLC	
General Partner	APC DM Redevelopment, LLC	
Limited Partner	First Horizon Community Investment Group, Inc. ("First Horizon")	
Special LP	CC Community Development Holdings, Inc.	
Construction Completion Guarantor(s):		
CC Guarantor 1:	DM Redevelopment, Ltd.	
CC Guarantor 2:	BRHA DM Redevelopment, LLC	
CC Guarantor 3:	APC DM Redevelopment, LLC	
CC Guarantor 4:	Howard D. Cohen Revocable Trust	
CC Guarantor 5:	Howard D. Cohen	
CC Guarantor 6:	DM Redevelopment Developer, LLC	
CC Guarantor 7:	APC DM Redevelopment Developer, LLC	
CC Guarantor 8:	BRHA Developer, LLC	
Operating Deficit Guarantor(s):		
OD Guarantor 1:	DM Redevelopment, Ltd.	
OD Guarantor 2:	BRHA DM Redevelopment, LLC	
OD Guarantor 3:	APC DM Redevelopment, LLC	
OD Guarantor 4:	Howard D. Cohen Revocable Trust	
OD Guarantor 5:	Howard D. Cohen	
OD Guarantor 6:	DM Redevelopment Developer, LLC	
OD Guarantor 7:	APC DM Redevelopment Developer, LLC	
OD Guarantor 8:	BRHA Developer, LLC	
Note Purchaser	Citibank, N.A. ("Citi")	
Developer:	DM Redevelopment Developer, LLC	
General Contractor 1:	Atlantic Pacific Community Builders, LLC ("APC Builders")	
Management Company:	Atlantic Pacific Community Management, LLC ("APC Management")	
Syndicator:	First Horizon	
Note Issuer:	FHFC	
Architect:	Forum Architecture & Interior Design, Inc.	
Market Study Provider:	Colliers International Valuation & Advisory Services ("Colliers")	
Appraiser:	Colliers	

PERMANENT FINANCING INFORMATION						
	1st Source	2nd Source	3rd Source	4th Source	5th Source	6th Source
Lien Position	First	Second	Third	Fourth	Fifth	Sixth
Lender/Grantor	FHFC/Citibank, N.A. ("Citi")	FHFC - SAIL	FHFC - ELI	FHFC - HOME ARP	City of Boca Raton	Boca Raton Housing Authority
Amount	\$16,500,000	\$4,940,000	\$750,000	\$1,475,000	\$640,000	\$9,150,000
All In Interest Rate	5.94%	1.00%	0.00%	0.00%	0.00%	1.00%
Loan Term	15	22	30	30	30	42
Amortization	40	0	0	0	0	0
Market Rate/Market Financing LTV	47%	61%	63%	67%	69%	95%
Restricted Market Financing LTV	79%	102%	106%	113%	116%	159%
Loan to Cost - Cumulative	31%	41%	42%	45%	46%	63%
Loan to Cost - SAIL Only	N/A	9%	N/A	N/A	N/A	N/A
Debt Service Coverage	1.30	1.24	1.23	1.23	1.23	1.14
Operating Deficit & Debt Service Reserves	\$509,042					
# of Months covered by the Reserves	2.9					

Deferred Developer Fee	\$267,553
As-Is Land Value	\$10,450,000
As-Is Value (Land & Building)	\$9,150,000
Market Rent/Market Financing Stabilized Value	\$35,200,000
Rent Restricted Market Financing Stabilized Value	\$21,000,000
Projected Net Operating Income (NOI) - Year 1	\$1,477,093
Projected Net Operating Income (NOI) - 15 Year	\$1,791,202
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	\$1.00
HC Annual Allocation - Initial Award	\$1,715,796
HC Annual Allocation - Qualified in CUR	\$1,894,858
HC Annual Allocation - Equity Letter of Interest	\$1,868,100

CONSTRUCTION/PERMANENT SOURCES:				
Source	Lender	Construction	Permanent	Perm Loan/Unit
FHFC - MMRN	FHFC/Citi - Tranche A	\$16,500,000	\$16,500,000	\$173,684
FHFC - MMRN	FHFC/Citi - Tranche B	\$10,500,000	\$0	\$0
FHFC - SAIL	FHFC	\$4,940,000	\$4,940,000	\$52,000
FHFC - SAIL ELI	FHFC	\$750,000	\$750,000	\$7,895
FHFC - HOME-ARP	FHFC	\$1,475,000	\$1,475,000	\$15,526
Local Government Subsidy	City of Boca Raton	\$640,000	\$640,000	\$6,737
Seller Financing	Boca Raton Housing Authority	\$9,150,000	\$9,150,000	\$96,316
HC Equity	First Horizon	\$3,735,826	\$18,679,130	\$196,622
Deferred Developer Fee	DM Redevelopment Developer, LLC	\$4,710,857	\$267,553	\$2,816
Affiliate / Principal	Atlantic Pacific Communities, LLC	\$323,736	\$323,736	\$3,408
TOTAL		\$52,725,419	\$52,725,419	\$555,004

Credit Underwriter: First Housing

Date of Final CUR: 08/09/2024

TDC PU Limitation at Application: \$405,000 TDC PU Limitation at Credit Underwriting: \$429,300

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?		1-3.
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?		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. The Applicant submitted a request, dated May 3, 2024, to increase the Tax-Exempt Note from \$24,000,000 to \$26,500,000. This request was approved by FHFC's staff on May 15, 2024. The Applicant further submitted a request, dated June 21, 2024, to increase the Tax-Exempt Note from \$26,500,000 to \$27,000,000. FHFC's staff approved this request on July 23, 2024.

2. The permanent first mortgage loan amount has increased from \$11,800,000 to \$16,500,000.
3. Per the Invitation to Enter Credit Underwriting issued by FHFC on July 27, 2023, the Applicant received a preliminary commitment for National Housing Trust Fund (“NHTF”) funding in the loan amount of \$1,475,000. However, the Development’s site is located in a historic district and NHTF funding regulations will not allow for demolition of a building in a historic district. Thus, NHTF funding is not allowed for this Development. The Applicant submitted a letter, dated August 6, 2024, requesting to exchange the NHTF loan for a \$1,475,000 HOME-ARP Loan. FHFC’s staff approved the request on August 8, 2024.
4. The Total Development Cost (“TDC”) has increased by a total of \$9,790,596 from \$42,934,823 to \$52,725,419 or 22.80% since the Application. The change is mainly due to an increase in construction costs and the capital lease payment.
5. Since the Application, the syndication rate has increased from \$0.95 to \$1.00. The Housing Credit Syndicator has changed from Wells Fargo Community Lending and Investment to First Horizon.
6. The Applicant submitted a letter, dated March 13, 2024, requesting a change in the unit mix as detailed below. FHFC’s staff approved this change on April 17, 2024.

Unit Mix From:	Unit Mix To:
38 – 1 bedroom/1 bathroom (6 ELI units)	36 – 1 bedroom/1 bathroom (6 ELI units)
40 – 2 bedroom/2 bathroom (7 ELI units)	39 – 2 bedroom/2 bathroom (7 ELI units)
15 – 3 bedroom/2 bathroom (2 ELI Units)	18 – 3 bedroom/2 bathroom (2 ELI Units)
2 – 4 bedrooms/2 bathroom (0 ELI Units)	2 – 4 bedrooms/2 bathroom (0 ELI Units)
95 units	95 units

7. The Applicant submitted a letter, dated June 11, 2024, requesting to modify the legal description of the Development. FHFC’s staff approved this request on June 26, 2024.

The above changes have no substantial material impact to the MMRN, SAIL, ELI, HOME-ARP, 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 October 18, 2023, the Development has the following noncompliance item(s) not in the correction period:

➤ None

According to the FHFC Past Due Report, dated July 12, 2024, the Development Team has the following past due item(s):

➤ None

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

Strengths:

1. The Principals, Developer, General Contractor, 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.
3. According to the Market Study, the restricted rent supply has a weighted average occupancy of 98.4%.

Waiver Requests/Special Conditions:

None

Issues and Concerns:

None

Mitigating Factors:

None

Additional Information:

1. The Development's site currently consists of a public housing complex, Dixie Manor Apartments ("Dixie Manor"), which contains 95 units on a 10.04-acre site. These units will be demolished for the new construction of the Development. However, an existing community center and maintenance building will remain. The community center currently houses the Pearl City C.A.T.S. Program, an after school and summer camp program for

elementary school age children. The program is designed to provide affordable, quality childcare to low-income families. It will continue to operate during the redevelopment as it also houses the Boca Raton Housing Authority management office. There are minor renovations planned for the community center. First Housing received a Community Service Facility Market Study of The Community Space within The Residences at Martin Manor, prepared by Meridian Appraisal Group, Inc. (“Meridian”), dated May 8, 2024. Based on Meridian’s opinion, the Community Center should be considered a Community Service Facility.

2. As mentioned, the Community Center will remain in place and will be part of the ground leased property that will be controlled by the Applicant. However, the Applicant will enter into a lease which will allow the Boca Raton Housing Authority to operate the school program and summer camp out of the building. According to an email, dated June 21, 2024, the Applicant is anticipating the rent to be \$1 per year. Receipt and review of the lease is a condition to close.
3. At Application, the Applicant’s site contained 10.04 acres; however, the Applicant has requested a legal description change to decrease the site acreage to 5.521 acres. The purpose for the change is for the construction of a second phase on the remaining 4.519-acre site. The Residences at Martin Manor is Phase I and will be responsible for the demolition costs of both phases. According to an email, dated June 10, 2024, from a representative of the Applicant, one of the conditions of Phase I’s site plan approval is that the Applicant must demolish the residential buildings on both phases. First Housing is recommending equity in the amount of be funded at closing to cover the off-site demolition cost.
4. First Housing received a Tenant Relocation Plan (“TRP”), dated December 9, 2023, prepared by The Urban Group, Inc. (“The Urban Group”). According to the TRP, the Applicant will offer permanent relocation assistance following the Uniform Relocation Act and will help locate homes appropriate for each individual’s living situation and family composition. The relocation team will assess each affected household’s needs to determine their unique relocation requirements. The Urban Group will assist each household in identifying up to three comparable replacement dwelling units. Under the supervision of the relocation team, professional movers will pack, move, and unpack tenants' personal property. Tenants may also receive a stipend for additional costs for prepared food and electronics installation. The Applicant will pay all expenses associated with the move at no cost to the tenant. All residents will be permanently relocated offsite with Tenant Protection Vouchers (“TPV”). Replacement housing payments will be offered to residents who request the payments in place of a TPV.

5. First Housing received a letter, dated April 30, 2024, from the Boca Raton Housing Authority. According to the letter, the Boca Raton Housing Authority has approved the contract rents of seventeen (17) one-bedroom units at \$2,371, nineteen (19) two-bedroom units at \$2,845, eight (8) three-bedroom units at \$3,792, and one (1) four-bedroom unit at \$4,590. Receipt of a rental assistance contract is a condition to close
6. The Applicant has applied to Citi to provide construction and permanent funding for the Development. The Funding Loan is requested pursuant to any Federal, State or local requirements concerning the proposed tax-exempt private activity allocation and/or Low-Income Housing Tax Credit requirements. The Funding Loan will be originated by Citi on behalf of FHFC (“Governmental Lender”). The proceeds of the Funding Loan will be used by FHFC to fund a mortgage loan with matching economic terms (“Project Loan”) to the Applicant to finance the construction and permanent financing of the Development. The Funding Loan will be a non-recourse obligation of FHFC secured solely by receipts and revenues from the Project Loan and the collateral pledged (including a first mortgage lien with respect to the Development). Under the MMRN structure, the Funding Loan replaces the purchase by Citi of tax-exempt bonds.
7. 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 land costs, demolition, tenant relocation costs, and Operating Deficit Reserves (“ODR”), of \$429,300 per unit for a garden-style Enhanced Structural Systems (“ESS”) new construction development located in Palm Beach County, which includes a \$7,500 per unit add on for tax-exempt bonds and a \$7,500 per unit PHA add-on. The Development’s per unit TDC, less land costs, demolition, tenant relocation costs, and ODR is \$429,849 per unit, which is within 5% of the TDC requirement.
8. The Applicant is required to provide a certification executed by the General Contractor for compliance with debarment and suspension regulations. First Housing has been in receipt of this certification.
9. The Applicant is required to comply with the HUD environmental requirements as provided in 24 CFR Part 92 and 24 CFR Part 58 and is a condition to close.
10. The Applicant is required to provide evidence demonstrating that the Development is consistent with the applicable Consolidated Plan. First Housing has been in receipt of this certification.
11. The Applicant has submitted the Affirmative Fair Housing Marketing Plan.

Recommendation:

First Housing recommends a MMRN in the amount of \$27,000,000, a SAIL Loan in the amount of \$4,940,000, an ELI Loan in the amount of \$750,000, a HOME-ARP Loan in the amount of \$1,475,000, and an annual HC Allocation of \$1,894,858 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, SAIL, ELI Loan, and HOME-ARP 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:



Stephanie Petty
Senior Credit Underwriter

Reviewed by:



Ed Busansky
Senior Vice President

Overview

Construction Financing Sources:

Construction Sources	Lender	Application	Revised Applicant	Underwriter	Construction Interest Rate	Annual Construction Debt Service
FHFC - MMRN	FHFC/Citi - Tranche A	\$24,000,000	\$16,500,000	\$16,500,000	5.94%	\$980,100
FHFC - MMRN	FHFC/Citi - Tranche B	\$0	\$10,500,000	\$10,500,000	7.83%	\$822,150
FHFC - SAIL	FHFC	\$4,940,000	\$4,940,000	\$4,940,000	1.00%	\$49,400
FHFC - SAIL ELI	FHFC	\$750,000	\$750,000	\$750,000	0.00%	\$0
FHFC - HOME-ARP	FHFC	\$0	\$1,475,000	\$1,475,000	0.00%	\$0
Local Government Subsidy	City of Boca Raton	\$640,000	\$640,000	\$640,000	0.00%	\$0
Seller Financing	Boca Raton Housing Authority	\$5,000,000	\$9,150,000	\$9,150,000	0.00%	\$0
HC Equity	First Horizon	\$5,704,451	\$3,839,558	\$3,735,826	N/A	N/A
Deferred Developer Fee	DM Redevelopment Developer, LLC	\$5,712,166	\$4,880,767	\$4,710,857	N/A	N/A
Affiliate / Principal	Atlantic Pacific Communities, LLC	\$0	\$0	\$323,736	N/A	N/A
Total		\$46,746,617	\$52,675,325	\$52,725,419		\$1,851,650

First Mortgage:

First Housing has received a Preliminary Application for Financing from Citi, dated May 21, 2024, for a Tax-Exempt “Back-to-Back” Loan Structure, with an Exhibit A Term Sheet, dated June 13, 2024. The tax-exempt loan will have two tranches: (1) Tranche A will be fully funded at closing and will provide construction to permanent phase financing in the current amount of \$16,500,000 and (2) Tranche B will be construction only financing that will be on a draw down basis in the current amount of \$10,500,000; for total tax-exempt financing of \$27,000,000 (an amount not to exceed 80% of costs covered through the construction phase). The term of the construction phase is 30 months following closing, plus one, 6- month extension. If the conversion to the Permanent Phase does not occur on or before month 30 following Closing, 0.05% will be added to the to the construction phase interest rate. Payments during construction for both Tranche A and Tranche B will be interest only.

Tranche A will bear interest at a fixed rate locked at construction loan closing equal to the sum of the 18-year SOFR Swap Index (which shall have a floor of 0.75%) plus a spread of 2.15%. The construction interest is based on the 18-year SOFR Swap Index of 3.79% (as of June 13, 2024) plus a spread of 2.15% for an interest rate of 5.94%.

Tranche B will bear interest at a variable rate equal to the sum of 1-month SOFR as published by the CME Group (which shall have a floor of 0.50%) plus a spread of 1.75%. The construction

interest is based on the 1-month SOFR of 5.33% (as of June 13, 2024) plus a spread of 1.75% and an underwriting cushion of 0.75% for an interest rate of 7.83%.

The annual FHFC Issuer Fee of 24 bps and a Fiscal Agent of \$4,500 are included in the Uses section of this report.

FHFC SAIL and ELI, HOME-ARP 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 \$4,940,000 and a preliminary ELI loan in the amount of \$750,000.

The SAIL Loan is non-amortizing with an interest rate of 1% over the life of the loan and annual payments based upon available cash flow. The SAIL Loan will have a total term of 25 years, of which 3 years is for the construction/stabilization period and 22 years is for the permanent period, as required by the syndicator, First Horizon, and permitted by Rule 67-48. 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 ELI Loan is non-amortizing with an interest rate of 0% over the life of the loan. The ELI Loan will have a total loan term of 33 years, of which 3 years is for the construction/stabilization period and 30 years is for the permanent period, as required by the syndicator, First Horizon, and permitted by the RFA. Annual payments of all applicable fees will be required. Principal is forgivable at maturity, provided the units for which the ELI Loan amount is awarded are targeted to ELI households.

The HOME-ARP Loan is a forgivable 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 HOME-ARP Loan amount is awarded are targeted as HOME-ARP Link units for the first 30 years of the 50-year Compliance Period. The HOME-ARP Loan will have a term of 33 years, of which 3 years is for the construction/stabilization period and 30 years is for the permanent period. After 30 years all of the HOME-ARP 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 Boca Raton:

First Housing received an Agreement for Dixie Manor Loan Commitment, dated December 23, 2022, by and between the City of Boca Raton (“City”) and DM Redevelopment, Ltd. (“DM Redevelopment”). The Boca Raton Housing Authority manages a conventional public housing

complex totaling 95 units known as Dixie Manor, which is in need of replacement in order to provide quality affordable housing to those living in Dixie Manor. The City wishes to provide financial assistance to DM Redevelopment in the form of a \$640,000 loan to assist DM Redevelopment in the construction and permanent financing of the Development. The term of the loan is 18 years (or longer if required to match other permanent financing, but in no event longer than 50 years). The loan will bear simple interest at 0%. No repayment is due until maturity.

Boca Raton Housing Authority:

First Housing received a letter dated June 18, 2024, from the Boca Raton Housing Authority for a construction to permanent loan in an amount up to \$9,150,000. During construction, the loan will have a term of 30 months and will bear interest at 0%. During the permanent period, the loan will have a term of 42 years and will bear interest at 1%. Annual interest only payments will be based on available cash flow. All principal and accrued interest will be due on the earlier of 1) sale or refinance or 2) at maturity.

Housing Credit Equity:

First Housing has reviewed a letter, dated July 1, 2024, indicating First Horizon will acquire 99.99% ownership interest in the Applicant. According to the letter, the annual HC allocation is estimated to be in the amount of \$1,868,100 and a syndication rate of \$1.00 per dollar. First Horizon anticipates a new capital contribution of \$18,679,130 and has committed to make available 20.00% or \$3,735,826 of the total net equity during the construction period. Three additional installments will be available at construction completion, rental achievement, and upon receipt of the Form 8609. The first installment, in the amount of \$3,735,826 or 20.00% of the total net equity, meets the RFA requirement that 15% of the total equity must be contributed at or prior to the closing.

Deferred Developer Fee:

To balance the sources and uses of funds during construction, the Developer is required to defer \$4,710,857 or approximately 72.31% of the total Developer Fee of \$6,515,036.

Affiliate/Principal:

First Housing is recommending equity in the amount of the demolition of the residential buildings on Phase II be funded at closing to cover the off-site demolition cost. Verification of equity is a condition to close.

Permanent Financing Sources:

Permanent Sources	Lender	Application	Revised Applicant	Underwriter	Term Yrs.	Amort. Yrs.	Interest Rate	Annual Debt Service
FHFC - MMRN	FHFC/Citi - Tranche A	\$11,800,000	\$16,500,000	\$16,500,000	15	40	5.94%	\$1,081,153
FHFC - SAIL	FHFC	\$4,940,000	\$4,940,000	\$4,940,000	22	0	1.00%	\$49,400
FHFC - SAIL ELI	FHFC	\$750,000	\$750,000	\$750,000	30	0	0.00%	\$0
FHFC - HOME-ARP	FHFC	\$0	\$1,475,000	\$1,475,000	30	0	0.00%	\$0
Local Government Subsidy	City of Boca Raton	\$640,000	\$640,000	\$640,000	30	0	0.00%	\$0
Seller Financing	Boca Raton Housing Authority	\$5,000,000	\$9,150,000	\$9,150,000	42	0	1.00%	\$91,500
HC Equity	First Horizon	\$16,298,432	\$19,197,790	\$18,679,130	N/A	N/A	N/A	N/A
Deferred Developer Fee	DM Redevelopment Developer, LLC	\$5,712,166	\$22,535	\$267,553	N/A	N/A	N/A	N/A
Affiliate / Principal	Atlantic Pacific Communities, LLC	\$0	\$0	\$323,736	N/A	N/A	N/A	N/A
Total		\$45,140,598	\$52,675,325	\$52,725,419				\$1,222,053

First Mortgage:

First Housing has received a Preliminary Application for Financing from Citi, dated May 21, 2024, for a Tax-Exempt “Back-to-Back” Loan Structure, with an Exhibit A Term Sheet, dated June 13, 2024. The tax-exempt loan will have two Tranches. Tranche A in the amount of \$16,500,000 for construction to permanent phase financing (Permanent Loan) and Tranche B in the amount of \$10,500,000 for construction only financing. Upon conversion to permanent financing, Tranche B tax-exempt loan will be paid in full. The Permanent loan is currently estimated to be \$16,500,000 or such other loan amount supported by Citi’s underwriting at the time of conversion. The Permanent Loan shall have a mandatory prepayment at the end of the 18th year following the closing date. The term of the loan is 18 years, which includes a 3 year construction period and a 15 year permanent period. Following, the 3-year interest only construction period, payments of principal and interest will be based on a 40-year amortization schedule.

The loan will bear interest at a fixed rate locked at construction loan closing equal to the sum of the 18-year SOFR Swap Index (which shall have a floor of 0.75%) plus a spread of 2.15%. The permanent interest is based on the 18-year SOFR Swap Index of 3.79% (as of June 13, 2024) plus a spread of 2.15% for an interest rate of 5.94%.

According to the Preliminary Application for Financing, Citi will provide an earn-out in an amount not to exceed 10% of the initial Permanent Loan amount, currently estimated to be \$1,650,000. The amount of earn-out will be determined by Citi in its sole discretion. The rate on the earn-out will be set at conversion and will be equal to the applicable SOFR Swap Index at the time of conversion plus a spread of 2.15%. The earn-out interest rate cannot be 0.25% or more below the Permanent Phase Interest Rate. Upon conversion, if the first mortgage loan is increased above the

current recommended amount of \$16,500,000, it will be subject to a positive recommendation from the Credit Underwriter and FHFC's approval.

Additional fees included in the Debt Service calculation consist of an annual Permanent Loan Servicing Fee, an annual Compliance Monitoring Fee, an annual Issuer Fee of 24 bps of the outstanding loan balance, and an annual Fiscal Agent Fee of \$4,500. The annual Permanent Loan Servicing Fee is based upon a fee of 2.3 bps of the outstanding loan amount, with a minimum monthly fee of \$243. The annual Compliance Monitoring Fee is based upon a total fee which is comprised of a base fee of \$188 per month plus an additional fee per set-aside unit of \$11.58 per year, subject to a minimum of \$295 per month.

The permanent Note will mature 18 years following construction closing. At maturity, the Applicant may satisfy the Note via refinancing or sale of the Development pending market feasibility. In the event the Applicant is unable to refinance or sell the Development, then an event of default would not be triggered under the loan documents. Instead, a "Mortgage Assignment Event" would occur whereby Citi agrees to cancel the Note 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 Note and discharge the lien of the Funding Loan Agreement. The Fiscal Agent would assign the mortgage loan and any other related documents and collateral to Citi, effectively ending the tax-exempt financing provided by FHFC. Under this scenario, the Note will have been redeemed/cancelled not by payment of cash but by the assignment of the mortgage loan documents; therefore, there is no default. As the new direct mortgagee, Citi would then be in a position to work with the Applicant to arrive at a resolution without involvement of either FHFC or the Fiscal Agent (as the Note would have been cancelled and would no longer be outstanding).

FHFC SAIL, ELI, and HOME-ARP 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 \$4,940,000 and a preliminary ELI loan in the amount of \$750,000.

The SAIL Loan is non-amortizing with an interest rate of 1% over the life of the loan and annual payments based upon available cash flow. The SAIL Loan will have a total term of 25 years, of which 3 years is for the construction/stabilization period and 22 years is for the permanent period, as required by the syndicator, First Horizon, and permitted by Rule 67-48. 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 ELI Loan is non-amortizing with an interest rate of 0% over the life of the loan. The ELI Loan will have a total loan term of 33 years, of which 3 years is for the construction/stabilization period

and 30 years is for the permanent period, as required by the syndicator, First Horizon, and permitted by the RFA. Annual payments of all applicable fees will be required. Principal is forgivable at maturity, provided the units for which the ELI Loan amount is awarded are targeted to ELI households.

The HOME-ARP Loan is a forgivable 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 HOME-ARP Loan amount is awarded are targeted as HOME-ARP Link units for the first 30 years of the 50-year Compliance Period. The HOME-ARP Loan will have a term of 33 years, of which 3 years is for the construction/stabilization period and 30 years is for the permanent period. After 30 years all of the HOME-ARP 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, ELI, and HOME-ARP loans, fees include an annual multiple program Compliance Monitoring Fee of \$1,054 and an annual Permanent Loan Servicing Fee of 25 bps of the outstanding loan amount up to a maximum of \$964 per month, subject to a minimum of \$243 per month.

City of Boca Raton:

First Housing received an Agreement for Dixie Manor Loan Commitment, dated December 23, 2022, by and between the City and DM Redevelopment. The Boca Raton Housing Authority manages a conventional public housing complex totaling 95 units known as Dixie Manor, which is in need of replacement in order to provide quality affordable housing to those living in Dixie Manor. The City wishes to provide financial assistance to DM Redevelopment in the form of a \$640,000 loan to assist DM Redevelopment in the construction and permanent financing of the Development. The term of the loan is 18 years (or longer if required to match other permanent financing, but in no event longer than 50 years). The loan will bear simple interest at 0%. No repayment is due until maturity. In order for the loan to coterminous with the ELI and HOME-ARP, First Housing is reflecting a permanent loan term of 30-years.

Boca Raton Housing Authority:

First Housing received a letter dated June 18, 2024, from the Boca Raton Housing Authority for a construction to permanent loan in an amount up to \$9,150,000. During construction the loan will have a term of 30 months and will bear interest at 0%. During the permanent period, the loan will have a term of 42 years and will bear interest at 1%. Annual interest only payments will be based on available cash flow. All principal and accrued interest will be due on the earlier of 1) sale or refinance or 2) at maturity.

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 the letter, dated July 1, 2024, First Horizon will provide HC equity as follows:

Capital Contributions	Amount	Percentage of Total	When Due
1st Installment	\$3,735,826	20.00%	Admission of Investor to the Partnership
2nd Installment	\$3,735,826	20.00%	Achievement of 100% Construction Completion
3rd Installment	\$5,603,739	30.00%	Rental Achievement
4th Installment	\$5,603,739	30.00%	8609s
Total	\$18,679,130	100.00%	

Annual Credit Per Syndication Agreement	\$1,868,100
Calculated HC Exchange Rate	\$1.00
Limited Partner Ownership Percentage	99.99%
Proceeds Available During Construction	\$3,735,826

Deferred Developer Fee:

To balance the sources and uses of funds during the permanent funding period, the Developer is required to defer \$267,553 or approximately 4.11% of the total Developer Fee of \$6,515,036.

Affiliate/Principal:

First Housing is recommending equity in the amount of the demolition of the residential buildings on Phase II be funded at closing to cover the off-site demolition cost.

Uses of Funds

CONSTRUCTION COSTS:	Applicant Costs	Revised Applicant Costs	Underwriters Total Costs - CUR	Cost Per Unit	HC Ineligible Costs - CUR
Accessory Buildings	\$0	\$0	\$366,000	\$3,853	\$0
Demolition	\$726,880	\$0	\$719,266	\$7,571	\$719,266
New Rental Units	\$17,907,517	\$24,839,987	\$17,654,246	\$185,834	\$0
Site Work	\$0	\$0	\$3,049,951	\$32,105	\$304,995
Constr. Contr. Costs subject to GC Fee	\$18,634,397	\$24,839,987	\$21,789,463	\$229,363	\$1,024,261
General Conditions	\$2,658,715	\$0	\$1,307,367	\$13,762	\$0
Overhead	\$0	\$0	\$435,790	\$4,587	\$0
Profit	\$0	\$0	\$1,307,367	\$13,762	\$0
Total Construction Contract/Costs	\$21,293,112	\$24,839,987	\$24,839,987	\$261,474	\$1,024,261
Hard Cost Contingency	\$1,064,656	\$1,242,000	\$1,241,999	\$13,074	\$0
PnP Bond paid outside Constr. Contr.	\$0	\$211,140	\$211,140	\$2,223	\$0
FF&E paid outside Constr. Contr.	\$370,000	\$110,000	\$110,000	\$1,158	\$0
Other: <u>Recreational/Owner Items</u>	\$0	\$558,435	\$558,435	\$5,878	\$133,687
Total Construction Costs:	\$22,727,768	\$26,961,562	\$26,961,561	\$283,806	\$1,157,948

Notes to the Total Construction Costs:

1. The Applicant has provided an executed construction contract, dated April 30, 2024, in the amount of \$24,839,987. This is a Standard Form of Agreement between Owner, DM Redevelopment, Ltd. and Contractor, Atlantic Pacific Community Builders, 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 second quarter of 2026. The construction contract specifies a 10% retainage on all payments until 50% completion of the project, at which time, no further retainage shall be withheld on payments through substantial completion of work, subject to lender approval. First Housing received an Addendum No. 1 to Construction Contract for The Residences at Martin Manor Phase I, dated May 28, 2024. The Addendum replaces the substantial completion date from “second quarter of 2026” to May 10, 2026.
2. First Housing used the Schedule of Values (“SOV”) to break out the construction costs. Please note, the Profit and Overhead are lumped into one line item within the SOV, but First Housing has separated the costs.
3. According to the GC Contract there is \$50,000 in allowances for Florida Power Light Primary, which is 0.20% of the GMP. According to the Document and Cost Review, dated June 18, 2024, the allowance is acceptable.
4. The Accessory Building cost of \$366,000 is associated with the renovation to the Community Center. First Housing has received a Community Service Facility Market Study prepared by Meridian, dated May 8, 2024. According to the report, it is Meridian’s

opinion that the Community Center should be considered a community service facility under §42(d)(4)(C); therefore, First Housing has included this cost as eligible.

5. Since the residential buildings will be demolished, the demolition cost is ineligible. Please note, the cost includes \$323,736 of demolition cost for Phase II. First Housing has removed this cost from the calculation of Developer Fee.
6. The GC fee is within the maximum 14% of hard costs allowed by the RFA and 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. Receipt of all GC Section 3 contract requirements is a condition to close.
8. Hard Cost Contingency is 5% of the total construction contract, which is within the allowable 5% of total hard costs for new construction developments per the RFA and Rule Chapters 67-48 and 67-21.
9. The Applicant has budgeted for P&P Bonds to secure the construction contract.
10. According to an email, dated June 18, 2024, the Recreation/Owner Items include site security, a scheduler, a monthly photographer, and cleaning staff which the Applicant does not believe are eligible expenses.

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	\$421	\$10,000
Appraisal	\$12,000	\$12,000	\$6,750	\$71	\$0
Architect's Fee - Site/Building Design	\$460,000	\$424,000	\$424,000	\$4,463	\$0
Architect's Fee - Supervision	\$132,600	\$132,600	\$132,600	\$1,396	\$0
Building Permits	\$364,568	\$420,668	\$420,668	\$4,428	\$0
Builder's Risk Insurance	\$156,468	\$180,890	\$180,980	\$1,905	\$0
Engineering Fees	\$136,000	\$146,000	\$146,000	\$1,537	\$0
Environmental Report	\$75,700	\$56,000	\$56,000	\$589	\$0
FHFC Administrative Fees	\$154,422	\$172,798	\$170,537	\$1,795	\$170,537
FHFC Application Fee	\$3,000	\$74,650	\$3,000	\$32	\$3,000
FHFC Credit Underwriting Fee	\$30,092	\$31,927	\$33,878	\$357	\$33,878
FHFC Compliance Fee	\$222,535	\$0	\$0	\$0	\$0
Impact Fee	\$263,528	\$267,823	\$267,823	\$2,819	\$0
Lender Inspection Fees / Const Admin	\$371,190	\$264,777	\$264,777	\$2,787	\$0
Green Building Cert. (LEED, FGBC, NAHB)	\$50,000	\$0	\$37,000	\$389	\$0
Insurance	\$161,662	\$259,449	\$259,449	\$2,731	\$129,725
Legal Fees - Organizational Costs	\$550,000	\$500,000	\$500,000	\$5,263	\$275,000
Market Study	\$8,000	\$10,400	\$4,500	\$47	\$4,500
Marketing and Advertising	\$15,000	\$24,000	\$24,000	\$253	\$24,000
Plan and Cost Review Analysis	\$0	\$10,000	\$5,250	\$55	\$0
Property Taxes	\$214,412	\$250,252	\$250,252	\$2,634	\$200,202
Soil Test	\$8,000	\$13,300	\$13,300	\$140	\$0
Survey	\$25,000	\$94,300	\$94,300	\$993	\$0
Tenant Relocation Costs	\$857,000	\$1,478,500	\$1,478,500	\$15,563	\$1,478,500
Title Insurance and Recording Fees	\$348,595	\$416,488	\$416,488	\$4,384	\$83,298
Utility Connection Fees	\$889,485	\$275,541	\$275,541	\$2,900	\$0
Soft Cost Contingency	\$277,417	\$304,274	\$275,279	\$2,898	\$0
Total General Development Costs:	\$5,826,674	\$5,860,637	\$5,780,872	\$60,851	\$2,412,639

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: Appraisal, FHFC Application Fee, FHFC Credit Underwriting, Market Study, and Plan and Cost Review Analysis.
3. The FHFC Administrative Fee is based on 9% of the recommended annual 4% Housing Credit allocation.
4. The FHFC Credit Underwriting Fee includes an underwriting fee of \$31,927 and a Subsidy Layering Review fee of \$1,951.

5. First Housing received a breakout of the Lender Inspection Fees, which includes but is not limited to Plan Review and Draw Inspections, Threshold Inspections, Construction Materials Testing, Waterproofing Professions, and Photo Documentations. First Housing verified the private provider inspections is from a third-party.
6. The Applicant provided a Professional Services Proposal NGBS Administration + Verification services for The Residences at Martin Manor, dated May 3, 2023, from Abney + Abney Green Solutions. First Housing has included a cost of \$37,000 for NGBS services.
7. Since the current units will be demolished, the tenant relocation cost is considered ineligible.
8. According to the Relocation Plan prepared by The Urban Group, dated December 9, 2023, the relocation budget is estimated at \$1,935,175. However, the Applicant is projecting a cost of \$1,478,500. First Housing received an email from a representative of the Applicant, dated June 18, 2024, indicating the Boca Raton Housing Authority has \$900,000 in HUD Capital Funds that are anticipated to be netted against the relocation expense. Additionally, the relocation plan has budgeted for 10 households to take Replacement Housing Payments; however, based on the representative's experience tenants do not usually take these types of payments in lieu of the Tenant Protection Vouchers. The Applicant has included \$470,000 to the budget as there is a potential they will have to upgrade the units residents are moving to in order to pass the required Housing Quality Standards inspections. The Applicant has included \$350,000 to the budget due to the potential security deposits and rent differentials that may need to be paid to assist in relocation residents.
9. 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	\$240,000	\$161,250	\$135,000	\$1,421	\$0
Construction Loan Closing Costs	\$48,000	\$45,000	\$45,000	\$474	\$45,000
Construction Loan Interest	\$2,870,474	\$2,553,250	\$2,640,924	\$27,799	\$823,834
Permanent Loan Application Fee	\$0	\$10,000	\$10,000	\$105	\$10,000
Permanent Loan Origination Fee	\$188,400	\$0	\$16,750	\$176	\$16,750
Permanent Loan Closing Costs	\$35,992	\$27,500	\$27,500	\$289	\$27,500
FHFC Note Fiscal Agent Fee	\$0	\$0	\$13,500	\$142	\$13,500
FHFC Note Cost of Issuance	\$285,349	\$401,234	\$319,974	\$3,368	\$319,974
SAIL Commitment Fee	\$0	\$99,255	\$49,400	\$520	\$49,400
SAIL-ELI Commitment Fee	\$0	\$0	\$7,500	\$79	\$7,500
Legal Fees - Financing Costs	\$0	\$275,000	\$275,000	\$2,895	\$68,750
Placement Agent/Underwriter Fee	\$0	\$0	\$40,000	\$421	\$40,000
Initial TEFRA Fee	\$0	\$0	\$1,000	\$11	\$1,000
Other: FHFC Issuer Fee	\$0	\$0	\$194,400	\$2,046	\$194,400
Total Financial Costs:	\$3,668,215	\$3,572,489	\$3,775,948	\$39,747	\$1,617,608
Dev. Costs before Acq., Dev. Fee & Reserves	\$32,222,657	\$36,394,688	\$36,518,381	\$384,404	\$5,188,195

Notes to the Financial Costs:

1. The Construction Loan Origination Fee is based on 0.5% of Tranche A and 0.5% of Tranche B.
2. The total Construction Loan Interest of \$2,640,924 is comprised of \$1,796,850 for Tranche A and \$844,074 for Tranche B. Tranche A interest is based on an interest rate of 5.94% and a 22-month term. Tranche B interest is based on an interest rate of 7.83% and a 22-month term and an average outstanding loan balance of 56%. The GC Contract's Project Schedule projects a start date of November 10, 2024 and a substantial completion date of May 10, 2026 or 16 months. Considering a 6-month lease-up/stabilization period, First Housing has estimated that a construction term of 22-months.
3. The Permanent Loan Commitment Fee is based on 1% of the earn-out amount.
4. The FHFC Note Fiscal Agent Fee represents 3 years of the annual Fiscal Agent Fee of \$4,500 during the construction period.
5. FHFC Note Cost of Issuance ("COI") includes MMRN, SAIL, ELI, and HOME-ARP Loan Closing Costs, and expenses of the Fiscal Agent, Real Estate Counsel, MMRN Counsel, Disclosure Counsel, and other fees.
6. SAIL Commitment Fee is based on 1% of the SAIL Loan.

7. ELI Commitment Fee is based on 1% of the ELI Loan.
8. The FHFC MMRN Issuer Fee is based on 3 years of the FHFC Issuer Fee of 24 basis points on the MMRN during construction.
9. First Housing included a Placement Agent Fee of \$40,000 and a TEFRA Fee of \$1,000.

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

Notes to the Non-Land Acquisition Costs:

1. Since this is new construction, non-land acquisition costs do not apply.

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	\$5,712,166	\$6,532,965	\$6,515,036	\$68,579	\$0
Total Other Development Costs:	\$5,712,166	\$6,532,965	\$6,515,036	\$68,579	\$0

Notes to the Other Development Costs:

1. The recommended Developer's Fee does not exceed 18% of Total Development Cost before Developer Fee, land, and ODR as allowed by the RFA and Rule Chapters 67-48 and 67-21. First Housing has subtracted \$323,736 of Phase II's demolition costs from the calculation of Developer Fee.

LAND ACQUISITION COSTS	Applicant Costs	Revised Applicant Costs	Underwriters Total Costs - CUR	Cost Per Unit	HC Ineligible Costs - CUR
Land Lease Payment	\$5,000,000	\$9,150,000	\$9,150,000	\$96,316	\$9,150,000
Total Acquisition Costs:	\$5,000,000	\$9,150,000	\$9,150,000	\$96,316	\$9,150,000

Notes to Acquisition Costs:

1. First Housing received an Option to Enter into a Ground Lease Agreement between Boca Raton Housing Authority ("Owner") and DM Redevelopment, Ltd. ("Optionee"), dated December 20, 2022 and a First Amendment to Option to Enter into a Ground Lease Agreement, dated December 21, 2023. According to the Agreements, the Owner and Optionee have the option to enter into a ground lease by December 31, 2024. The term of the lease shall be 50 years commencing on the closing date of the financing of the

Development or such longer period not to exceed 99 years. The annual base rent shall be \$1.00 per year. The capital lease payment shall be such an amount equal to the unrestricted fair market value of the land. The parties have estimated a value of \$5,000,000, pending appraisal. Optionee will pay the appraised amount to the Owner at the construction loan closing, payable in cash to the extent of available funds as reasonably determined by the parties. The balance, if any, shall be in the form of a secured seller take-back note at simple interest of 1% for a term of 42 years. First Housing has increased the capital lease payment based on the market value “as is” within the draft Appraisal, dated June 23, 2024. Receipt of an executed Ground Lease is a condition to close.

2. First Housing reviewed an Appraisal of the Development prepared by Colliers, dated June 23, 2024, which concluded to a market value “as is” of the Development, as of March 16, 2024, of \$9,150,000, 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 (Syndicator)	\$0	\$564,712	\$509,042	\$5,358	\$509,042
Reserves - Start-Up/Lease-up Expenses	\$0	\$32,960	\$32,960	\$347	\$32,960
Total Reserve Accounts:	\$0	\$597,672	\$542,002	\$5,705	\$542,002

Notes to Reserve Accounts:

1. Based on a letter, dated July 1, 2024, First Horizon will require an Operating Deficit Reserve (“ODR”) estimated in the amount of \$509,042. In exchange for receiving funding from the Corporation, the Corporation reserves the authority to restrict the disposition of any funds remaining in any operating deficit reserve(s) after the term of the reserve’s original purpose has terminated or is near termination. Authorized disposition uses are limited to payments towards any outstanding loan balances of the Development funded from the Corporation, any outstanding Corporation fees, any unpaid costs incurred in the completion of the Development (i.e., deferred Developer Fee), the Development’s capital replacement reserve account (provided, however, that any operating deficit reserve funds deposited to the replacement reserve account will not replace, negate, or otherwise be considered an advance payment or pre-funding of the Applicant’s obligation to periodically fund the replacement reserve account), the reimbursement of any loan(s) provided by a partner, member or guarantor as set forth in the Applicant’s organizational agreement (i.e., operating or limited partnership agreement whereby its final disposition remains under this same restriction. The actual direction of the disposition is at the Applicant’s discretion so long as it is an option permitted by the Corporation. In no event, shall the payment of amounts to the Applicant or the Developer from any operating deficit reserve established for the Development cause the Developer Fee or General Contractor fee to exceed the applicable percentage limitations provided for in the 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 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	HC Ineligible Costs - CUR
TOTAL DEVELOPMENT COSTS:	\$42,934,823	\$52,675,325	\$52,725,419	\$555,004	\$14,880,197

Notes to Total Development Costs:

- Total Development Costs have increased by a total of \$9,790,596 from \$42,934,823 to \$52,725,419 or 22.80% since the Application. This change is mainly due to an increase in construction costs and the capital lease payment.

Operating Pro Forma – The Residences at Martin Manor

FINANCIAL COSTS:				Year 1	Year 1 Per Unit
OPERATING PRO FORMA					
INCOME:	Gross Potential Rental Income			\$2,522,388	\$26,551
	Other Income				
	Miscellaneous			\$33,250	\$350
	Gross Potential Income			\$2,555,638	\$26,901
	Less:				
	Physical Vac. Loss	Percentage:	4.00%	\$102,226	\$1,076
	Collection Loss	Percentage:	0.50%	\$12,778	\$135
Total Effective Gross Income				\$2,440,634	\$25,691
EXPENSES:	Fixed:				
	Real Estate Taxes			\$247,103	\$2,601
	Insurance			\$223,250	\$2,350
	Variable:				
	Management Fee	Percentage:	6.00%	\$146,438	\$1,541
	General and Administrative			\$38,000	\$400
	Payroll Expenses			\$147,250	\$1,550
	Utilities			\$49,875	\$525
	Marketing and Advertising			\$9,500	\$100
	Maintenance and Repairs/Pest Control			\$38,000	\$400
	Grounds Maintenance and Landscaping			\$26,125	\$275
	Other			\$9,500	\$100
	Reserve for Replacements			\$28,500	\$300
	Total Expenses				\$963,541
Net Operating Income				\$1,477,093	\$15,548
Debt Service Payments					
First Mortgage - FHFC/Citi			\$1,081,153	\$11,381	
Second Mortgage - FHFC - SAIL			\$49,400	\$520	
Third Mortgage - FHFC - ELI			\$0	\$0	
Fourth Mortgage - FHFC - HOME-ARP			\$0	\$0	
Fifth Mortgage - City of Boca Raton			\$0	\$0	
Sixth Mortgage - Boca Raton Housing Authority			\$91,500	\$963	
First Mortgage Fees - FHFC/Citi			\$51,301	\$540	
Second Mortgage Fees - FHFC SAIL			\$12,622	\$133	
Third Mortgage Fees - FHFC SAIL ELI			\$3,970	\$42	
Fourth Mortgage Fees - FHFC HOME-ARP			\$4,742	\$50	
Fifth Mortgage Fees - City of Boca Raton			\$0	\$0	
Sixth Mortgage - Boca Raton Housing Authority			\$0	\$0	
Total Debt Service Payments			\$1,294,688	\$13,628	
Cash Flow after Debt Service			\$182,406	\$1,920	
Debt Service Coverage Ratios					
DSC - First Mortgage plus Fees			1.30x		
DSC - Second Mortgage plus Fees			1.24x		
DSC - Third Mortgage plus Fees			1.23x		
DSC - Fourth Mortgage plus Fee			1.23x		
DSC - Fifth Mortgage plus Fees			1.23x		
DSC - All Mortgages and Fees			1.14x		
Financial Ratios					
Operating Expense Ratio			39.48%		
Break-even Economic Occupancy Ratio (all debt)			88.63%		

Notes to the Operating Pro Forma and Ratios:

1. The MMRN program does not impose any rent restriction. However, in conjunction with the MMRN the Development will be utilizing Housing Credits, SAIL, ELI, and HOME-ARP, which will impose rent restrictions. The rent levels are based on the 2024 maximum LIHTC rents published on FHFC’s website for Palm Beach County less the applicable utility allowance. However, 45 units will be covered under a project-based voucher contract. Below is the rent roll for the Development:

Palm Beach County, West Palm Beach-Boca Raton 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	2	630	22%	\$ 1,004		\$441	\$104	\$ 337	\$ 2,371	\$ 2,371	\$ 2,371	\$ 2,371	\$ 56,904
1	1.0	6	630	30%			\$602	\$104	\$ 498	\$ 2,371	\$ 2,371	\$ 2,371	\$ 2,371	\$ 170,712
1	1.0	9	630	50%			\$1,004	\$104	\$ 900	\$ 2,371	\$ 2,371	\$ 2,371	\$ 2,371	\$ 256,068
1	1.0	2	630	50%			\$1,004	\$104	\$ 900		\$ 900	\$ 900	\$ 900	\$ 21,600
1	1.0	4	630	60%			\$1,205	\$104	\$ 1,101		\$ 1,101	\$ 1,101	\$ 1,101	\$ 52,848
1	1.0	13	630	80%			\$1,607	\$104	\$ 1,503		\$ 1,503	\$ 1,503	\$ 1,503	\$ 234,468
2	2.0	2	895	22%	\$ 1,205		\$530	\$125	\$ 405	\$ 2,845	\$ 2,845	\$ 2,845	\$ 2,845	\$ 68,280
2	2.0	7	895	30%			\$723	\$125	\$ 598	\$ 2,845	\$ 2,845	\$ 2,845	\$ 2,845	\$ 238,980
2	2.0	10	895	50%			\$1,205	\$125	\$ 1,080	\$ 2,845	\$ 2,845	\$ 2,845	\$ 2,845	\$ 341,400
2	2.0	2	895	50%			\$1,205	\$125	\$ 1,080		\$ 1,080	\$ 1,080	\$ 1,080	\$ 25,920
2	2.0	1	895	60%			\$1,446	\$125	\$ 1,321		\$ 1,321	\$ 1,321	\$ 1,321	\$ 15,852
2	2.0	17	895	80%			\$1,928	\$125	\$ 1,803		\$ 1,803	\$ 1,803	\$ 1,803	\$ 367,812
3	2.0	1	1,079	22%	\$ 1,392		\$612	\$135	\$ 477	\$ 3,792	\$ 3,792	\$ 3,792	\$ 3,792	\$ 45,504
3	2.0	2	1,079	30%			\$835	\$135	\$ 700	\$ 3,792	\$ 3,792	\$ 3,792	\$ 3,792	\$ 91,008
3	2.0	5	1,079	50%			\$1,392	\$135	\$ 1,257	\$ 3,792	\$ 3,792	\$ 3,792	\$ 3,792	\$ 227,520
3	2.0	2	1,079	50%			\$1,392	\$135	\$ 1,257		\$ 1,257	\$ 1,257	\$ 1,257	\$ 30,168
3	2.0	1	1,079	60%			\$1,671	\$135	\$ 1,536		\$ 1,536	\$ 1,536	\$ 1,536	\$ 18,432
3	2.0	7	1,079	80%			\$2,228	\$135	\$ 2,093		\$ 2,093	\$ 2,093	\$ 2,093	\$ 175,812
4	2.0	1	1,324	50%			\$1,553	\$151	\$ 1,402	\$ 4,590	\$ 4,590	\$ 4,590	\$ 4,590	\$ 55,080
4	2.0	1	1,324	80%			\$2,486	\$151	\$ 2,335		\$ 2,334	\$ 2,335	\$ 2,335	\$ 28,020
		95	79,655											\$ 2,522,388

2. The Utility Allowances are based on an Energy Consumption Model Utility Allowance Estimate prepared by Enercon Services, Inc. FHFC’s staff approved the Utility Allowances for Credit Underwriting Purposes on May 27, 2024.
3. The appraisal included a vacancy and collection loss rate of 3.5%, First Housing has estimate a vacancy and collection loss of 4.50% to be more conservative.
4. The Appraisal projected Miscellaneous Income of \$33,250 which is comprised of revenue from late fees, pet fees, transfer fees, retained deposits, and application fees.
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 an unexecuted Management Agreement between DM Redevelopment, Ltd. (“Owner”) and Atlantic Pacific Community Management, LLC (“Agent”). Receipt of an executed Management Agreement is a condition to close. According to the Agreement, the Agent shall receive a monthly fee, beginning when the leasing operation commences, in the amount of the greater of: (a) 6% of actual Effective Gross Income for the preceding month, or (b) 6% of projected monthly Effective Gross Income assuming 95% occupancy provided, however, when the Development first achieves 95% occupancy, the Management Fee will be equal to 6% of actual monthly Effective Gross Income. First Housing concluded to a Management Fee of 6%.
7. The landlord will pay for trash, common area water, sewer, and electric. The tenant will be responsible for electricity, water, sewer, cable, and internet.
8. Replacement Reserves of \$300 per unit per year are required which meets the RFA and Rules 67-21 and 67-48 minimum requirement. According to the letter from First Horizon, dated July 1, 2024, replacement reserve will be increased by 3% annually.
9. 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%.

Section B

**MMRN, SAIL, ELI, and HOME-ARP 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 30 days prior to Real Estate Loan Closing**. Failure to submit and to receive approval of these items within this time frame may result in postponement of the MMRN pricing date and/or MMRN, SAIL, ELI, and HOME-ARP closing date. For competitive MMRN sales, these items must be reviewed and approved prior to issuance of the notice of MMRN sale:

1. Firm Commitment from Citi (construction and permanent financing) with terms and conditions that are not substantially different than those utilized in this credit underwriting report.
2. Upon conversion, if the first mortgage loan is increased above the principal amount at closing, it will be subject to FHFC's approval and a positive recommendation from First Housing.
3. Final loan documents for the fifth and sixth construction/permanent mortgages with terms which are not substantially different than those utilized in this credit underwriting report.
4. Verification of the equity in the amount of \$323,736 be funded at closing to cover the off-site demolition cost for Phase II.
5. Verification that the loan from City of Boca Raton is coterminous with the ELI and HOME-ARP loans.
6. Receipt and satisfactory review of the Final signed, sealed "approved for construction" plans and specifications by the Construction Consultant and the Servicer.
7. Receipt of all GC Section 3 contract requirements.
8. Satisfactory receipt of an executed Management Agreement.
9. Receipt and satisfactory review of an executed Ground Lease.
10. Receipt and satisfactory review of the lease for the Community Center with the BRHA.
11. Receipt of a rental assistance contract, with rents not substantially different than those utilized in this credit underwriting report.

12. 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.
13. Satisfactory receipt and review of updated financials for the Guarantors, dated within 90 days of closing.
14. Completion of the HUD Section 3 pre-construction conference.
15. The Development shall meet the Section 3 requirements of the Housing and Urban Development Act of 1968 as amended (12 U.S.C. 1701u and 24 CFR Part 75).
16. Receipt of an Environmental Review verifying the Development is in compliance with the Property Standards provided in 24 CFR Part 92 and 24 CFR Part 58.
17. 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 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:

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. Moran Construction Consultants, LLC (“Moran”) 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 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.

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. ELI Loan proceeds shall be disbursed during the construction phase in an amount per draw which does not exceed the ratio of the ELI Loan to the Total Development Cost, unless approved by First Housing. HOME-ARP Loan proceeds shall be disbursed during the construction phase in an amount per draw that does not exceed the ratio of the HOME-ARP 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 Moran.
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 Limited Partnership Agreement reflecting purchase of the HC under terms consistent with the assumptions contained within this Credit Underwriting Report. The Amended and Restated Limited Partnership 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 30 days 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 First Horizon 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 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;
 - 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, 420.5087, 420.5089 and 420.509 Florida Statutes, Rule Chapter 67-21, F.A.C. (MMRB and 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, HUD Rule 24 CFR Part 92 and Part 58, 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 MMRN, SAIL, ELI, and HOME-ARP 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 First Horizon or an affiliate, that requires funding of all HC Equity Installments during construction, even if the Borrower is in default under the Limited Partnership Agreement.
4. All amounts necessary to complete construction must be deposited with the Fiscal Agent prior to closing, or any phased HC Equity pay-in amount necessary to complete construction shall be contingent upon an obligation of the entity providing payments, regardless of any default under any documents relating to the HC's, as long as the First Mortgage continues to be funded. Notwithstanding the foregoing, at least 15% of all HC Equity (but not less than provided for in the Syndication Agreement or such higher amount as recommended by First Housing) shall be deposited with the Fiscal Agent at the MMRN closing unless a lesser amount is approved by FHFC prior to closing.
5. Guarantors to provide the standard FHFC Construction Completion Guaranty, to be released upon lien-free completion, as approved by the Servicer.
6. 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 1.15x debt service coverage ratio on the permanent first mortgage 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, all for a period equal to 12 consecutive months, all 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. 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.
8. Guarantors to provide the Standard FHFC Environmental Indemnity Guaranty.
9. Guarantors to provide the Standard FHFC Guaranty of Recourse Obligations.
10. 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.
11. Property tax and hazard insurance escrow are to be established and maintained by the First Mortgagee Lender, Fiscal Agent, 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.
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(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 \$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. 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.

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 a 10% retainage on all payments until 50% completion of the project, at which time, no further retainage shall be withheld on payments through substantial completion of work, subject to lender approval. This meets the RFA and Rule Chapters 67-48 and 67-21 minimum requirements.
14. Closing of all funding sources prior to or simultaneous with the MMRN, SAIL, ELI, and HOME-ARP loans.
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 completion of a pre-loan closing compliance audit conducted by FHFC or Servicer, if applicable.
17. Satisfactory resolution of any outstanding past due and/or noncompliance items.
18. 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 \$1,894,858. 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 MMRN, SAIL, ELI, and HOME-ARP loans.
2. Purchase of the HC's by First Horizon 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.

HC Allocation Calculation

Section I: Qualified Basis Calculation

Total Development Costs(including land and ineligible Costs)	\$52,725,419
Less Land Costs	\$9,150,000
Less Federal Grants and Loans	\$0
Less Other Ineligible Costs	\$5,730,197
Total Eligible Basis	\$37,845,222
Applicable Fraction	100%
DDA/QCT Basis Credit	130%
Qualified Basis	\$49,198,789
Housing Credit Percentage	4.00%
Annual Housing Credit Allocation	\$1,967,952

Notes to the Qualified Basis Calculation:

1. Other ineligible costs include demolition costs, site work, recreational/owner items, accounting fees, FHFC Fees, insurance, legal fees, market study, advertising/marketing fees, property taxes, tenant relocation costs, title work, financial costs, and operating 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 HUD-designated SADDA for Palm Beach County; 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)	\$52,725,419
Less Mortgages	\$33,778,736
Less Grants	\$0
Equity Gap	\$18,946,683
HC Syndication Percentage to Investment Partnership	99.99%
HC Syndication Pricing	\$1.00
HC Required to meet Equity Gap	\$18,948,578
Annual HC Required	\$1,894,858

Notes to the Gap Calculation:

1. The pricing and syndication percentage was taken from letter from First Horizon, dated July 1, 2024.
2. First Housing has included the Affiliate/Principal equity of \$323,736 for the off-site demolition cost within Less Mortgages line item.

Section III: Summary

HC Per Syndication Agreement	\$1,868,100
HC Per Qualified Basis	\$1,967,952
HC Per GAP Calculation	\$1,894,858
Annual HC Recommended	\$1,894,858
Syndication Proceeds based upon Syndication Agreement	\$18,679,130

1. 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 GAP calculation.

50% Test

Tax-Exempt Note Amount	\$27,000,000
Less: Debt Service Reserve Funded with Tax-Exempt Note Proceeds	\$0
Other:	\$0
Other:	\$0
Equals Net Tax-Exempt Note Amount	\$27,000,000
Total Depreciable Cost	\$37,845,222
Plus Land Cost	\$9,150,000
Aggregate Basis	\$46,995,222
Net Tax-Exempt Note to Aggregate Basis Ratio	57.45%

1. Based on the budget, the Development appears to meet the 50% test for 4% Housing Credits.

The Residences at Martin Manor
RFA 2022-205 (2023-129BSA / 2022-538C)
DESCRIPTION OF FEATURES AND AMENITIES

A. The Development will consist of:

95 Garden Apartments located in 3 residential buildings

Unit Mix:

Thirty-six (36) one bedroom/one bath units:

Thirty-nine (39) two bedroom/two bath units;

Eighteen (18) three bedroom/two bath units;

Two (2) four bedroom/two bath units;

95 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.

c. 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.

DEVELOPMENT

NAME: The Residences at Martin Manor

DATE: August 9, 2024

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.	Satis. Satis. Satis.	
5. Survey.	Satis.	3.
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.	Unsatis.	4.
14. Firm commitment from the credit enhancer or private placement purchaser, if any.	Unsatis.	5.
15. Firm commitment letter from the syndicator, if any.	Unsatis.	6.

16. Firm commitment letter(s) for any other financing sources.	Unsatis.	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.	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.	9-11.
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.	Unsatis.	12.
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. Closing is conditioned upon acceptable permits or a permit ready letter.
3. Closing is conditioned upon receipt of a final survey.
4. Closing is conditioned upon receipt of a satisfactory executed Management Agreement.
5. Closing is conditioned upon receipt of a firm commitment from Citi (construction and permanent financing) with terms and conditions that are not substantially different than those utilized in this credit underwriting report.
6. Closing is conditioned upon receipt of an Amended and Restated Limited Partnership Agreement.
7. Closing is conditioned upon final loan documents for the fifth and sixth construction/permanent mortgages with terms that are not substantially different than those utilized in this credit underwriting report.

8. Closing is conditioned upon receipt of a final draw schedule.
9. Closing is condition upon receipt and satisfactory review of an executed Ground Lease and lease for the Community Center with the BRHA.
10. Closing is conditioned upon receipt of a rental assistance contract, with rents utilized in this credit underwriting report.
11. Closing is conditioned upon verification of the equity in the amount of \$323,736 to be funded at closing to cover the off-site demolition cost for Phase II.
12. Closing is conditioned upon 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.

**FLORIDA HOUSING FINANCE CORPORATION
AUTHORIZATION RESOLUTION
THE RESIDENCES AT MARTIN MANOR**

RESOLUTION NO. __

A RESOLUTION AUTHORIZING THE ISSUANCE, EXECUTION AND DELIVERY OF TAX-EXEMPT MULTIFAMILY MORTGAGE REVENUE NOTES, 2024 SERIES __ [SERIES TO BE DESIGNATED] (THE RESIDENCES AT MARTIN MANOR) OF THE FLORIDA HOUSING FINANCE CORPORATION ("FLORIDA HOUSING"); APPROVING THE PREPARATION, ISSUANCE, EXECUTION AND DELIVERY OF A FUNDING LOAN AGREEMENT BETWEEN FLORIDA HOUSING, CITIBANK, N.A., OR AN AFFILIATE THEREOF, AND A CORPORATE FISCAL AGENT , AND A PROJECT LOAN AGREEMENT BETWEEN FLORIDA HOUSING AND THE BORROWER NAMED THEREIN; AUTHORIZING A LOAN FROM CITIBANK, N.A., OR AN AFFILIATE THEREOF, TO FLORIDA HOUSING EVIDENCED BY THE NOTES; AUTHORIZING THE LOAN MADE PURSUANT TO THE FUNDING LOAN AGREEMENT TO THE BORROWER NAMED THEREIN; AUTHORIZING THE PREPARATION, EXECUTION, AND DELIVERY OF ALL DOCUMENTS NECESSARY FOR THE ISSUANCE, EXECUTION AND DELIVERY OF THE NOTES; AUTHORIZING ALL ACTIONS NECESSARY FOR FINAL APPROVAL OF THE ISSUANCE, EXECUTION AND DELIVERY OF THE NOTES, THE FINANCING OF THE RESIDENCES AT MARTIN MANOR INCLUDING, BUT NOT LIMITED TO, A PRIVATE PLACEMENT MEMORANDUM OR MEMORANDUM OF TERMS AND CONDITIONS, 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 its bonds, debentures, notes, or other evidence 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, execution and delivery of its Tax-Exempt Multifamily Mortgage Revenue Notes, 2024 Series __ [series to be designated] (The Residences at Martin Manor) (the "Notes"), for the purpose of making a loan to DM Redevelopment, Ltd., together with its predecessors, successors, assigns, affiliates and/or related entities (the "Borrower"), to finance the acquisition and construction of an approximately 95-unit multifamily residential rental development for persons of low, moderate, and middle income named The Residences at Martin Manor located in Boca Raton, Palm Beach County, Florida (the "Property"); provided that the aggregate principal amount of the Notes shall not exceed (a) \$27,000,000 or (b) such greater aggregate principal amount of Notes which, at the time of issuance, execution and delivery, does not exceed an aggregate principal amount which would result in a debt service coverage ratio for the Notes, as reflected in the Credit Underwriter Confirmation (as defined below) for the Property, of less than 1.00 (subject to receipt of private activity bond allocation being made available for the tax-exempt Notes and compliance with Section 147(f) of the Internal Revenue Code of 1986); 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) That 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) That private enterprise, unaided, is not meeting and cannot reasonably be expected to meet, the need for such residential housing; and

(3) That the need for such residential housing will be alleviated by the financing of the Property; and

WHEREAS, Florida Housing is desirous of taking all action necessary to give final approval for the financing of the Property as described in the Credit Underwriting Report (as defined below) and to issue, execute and deliver the Notes in compliance with the Act and other applicable provisions of State law;

NOW THEREFORE, it is hereby ascertained, determined, and resolved:

1. The Property is hereby given final approval for financing on the terms and conditions as described in the Credit Underwriting Report for the Property, presented to and approved by the Board on this date (the "Credit Underwriting Report"), with such deviations as the Executive Director (or interim Executive Director), in consultation with staff and Special Counsel to Florida Housing, may approve. Execution of the funding loan agreement and the project loan agreement, each as described below, by an Authorized Signatory (as defined below) shall be conclusive evidence of such approval.

2. Florida Housing hereby authorizes the issuance, execution and delivery of the Notes as tax-exempt or taxable "Notes" (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) \$27,000,000 or (b) such greater aggregate principal amount of Notes which, at the time of issuance, execution and delivery does not exceed an aggregate principal amount which would result in a debt service coverage ratio for the Notes, as reflected in the Credit Underwriter Confirmation for the Property, of less than 1.00, subject to receipt of private activity bond allocation being made available for the tax-exempt Notes and compliance with Section 147(f) of the Internal Revenue Code of 1986. Subject to the immediately preceding sentence, the maximum principal amount of the Notes that may be delivered shall be determined by an Authorized Signatory after receipt of the Credit Underwriter Confirmation for the Property. The

"Credit Underwriter Confirmation" is the written confirmation, delivered prior to the issuance of the Notes, from the Florida Housing Credit Underwriter with respect to the Property that, taking into account any increased aggregate principal amount of Notes, the conditions set forth in and the requirements of the Credit Underwriting Report have been satisfied. Conclusive evidence of determination of any such increased aggregate principal amount of Notes shall be evidenced by a certificate of an Authorized Signatory.

3. A funding loan agreement between Florida Housing, Citibank, N.A., or an affiliate thereof (the "Bank"), and a corporate fiscal agent, setting forth the terms and conditions of the Notes (the "Funding Loan Agreement"), is hereby authorized to be prepared and delivered, in such form as may be approved by any member of the Board, the Executive Director (or any interim Executive Director), the Chief Financial Officer, 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 of funding loan shall set forth as to the Notes such maturities, interest rates and purchase price as shall be determined in accordance with the Act, including Section 420.509, Florida Statutes), and 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. A project loan agreement between Florida Housing and the Borrower, setting out the terms of the loan of the proceeds of the Notes by Florida Housing to the Borrower (the "Mortgage Loan"), and the payment and other obligations of the Borrower in respect of the Mortgage Loan, including the note made by the Borrower to Florida Housing evidencing the Mortgage Loan, is hereby authorized to be prepared and delivered, in such form as may be

approved by an Authorized Signatory, and the execution of such 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.

5. If necessary, a private placement memorandum or memorandum of terms and conditions is hereby authorized to be prepared and distributed in connection with the Notes in such form as shall be approved by an Authorized Signatory, and the execution of such private placement memorandum or memorandum of terms and conditions, if necessary, by the Authorized Signatory shall be conclusive evidence of such approval.

6. The Notes shall be sold in accordance with the requirements of the Act, including Section 420.509(12), Florida Statutes. In the event that, pursuant to the Act, the Notes shall be sold by a negotiated sale or private placement, an Authorized Signatory is authorized to acknowledge and execute a note purchase agreement, note placement agreement and funding loan agreement, as applicable, upon approval of the terms thereof by the staff of Florida Housing and Special Counsel to Florida Housing, and the execution of such note purchase agreement, note placement agreement or funding loan agreement, as applicable, by an Authorized Signatory shall be conclusive proof of such approval.

7. An Authorized Signatory is authorized to cause to be prepared and to issue, execute and deliver any additional documents necessary for the issuance, execution and delivery of the Notes, the making of the Mortgage Loan, and the security therefor, upon the approval of the terms of any credit enhancement, if applicable, and the security therefor, and the making of the Mortgage Loan, and the security therefor, by the staff of Florida Housing and Special Counsel to Florida Housing. All other actions by Florida Housing necessary for the final approval of financing for

the Property and for issuance, execution and delivery of the Notes, upon the approval of the terms of any credit enhancement, if applicable, and the security therefor, are hereby authorized.

8. The principal of, premium, if any, and all interest on the Notes shall be payable solely out of revenues and other amounts pledged therefor as described in the funding loan agreement for the Notes. The Notes do not constitute obligations, 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; and neither the credit, the revenues, nor the taxing power of the State or of any unit of local government thereof shall be, or shall be deemed to be, pledged to the payment of the Notes.

9. The Notes may be executed either manually or by facsimile signature by any officer of Florida Housing.

10. The maximum amount of the Notes authorized to be issued, executed and delivered 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.

11. 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.

12. This Resolution shall take effect immediately upon adoption.

ADOPTED this ____ day of _____, 2024.

(SEAL)

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

ATTEST:

Melissa Levy, Assistant Secretary, Florida Housing Finance Corporation's Board of Directors

Ryan Benson, 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 ____ day of _____, 2024, 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 _____, 2024 by Tim Kennedy, as Multifamily Loans and Bonds Director of 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
THE RESIDENCES AT MARTIN MANOR

RESOLUTION NO. ____

A RESOLUTION AUTHORIZING THE ISSUANCE, EXECUTION AND DELIVERY OF TAX-EXEMPT MULTIFAMILY MORTGAGE REVENUE NOTES, 2024 SERIES __ [SERIES TO BE DESIGNATED] (THE RESIDENCES AT MARTIN MANOR) OF THE FLORIDA HOUSING FINANCE CORPORATION; AUTHORIZING THE NEGOTIATION AND EXECUTION OF A NOTE PURCHASE AGREEMENT AND SUCH OTHER DOCUMENTS AS ARE NECESSARY FOR THE PRIVATE PLACEMENT OF THE TAX-EXEMPT MULTIFAMILY MORTGAGE REVENUE NOTES, 2024 SERIES __ [SERIES TO BE DESIGNATED] (THE RESIDENCES AT MARTIN MANOR) OF THE FLORIDA HOUSING FINANCE CORPORATION; AUTHORIZING THE EXECUTIVE DIRECTOR (OR ANY INTERIM EXECUTIVE DIRECTOR), CHIEF FINANCIAL OFFICER, OR ANY MEMBER OF THE BOARD OF DIRECTORS OF THE FLORIDA HOUSING FINANCE CORPORATION, OR OTHER AUTHORIZED SIGNATORY TO TAKE ANY OTHER ACTIONS NECESSARY TO NEGOTIATE THE SALE OF THE TAX-EXEMPT MULTIFAMILY MORTGAGE REVENUE NOTES, 2024 SERIES __ [SERIES TO BE DESIGNATED] (THE RESIDENCES AT MARTIN MANOR) OF THE FLORIDA HOUSING FINANCE CORPORATION 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 its bonds, debentures, notes, or other evidence 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 adopted a resolution authorizing the issuance, execution and delivery of its Tax-Exempt Multifamily Mortgage Revenue Notes, 2024 Series __ [series to be designated] (The Residences at Martin Manor) (the "Notes"), as tax-exempt

or taxable Notes, for the purpose of making funds available to finance the acquisition and construction of an approximately 95-unit multifamily residential rental development for persons of low, moderate, and middle income named The Residences at Martin Manor located in Boca Raton, Palm Beach County, Florida (the "Property"); provided that the aggregate principal amount of the Notes shall not exceed (a) \$27,000,000 or (b) such greater aggregate principal amount of Notes which, at the time of issuance, execution and delivery of, does not exceed an aggregate principal amount which would result in a debt service coverage ratio for the Notes, as reflected in the Credit Underwriter Confirmation (as defined below) for the Property, of less than 1.00 (subject to receipt of private activity bond allocation being made available for the tax-exempt Notes and compliance with Section 147(f) of the Internal Revenue Code of 1986); and

WHEREAS, the Act authorizes Florida Housing to negotiate with the underwriter or underwriters designated by Florida Housing for a negotiated sale, limited offering or private placement of the Notes with such purchaser or purchasers, if Florida Housing by official action at a public meeting determines that such negotiated sale, limited offering or private placement of the Notes is in the best interest of Florida Housing; and

WHEREAS, Florida Housing has reviewed the market conditions and trends affecting the sale of the Notes; and

WHEREAS, Florida Housing has received a recommendation and reviewed and looked at the relative advantage of a negotiated sale, limited offering or private placement of the Notes in light of the 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 Notes renders the Notes a candidate for a private placement; and

WHEREAS, based on the foregoing, the Board hereby finds that a private placement of the Notes is in the public's and Florida Housing's best interest based on the current market conditions and based upon the structure of the Notes. Existing and projected market conditions and any lack of flexibility in the sale of the Notes could be prejudicial to Florida Housing and to the public. Additionally, the structure of the Notes and the current demand for these types of obligations support a private placement.

NOW, THEREFORE, BE IT RESOLVED BY FLORIDA HOUSING:

1. A private placement of the Notes is in the best interest of Florida Housing and the public for the reasons herein described.

2. The private placement of the Notes is to be negotiated by Florida Housing with Citibank, N.A. (hereinafter referred to as the "Note Purchaser").

3. The Notes are to be generally described as follows:

Florida Housing Finance Corporation
Tax-Exempt Multifamily Mortgage Revenue Notes,
2024 Series __ [series to be designated]
(The Residences at Martin Manor).

4. Florida Housing shall negotiate with the Note Purchaser and execute such documents as are necessary to sell the Notes to the Note Purchaser pursuant to this Resolution. Any member of the Board, the Executive Director (or any interim Executive Director), the Chief Financial Officer, 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 private placement of the Notes and to execute a Note purchase agreement, or funding loan agreement, as applicable, upon approval of the terms thereof,

and the execution thereof by an Authorized Signatory shall be conclusive evidence of such approval.

5. The authority to execute the Note purchase agreement or funding loan agreement, as applicable, is predicated upon the Note purchase agreement or funding loan agreement, as applicable, providing for an interest rate on the Notes that would facilitate an interest rate on the Notes not to exceed 10% and the maximum rate authorized under Florida law and would provide for the private placement of the Notes in conformance with the program documents.

6. An Authorized Signatory and 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 issuance and sale of the Notes pursuant to this Resolution and to provide for the use of the proceeds of the Notes contemplated by this Resolution.

7. The award of the Notes pursuant to the terms of this Resolution shall be final without any further action by Florida Housing.

8. This Resolution shall take effect immediately upon adoption.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

ADOPTED this ____ day of _____, 2024.

(SEAL)

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

ATTEST:

Melissa Levy, Assistant Secretary, Florida Housing Finance Corporation's Board of Directors

Ryan Benson, 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 ____ day of _____, 2024, 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 _____, 2024 by Tim Kennedy, Multifamily Loans and Bonds Director of 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

Credit Underwriting Report ("CUR")

The Enclave at Canopy Park

RFA 2022-205 (2023-160BSN / 2022-542C)

Multifamily Mortgage Revenue Bonds ("MMRB"), State Apartment Incentive Loan ("SAIL"), Extremely Low-Income ("ELI") Loan, National Housing Trust Fund ("NHTF") Loan and Non-Competitive Housing Credits ("HC")

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: MMRB, 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

August 12, 2024

The Enclave at Canopy Park

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Section A
Report Summary

Recommendation

AmeriNat® (“AmeriNat”) recommends Florida Housing Finance Corporation (“FHFC” or “Florida Housing”) issue MMRB in the amount of \$16,500,000, a SAIL Loan in the amount of \$7,900,000, an ELI Loan in the amount of \$750,000, a NHTF Loan in the amount of \$1,375,000 and an annual 4% HC allocation in the amount of \$1,523,224 to The Enclave at Canopy Park Partners, LLC (“Applicant”) for the construction and permanent phase financing of The Enclave at Canopy Park (the proposed “Development”).

DEVELOPMENT & SET-ASIDES

Development Name: The Enclave at Canopy Park

RFA/Program Numbers: RFA 2022-205 / 2023-160BSN 2022-542C

Address: 45th Street, intersection of Rio Grande Avenue and 45th Street

City: Orlando Zip Code: 32839 County: Orange County Size: Large

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

Construction Type: Masonry

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

Unit Composition:
of ELI Units: 16 ELI Units Are Restricted to 30% AMI, or less. Total # of units with PBRA? 0
of Link Units: 8 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	5	635	22%			\$398	\$74	\$324		\$324	\$324	\$324	\$19,440
1	1.0	8	635	30%			\$543	\$74	\$469		\$468	\$469	\$469	\$45,024
1	1.0	5	635	50%			\$905	\$74	\$831		\$831	\$831	\$831	\$49,860
1	1.0	19	635	60%			\$1,086	\$74	\$1,012		\$1,012	\$1,012	\$1,012	\$230,736
1	1.0	15	635	80%			\$1,448	\$74	\$1,374		\$1,375	\$1,374	\$1,374	\$247,320
2	2.0	8	920	30%			\$651	\$81	\$570		\$571	\$570	\$570	\$54,720
2	2.0	6	920	50%			\$1,086	\$81	\$1,005		\$1,005	\$1,005	\$1,005	\$72,360
2	2.0	24	920	60%			\$1,303	\$81	\$1,222		\$1,222	\$1,222	\$1,222	\$351,936
2	2.0	14	920	80%			\$1,738	\$81	\$1,657		\$1,658	\$1,657	\$1,657	\$278,376
		104	80,860											\$1,349,772

Please note that the unit sizes shown represent the average square footage for each bedroom size. The actual total square footage for the units is 80,780 as noted in the Plan and Cost Review.

Buildings: Residential - 3 Non-Residential - 0
Parking: Parking Spaces - 127 Accessible Spaces - 5

MMRB, SAIL, ELI, NHTF & HC CREDIT UNDERWRITING REPORT

AMERINAT

Set Asides:	Program	% of Units	# of Units	% AMI	Term (Years)
	SAIL ELI/HC	15.385%	16	30%	99
	SAIL/HC	10.577%	11	50%	99
	SAIL/HC	46.153%	48	60%	99
	SAIL/HC	27.885%	29	80%	99
	MMRB	40.000%	42	60%	99
	NHTF	4.808%	5	22%	99

After the initial 50-year Compliance Period ("Compliance Period) expires, all set-aside units within the Development shall be rented to households who shall have a household income less than or equal to one hundred and twenty percent (120%) of the Area Median Income for a period of forty-nine (49) years ("Ad Valorem Compliance Period"). The Ad Valorem Compliance Period, together with the Compliance Period shall have a term of ninety-nine (99) years (the "Total Compliance Period"). The Applicant will be responsible for compliance monitoring fees for 50 years, which is to be paid to the Servicer, for years 51-99, compliance monitoring will be self-certified by the Applicant to FHFC. The Applicant will also be responsible for the compliance monitoring fee of \$4,900 (\$100 per year) for years 51-99 Ad Valorem Compliance Period, to be paid at closing to FHFC.

Absorption Rate: 25 units per month for 4.0 months.

Occupancy Rate at Stabilization: Physical Occupancy 96.50% Economic Occupancy 96.00%
Occupancy Comments Like kind weighted average occupancy rate is 98.2%

DDA: No QCT: Yes Multi-Phase Boost: No QAP Boost: No
Site Acreage: 3.28 Density: 31.70 units/acre Flood Zone Designation: X
Zoning: R-3 (Multiple-Family Dwelling District) Flood Insurance Required?: No

The Applicant selected Average Income Test; therefore, as required by the RFA 2022-205 ("RFA"), the Applicant must set aside 15% of the total units (16 units) as ELI Set-Aside units at 30% of AMI. Persons with Special Needs Set-Aside Commitment: The proposed Development must set aside fifty percent (50%) of the ELI Set-Aside units (8 units) as Link units for Persons with Special Needs. In order to meet the commitment to set aside ELI units as Link units for Persons with Special Needs, the Applicant must develop and execute a Link Memorandum of Understanding ("MOU") with at least one designated Special Needs Household Referral Agency ("Referral Agency") serving the county and intended population where the Development will be located (Orange County) and rent units to households referred by the Referral Agency with which the MOU is executed. The fully executed MOU was approved by FHFC on July 24, 2024. The Persons with Special Needs set-aside commitment must be maintained throughout 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 fifty percent (50%) requirement for ELI set-aside units (8 units). Therefore, the Development will have a total of thirteen (13) units targeted for Persons with Special Needs (ELI-8 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, was approved by FHFC on December 4, 2023.

DEVELOPMENT TEAM		
Applicant/Borrower:	The Enclave at Canopy Partners, LLC	% Ownership
Manager	The Enclave at Canopy Park Manager, LLC	0.01%
Member	Bank of America, NA and/or its affiliates	99.99%
Construction Completion Guarantor(s):		
CC Guarantor 1:	The Enclave at Canopy Partners, LLC	
CC Guarantor 2:	The Enclave at Canopy Park Manager, LLC	
CC Guarantor 3:	EIS Housing, LLC	
CC Guarantor 4:	Archway Partners, LLC	
CC Guarantor 5:	Christopher Savino	
CC Guarantor 6:	Brett Green	
CC Guarantor 7:	The Enclave at Canopy Park Developer, LLC	
CC Guarantor 8:	Archway EIS, LLC	
Operating Deficit Guarantor(s):		
OD Guarantor 1:	The Enclave at Canopy Partners, LLC	
OD Guarantor 2:	The Enclave at Canopy Park Manager, LLC	
OD Guarantor 3:	EIS Housing, LLC	
OD Guarantor 4:	Archway Partners, LLC	
OD Guarantor 5:	Christopher Savino	
OD Guarantor 6:	Brett Green	
OD Guarantor 7:	The Enclave at Canopy Park Developer, LLC	
OD Guarantor 8:	Archway EIS, LLC	
Bond Purchaser	Public Offering (Construction), Citibank, NA (Permanent)	
Developer:	The Enclave at Canopy Park Developer, LLC	
Principal 1	Archway EIS, LLC	
Principal 2	Christopher Savino & Brett Green	
General Contractor 1:	The Pike Company, Inc. aka Pike Company of New York or Pike Construction Services, Inc.	
Management Company:	WRH Realty Services, Inc.	
Syndicator:	Bank of America, NA and/or its affiliates	
Bond Issuer:	Florida Housing Finance Corporation	
Architect:	FK Architecture, a Fugleberg Koch LLC Company	
Market Study Provider:	Integra Realty Resources	
Appraiser:	Integra Realty Resources	

MMRB, SAIL, ELI, NHTF & HC CREDIT UNDERWRITING REPORT

AMERINAT

PERMANENT FINANCING INFORMATION						
	1st Source	2nd Source	3rd Source	4th Source	5th Source	Other
Lien Position	1	2	3	4	5	
Lender/Grantor	FHFC / Citibank, NA	FHFC-SAIL	FHFC-SAIL ELI	FHFC-NHTF	Orange County - SHIP	
Amount	\$6,750,000	\$7,900,000	\$750,000	\$1,375,000	\$75,000	
Underwritten Interest Rate	6.20%	1.00%	0.00%	0.00%	0.00%	
All In Interest Rate	6.20%	1.00%	0.00%	0.00%	0.00%	
Loan Term	15.5	22.0	30.0	30	0	
Amortization	40	0	0	0	0	
Market Rate/Market Financing LTV	36%	78%	81%	89%	89%	
Restricted Market Financing LTV	56%	122%	128%	140%	140%	
Loan to Cost - Cumulative	19%	42%	44%	48%	48%	
Loan to Cost - SAIL Only		23%				
Debt Service Coverage	1.37	1.15	1.14	1.13	1.13	
Operating Deficit & Debt Service Reserves	\$546,585					
# of Months covered by the Reserves	5.2					

Deferred Developer Fee	\$1,628,843
As-Is Land Value	\$2,080,000
Market Rent/Market Financing Stabilized Value	\$18,900,000
Rent Restricted Market Financing Stabilized Value	\$12,000,000
Projected Net Operating Income (NOI) - Year 1	\$661,072
Projected Net Operating Income (NOI) - 15 Year	\$767,211
Year 15 Pro Forma Income Escalation Rate	2.00%
Year 15 Pro Forma Expense Escalation Rate	3.00%
Bond Structure	Cash-Backed Bonds to Forward Tax-Exempt Debt
Housing Credit (HC) Syndication Price	\$0.94
HC Annual Allocation - Qualified in CUR	\$1,523,224
HC Annual Allocation - Equity Letter of Interest	\$1,577,480

CONSTRUCTION/PERMANENT SOURCES:				
Source	Lender	Construction	Permanent	Perm Loan/Unit
FHFC - MMRB	Publically Offered (const) FHFC/Citibank, NA (perm)	\$16,500,000	\$6,750,000	\$64,904
FHFC - SAIL	FHFC	\$7,900,000	\$7,900,000	\$75,962
FHFC - SAIL ELI	FHFC	\$750,000	\$750,000	\$7,212
FHFC - NHTF	FHFC	\$1,375,000	\$1,375,000	\$13,221
Local Government Subsidy	Orange County-SHIP	\$75,000	\$75,000	\$721
Other	Bond Reinvestment Income	\$1,575,750	\$1,575,750	\$15,151
HC Equity	Bank of America, NA	\$2,224,246	\$14,828,310	\$142,580
HC Equity	Bank of America, NA	\$100,000	\$100,000	\$962
Deferred Costs - Other	ODR	\$546,585	\$0	\$0
Deferred Developer Fee	Developer	\$3,936,322	\$1,628,843	\$15,662
TOTAL		\$34,982,903	\$34,982,903	\$336,374
Cash Collateral Source(s):				
Regulated Mortgage Lender	Bank of America, NA	\$16,500,000		

Credit Underwriter: AmeriNat Loan Services

Date of Final CUR: _____

TDC PU Limitation at Application: \$370,000 TDC PU Limitation at Credit Underwriting: \$400,150

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

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

1. The management company has changed from SPM, LLC to WRH Realty Services, Inc. SPM, Inc. provided its prior experience chart at the time of Application. WRH Realty Services, Inc. has also provided its experience chart.
2. At the time of Application, Citibank, NA ("Citibank") was providing a tax-exempt construction loan in the amount up to \$18,000,000. Bank of America, NA has replaced Citibank and will provide a taxable construction loan in the amount not to exceed \$17,500,000 to cash collateralize the MMRB.

The Applicant's HC Equity provider was initially Raymond James Affordable Housing Investments, Inc. ("RJAH"). RJAH has been replaced by Bank of America, NA and/or its affiliates ("BofA"). BofA will provide total equity amounting to \$14,828,310, which is an increase of \$426,004 from the original \$14,402,306 in equity proceeds noted in the term sheet included as part of the Application.

Per the Invitation to Credit Underwriting issued by FHFC on July 27, 2023, the Applicant was awarded \$1,375,000 in National Housing Trust Fund ("NHTF") funds.

The Applicant has added Orange County Grant funding in the amount of \$75,000 through the State Housing Initiative Partnership ("SHIP") Program. This source was not included as part of the original Application.

The Seller Loan in the amount of \$1,000,000 is no longer being provided.

3. The Applicant submitted a letter dated March 5, 2024 requesting to change the set-asides. FHFC staff approved the requested change on April 9, 2024 as follows:

From:

16 Units @ 30% AMI
16 Units @ 50% AMI
40 Units @ 60% AMI
32 Units @ 80% AMI
104 Units – Average AMI = 60%

To:

16 Units @ 30% AMI
11 Units @ 50% AMI
48 Units @ 60% AMI
29 Units @ 80% AMI
104 Units – Average AMI = 59.90%

4. Total Development Costs have increased from \$33,552,504 to \$34,982,903 for a difference of \$1,430,399 since the Application due to increases in Financial Costs, Developer Fee and Reserves.

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

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

According to the October 18, 2023 Asset Management Noncompliance Report, the Development Team has no noncompliance items.

According to the July 12, 2024, 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. A Market Study performed by Integra Realty Resources-Tampa Bay ("IRR") dated March 7, 2024 concludes that the Development should benefit from the rental rate advantage it will have over market rents. Based on the proposed rents, the Development will have a 60% rental rate advantage compared to the average achievable market rents for the area.
3. The Market Study stated the like-kind comparable properties have a weighted average occupancy rate of 98.0%.

Other Considerations:

1. The Applicant applied to FHFC for an \$18,000,000 allocation of tax-exempt MMRB; however the anticipated MMRB amount is \$16,500,000, which will be underwritten and marketed by RBC Capital Markets ("RBC") via public offering. Funds will be held in cash or Permitted Investments (consisting of Government Obligations or money market funds secured by Government Obligations) that will secure the repayment of the MMRB and will mature on or before the mandatory tender. The release of the MMRB proceeds to fund the acquisition and construction of the Development will be restricted, contingent upon a like sum being funded to the Trustee and placed in the Collateral Fund. The principal and interest of the MMRB will be secured by a cash source, or Permitted Investments at all times until they are fully repaid. The source of MMRB collateral is expected to be a taxable loan provided by Bank of America. The MMRB will pay interest only until the mandatory tender date. A tax-exempt loan from Citibank will serve as the permanent financing for the development and at the time of conversion from construction to permanent phase, the MMRB will be paid down and exchanged for the permanent tax-exempt loan. The MMRB will bear interest at a fixed rate that is payable semiannually. Based on current market conditions, the MMRB interest rate or yield is estimated to be approximately 3.80% assuming a Mandatory Tender Date with an estimated 30-month term.
2. In accordance with RFA, 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 (Garden Apartments-ESSC) (1-3 stories)(New Construction), inclusive of a \$7,500/unit add-on for using tax-exempt bonds per the RFA and an 6.00% escalation rate applied to the base \$370,000 per unit allowable, is \$400,150 per unit. With a total of 104 units, the maximum TDC for the Development is therefore \$41,615,600.00 The TDC per unit as underwritten equals \$309,935.10 . As such, the Development does not exceed the per unit maximum TDC and is eligible for funding as a result.

3. To the underwriter's knowledge, no construction cost exceeding 20% is subcontracted to any one entity.
4. To the underwriter's knowledge, no construction cost shall be subcontracted to any entity that has common ownership or is an Affiliate of the General Contractor or Developer.

Issues and Concerns:

None.

Waiver Requests:

None.

Special Conditions:

1. Completion of the HUD Section 3 pre-construction conference is a condition precedent to loan closing.
2. The Development shall meet the Section 3 requirements of the Housing and Urban Development Act of 1968 as amended (12 U.S.C. 1701u and 24 CFR Part 135) is a condition precedent to loan closing.
3. Receipt of a fully executed Management Agreement is a condition precedent to loan closing.
4. Receipt of bank statements dated 12/31/23 from Pike Construction Services, Inc. is a condition precedent to loan closing.
5. Approval from all lenders involved in the transaction, confirming their approval of the terms of the Ad Valorem Property Tax Exemption is a condition precedent to loan closing.
6. Receipt of the Compliance Monitoring Fee of \$4,900 for Ad Valorem Compliance Period is a condition precedent to loan closing.

Additional Information:

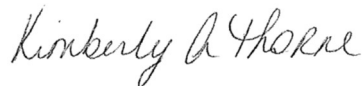
The Applicant has included in the development budget interest on the MMRB at its gross amount, not netted against interest expense, and reflected the entire amount as basis eligible. Interest earnings are reflected as a source of funds (Bond Collateral Interest). AmeriNat has no legal, or tax expertise related to this matter, and AmeriNat has similarly reflected the interest earnings/expense in the Underwriting development budget included herein. It is assumed that this is an allowed treatment per the IRS. The final accounting of the interest earnings/expenses will be determined at cost certification. Any resulting reduction in eligible basis, as with any projected basis eligible item, may result in reduced HC equity available to the transaction. The guarantors reflect satisfactory financial wherewithal to mitigate a potential reduction in HC equity.

Recommendation:

AmeriNat recommends FHFC issue MMRB in the amount of \$16,500,000, fund a SAIL Loan in the amount of \$7,900,000, an ELI Loan in the amount of \$750,000, an NHTF Loan in the amount of \$1,375,000 and an annual 4% HC allocation in the amount of \$1,523,224 to the Applicant for the construction and permanent phase financing of the Development.

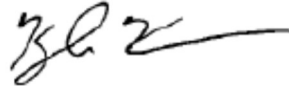
These recommendations are based upon the assumptions detailed in the Report Summary (Section A) and Supporting Information and Schedules (Section C). In addition, these recommendations are subject to the MMRB, SAIL, ELI & NHTF Loan Special and General Closing Conditions and HC Allocation Recommendation 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 - MMRB	FHFC Publically Offered	\$18,000,000	\$16,500,000	\$16,500,000	8.59%	\$1,913,000
FHFC - SAIL	FHFC	\$7,900,000	\$7,900,000	\$7,900,000	0.00%	\$0
FHFC - SAIL ELI	FHFC	\$750,000	\$750,000	\$750,000	0.00%	\$0
FHFC - NHTF	FHFC	\$0	\$1,375,000	\$1,375,000	0.00%	\$0
Seller Loan	Seller	\$1,000,000	\$0	\$0		
Local Government Subsidy	Orange County-SHIP	\$75,000	\$75,000	\$75,000	0.00%	\$0
Other	Bond Reinvestment Income	\$0	\$1,575,750	\$1,575,750		
HC Equity	Bank of America, NA	\$2,880,461	\$2,153,913	\$2,224,246		
Affiliate/Principal	Bank of America, NA	\$0	\$100,000	\$100,000		
Deferred Costs - Other	ODR	\$0	\$591,094	\$546,585		
Deferred Developer Fee	Devel oper	\$4,600,000	\$3,562,159	\$3,936,322		
Total :		\$35,205,461	\$34,582,916	\$34,982,903		\$1,913,000

Cash Collateral Source(s):			
Regulated Mortgage Lender	Bank of America, NA	\$16,500,000	

The Applicant applied to FHFC for an \$18,000,000 allocation of tax-exempt MMRB; however the anticipated MMRB amount is \$16,500,000, which will be underwritten and marketed by RBC Capital Markets ("RBC") via public offering per RBC's Summary of Financing Assumptions dated June 26, 2024. Funds will be held in cash or Permitted Investments (consisting of Government Obligations or money market funds secured by Government Obligations) that will secure the repayment of the MMRB and will mature on or before the mandatory tender. The release of the MMRB proceeds to fund the acquisition and construction of the Development will be restricted, contingent upon a like sum being funded to the Trustee and placed in the Collateral Fund. The principal and interest of the MMRB will be secured by a cash source, or Permitted Investments at all times until they are fully repaid. The source of MMRB collateral is expected to be a taxable loan provided by Bank of America. The Applicant will pay interest only until the paydown and exchange for the permanent tax-exempt loan, of which the MMRB will bear interest at a fixed rate that is payable semiannually. Based on current market conditions, the MMRB interest rate or yield is estimated to be approximately 3.80% assuming a paydown date of an estimated 30-month term.

Proposed Construction Mortgage Loan:

An executed term sheet (the "Term Sheet") issued by Bank of America, N.A. ("BofA") dated May 22, 2024, illustrates the proposed terms of a taxable construction loan to cash collateralize the MMRB issued by FHFC in an amount not to exceed \$17,500,000. The MMRB is underwritten at \$16,500,000. The amount of the construction loan is subject to the lesser of \$17,500,000, 80% of the adjusted loan to value ratio (the sum of a) the appraised value of the land and improvements calculated on a restricted rent income

approach bases plus b) the value of the tax credits), or 85% loan to cost as determined by BofA. The loan will have an initial term of 30 months, plus one six-month extension option available at a charge of 25 basis points (“bps”). Payments of interest only will be required monthly on the outstanding principal balance. The construction loan shall bear interest at a variable rate based on the Daily Secured Overnight Financing Rate (“SOFR”) plus 250 bps. The construction loan interest is calculated based on the SOFR rate of 5.34% (current rate as of July 1st) plus 250 bps, and a 75 bps underwriting cushion for an all-in rate of 8.59%. The Commitment Fee is 0.75% of the loan commitment, payable at closing.

The Annual FHFC Issuer Fee of 24 basis points of the Bonds amount and the Annual Trustee Fee of \$4,500 have been included in the Uses section of the report.

Proposed Second Mortgage Loan - SAIL:

The Applicant applied to Florida Housing for a \$7,900,000 SAIL loan under RFA 2022-205 for the construction/permanent financing of the Development. The SAIL loan total term will be 25 years, including a 36-month construction/stabilization period and a 22-year permanent period, as requested by the Syndicator and allowed by the RFA. 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 unpaid 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 Third Mortgage: FHFC – ELI

The Applicant requested an ELI loan of \$750,000 for the construction/permanent financing of the Development. The ELI loan shall be non-amortizing with a 0.00% 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 through the entire 50-year Compliance Period. The ELI loan total term will be 33 years including a 36-month construction/stabilization period and a 30-year permanent term, as requested by the Syndicator and allowed by the RFA. ELI loan proceeds shall be disbursed during the construction phase in an amount per construction draw which does not exceed the ratio of the ELI loan to Total Development Costs, unless approved by the credit underwriter.

Proposed Fourth Mortgage: FHFC – NHTF

Per an Invitation to Enter Credit Underwriting from FHFC dated July 27, 2023, the Applicant received a preliminary commitment for a NHTF loan of \$1375,000 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 33 years, including a 36-month construction/stabilization period and a 30-year permanent 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 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 Fifth Mortgage – Orange County

The Applicant provided a Florida Housing Finance Corporation Local Government Verification of Contribution-Grant Form from Orange County in the amount of \$75,000 through the SHIP program. The County does not expect to be repaid or reimbursed by the Applicant, or any other entity, provided the funds are expended solely for the Development. The Grant Form was signed by the County Administrator, Byron W. Brooks, on December 22, 2022.

Other Sources:

RBC provided a schedule of projected interest earnings, dated June 26, 2024, to occur during the construction period of the Bond Collateral account. The earnings are based on an anticipated interest rate of 4.58% during the construction term. The account is projected to total \$1,575,750 during the construction period.

HC Equity:

The Applicant provided letter of interest dated May 22, 2024 from Bank of America, NA (“BofA”) that outlines the terms and conditions of the purchase of the HC. BofA or its assigns will provide a net equity investment of \$14,828,310 in exchange for a 99.99% limited partnership ownership interest and a proportionate share of the total HC allocation estimated by BofA to be \$15,774,800. The HC allocation will be syndicated at a rate of approximately \$0.94 per \$1.00 of delivered tax credits. An initial HC equity installment of \$2,224,246 will be available at construction loan closing, which satisfies the 15% RFA requirement.

Affiliate/Principal Source:

Per the BofA letter of interest dated May 22, 2024, the Investor is responsible for the Investor’s transaction expenses up to \$100,000 to be paid in the form of a capital contribution. The Managing Member is responsible for the Investor's expenses that exceed \$100,000.

Deferred Operating Deficit Reserve:

Per the BofA LOI, an Operating Deficit Reserve (“ODR”) in the amount of \$546,585 is required to be funded at permanent loan conversion; therefore, funding the ODR will be deferred during the construction phase.

Deferred Developer Fee:

The Applicant will be required to defer \$3,936,322 or 80.06% of the total developer fee during the construction phase subject to the terms outlined in Section B of this report.

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 - MMRB	FHFC/Citibank, NA	\$6,000,000	\$6,750,000	\$6,750,000	6.20%	40	15.5	\$457,017
FHFC - SAIL	FHFC	\$7,900,000	\$7,900,000	\$7,900,000	1.00%	0	22.0	\$79,000
FHFC - SAIL ELI	FHFC	\$750,000	\$750,000	\$750,000	0.00%	0	30.0	\$0
FHFC - NHTF	FHFC	\$0	\$1,375,000	\$1,375,000	0.00%	0	30.0	\$0
Seller Loan	Seller	\$1,000,000	\$0	\$0				
Local Government Subsidy	Orange County-SHIP	\$75,000	\$75,000	\$75,000	0.00%	0	0.0	\$0
Other	Bond Reinvestment Income	\$0	\$1,575,750	\$1,575,750				
HC Equity	Bank of America, NA	\$14,402,306	\$14,359,423	\$14,828,310				
Affiliate/Principal	Bank of America, NA	\$0	\$100,000	\$100,000				
Deferred Developer Fee	Developer	\$4,700,000	\$1,697,744	\$1,628,843				
Total :		\$34,827,306	\$34,582,917	\$34,982,903				\$536,017

Proposed First Mortgage Loan:

The Applicant provided a Term Sheet (“Term Sheet”), dated June 26, 2024, for an unfunded forward commitment whereby Citibank, N.A. (“Citibank”) will provide a tax-exempt permanent loan amount not to exceed \$6,750,000. According to the Term Sheet the interest rate will be a fixed rate equal to the sum of the 18-year Secured Overnight Financing Rate (“SOFR”) Swap Index (with a floor of 0.75%) plus a spread of 2.40%. Currently, the 18-year SOFR Swap Index is 3.80% (as of July 1st) for an interest rate of 6.20%.

Conversion requirements include 1) 90% physical occupancy of the Development for three consecutive calendar months; 2) minimum 1.15 to 1.00 debt service coverage ratio and 3) 90% of market value based on appraisal approved by Citibank prior to closing, based on restricted rents and inclusive of value of permanent below market financing (if applicable), assuming project rents on 80% or more of the units are discounted to a level at least 10% below market. Otherwise, 85%. The forward commitment term is 30-months plus two as-of-right six-month extensions with a 0.05% fee for each extension.

Subject to Citibank’s underwriting and exit test analysis, Citibank may approve at its sole discretion up to three years where payments are interest only. At the end of the 18.5th year following the Closing Date, mandatory prepayment of the tax-exempt loan will be required in full. Amortization is 40 years, following the interest only period. It should be noted that Rule Chapter 67-21 requires the loan to begin amortizing by month 37 following closing.

Citibank may resize the Permanent Loan at Permanent Loan conversion. However, a positive recommendation from AmeriNat and approval by FHFC’s Board will be required if the permanent loan is sized to an amount greater than the current recommended amount of \$6,750,000.

The Permanent Loan will mature eighteen and one-half (18.5) years following construction loan closing. At maturity, Borrower may satisfy the MMRB 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 MMRB, 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 Bondholder agrees to cancel the MMRB in exchange for an assignment by the Trustee of the mortgage and all other related documents and accounts. The Trustee would cancel the MMRB 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 Bondholder, effectively ending the transaction. Under this scenario, the MMRB 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, Bondholder would then be in position to work with the Borrower to arrive at a resolution without involvement of either FHFC or the Trustee (as the MMRB 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 tax-exempt MMRB balance, subject to a minimum monthly fee of \$243, and an hourly fee of \$204 for extraordinary services; Compliance Monitoring Fees based on \$188 per month plus an additional fee per set-aside unit of \$11.58, subject to a minimum monthly fee of \$295; a Trustee Fee of \$4,500 and an Issuer Fee to be paid annually based on 24 basis points on the outstanding tax-exempt MMRB balance, subject to a minimum fee of \$10,000. Other fees payable at closing are a 1.00% Commitment Fee and \$10,000 Conversion Fee.

Proposed Second Mortgage Loan – SAIL:

The Applicant applied to Florida Housing for a SAIL loan of \$7,900,000 under RFA 2022-205 for the construction/permanent financing of the Development. The SAIL loan will have a total term of 25 years, including a 36-month construction/stabilization period and a 22-year permanent period, as requested by the Syndicator and allowed by the RFA. The 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 unpaid 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 \$964 per month, subject to a minimum of \$243 per month and an annual Compliance Monitoring Multiple Program Fee of \$1,054.

Proposed Third Mortgage Loan – ELI:

The Applicant requested an ELI loan of \$750,000 for the construction/permanent financing of the Development. The ELI loan shall be non-amortizing with a 0.00% 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 33 years including a 36-month construction/stabilization period and a 30-year permanent period, as requested by the Syndicator and allowed by the RFA. 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 \$964 per month, subject to a minimum of \$243 per month and an annual Compliance Monitoring Multiple Program Fee of \$1,054.

Proposed Fourth Mortgage Loan – NHTF:

Per an Invitation to Enter Credit Underwriting from FHFC dated July 27, 2023, the Applicant received a preliminary commitment for an NHTF loan of \$1,375,000 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 33 years, including a 36-month construction/stabilization period and a 30-year permanent 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 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 \$964 per month, subject to a minimum of \$243 per month and an annual Compliance Monitoring Multiple Program Fee of \$1,054.

Proposed Fifth Mortgage – Orange County

The Applicant provided a Florida Housing Finance Corporation Local Government Verification of Contribution-Grant Form from Orange County in the amount of \$75,000 through the SHIP program. The County does not expect to be repaid or reimbursed by the Applicant, or any other entity, provided the funds are expended solely for the Development. The Grant Form was signed by the County Administrator, Byron W. Brooks, on December 22, 2022.

Other Sources:

RBC provided a schedule of projected interest earnings to occur during the construction period of the Bond Collateral account. The earnings are based on an anticipated interest rate of 4.58% during the construction term. The account is projected to total \$1,575,750 during the construction period, which will serve as a source during the permanent phase.

HC Equity:

According to the letter of intent, BofA will purchase a 99.99% interest in the limited partnership at loan closing at a syndication rate of \$0.94 per dollar of HC for a total net HC equity investment of \$14,828,310 to be paid as follows:

Capital Contributions	Amount	Percent of Total	Due upon
1st Installment	\$2,224,246	15.00%	Loan Closing
2nd Installment	\$5,189,908	35.00%	100% Construction Completion
3rd Installment	\$7,117,589	48.00%	Conversion and Stabilization
4th Installment	\$296,567	2.00%	Receipt of Form 8609
Total:	\$14,828,310	100%	

Annual Credits Per Syndication Agreement	\$1,577,480
Total Credits Per Syndication Agreement	\$15,774,800
Calculated HC Rate:	\$0.94
Limited Partner Ownership Percentage	99.99%
Proceeds During Construction	\$2,224,246

Affiliate/Principal Source:

Per the BofA letter of interest dated May 22, 2024, the Investor is responsible for the Investor's transaction expenses up to \$100,000 to be paid in the form of a capital contribution.

Deferred Developer Fee:

The Applicant will be required to permanently defer \$1,628,843 or 33.13% of the total Developer Fee after stabilization subject to the terms outlined in Section B of this report.

Uses of Funds

CONSTRUCTION COSTS:	Applicant Costs	Revised Applicant Costs	Underwriters Total Costs - CUR	Cost Per Unit	HC Ineligible Costs - CUR
Accessory Buildings	\$357,370	\$0	\$0	\$0	\$0
New Rental Units	\$15,679,180	\$13,584,115	\$13,552,004	\$130,308	\$52,000
Site Work	\$2,000,000	\$2,419,894	\$2,494,894	\$23,989	\$217,790
Constr. Contr. Costs subject to GC Fee	\$18,036,550	\$16,004,009	\$16,046,898	\$154,297	\$269,790
General Conditions	\$0	\$960,240	\$962,813	\$9,258	\$0
Overhead	\$0	\$320,080	\$320,937	\$3,086	\$0
Profit	\$2,475,085	\$960,240	\$962,813	\$9,258	\$0
General Liability Insurance	\$0	\$88,023	\$86,653	\$833	\$0
Payment and Performance Bonds	\$127,848	\$220,855	\$223,051	\$2,145	\$0
Total Construction Contract/Costs	\$20,639,483	\$18,553,447	\$18,603,165	\$178,877	\$269,790
Hard Cost Contingency	\$1,007,713	\$927,672	\$930,158	\$8,944	\$0
FF&E paid outside Constr. Contr.	\$150,000	\$200,000	\$200,000	\$1,923	\$0
Total Construction Costs:	\$21,797,196	\$19,681,119	\$19,733,323	\$189,743	\$269,790

Notes to Actual Construction Costs:

1. A Standard Form of Agreement Between the 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 \$18,603,165 (the "Construction Contract") has been provided. The Construction Contract was entered into as of June 14, 2024 and is executed by the Applicant and Pike Construction Services, Inc. ("General Contractor"). It indicates construction completion within 395 calendar days from the date of commencement. The Construction Contract indicates retainage of ten percent (10%) will be withheld until 50% of the work is complete based on the Schedule of Values, at which point five percent (5%) shall be withheld until final, 100% lien-free completion.
2. A 5% hard cost contingency was utilized by AmeriNat and is the maximum permitted by the RFA 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 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 Chapter 67-21.
4. The General Contractor will secure a Payment and Performance Bond to secure the Construction Contract and an estimate of its cost is included in the Schedule of Values of the Construction Contract.
5. FF&E Paid outside of the Construction Contract consists of common area furniture, outdoor furniture/equipment/playground equipment, and certain security fixtures and equipment not already included in the Construction Contract.
6. New Rental Units includes \$52,000 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.
7. There are no allowances listed in the construction contract.

MMRB, SAIL, ELI, NHTF & HC CREDIT UNDERWRITING REPORT

AMERINAT

GENERAL DEVELOPMENT COSTS:	Applicant Costs	Revised Applicant Costs	Underwriters Total Costs - CUR	Cost Per Unit	HC Ineligible Costs - CUR
Accounting Fees	\$50,000	\$75,000	\$75,000	\$721	\$5,000
Appraisal	\$6,500	\$12,400	\$12,400	\$119	\$0
Architect's and Planning Fees	\$350,000	\$450,000	\$343,140	\$3,299	\$0
Architect's Fee - Landscape	\$0	\$0	\$10,700	\$103	\$0
Architect's Fee - Supervision	\$100,000	\$0	\$75,460	\$726	\$0
Building Permits	\$132,594	\$122,347	\$122,347	\$1,176	\$0
Builder's Risk Insurance	\$139,669	\$176,791	\$176,791	\$1,700	\$0
Engineering Fees	\$75,000	\$102,100	\$102,100	\$982	\$0
Environmental Report	\$7,500	\$15,000	\$15,000	\$144	\$0
FHFC Administrative Fees	\$139,391	\$137,498	\$137,091	\$1,318	\$137,091
FHFC Application Fee	\$3,000	\$3,000	\$3,000	\$29	\$3,000
FHFC Credit Underwriting Fee	\$30,000	\$32,302	\$32,302	\$311	\$32,302
FHFC Compliance Fee	\$225,000	\$0	\$4,900	\$47	\$4,900
Impact Fee	\$208,000	\$0	\$206,960	\$1,990	\$0
Lender Inspection Fees / Const Admin	\$30,000	\$50,000	\$50,000	\$481	\$0
Green Building Cert. (LEED, FGBC, NAHB)	\$0	\$34,780	\$34,780	\$334	\$0
Insurance	\$31,200	\$52,000	\$52,000	\$500	\$0
Legal Fees - Organizational Costs	\$496,000	\$265,000	\$265,000	\$2,548	\$68,750
Market Study	\$3,500	\$4,800	\$4,800	\$46	\$4,800
Marketing and Advertising	\$40,000	\$40,000	\$40,000	\$385	\$40,000
Plan and Cost Review Analysis	\$5,000	\$5,850	\$5,850	\$56	\$0
Soil Test	\$10,000	\$10,000	\$10,000	\$96	\$0
Survey	\$10,000	\$10,000	\$10,000	\$96	\$0
Title Insurance and Recording Fees	\$131,896	\$125,064	\$125,064	\$1,203	\$12,235
Utility Connection Fees	\$576,160	\$576,160	\$576,160	\$5,540	\$0
Soft Cost Contingency	\$107,068	\$94,556	\$124,542	\$1,198	\$0
Total General Development Costs:	\$2,907,478	\$2,394,648	\$2,615,387	\$25,148	\$308,078

Notes to the General Development Costs:

1. FHFC Administrative Fee is based upon a fee of 9% of the annual HC allocation recommendation made herein.
2. FHFC Credit Underwriting Fee includes the MMRB Credit Underwriting Fee (\$16,489), multiple program fees for SAIL/ELI, NHTF and 4% HC (\$5,146 each), and a \$375 credit reporting fee.
3. Impact Fees are net fees provided by the Applicant and based on the Orange County Fee Schedule.
4. 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 Moran, and construction loan administration for draw processing.
5. The Applicant provided an executed agreement for NGBS National Green Building Standard Certification ("NGBS") between the Applicant and Two Trails, Inc.
6. A soft cost contingency of 5.00% 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 and Rule Chapters 67-21 and 67-48.

7. FHFC Compliance Fee of \$4,900 is based on \$100 per year for years 51-99 Ad Valorem Compliance Period.
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	\$165,000	\$123,750	\$123,750	\$1,190	\$0
Construction Loan Closing Costs	\$50,000	\$0	\$0	\$0	\$0
Construction Loan Interest	\$1,501,500	\$2,054,250	\$1,913,000	\$18,394	\$513,563
Permanent Loan Commitment Fee	\$180,000	\$67,500	\$67,500	\$649	\$67,500
Permanent Loan Closing Costs	\$192,750	\$10,000	\$10,000	\$96	\$10,000
FHFC Bond Trustee Fee	\$0	\$0	\$11,250	\$108	\$11,250
FHFC Bond Cost of Issuance	\$0	\$229,875	\$273,248	\$2,627	\$273,248
FHFC Bond Interest	\$0	\$1,575,750	\$1,575,750	\$15,151	\$735,350
SAIL Commitment Fee	\$0	\$79,000	\$79,000	\$760	\$79,000
SAIL-ELI Commitment Fee	\$0	\$7,500	\$7,500	\$72	\$7,500
Misc Loan Application Fee	\$0	\$5,000	\$5,000	\$48	\$5,000
Misc Loan Interest	\$0	\$137,289	\$137,289	\$1,320	\$137,289
Legal Fees - Financing Costs	\$0	\$546,500	\$546,500	\$5,255	\$305,100
Placement Agent/Underwriter Fee	\$0	\$102,875	\$102,875	\$989	\$102,875
Initial TEFRA Fee	\$0	\$0	\$1,000	\$10	\$1,000
Other: Perm Loan Due Diligence	\$0	\$15,000	\$15,000	\$144	\$15,000
Other: FHFC Bond Issuer Fee	\$0	\$0	\$99,000	\$952	\$99,000
Total Financial Costs:	\$2,089,250	\$4,954,289	\$4,967,662	\$47,766	\$2,362,675
Dev. Costs before Acq., Dev. Fee & Reserves	\$26,793,924	\$27,030,056	\$27,316,372	\$262,657	\$2,940,543

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. The Construction Loan Interest is supported by the Construction Loan terms illustrated in the LOI's provided by the construction lenders, the duration of construction referenced in the Construction Contract and the resultant calculation completed by AmeriNat through the use of a construction draw schedule provided by the Applicant.
3. The FHFC Bond Cost of Issuance includes fees and expenses of the Issuer, Real Estate Counsel closing costs for MMRB, SAIL, ELI and NHTF Loans, Bond Counsel, Disclosure Counsel and other fees.
4. FHFC Bond Interest is reflective of the entire bond amount outstanding for the 30-month construction/stabilization period based on an interest rate of 3.80% which is consistent with current market conditions.
5. The Trustee Fee During Construction represents 2.5 years of the annual Trustee Fee of \$4,500 during the construction period.
6. The FHFC Bond Issuer Fee represents two years of the annual Issuer Fee of 24 basis points on the total MMRB amount during construction.

7. The SAIL and ELI Commitment Fees represent 1.00% of each respective loan amount.
8. 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	\$4,758,580	\$4,849,142	\$4,916,946	\$47,278
Total Other Development Costs:	\$4,758,580	\$4,849,142	\$4,916,946	\$47,278	\$0

Notes to the Developer Fee on Non-Acquisition 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 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 Acquisition Cost	\$2,000,000	\$2,000,000	\$2,000,000	\$19,231
Total Acquisition Costs:	\$2,000,000	\$2,000,000	\$2,000,000	\$19,231	\$2,000,000

Notes to Land Acquisition Costs:

1. A Contract for Purchase and Sale of Real Property (“PSA”) was provided, dated December 19, 2022, between The Enclave at Canopy Park, LLC (“Seller”) and the Applicant for the purchase of the Development site in the amount of \$2,000,000. The closing date is December 31, 2023. This is not an arm’s length transaction.
2. A First Amendment to the PSA was provided, dated December 25, 2023, extending the closing date to December 31, 2024.
3. A Second Amendment to the PSA was provided, dated April 1, 2024, changing the closing date to September 1, 2024.
4. An Appraisal performed by Integra Realty Resources-Tampa Bay (“IRR”) dated July 3, 2024 identifies an “As-Is” market value of the real estate to be \$2,080,000, 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	\$591,094	\$546,585	\$5,256
Reserves - Start-Up/Lease-up Expenses	\$0	\$125,000	\$125,000	\$1,202	\$125,000
Other: Insurance Escrow	\$0	\$78,000	\$78,000	\$750	\$78,000
Total Reserve Accounts:	\$0	\$794,094	\$749,585	\$7,208	\$749,585

Notes to Reserve Accounts

1. Operating Deficit Reserve (“ODR”) is based on the requirements of BofA and equates to approximately six 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 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 remains 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.

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.

TOTAL DEVELOPMENT COSTS	Applicant Costs	Revised Applicant Costs	Underwriters Total Costs - CUR	Cost Per Unit	HC Ineligible Costs - CUR
TOTAL DEVELOPMENT COSTS:	\$33,552,504	\$34,673,292	\$34,982,903	\$336,374	\$5,690,128

Notes to Total Development Costs:

1. Total Development Costs have increased from \$33,552,504 to \$34,982,903 for a difference of \$1,430,399 since the Application due to increases in Financial Costs, Developer Fee and Reserves.
2. In accordance with RFA, 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 (Garden Apartments-ESSC) (1-3 stories)(New Construction), inclusive of a \$7,500/unit add-on for using tax-exempt bonds per the RFA and an 6.00% escalation rate applied to the base \$370,000 per unit allowable, is \$400,150 per unit. With a total of 104 units, the maximum TDC for the Development is therefore \$41,615,600.00 The TDC per unit as underwritten equals\$309,935.75 As such, the Development does not exceed the per unit maximum TDC and is eligible for funding as a result.

OPERATING PRO FORMA

FINANCIAL COSTS:		Year 1	Year 1 Per Unit
OPERATING PRO FORMA			
INCOME:	Gross Potential Rental Income	\$1,349,772	\$12,979
	Other Income		\$0
	Ancillary Income	\$13,376	\$129
	Washer/Dryer Rentals	\$28,080	\$270
	Gross Potential Income	\$1,391,228	\$13,377
	Less:		
	Physical Vac. Loss Percentage: 4.00%	\$55,649	\$535
	Collection Loss Percentage: 0.50%	\$6,956	\$67
Total Effective Gross Income	\$1,328,623	\$12,775	
EXPENSES:	Fixed:		
	Real Estate Taxes	\$0	\$0
	Insurance	\$156,000	\$1,500
	Variable:		
	Management Fee Percentage: 5.00%	\$66,431	\$639
	General and Administrative	\$57,200	\$550
	Payroll Expenses	\$166,400	\$1,600
	Utilities	\$101,400	\$975
	Marketing and Advertising	\$7,800	\$75
	Maintenance and Repairs/Pest Control	\$60,320	\$580
	Grounds Maintenance and Landscaping	\$20,800	\$200
	Reserve for Replacements	\$31,200	\$300
	Total Expenses	\$667,551	\$6,419
Net Operating Income	\$661,072	\$6,356	
Debt Service Payments			
First Mortgage - FHFC/Citibank	\$457,017	\$4,394	
Second Mortgage - FHFC SAIL	\$79,000	\$760	
Third Mortgage - FHFC SAIL ELI	\$0	\$0	
Fourth Mortgage - FHFC NHTF	\$0	\$0	
Fifth Mortgage - Orange County - SHIP	\$0	\$0	
First Mortgage Fees - FHFC/Citibank	\$27,156	\$261	
Second Mortgage Fees - FHFC SAIL	\$12,622	\$121	
Third Mortgage Fees - FHFC SAIL ELI	\$3,970	\$38	
Fourth Mortgage Fees - FHFC NHTF	\$4,492	\$43	
Fifth Mortgage Fees - Orange County - SHIP	\$0	\$0	
Total Debt Service Payments	\$584,257	\$5,618	
Cash Flow after Debt Service	\$76,815	\$739	
Debt Service Coverage Ratios			
DSC - First Mortgage plus Fees		1.37x	
DSC - Second Mortgage plus Fees		1.15x	
DSC - Third Mortgage plus Fees		1.14x	
DSC - Fourth Mortgage plus Fee		1.13x	
DSC - Fifth Mortgage plus Fees		1.13x	
DSC - All Mortgages and Fees		1.13x	
Financial Ratios			
Operating Expense Ratio		50.24%	
Break-even Economic Occupancy Ratio (all debt)		90.20%	

Notes to the Operating Pro forma and Ratios:

1. The MMRB program does not impose any rent restrictions. However, in conjunction with the MMRB, the Development will be utilizing Housing Credits, SAIL, ELI, & NHTF which will impose rent restrictions. Overall, the appraiser confirmed the maximum Housing Credit and NHTF rents for 2024 as published on FHFC’s website are achievable. Utility allowances were derived from a Utility Allowance Study prepared by Matern Professional Engineering, Inc. and approved by FHFC staff on March 5, 2024. A rent roll for the Development property is illustrated in the following table:

Orlando-Kissimmee-Sanford MSA (Orange 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	635	22%			\$398	\$74	\$324		\$324	\$324	\$324	\$19,440
1	1.0	8	635	30%			\$543	\$74	\$469		\$468	\$469	\$469	\$45,024
1	1.0	5	635	50%			\$905	\$74	\$831		\$831	\$831	\$831	\$49,860
1	1.0	19	635	60%			\$1,086	\$74	\$1,012		\$1,012	\$1,012	\$1,012	\$230,736
1	1.0	15	635	80%			\$1,448	\$74	\$1,374		\$1,375	\$1,374	\$1,374	\$247,320
2	2.0	8	920	30%			\$651	\$81	\$570		\$571	\$570	\$570	\$54,720
2	2.0	6	920	50%			\$1,086	\$81	\$1,005		\$1,005	\$1,005	\$1,005	\$72,360
2	2.0	24	920	60%			\$1,303	\$81	\$1,222		\$1,222	\$1,222	\$1,222	\$351,936
2	2.0	14	920	80%			\$1,738	\$81	\$1,657		\$1,658	\$1,657	\$1,657	\$278,376
		104	80,860											\$1,349,772

Note: The Applicant intends to have a non-revenue manager unit at the Development.

2. A 4.50% total economic vacancy rate and collection loss was concluded by the appraisal and was relied upon by AmeriNat for underwriting purposes.
3. Ancillary Income is comprised of income related to multifamily operations in the form of vending income, late charges, pet deposits, forfeited security deposits, etc.
4. The Development will provide washers/dryers to the tenants with an option to lease at \$45 per month; IRR estimated a 50% utilization rate.
5. Real Estate Tax expense is based on the Applicant’s plan to apply for the 100% Ad Valorem Property Tax Exemption passed by H.B. 7073. Beginning in 2026, the property must apply to Orange County Property Appraiser by March 1st of the tax year. Applying for this exemption requires a 99-year Total Compliance Period with annual certifications. If the property fails to provide affordable housing under the agreement before the end of the agreement term, there will be a penalty that is equal to 100% of the total amount financed by Florida Housing multiplied by each year remaining in the agreement.

AmeriNat is to receive approval from all lenders involved in the transaction, confirming they approve these terms. Approval from all lenders is a condition precedent to loan closing and listed in Special Conditions.

6. AmeriNat utilized an estimate of \$1,500 per unit for insurance, which is consistent with the appraisal. The figure is more than the insurance expenses for restricted rent comparables presented by the appraiser, which ranged from \$515 to \$938 per unit. However, the appraiser estimates a higher per unit cost based on the Applicant quotes received and noted a trend to rising insurance costs in Florida,

especially in coastal areas. The Development will be located in flood zone "X". Zone "X" is an area outside of the 100-year flood plain which does not require flood insurance.

7. The Applicant submitted a Draft Management Agreement between the Applicant and WRH Realty Services, Inc., which provides for monthly compensation in the amount \$4,500 or 5.00% of the gross revenue actually collected. AmeriNat utilized the 5.00% rate, which is slightly less than the appraisal rate of 5.03% based on the dollar amount utilized in the appraisal.
8. Replacement Reserves are budgeted at \$300 per unit per year, which meets the RFA and Rules 67-48 and 67-21 minimum requirement.
9. Based upon an estimated Net Operating Income ("NOI") of \$661,072 for the proposed Development's initial year of stabilized operations; the first mortgage loan plus fees can be supported by operations at a 1.37x to 1.00 DSC. The combined amount of the first and second mortgage SAIL loan plus fees can be supported by operations at a 1.15x to 1.00 DSC, and all debt and fees can be supported by operations at 1.13x to 1.00 DSC.
10. A 15-year Operating Pro forma attached hereto as Exhibit 1 reflects rental income increasing at an annual rate of 2% and expenses increasing at an annual rate of 3%.
11. The Break-even Economic Occupancy Ratio includes all debt; however, interest payments on the SAIL loan are based on available cash flow. This ratio would improve to 84.98% if this interest payment was not included.

Section B

**MMRB, 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 MMRB pricing and/or 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. 1701u and 24 CFR Part 75).
3. Receipt of a fully executed Management Agreement.
4. Receipt of bank statements dated 12/31/23 from Pike Construction Services, Inc.
5. Approval from all lenders involved in the transaction, confirming their approval of terms of the Ad Valorem Property Tax Exemption.
6. Receipt of the Compliance Monitoring Fee of \$4,900 for Ad Valorem Compliance Period.

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 MMRB pricing and/or closing date of the loans.

1. Borrower is to comply with any and all recommendations noted in the Plan and Cost Review prepared by Moran Construction Consultants, LLC.
2. Building permits and any other necessary approvals and permits (e.g., final site plan approval, water management district, Department of Environmental Protection, Army Corps of Engineers, Department of Transportation, etc.). An acceptable alternative to this requirement is receipt and satisfactory review of a letter from the local permitting and approval authority stating that the above referenced permits and approvals will be issued upon receipt of applicable fees (with no other conditions), or evidence of 100% lien-free completion, if applicable. If a letter is provided, copies of all permits will be required as a condition of the first post-closing draw.
3. Final sources and uses of funds itemized by source and line item, in a format and in amounts approved by the Servicer. A detailed calculation of the construction interest based on the final draw schedule (see below), documentation of the closing costs, and draft loan closing statement must also be provided. The 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. 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, ELI, & NHTF 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 LPA 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. An Operating Deficit Reserve ("ODR") in the collective amount of approximately six months of operating expenses and debt service will be permitted within the Applicant's budget, unless the credit underwriter deems a larger reserve is necessary. The calculation of Developer Fee will be exclusive of the budgeted ODR and any ODR "proposed or required by a limited partner or other lender" in excess of the amount of the ODR deemed satisfactory by the credit underwriter will be a subset of Developer Fee. At the end of the compliance period, any remaining balance of the ODR less amounts that may be permitted to be drawn (which includes Deferred Developer Fee and reimbursements for authorized member/partner and guarantor loan(s) pursuant to the operating/partnership agreement), will be used to pay FHFC loan debt; if there is no FHFC loan debt on the proposed Development at the end of the compliance period, any remaining balance shall be used to pay any outstanding FHFC fees. If any balance is remaining in the ODR after the payments above, the amount should be placed in a Replacement Reserve account for the Development. In no event shall the payments of amounts to the Applicant or the Developer from the Reserve Account cause the Developer Fee or General Contractor Fee to exceed the applicable percentage limitations provided for in Rule 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 MMRB pricing and/or closing date of the loans.

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 MMRB, 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 MMRB, SAIL, ELI, & NHTF 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 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 MMRB, 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 2022-205, and any other applicable State and Federal requirements.
2. Acceptance by the Borrower and execution of all documents evidencing and securing the MMRB, 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. MMRB Loan – All amounts necessary to complete construction/rehabilitation, must be deposited with the Trustee 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 MMRB 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 permanent First Mortgage 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.
5. 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 and SAIL 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. If applicable, receipt and satisfactory review of Financial Statements from all Guarantors dated within 90 days of Real Estate Closing.
7. Guarantors to provide the standard Florida Housing Construction Completion Guaranty; to be released upon lien-free completion as approved by the Servicer.

8. Guarantors are to provide the standard Florida Housing Environmental Indemnity Guaranty.
9. Guarantors are to provide the standard Florida Housing Guaranty of Recourse Obligations.
10. A mortgagee title insurance policy naming Florida Housing as the insured in the amount of the MMRB, 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.
11. Property tax and hazard insurance escrow are to be established and maintained by the First Mortgagee, the 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 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 Trustee, 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 \$31,200 (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. Moran Construction Consultants, LLC or other construction inspector acceptable to Florida housing is to 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. Retainage will not be released until successful completion of construction and issuance of all certificates of occupancy. Under terms of the construction contract, a minimum of 10% retainage holdback on all construction draws until the Development is 50% complete and thereafter 5% will be withheld until final, 100% lien free completion, as required per the Construction Contract. This meets the RFA and Rules 67-21 and 67-48 minimum requirement.
15. Satisfactory completion of a pre-loan closing compliance audit conducted by Florida Housing or Servicer, if applicable.

16. Closing of all funding sources simultaneous with or prior to closing of the MMRB, SAIL, ELI & NHTF loans.

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

Housing Credit Allocation Recommendation

AmeriNat recommends an annual Housing Credit allocation in the amount of \$1,523,224 for the construction and permanent financing of the Development. 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 MMRB, SAIL, ELI & NHTF loans.
2. Moran Construction Consultants. LLC 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.

The Enclave at Canopy Park
RFA 2022-205 (2023-160BSN / 2022-542C)
DESCRIPTION OF FEATURES AND AMENITIES

A. The Development will consist of:

104 Garden Apartments located in 3 residential buildings

Unit Mix:

Fifty-two (52) one bedroom/one bath units:

Fifty-two (52) two bedroom/two bath units;

104 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.

c. 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.

HC Allocation Calculation

Section I – Qualified Basis Calculation

Total Development Cost	\$34,982,903
Less Land Costs	\$2,000,000
Less Other Ineligible Costs	\$3,690,128
Total Eligible Basis	\$29,292,775
Applicable Fraction	100%
DDA/QCT Basis Credit, if applicable	130%
Qualified Basis	\$38,080,608
Housing Credit Percentage (Federal allocation)	4.00%
Annual Housing Credit Allocation	\$1,523,224

Notes to the Eligible Basis Calculation:

1. “Other Ineligible Costs” include, but are not limited to, site work, accounting fees, legal fees, market study, Florida Housing compliance, administrative, application, and underwriting fees, marketing/advertising fees, various fees associated with the SAIL, ELI and NHTF funding, a portion of construction loan interest, permanent loan related costs, FHFC Bond cost of issuance costs, land 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)	\$34,982,903
Less Mortgages	\$16,850,000
Equity Gap	\$18,132,903
HC Percentage to Investment Partnership	99.99%
HC Syndication Pricing	\$0.94
HC Required to meet Equity Gap	\$19,290,325
Annual HC Required	\$1,929,033

Notes to the Gap Calculation:

1. Mortgages include a first MMRB mortgage from Citibank, second, third and fourth mortgages to be provided by FHFC, and a fifth mortgage to be provided by Orange County.

2. The HC Syndication Pricing and Percentage to the Investment Partnership are based upon the LOI from BofA dated May 22, 2024. Please note that the actual HC Syndication Pricing is \$0.9400938826.

Section III – Summary

HC Per Qualified Basis	\$1,523,224
HC Per GAP Calculation	\$1,929,033
Annual HC Recommended	\$1,523,224
HC Proceeds Recommended	\$14,318,304

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	\$29,292,775
Plus: Land Cost	\$2,000,000
Equals Aggregate Basis	\$31,292,775
Tax Exempt Bond Amount	\$16,500,000
Tax Exempt Proceeds Used for Building and Land	\$16,500,000
Tax Exempt Proceeds as a Percentage of Aggregate Basis	52.73%

Notes to the Tax Credit 50% Test:

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

MMRB, SAIL, ELI, NHTF & HC CREDIT UNDERWRITING REPORT

DEVELOPMENT NAME: The Enclave at Canopy Park
DATE: August 12, 2024

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.	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.	

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.	2-6

NOTES AND DEVELOPER RESPONSES:

1. Receipt of a fully executed Management Agreement is a condition precedent to loan closing.
2. Completion of the HUD Section 3 pre-construction conference is a condition precedent to loan closing.
3. The Development shall meet the Section 3 requirements of the Housing and Urban Development Act of 1968 as amended (12 U.S.C. 1701u and 24 CFR Part 135) is a condition precedent to loan closing.
4. Receipt of bank statements dated 12/31/23 from Pike Construction Services, Inc. is a condition precedent to loan closing.
5. Approval from all lenders involved in the transaction, confirming their approval of the terms of the Ad Valorem Property Tax Exemption is a condition precedent to loan closing.
6. Receipt of the Compliance Monitoring Fee of \$4,900 for Ad Valorem Compliance Period is a condition precedent to loan closing.

**FLORIDA HOUSING FINANCE CORPORATION
AUTHORIZATION RESOLUTION
THE ENCLAVE AT CANOPY PARK**

RESOLUTION NO. _____

A RESOLUTION AUTHORIZING THE ISSUANCE OF THE MULTIFAMILY MORTGAGE REVENUE BONDS AND/OR NOTES, 2024 SERIES _____ [ONE OR MORE SERIES OR SUBSERIES TO BE DESIGNATED] (THE ENCLAVE AT CANOPY PARK) OF THE FLORIDA HOUSING FINANCE CORPORATION (“FLORIDA HOUSING”); PROVIDING FOR A MAXIMUM AGGREGATE PRINCIPAL AMOUNT OF THE MULTIFAMILY MORTGAGE REVENUE BONDS AND/OR NOTES, 2024 SERIES _____ [ONE OR MORE SERIES OR SUBSERIES TO BE DESIGNATED] (THE ENCLAVE AT CANOPY PARK); APPROVING THE PREPARATION, EXECUTION AND DELIVERY OF ONE OR MORE TRUST INDENTURES AND/OR FUNDING LOAN AGREEMENTS WITH A CORPORATE TRUSTEE AND/OR FISCAL AGENT NAMED THEREIN AND ONE OR MORE LOAN AGREEMENTS, FINANCING AGREEMENTS AND/OR PROJECT LOAN AGREEMENTS BETWEEN FLORIDA HOUSING AND THE BORROWER NAMED THEREIN; AUTHORIZING ONE OR MORE LOANS MADE PURSUANT TO ONE OR MORE LOAN AGREEMENTS, FINANCING AGREEMENTS AND/OR PROJECT LOAN AGREEMENTS TO THE BORROWER NAMED THEREIN; AUTHORIZING THE PREPARATION, EXECUTION AND DELIVERY OF ALL DOCUMENTS NECESSARY FOR THE ISSUANCE AND SALE OF THE BONDS AND/OR NOTES, INCLUDING, BUT NOT LIMITED TO, A BOND PURCHASE AGREEMENT AND A PRELIMINARY AND A FINAL OFFICIAL STATEMENT; AUTHORIZING ALL ACTIONS NECESSARY FOR FINAL APPROVAL OF THE ISSUANCE AND SALE OF THE BONDS AND/OR NOTES AND THE FINANCING OF THE ENCLAVE AT CANOPY PARK 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”). Florida Housing is authorized

by the Act to issue its bonds, debentures, notes or other evidence 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 Bonds and/or Notes, 2024 Series _____ [one or more series or subseries to be designated] (The Enclave at Canopy Park), as tax-exempt or taxable bonds and/or notes (the “Bonds”), for the purpose of making one or more loans to The Enclave at Canopy Partners, LLC, together with its predecessors, successors, assigns, affiliates and/or related entities (the “Borrower”), to finance the acquisition, new construction and equipping of an approximately 104-unit multifamily residential rental development named The Enclave at Canopy Park located in Orlando, Orange County, Florida (the “Property”); provided that the maximum aggregate principal amount of the Bonds shall not exceed (a) \$16,500,000 or (b) such greater maximum aggregate principal amount of the Bonds which, at the time of issuance, does not exceed a maximum aggregate principal amount which would result in a debt service coverage ratio for the Bonds, as reflected in the Credit Underwriter Confirmation (as defined below), of less than 1.00x (subject to receipt of private activity bond allocation being made available for the tax-exempt Bonds and compliance with Section 147(f) of the Internal Revenue Code of 1986, as amended); 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) that a significant number of low, moderate or middle income persons in the State of Florida are subject to hardship finding or obtaining reasonably accessible decent, safe and sanitary residential housing; and

(2) that private enterprise, unaided, is not meeting and cannot reasonably be expected to meet, the need for such residential housing; and

(3) that the need for such residential housing will be alleviated by the financing of the Property; and

WHEREAS, Florida Housing is desirous of taking all action necessary to give final approval for the financing of the Property as described in the Credit Underwriting Report (as defined below) and to issue the Bonds in compliance with the Act and other applicable provisions of State law;

NOW THEREFORE, it is hereby ascertained, determined and resolved:

1. The Property is hereby given final approval for financing on the terms and conditions as described in the Credit Underwriting Report for the Property prepared by AmeriNat (the “Credit Underwriter”), presented to and approved by the Board on this date (the “Credit Underwriting Report”), with such deviations as an Authorized Signatory (as defined below), in consultation with the staff of Florida Housing, Bond Counsel and/or Special Counsel to Florida Housing, may approve. Execution of one or more trust indentures and/or funding loan agreements and one or more loan agreements and/or financing agreements, each as described below, by an Authorized Signatory (as defined below) shall be conclusive evidence of such approval.

2. Florida Housing hereby authorizes the issuance of the Bonds as a tax-exempt or taxable “Bond” (as such term is defined in, and within the meaning of, the Act), in such series or subseries as Florida Housing shall designate, in a maximum aggregate principal amount that does

not exceed (a) \$16,500,000 or (b) such greater maximum aggregate principal amount of the Bonds which does not exceed a maximum aggregate principal amount which would result in a debt service coverage ratio for the Bonds, as reflected in the Credit Underwriter Confirmation, of less than 1.00x (subject to receipt of private activity bond allocation being made available for the tax-exempt Bonds and compliance with Section 147(f) of the Internal Revenue Code of 1986, as amended). The final maximum aggregate principal amount of the Bonds that may be issued shall be determined by an Authorized Signatory after receipt of the Credit Underwriter Confirmation, provided that in no event shall the maximum aggregate principal amount of the Bonds, at the time of issuance, exceed a maximum aggregate principal amount which would result in a debt service coverage ratio for the Bonds, 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 Bonds and compliance with Section 147(f) of the Internal Revenue Code of 1986, as amended). The “Credit Underwriter Confirmation” is the written confirmation with respect to the Property from the Credit Underwriter, delivered prior to the issuance of the Bonds, that, taking into account any increase in the maximum aggregate principal amount of the Bonds, the conditions set forth in and the requirements of the Credit Underwriting Report have been satisfied. Conclusive evidence of the determination and approval of any such increase in the maximum aggregate principal amount of the Bonds shall be evidenced by a certificate of an Authorized Signatory.

3. One or more trust indentures and/or funding loan agreements between Florida Housing and a corporate trustee and/or fiscal agent named therein (the “Trustee”) setting out the terms and conditions of the Bonds are hereby authorized to be prepared and delivered, in such forms as may be approved by any member of the Board, the Executive Director or the Interim Executive Director, the Chief Financial Officer, the Comptroller 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 forms shall set forth as to the Bonds such maturities, interest rates and purchase price as shall be determined in accordance with the Act, including Section 420.509, Florida Statutes, and the execution of such trust indentures and/or funding loan agreements by an Authorized Signatory, and the attestation thereof by the Secretary or any Assistant Secretary of Florida Housing, be and hereby is authorized, and the execution thereof by such persons shall be conclusive evidence of such approval.

4. One or more loan agreements, financing agreements and/or project loan agreements between Florida Housing and the Borrower setting out the terms of one or more loans of the proceeds of the Bonds by Florida Housing to the Borrower (collectively, the “Loan”) and the payment and other obligations of the Borrower with respect to the Loan (including one or more promissory notes made by the Borrower to Florida Housing evidencing the Loan), the Bonds and the Property are hereby authorized to be prepared and delivered, in such forms as may be approved by an Authorized Signatory, and the execution of such loan agreements, financing agreements and/or project loan agreements by an Authorized Signatory, and the attestation thereof by the Secretary or any Assistant Secretary of Florida Housing, be and hereby is authorized, and the execution thereof by such persons shall be conclusive evidence of such approval.

5. One or more preliminary official statements (or preliminary limited offering memorandums) and one or more final official statements (or final limited offering memorandums) are each hereby authorized to be prepared and distributed in connection with the sale of the Bonds in such forms as shall be approved by an Authorized Signatory, and the execution of such preliminary official statement and final official statement, if necessary, by an Authorized Signatory shall be conclusive evidence of such approval.

6. The Bonds shall be sold in accordance with the requirements of the Act, including Section 420.509(12), Florida Statutes. In the event that, pursuant to the Act, the Bonds shall be sold by negotiated sale, an Authorized Signatory is authorized to execute a bond purchase agreement upon approval of the terms thereof by the staff of Florida Housing, Bond Counsel and/or Special Counsel to Florida Housing, and the execution of such bond purchase agreement by an Authorized Signatory shall be conclusive proof of such approval.

7. It is expected that upon the satisfaction of certain conditions of conversion, the Bonds will be paid down and exchanged for a governmental note that will be purchased by Citibank, NA, or a related entity. An Authorized Signatory is authorized to cause to be prepared by the staff of Florida Housing, Bond Counsel and/or Special Counsel to Florida Housing and to execute and deliver any additional documents necessary for the issuance of the Bonds and the making of the Loan, and the security therefor, and if applicable in connection with the exchange of the Bonds in accordance with the terms and conditions contained in one or more trust indentures and/or funding loan agreements and loan agreements, financing agreements and/or project loan agreements, in each case upon the approval by the staff of Florida Housing, Bond Counsel and/or Special Counsel to Florida Housing. All other actions by Florida Housing necessary for the issuance of the Bonds and the making of the Loan, and the security therefor (including, but not limited to, the changing of the title of the Bonds and the series designation of the Bonds, if desirable), and if applicable in connection with the exchange of the Bonds in accordance with the terms and conditions contained in one or more trust indentures and/or funding loan agreements and in one or more loan agreements, financing agreements and/or project loan agreements, are hereby authorized.

8. The principal of, premium, if any, and all interest on the Bonds shall be payable solely out of revenues and other amounts pledged therefor as described in one or more trust indentures and/or funding loan agreements. The Bonds do not constitute an obligation, either general or special, of the State of Florida 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; and neither the credit, the revenues, nor the taxing power of the State or of any unit of local government thereof shall be, or shall be deemed to be, pledged to the payment of the Bonds.

9. The Bonds may be executed either manually or by facsimile signature by an Authorized Signatory or other officer of Florida Housing. In case any Authorized Signatory or officer whose signature or a facsimile of whose signature appears on the Bonds ceases to be an Authorized Signatory or officer before delivery of the Bonds, the signature or facsimile signature is nevertheless valid and sufficient for all purposes as fully and to the same extent as if he or she had remained in office until the delivery of the Bonds.

10. The maximum aggregate principal amount of the Bonds 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.

11. 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.

12. This Resolution shall take effect immediately upon adoption.

[Remainder of page intentionally left blank]

ADOPTED this 23rd day of August, 2024.

(SEAL)

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

ATTEST:

Melissa Levy, Assistant Secretary, Florida
Housing Finance Corporation's Board of
Directors

Ryan Benson, 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 23rd day of August, 2024, 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 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 August, 2024 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
THE ENCLAVE AT CANOPY PARK**

RESOLUTION NO. _____

A RESOLUTION AUTHORIZING AND APPROVING THE NEGOTIATED SALE OF THE MULTIFAMILY MORTGAGE REVENUE BONDS AND/OR NOTES, 2024 SERIES _____ [ONE OR MORE SERIES OR SUBSERIES TO BE DESIGNATED] (THE ENCLAVE AT CANOPY PARK) OF THE FLORIDA HOUSING FINANCE CORPORATION (“FLORIDA HOUSING”); AUTHORIZING THE NEGOTIATION AND EXECUTION OF ONE OR MORE BOND PURCHASE AGREEMENTS, BOND PLACEMENT AGREEMENTS, TRUST INDENTURES AND/OR FUNDING LOAN AGREEMENTS AND SUCH OTHER DOCUMENTS AS ARE NECESSARY FOR THE NEGOTIATED SALE OF THE BONDS AND/OR NOTES; AUTHORIZING THE EXECUTIVE DIRECTOR OR INTERIM EXECUTIVE DIRECTOR, THE CHIEF FINANCIAL OFFICER, THE COMPTROLLER OR ANY MEMBER OF THE BOARD OF DIRECTORS OF FLORIDA HOUSING OR OTHER AUTHORIZED SIGNATORY TO TAKE ANY OTHER ACTIONS NECESSARY TO NEGOTIATE THE SALE OF THE BONDS AND/OR NOTES 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”). Florida Housing is authorized by the Act to issue its bonds, debentures, notes or other evidence 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 Bonds and/or Notes, 2024 Series _____ [one or more series or subseries to be designated] (The Enclave at Canopy Park), as tax-exempt or taxable bonds and/or notes (the “Bonds”), for the purpose of making one or more loans to The Enclave at Canopy Partners, LLC, together with its predecessors, successors, assigns, affiliates and/or related entities (the “Borrower”), to finance the acquisition, new construction and equipping of an approximately 104-unit multifamily residential rental development named The Enclave at Canopy Park located in Orlando, Orange County, Florida; provided that the maximum aggregate principal amount of the Bonds shall not exceed (a) \$16,500,000 or (b) such greater maximum aggregate principal amount of the Bonds which, at the time of issuance, does not exceed a maximum aggregate principal amount which would result in a debt service coverage ratio for the Bonds of less than 1.00x (subject to receipt of private activity bond allocation being made available for the tax-exempt Bonds 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 one or more purchasers through an underwriter or placement agent designated by Florida Housing for a negotiated sale or a private placement of the Bonds through such underwriter or placement agent if Florida Housing by official action at a public meeting determines that such negotiated sale or private placement of the Bonds is in the best interest of Florida Housing; and

WHEREAS, Florida Housing has reviewed the market conditions and trends affecting the execution, delivery and negotiated sale or private placement of the Bonds; and

WHEREAS, Florida Housing has received a recommendation and reviewed and looked at the relative advantage of a negotiated sale or a private placement of the Bonds in light of the 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 Bonds and the current and anticipated market conditions render the Bonds a candidate for a negotiated sale; and

WHEREAS, based on the foregoing, the Board has made the following findings of fact:

A negotiated sale of the Bonds is in the best interest of Florida Housing and the public based on the current market conditions and based upon the structure of the Bonds. Existing and projected market conditions and any lack of flexibility in the sale of the Bonds could be prejudicial to Florida Housing and to the public. Additionally, the structure of the Bonds and the current demand for these types of obligations support a negotiated sale.

NOW, THEREFORE, BE IT RESOLVED BY FLORIDA HOUSING:

1. A negotiated sale of the Bonds is in the best interest of Florida Housing and the public for the reasons herein described.

2. The negotiated sale of the Bonds is to be negotiated by Florida Housing with or through RBC Capital Markets, LLC (hereinafter referred to as the “Underwriter”) and the purchaser or purchasers of the Bonds (collectively, the “Purchaser”).

3. The Bonds are to be generally described as follows:

Florida Housing Finance Corporation
Multifamily Mortgage Revenue Bonds and/or Notes,
2024 Series _____ [one or more series or subseries to be designated]
(The Enclave at Canopy Park).

4. Florida Housing shall negotiate with or through the Underwriter and shall execute such documents as are necessary to sell the Bonds to the Purchaser pursuant to this Resolution. It is expected that upon the satisfaction of certain conditions of conversion, the Bonds will be paid down and exchanged for a governmental note that will be purchased by Citibank, NA, or a related entity. Any member of the Board, the Executive Director or the Interim Executive Director, the Chief Financial Officer, the Comptroller 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 the negotiated sale of the Bonds and to execute a bond purchase agreement upon approval of the terms thereof, and the execution thereof by an Authorized Signatory shall be conclusive evidence of such approval.

5. The authority to execute the bond purchase agreement is predicated upon the bond purchase agreement, providing for an interest rate on the Bonds that will not exceed 10% per annum and will provide for a sale of the Bonds in conformance with the program documents.

6. An Authorized Signatory and 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 a negotiated sale of the Bonds pursuant to this Resolution and to provide for the use of the proceeds of the Bonds contemplated by this Resolution.

7. The negotiated sale of the Bonds 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 are hereby superseded and repealed to the extent of such conflict.

9. This Resolution shall take effect immediately upon adoption.

[Remainder of page intentionally left blank]

ADOPTED THIS 23rd day of August, 2024.

(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

Ryan Benson, 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 23rd day of August, 2024, 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 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 August, 2024 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:

ECG Town Oaks, LP
1030 16th Avenue South, Suite 500
Nashville, TN 37212

July 11, 2024

Mr. Tim Kennedy
Florida Housing Finance Corporation
227 N Bronough Street, Suite 5000
Tallahassee, FL 32301

Re: Town Oaks Apartments (2023-196BR / 2022-546C) Change Request

Dear Mr. Kennedy:

ECG Town Oaks, LP (the “Partnership”) submitted an application under RFA 2023-304, Rental Recovery Loan Program (RRLP) Financing to be Used for Rental Developments in Hurricane Ian and Hurricane Nicole Impacted Counties, for the Town Oaks Apartments project (the “Project”). That application was selected for funding, and an invitation to credit underwriting was received on August 29, 2023.

Since that time, as the Partnership works toward a successful closing and groundbreaking on the Project, it has become necessary to request a minor modification to the ownership structure of the Applicant and Developer entities.

In order to accomplish business planning objectives, the Partnership is requesting approval of a change to the membership of Elmington Affordable, LLC, which is a member of the General Partner of the Applicant entity as well as a member of the Developer entity. The proposed change would replace four of the current members with trusts, of which the existing members, along with several family members, would be trustees and beneficiaries.

There are no Natural Persons to be added or removed from the Applicant or Developer entities as a result of this request.

RFA 2023-304 provides that “[p]rior to loan closing, any change (materially or non-materially) in the ownership structure of the named Applicant will require review and recommendation of the Corporation, as well as Board approval prior to the change.”

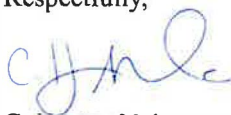
Enclosed are the existing and proposed Principal Disclosure Forms as well as existing and proposed organizational charts. In addition to the change request outlined herein we have updated the married name of one of the individuals identified in the Principal Disclosure Forms (Audrey Dieterich nee Sohr) and have

Mr. Tim Kennedy
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July 11, 2024

removed all trust beneficiaries who are under the age of 18 for ease of review and pursuant to subsections FAC 67-48.002(93) and 67-21.002(85) and Section C.3 of the Florida Housing Finance Corporation (Corporation) Continuous Advance Review Process for Disclosure of Applicant and Developer Principals.

Thank you for your consideration, and please let me know if you have any questions about our request.

Respectfully,

A handwritten signature in blue ink, appearing to read "C. Hunter Nelson".

C. Hunter Nelson
Managing Member
ECG Town Oaks GP, LLC

Enclosures

Approved Principal Disclosure Form

Principal Disclosures for the Applicant

APPROVED for HOUSING CREDITS
FHFC Advance Review
Received 4.5.2023; Approved 4.10.2023

Select the organizational structure for the Applicant entity:

The Applicant is a: Limited Partnership

Provide the name of the Applicant Limited Partnership:

ECG Town Oaks, LP

% 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	ECG Town Oaks GP, LLC	Limited Liability Company	0.0100%
2.	Investor LP	Nelson, C. Hunter (Place Holder)	Natural Person	99.9900%

Second Principal Disclosure Level:

ECG Town Oaks, LP

[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	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. (ECG Town Oaks GP, LLC)	1.A.	Member	Big Bite 2023 Trust	Trust	15.4500%
1. (ECG Town Oaks GP, LLC)	1.B.	Member	BRW Family 2023 Trust	Trust	15.4500%
1. (ECG Town Oaks GP, LLC)	1.C.	Member	RCS 2023 Trust	Trust	5.7900%
1. (ECG Town Oaks GP, LLC)	1.D.	Member	Nelson Family 2023 Trust	Trust	15.4500%
1. (ECG Town Oaks GP, LLC)	1.E.	Member	Elmington Affordable, LLC	Limited Liability Company	14.4900%
1. (ECG Town Oaks GP, LLC)	1.F.	Member	Shepard, John	Natural Person	21.1000%
1. (ECG Town Oaks GP, LLC)	1.G.	Member	Canary Ventures Trust	Trust	5.7900%
1. (ECG Town Oaks GP, LLC)	1.H.	Member	Horowitz, Joseph	Natural Person	2.7000%
1. (ECG Town Oaks GP, LLC)	1.I.	Member	McCord, Mark	Natural Person	2.7000%
1. (ECG Town Oaks GP, LLC)	1.J.	Member	Jamison, Cochrane	Natural Person	1.0800%
1. (ECG Town Oaks GP, LLC)	1.K.	Managing Member	Nelson, C. Hunter	Natural Person	0.0000%

Third Principal Disclosure Level:

ECG Town Oaks, LP

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

Select the corresponding

Principal Disclosures for the Applicant

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<u>Second Level Principal Entity # from above for which the Third Level Principal is being Identified</u>	<u>Third Level Entity #</u>	<u>Select the type of Principal being associated with the corresponding Second Level Principal Entity</u>	<u>Enter Name of Third Level Principal who must be either a Natural Person or a Trust</u>	<u>The organizational structure of Third Level Principal identified Must be either a Natural Person or a Trust</u>	<u>3rd Level Principal % Ownership of 2nd Level Principal</u>
1.A. (Big Bite 2023 Trust)	1.A.(1)	Trustee	Rosenblum, Cary	Natural Person	0
1.A. (Big Bite 2023 Trust)	1.A.(2)	Beneficiary	Rosenblum, Cary	Natural Person	100.0000%
1.A. (Big Bite 2023 Trust)	1.A.(3)	Beneficiary	Rosenblum, Jennifer	Natural Person	0.0000%
1.A. (Big Bite 2023 Trust)	1.A.(4)	Beneficiary	Rosenblum, Elijah	Natural Person	0.0000%
1.A. (Big Bite 2023 Trust)	1.A.(5)	Beneficiary	Rosenblum, Sophie	Natural Person	0.0000%
1.B. (BRW Family 2023 Trust)	1.B.(1)	Trustee	Brewer, Benjamin	Natural Person	0.0000%
1.B. (BRW Family 2023 Trust)	1.B.(2)	Beneficiary	Brewer, Benjamin	Natural Person	100.0000%
1.B. (BRW Family 2023 Trust)	1.B.(3)	Beneficiary	Brewer, Jennifer Wells	Natural Person	0.0000%
1.B. (BRW Family 2023 Trust)	1.B.(4)	Beneficiary	Brewer, Anna Wells	Natural Person	0.0000%
1.B. (BRW Family 2023 Trust)	1.B.(5)	Beneficiary	Brewer, Benjamin	Natural Person	100.0000%
1.B. (BRW Family 2023 Trust)	1.B.(6)	Beneficiary	Brewer, Betsy Marie	Natural Person	0.0000%
1.C. (RCS 2023 Trust)	1.C.(1)	Trustee	Seibels, Ryan	Natural Person	0.0000%
1.C. (RCS 2023 Trust)	1.C.(2)	Beneficiary	Seibels, Ryan	Natural Person	100.0000%
1.C. (RCS 2023 Trust)	1.C.(3)	Beneficiary	Seibels, Mary Katherine	Natural Person	0.0000%
1.C. (RCS 2023 Trust)	1.C.(4)	Beneficiary	Seibels, Anne Hartley	Natural Person	0.0000%
1.C. (RCS 2023 Trust)	1.C.(5)	Beneficiary	Seibels, Evelyn Harper	Natural Person	0.0000%
1.C. (RCS 2023 Trust)	1.C.(6)	Beneficiary	Seibels, Mariam Caroline	Natural Person	0.0000%
1.D. (Nelson Family 2023 Trust)	1.D.(1)	Trustee	Nelson, C. Hunter	Natural Person	0.0000%
1.D. (Nelson Family 2023 Trust)	1.D.(2)	Beneficiary	Nelson, C. Hunter	Natural Person	100.0000%
1.D. (Nelson Family 2023 Trust)	1.D.(3)	Beneficiary	Nelson, Leslie Rebecca	Natural Person	0.0000%
1.D. (Nelson Family 2023 Trust)	1.D.(4)	Beneficiary	Nelson, Anne Sims	Natural Person	0.0000%
1.D. (Nelson Family 2023 Trust)	1.D.(5)	Beneficiary	Nelson, David Seburn	Natural Person	0.0000%
1.D. (Nelson Family 2023 Trust)	1.D.(6)	Beneficiary	Nelson, Benjamin Campbell	Natural Person	0.0000%
1.E. (Elmington Affordable, LLC)	1.E.(1)	Managing Member	Canary Ventures Trust	Trust	10.0000%
1.E. (Elmington Affordable, LLC)	1.E.(2)	Managing Member	Rosenblum, Cary	Natural Person	26.6700%
1.E. (Elmington Affordable, LLC)	1.E.(3)	Managing Member	Brewer, Benjamin	Natural Person	26.6700%
1.E. (Elmington Affordable, LLC)	1.E.(4)	Managing Member	Seibels, Ryan	Natural Person	10.0000%
1.E. (Elmington Affordable, LLC)	1.E.(5)	Managing Member	Nelson, C. Hunter	Natural Person	26.6600%
1.G. (Canary Ventures Trust)	1.G.(1)	Trustee	Sohr, Scott	Natural Person	0.0000%
1.G. (Canary Ventures Trust)	1.G.(2)	Beneficiary	Sohr, Scott	Natural Person	100.0000%

Principal Disclosures for the Applicant

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<u>1.G. (Canary Ventures Trust)</u>	<u>1.G.(3)</u>	<u>Beneficiary</u>	<u>Sohr, Lyn</u>	<u>Natural Person</u>	<u>0.0000%</u>
<u>1.G. (Canary Ventures Trust)</u>	<u>1.G.(4)</u>	<u>Beneficiary</u>	<u>Sohr, Andrew</u>	<u>Natural Person</u>	<u>0.0000%</u>
<u>1.G. (Canary Ventures Trust)</u>	<u>1.G.(5)</u>	<u>Beneficiary</u>	<u>Sohr, Austin</u>	<u>Natural Person</u>	<u>0.0000%</u>
<u>1.G. (Canary Ventures Trust)</u>	<u>1.G.(6)</u>	<u>Beneficiary</u>	<u>Sohr, Audrey</u> Change to last name only	<u>Natural Person</u>	<u>0.0000%</u>
<u>1.G. (Canary Ventures Trust)</u>	<u>1.G.(7)</u>	<u>Beneficiary</u>	<u>Steen, Garcia</u>	<u>Natural Person</u>	<u>0.0000%</u>
<u>1.G. (Canary Ventures Trust)</u>	<u>1.G.(8)</u>	<u>Beneficiary</u>	<u>Sohr, Beck</u>	<u>Natural Person</u>	<u>0.0000%</u>

Fourth Principal Disclosure Level:

ECG Town Oaks, LP

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

<u>Select the corresponding Third Level Principal Entity # from above for which the Fourth Level Principal is being identified</u>	<u>Select the type of Principal being associated with the corresponding Third Level Principal Entity</u>	<u>Enter Name of Fourth Level Principal who must be a Natural Person</u>	<u>The organizational structure of Fourth Level Principal identified Must Be a Natural Person</u>	<u>4th Level Principal % Ownership of 3rd Level Principal</u>
<u>1.E.(1) (Canary Ventures Trust)</u>	<u>Trustee</u>	<u>Sohr, Scott</u>	<u>Natural Person</u>	<u>0.0000%</u>
<u>1.E.(1) (Canary Ventures Trust)</u>	<u>Beneficiary</u>	<u>Sohr, Scott</u>	<u>Natural Person</u>	<u>100.0000%</u>
<u>1.E.(1) (Canary Ventures Trust)</u>	<u>Beneficiary</u>	<u>Sohr, Lyn</u>	<u>Natural Person</u>	<u>0.0000%</u>
<u>1.E.(1) (Canary Ventures Trust)</u>	<u>Beneficiary</u>	<u>Sohr, Andrew</u>	<u>Natural Person</u>	<u>0.0000%</u>
<u>1.E.(1) (Canary Ventures Trust)</u>	<u>Beneficiary</u>	<u>Sohr, Austin</u>	<u>Natural Person</u>	<u>0.0000%</u>
<u>1.E.(1) (Canary Ventures Trust)</u>	<u>Beneficiary</u>	<u>Sohr, Audrey</u> Change to last name only	<u>Natural Person</u>	<u>0.0000%</u>
<u>1.E.(1) (Canary Ventures Trust)</u>	<u>Beneficiary</u>	<u>Steen, Garcia</u>	<u>Natural Person</u>	<u>0.0000%</u>
<u>1.E.(1) (Canary Ventures Trust)</u>	<u>Beneficiary</u>	<u>Sohr, Beck</u>	<u>Natural Person</u>	<u>0.0000%</u>

Principal Disclosures for the Developer

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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:

ECG Town Oaks Developer, LLC

First Principal Disclosure Level:

ECG Town Oaks Developer, LLC

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

<u>First Level Entity #</u>	<u>Select Type of Principal of Developer</u>	<u>Enter Name of First Level Principal</u>	<u>Select organizational structure of First Level Principal identified</u>
1.	Member	Big Bite 2023 Trust	Trust
2.	Member	BRW Family 2023 Trust	Trust
3.	Member	RCS 2023 Trust	Trust
4.	Member	Nelson Family 2023 Trust	Trust
5.	Member	Elmington Affordable, LLC	Limited Liability Company
6.	Member	Shepard, John	Natural Person
7.	Member	Canary Ventures Trust	Trust
8.	Member	Horowitz, Joseph	Natural Person
9.	Member	McCord, Mark	Natural Person
10.	Member	Jamison, Cochrane	Natural Person
11.	Managing Member	Nelson, C. Hunter	Natural Person

Second Principal Disclosure Level:

ECG Town Oaks Developer, LLC

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

Select the corresponding First

Principal Disclosures for the Developer

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<u>Level Principal Entity # from above for which the Second Level Principal is being identified</u>	<u>Second Level Entity #</u>	<u>Select the type of Principal being associated with the corresponding First Level Principal Entity</u>	<u>Enter Name of Second Level Principal</u>	<u>Select organizational structure of Second Level Principal identified</u>
1. (Big Bite 2023 Trust)	1.A.	Trustee	Rosenblum, Cary	Natural Person
1. (Big Bite 2023 Trust)	1.B.	Beneficiary	Rosenblum, Cary	Natural Person
1. (Big Bite 2023 Trust)	1.C.	Beneficiary	Rosenblum, Jennifer	Natural Person
1. (Big Bite 2023 Trust)	1.D.	Beneficiary	Rosenblum, Elijah	Natural Person
1. (Big Bite 2023 Trust)	1.E.	Beneficiary	Rosenblum, Sophie	Natural Person
2. (BRW Family 2023 Trust)	2.A.	Trustee	Brewer, Benjamin	Natural Person
2. (BRW Family 2023 Trust)	2.B.	Beneficiary	Brewer, Benjamin	Natural Person
2. (BRW Family 2023 Trust)	2.C.	Beneficiary	Brewer, Jennifer Wells	Natural Person
2. (BRW Family 2023 Trust)	2.D.	Beneficiary	Brewer, Anna Wells	Natural Person
2. (BRW Family 2023 Trust)	2.E.	Beneficiary	Brewer, Benjamin	Natural Person
2. (BRW Family 2023 Trust)	2.F.	Beneficiary	Brewer, Betsy Marie	Natural Person
3. (RCS 2023 Trust)	3.A.	Trustee	Seibels, Ryan	Natural Person
3. (RCS 2023 Trust)	3.B.	Beneficiary	Seibels, Ryan	Natural Person
3. (RCS 2023 Trust)	3.C.	Beneficiary	Seibels, Mary Katherine	Natural Person
3. (RCS 2023 Trust)	3.D.	Beneficiary	Seibels, Anne Hartley	Natural Person
3. (RCS 2023 Trust)	3.E.	Beneficiary	Seibels, Evelyn Harper	Natural Person
3. (RCS 2023 Trust)	3.F.	Beneficiary	Seibels, Mariam Caroline	Natural Person
4. (Nelson Family 2023 Trust)	4.A.	Trustee	Nelson, C. Hunter	Natural Person
4. (Nelson Family 2023 Trust)	4.B.	Beneficiary	Nelson, C. Hunter	Natural Person
4. (Nelson Family 2023 Trust)	4.C.	Beneficiary	Nelson, Leslie Rebecca	Natural Person
4. (Nelson Family 2023 Trust)	4.D.	Beneficiary	Nelson, Anne Sims	Natural Person
4. (Nelson Family 2023 Trust)	4.E.	Beneficiary	Nelson, David Seburn	Natural Person
4. (Nelson Family 2023 Trust)	4.F.	Beneficiary	Nelson, Benjamin Campbell	Natural Person
5. (Elmington Affordable, LLC)	5.A.	Managing Member	Canary Ventures Trust	Trust

Principal Disclosures for the Developer

APPROVED for HOUSING CREDITS
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<u>5. (Elmington Affordable, LLC)</u>	<u>5.B.</u>	<u>Managing Member</u>	<u>Rosenblum, Cary</u>	<u>Natural Person</u>
<u>5. (Elmington Affordable, LLC)</u>	<u>5.C.</u>	<u>Managing Member</u>	<u>Brewer, Benjamin</u>	<u>Natural Person</u>
<u>5. (Elmington Affordable, LLC)</u>	<u>5.D.</u>	<u>Managing Member</u>	<u>Seibels, Ryan</u>	<u>Natural Person</u>
<u>5. (Elmington Affordable, LLC)</u>	<u>5.E.</u>	<u>Managing Member</u>	<u>Nelson, C. Hunter</u>	<u>Natural Person</u>
<u>7. (Canary Ventures Trust)</u>	<u>7.A.</u>	<u>Trustee</u>	<u>Sohr, Scott</u>	<u>Natural Person</u>
<u>7. (Canary Ventures Trust)</u>	<u>7.B.</u>	<u>Beneficiary</u>	<u>Sohr, Scott</u>	<u>Natural Person</u>
<u>7. (Canary Ventures Trust)</u>	<u>7.C.</u>	<u>Beneficiary</u>	<u>Sohr, Lyn</u>	<u>Natural Person</u>
<u>7. (Canary Ventures Trust)</u>	<u>7.D.</u>	<u>Beneficiary</u>	<u>Sohr, Andrew</u>	<u>Natural Person</u>
<u>7. (Canary Ventures Trust)</u>	<u>7.E.</u>	<u>Beneficiary</u>	<u>Sohr, Austin</u>	<u>Natural Person</u>
<u>7. (Canary Ventures Trust)</u>	<u>7.F.</u>	<u>Beneficiary</u>	<u>Sohr, Audrey</u> Change to last name only	<u>Natural Person</u>
<u>7. (Canary Ventures Trust)</u>	<u>7.G.</u>	<u>Beneficiary</u>	<u>Steen, Garcia</u>	<u>Natural Person</u>
<u>7. (Canary Ventures Trust)</u>	<u>7.H.</u>	<u>Beneficiary</u>	<u>Sohr, Beck</u>	<u>Natural Person</u>

Proposed Revised Principal Disclosure Form

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:

ECG Town Oaks, LP

% 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	ECG Town Oaks GP, LLC	Limited Liability Company	99.9900%
2.	Investor LP	Nelson, C. Hunter (Place Holder)	Natural Person	0.0100%

Second Principal Disclosure Level:

ECG Town Oaks, LP

[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

Select the type of Principal being associated with the corresponding First Level Principal Entity

Select organizational structure of Second Level Principal identified

Second Level Principal % Ownership of First Level Principal

Second Level Entity #	Principal Entity	Enter Name of Second Level Principal	Second Level Principal % Ownership of First Level Principal
1. (ECG Town Oaks GP, LLC)	1.A. Member	Big Bite 2023 Trust	15.4500%
1. (ECG Town Oaks GP, LLC)	1.B. Member	BRW Family 2023 Trust	15.4500%
1. (ECG Town Oaks GP, LLC)	1.C. Member	RCS 2023 Trust	5.7900%
1. (ECG Town Oaks GP, LLC)	1.D. Member	Nelson Family 2023 Trust	15.4500%
1. (ECG Town Oaks GP, LLC)	1.E. Member	Elmington Affordable, LLC	14.4900%
1. (ECG Town Oaks GP, LLC)	1.F. Member	Shepard, John	21.1000%
1. (ECG Town Oaks GP, LLC)	1.G. Member	Canary Ventures Trust	5.7900%
1. (ECG Town Oaks GP, LLC)	1.H. Member	Horowitz, Joseph	2.7000%
1. (ECG Town Oaks GP, LLC)	1.I. Member	McCord, Mark	2.7000%
1. (ECG Town Oaks GP, LLC)	1.J. Member	Jamison, Cochrane	1.0800%
1. (ECG Town Oaks GP, LLC)	1.K. Managing Member	Nelson, C. Hunter	0.0000%

Third Principal Disclosure Level:

ECG Town Oaks, LP

[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

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

Third Level Entity #	Principal Entity	Enter Name of Third Level Principal who must be either a Natural Person or a Trust	3rd Level Principal % Ownership of 2nd Level Principal
1.A. (Big Bite 2023 Trust)	1.A.(1) Trustee	Rosenblum, Cary	0.0000%
1.A. (Big Bite 2023 Trust)	1.A.(2) Beneficiary	Rosenblum, Cary	100.0000%
1.A. (Big Bite 2023 Trust)	1.A.(3) Beneficiary	Rosenblum, Jennifer	0.0000%
1.A. (Big Bite 2023 Trust)	1.A.(4) Beneficiary	Rosenblum, Elijah	0.0000%
1.B. (BRW Family 2023 Trust)	1.B.(1) Trustee	Brewer, Benjamin	0.0000%
1.B. (BRW Family 2023 Trust)	1.B.(2) Beneficiary	Brewer, Benjamin	100.0000%
1.B. (BRW Family 2023 Trust)	1.B.(3) Beneficiary	Brewer, Jennifer Wells	0.0000%
1.C. (RCS 2023 Trust)	1.C.(1) Trustee	Seibels, Ryan	0.0000%
1.C. (RCS 2023 Trust)	1.C.(2) Beneficiary	Seibels, Ryan	100.0000%
1.C. (RCS 2023 Trust)	1.C.(3) Beneficiary	Seibels, Mary Katherine	0.0000%
1.D. (Nelson Family 2023 Trust)	1.D.(1) Trustee	Nelson, C. Hunter	0.0000%
1.D. (Nelson Family 2023 Trust)	1.D.(2) Beneficiary	Nelson, C. Hunter	100.0000%
1.D. (Nelson Family 2023 Trust)	1.D.(3) Beneficiary	Nelson, Leslie Rebecca	0.0000%
1.E. (Elmington Affordable, LLC)	1.E.(1) Managing Member	Canary Ventures Trust	10.0000%
1.E. (Elmington Affordable, LLC)	1.E.(2) Managing Member	Big Bite Affordable Trust	26.6700%
1.E. (Elmington Affordable, LLC)	1.E.(3) Managing Member	BRW Affordable Trust	26.6700%
1.E. (Elmington Affordable, LLC)	1.E.(4) Managing Member	Seibels Affordable Trust	10.0000%
1.E. (Elmington Affordable, LLC)	1.E.(5) Managing Member	Nelson Affordable Trust	26.6600%
1.G. (Canary Ventures Trust)	1.G.(1) Trustee	Sohr, Scott	0.0000%
1.G. (Canary Ventures Trust)	1.G.(2) Beneficiary	Sohr, Scott	100.0000%
1.G. (Canary Ventures Trust)	1.G.(3) Beneficiary	Sohr, Lyn	0.0000%
1.G. (Canary Ventures Trust)	1.G.(4) Beneficiary	Sohr, Andrew	0.0000%
1.G. (Canary Ventures Trust)	1.G.(5) Beneficiary	Dieterich, Audrey	0.0000%
1.G. (Canary Ventures Trust)	1.G.(6) Beneficiary	Steen, Gracia	0.0000%
1.G. (Canary Ventures Trust)	1.G.(7) Beneficiary	Sohr, Austin	0.0000%

Principal Disclosures for the Applicant

Fourth Principal Disclosure Level:

ECG Town Oaks, LP

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

<u>Select the corresponding Third Level Principal Entity # from above for which the Fourth Level Principal is being Identified</u>	<u>Select the type of Principal being associated with the corresponding Third Level Principal Entity</u>	<u>Enter Name of Fourth Level Principal who must be a Natural Person</u>	<u>The organizational structure of Fourth Level Principal identified Must Be a Natural Person</u>	<u>4th Level Principal % Ownership of 3rd Level Principal</u>
1.E.(1) (Canary Ventures Trust)	Trustee	Sohr, Scott	Natural Person	0.0000%
1.E.(1) (Canary Ventures Trust)	Beneficiary	Sohr, Scott	Natural Person	100.0000%
1.E.(1) (Canary Ventures Trust)	Beneficiary	Sohr, Lyn	Natural Person	0.0000%
1.E.(1) (Canary Ventures Trust)	Beneficiary	Sohr, Andrew	Natural Person	0.0000%
1.E.(1) (Canary Ventures Trust)	Beneficiary	Dieterich, Audrey	Natural Person	0.0000%
1.E.(1) (Canary Ventures Trust)	Beneficiary	Sohr, Austin	Natural Person	0.0000%
1.E.(1) (Canary Ventures Trust)	Beneficiary	Steen, Gracia	Natural Person	0.0000%
1.E.(2) (Big Bite Affordable Trust)	Trustee	Rosenblum, Cary	Natural Person	0.0000%
1.E.(2) (Big Bite Affordable Trust)	Beneficiary	Rosenblum, Cary	Natural Person	100.0000%
1.E.(2) (Big Bite Affordable Trust)	Beneficiary	Rosenblum, Jennifer	Natural Person	0.0000%
1.E.(2) (Big Bite Affordable Trust)	Beneficiary	Rosenblum, Elijah	Natural Person	0.0000%
1.E.(3) (BRW Affordable Trust)	Trustee	Brewer, Benjamin	Natural Person	0.0000%
1.E.(3) (BRW Affordable Trust)	Trustee	Brewer, Jennifer	Natural Person	0.0000%
1.E.(3) (BRW Affordable Trust)	Beneficiary	Brewer, Benjamin	Natural Person	100.0000%
1.E.(3) (BRW Affordable Trust)	Beneficiary	Brewer, Jennifer	Natural Person	0.0000%
1.E.(4) (Seibels Affordable Trust)	Trustee	Seibels, Ryan	Natural Person	0.0000%
1.E.(4) (Seibels Affordable Trust)	Beneficiary	Seibels, Ryan	Natural Person	100.0000%
1.E.(4) (Seibels Affordable Trust)	Beneficiary	Seibels, Mary Katherine	Natural Person	0.0000%
1.E.(5) (Nelson Affordable Trust)	Trustee	Nelson, C. Hunter	Natural Person	0.0000%
1.E.(4) (Seibels Affordable Trust)	Beneficiary	Nelson, C. Hunter	Natural Person	100.0000%
1.E.(4) (Seibels Affordable Trust)	Beneficiary	Nelson, Leslie Rebecca	Natural Person	0.0000%

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:

ECG Town Oaks Developer, LLC

First Principal Disclosure Level:

ECG Town Oaks Developer, LLC

Informational Only

[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	Big Bite 2023 Trust	Trust
2.	Member	BRW Family 2023 Trust	Trust
3.	Member	RCS 2023 Trust	Trust
4.	Member	Nelson Family 2023 Trust	Trust
5.	Member	Elmington Affordable, LLC	Limited Liability Company
6.	Member	Shepard, John	Natural Person
7.	Member	Canary Ventures Trust	Trust
8.	Member	Horowitz, Joseph	Natural Person
9.	Member	McCord, Mark	Natural Person
10.	Member	Jamison, Cochrane	Natural Person
11.	Managing Member	Nelson, C. Hunter	Natural Person

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Second Principal Disclosure Level:

ECG Town Oaks Developer, LLC

Informational Only

[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

Select the type of Principal being associated with the corresponding First Level Principal Entity

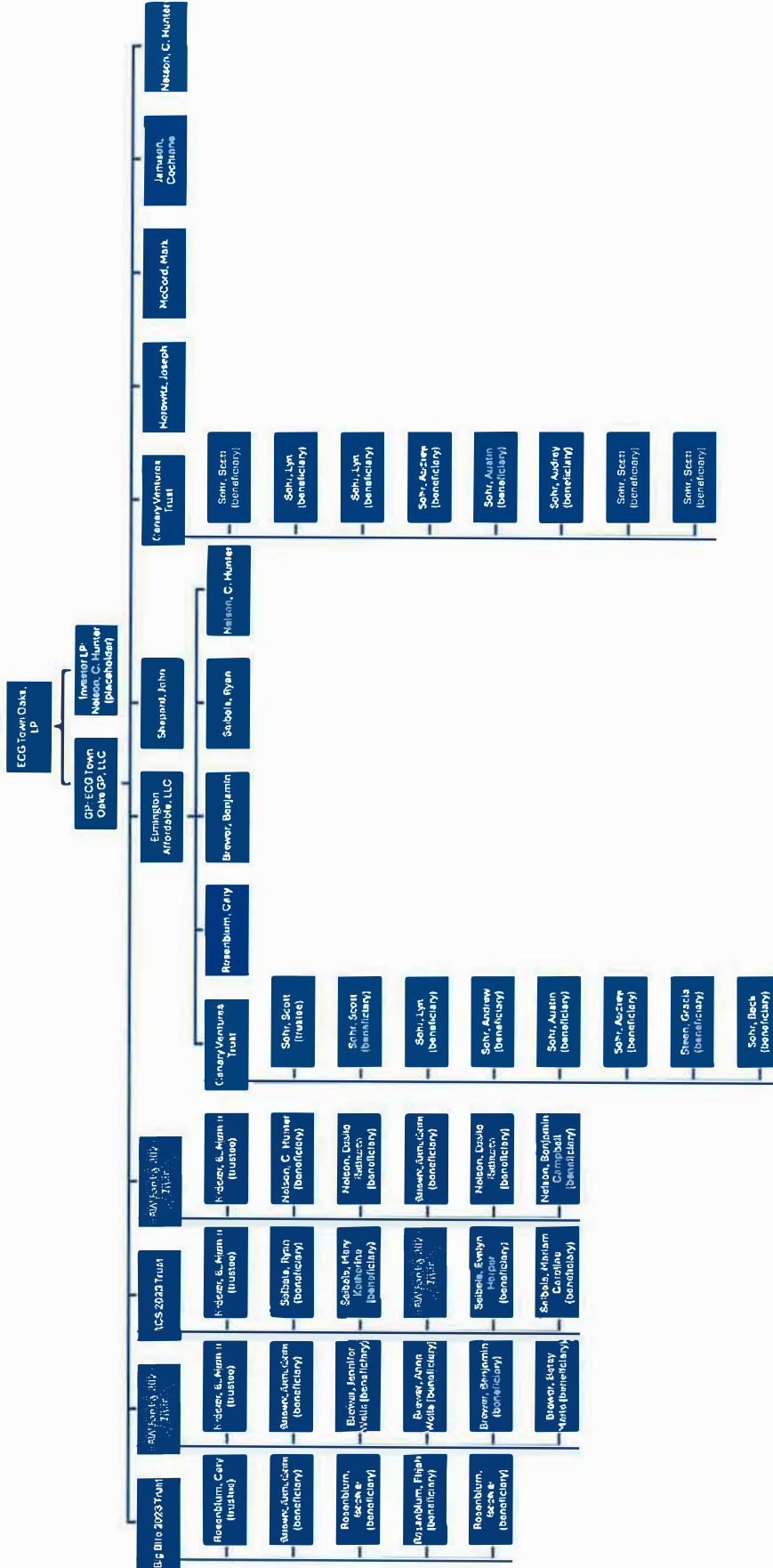
Select organizational structure of Second Level Principal identified

Second Level Entity #	Principal Entity	Enter Name of Second Level Principal	Select organizational structure of Second Level Principal identified
1. (Big Bite 2023 Trust)	1.A. Trustee	Rosenblum, Cary	Natural Person
1. (Big Bite 2023 Trust)	1.B. Beneficiary	Rosenblum, Cary	Natural Person
1. (Big Bite 2023 Trust)	1.C. Beneficiary	Rosenblum, Jennifer	Natural Person
1. (Big Bite 2023 Trust)	1.D. Beneficiary	Rosenblum, Elijah	Natural Person
2. (BRW Family 2023 Trust)	2.A. Trustee	Brewer, Benjamin	Natural Person
2. (BRW Family 2023 Trust)	2.B. Beneficiary	Brewer, Benjamin	Natural Person
2. (BRW Family 2023 Trust)	2.C. Beneficiary	Brewer, Jennifer Wells	Natural Person
3. (RCS 2023 Trust)	3.A. Trustee	Seibels, Ryan	Natural Person
3. (RCS 2023 Trust)	3.B. Beneficiary	Seibels, Ryan	Natural Person
3. (RCS 2023 Trust)	3.C. Beneficiary	Seibels, Mary Katherine	Natural Person
4. (Nelson Family 2023 Trust)	4.A. Trustee	Nelson, C. Hunter	Natural Person
4. (Nelson Family 2023 Trust)	4.B. Beneficiary	Nelson, C. Hunter	Natural Person
4. (Nelson Family 2023 Trust)	4.C. Beneficiary	Nelson, Leslie Rebecca	Natural Person
5. (Elmington Affordable, LLC)	5.A. Managing Member	Canary Ventures Trust	Trust
5. (Elmington Affordable, LLC)	5.B. Managing Member	Big Bite Affordable Trust	Trust
5. (Elmington Affordable, LLC)	5.C. Managing Member	BRW Affordable Trust	Trust
5. (Elmington Affordable, LLC)	5.D. Managing Member	Seibels Affordable Trust	Trust
5. (Elmington Affordable, LLC)	5.E. Managing Member	Nelson Affordable Trust	Trust
7. (Canary Ventures Trust)	7.A. Trustee	Sohr, Scott	Natural Person
7. (Canary Ventures Trust)	7.B. Beneficiary	Sohr, Scott	Natural Person
7. (Canary Ventures Trust)	7.C. Beneficiary	Sohr, Lyn	Natural Person
7. (Canary Ventures Trust)	7.D. Beneficiary	Sohr, Andrew	Natural Person
7. (Canary Ventures Trust)	7.E. Beneficiary	Dieterich, Audrey	Natural Person
7. (Canary Ventures Trust)	7.F. Beneficiary	Steen, Gracia	Natural Person
7. (Canary Ventures Trust)	7.G. Beneficiary	Sohr, Austin	Natural Person

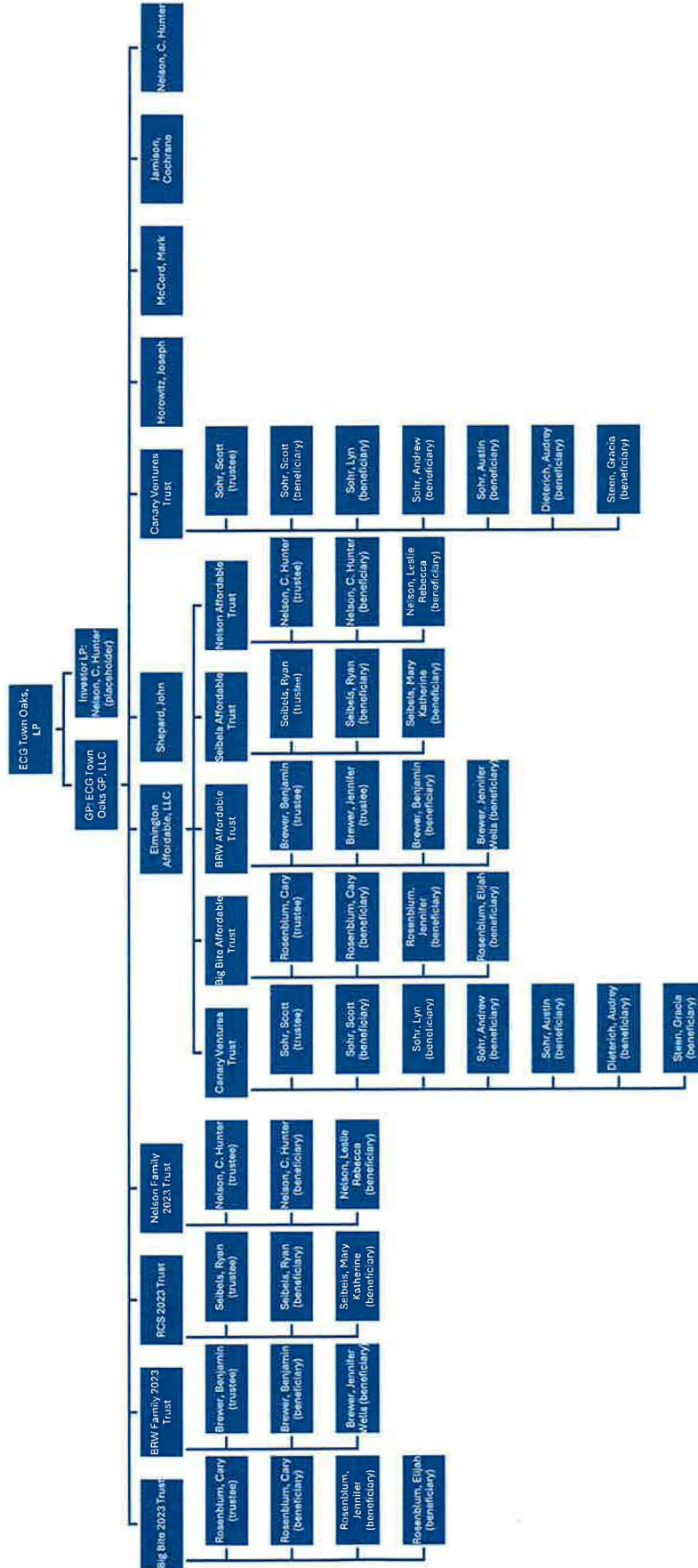
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Existing and Proposed Revised Organizational Charts

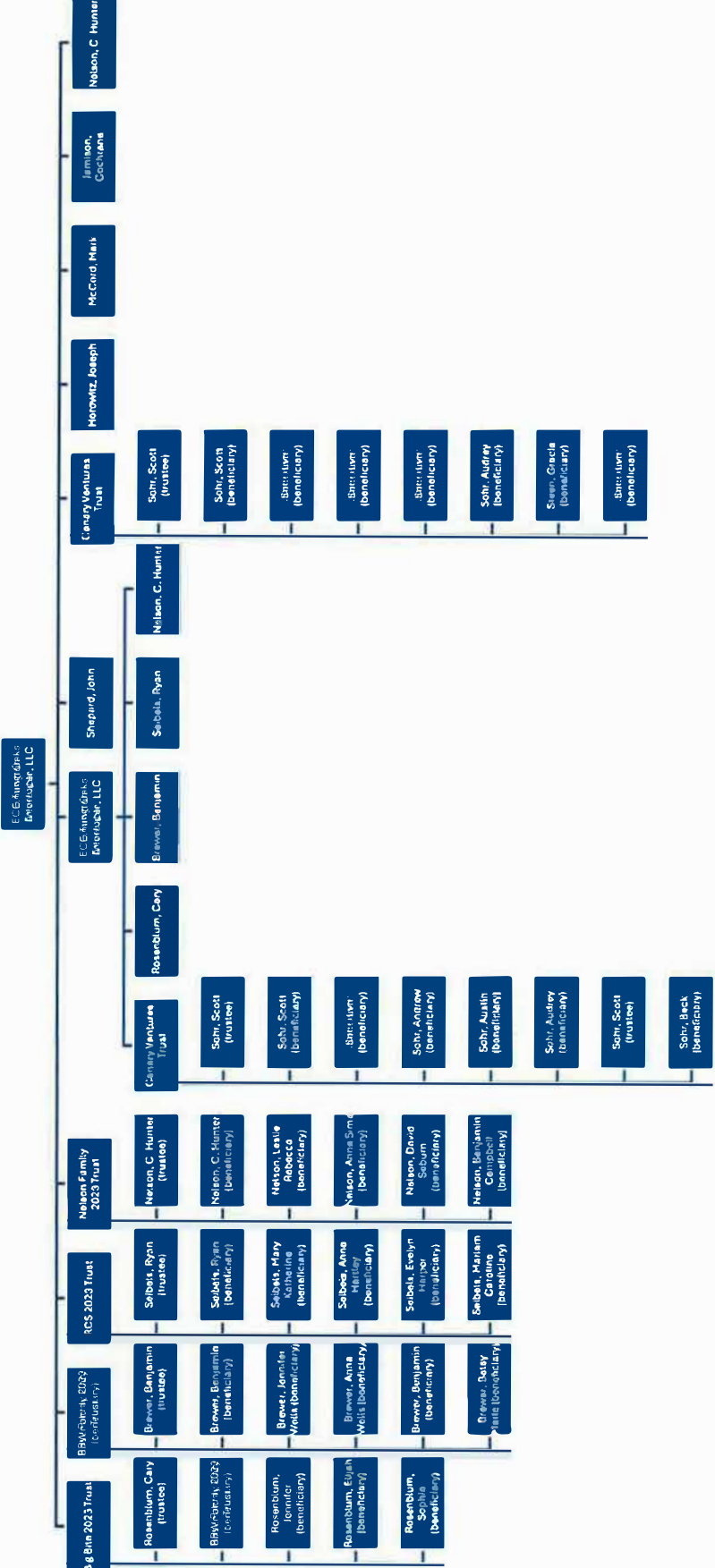
Applicant entity - existing



Applicant entity - proposed



Developer entity - existing



Florida Housing Finance Corporation

Credit Underwriting Report

Town Oaks Apartments

**Rental Recovery Loan Program (RRLP) Financing to be Used for Rental Developments in
Hurricane Ian and Hurricane Nicole Impacted Counties**

MMRN, RRLP and 4% HC

RFA 2023-304 / 2023-196BR / 2022-546C

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

August 12, 2024

TOWN OAKS APARTMENTS

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SMG

Section A
Report Summary

Recommendation

Seltzer Management Group, Inc. (“SMG” or “Seltzer” or “Servicer”) recommends the issuance of Florida Housing Finance Corporation (“FHFC” or “Florida Housing” or “Corporation”) Multifamily Mortgage Revenue Note (“MMRN”) in the amount of \$17,000,000 in conjunction with a Rental Recovery Loan Program (“RRLP”) Loan in the amount of \$5,340,600 comprised of a RRLP Base Loan in the amount of \$4,740,000 plus a RRLP-Extremely Low Income (“RRLP-ELI”) Loan in the amount of \$600,600. SMG also recommends an annual Housing Credit (“HC”) allocation of \$1,110,428 to Town Oaks Apartments for construction and permanent financing.

DEVELOPMENT & SET-ASIDES

Development Name: Town Oaks Apartments

RFA/Program Numbers: RFA 2023-304 / 2023-196BR 2022-546C

Address: 1140 S Parramore Avenue

City: Orlando Zip Code: 32805 County: Orange County Size: Large

Development Category: New Construction Development Type: Mid-Rise (4 Stories)

Construction Type: Wood Frame

Demographic Commitment:

Primary: Family for 100% of the Units

Unit Composition:

of ELI Units: 11 ELI Units Are Restricted to 30% AMI, or less. Total # of units with PBRA? 0

of Link Units: 6 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	3	630	30%			\$543	\$74	\$469		\$469	\$469	\$469	\$16,884
1	1.0	7	630	60%			\$1,086	\$74	\$1,012		\$1,012	\$1,012	\$1,012	\$85,008
1	1.0	8	630	70%			\$1,267	\$74	\$1,193		\$1,193	\$1,193	\$1,193	\$114,528
2	1.0	5	850	30%			\$651	\$84	\$567		\$567	\$567	\$567	\$34,020
2	1.0	12	850	60%			\$1,303	\$84	\$1,219		\$1,219	\$1,219	\$1,219	\$175,536
2	1.0	15	850	70%			\$1,520	\$84	\$1,436		\$1,436	\$1,436	\$1,436	\$258,480
3	2.0	3	1,050	30%			\$753	\$95	\$658		\$658	\$658	\$658	\$23,688
3	2.0	8	1,050	60%			\$1,506	\$95	\$1,411		\$1,411	\$1,411	\$1,411	\$135,456
3	2.0	10	1,050	70%			\$1,757	\$95	\$1,662		\$1,662	\$1,662	\$1,662	\$199,440
		71	60,590											\$1,043,040

The Applicant selected Average Income Test; therefore, as required by the RFA 2023-304 (“RFA”), the Applicant must set aside 15% of the total units (11 units) as ELI Set-Aside units at 30% of AMI. Persons with Special Needs Set-Aside Commitment: The proposed development must set aside fifty percent (50%) of the ELI Set-Aside units (6 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

MMRN, RRLP, ELI AND HC CREDIT UNDERWRITING REPORT

SMG

Special Needs Household Referral Agency that provides supportive services for Persons with Special Needs for the county where the proposed Development will be located (Orange County). Florida Housing approved the MOU on June 11, 2024.

Buildings: Residential - 1 Non-Residential - 0
 Parking: Parking Spaces - 105 Accessible Spaces - 6

Set Asides:

Program	% of Units	# of Units	% AMI	Term (Years)
MMRN	40.00%	29	60%	99
RRLP / ELI / HC	15.493%	11	30%	99
RRLP / HC	38.028%	27	60%	99
RRLP / HC	46.479%	33	70%	99

Applicant plans to apply for the 100% Ad Valorem Property Tax Exemption under Section 196.1978(4), Florida Statutes, which requires a ninety-nine (99) year total compliance period under a Land Use Restriction Agreement. Therefore, after the initial 50-year Compliance Period required by the RFA ("Compliance Period) expires, all set-aside units within the Development shall be rented to households who shall have a household income less than or equal to one hundred and twenty percent (120%) of the Area Median Income for a period of forty-nine (49) years ("Ad Valorem Compliance Period"). The Ad Valorem Compliance Period, together with the Compliance Period shall have a term of ninety-nine (99) years (the "Total Compliance Period"). The Applicant will be responsible for compliance monitoring fees for 50 years which is to be paid to the Servicer, for years 51-99, compliance monitoring will be self-certified by the Applicant to FHFC. The Applicant will also be responsible for the compliance monitoring fee of \$4,900 (\$100 per year) for years 51-99 Ad Valorem Compliance Period, to be paid at closing to FHFC.

Absorption Rate 25 units per month for 3 months.

Occupancy Rate at Stabilization: Physical Occupancy 96.00% Economic Occupancy 95.00%
 Occupancy Comments _____

DDA: No QCT: Yes Multi-Phase Boost: No QAP Boost: No
 Site Acreage: 2.855 Density: 24.8687 Flood Zone Designation: X
 Zoning: R-3B, Medium Intensity Development Flood Insurance Required?: No

MMRN, RRLP, ELI AND HC CREDIT UNDERWRITING REPORT

SMG

DEVELOPMENT TEAM			
Applicant/Borrower:	ECG Town Oaks, LP	% Ownership	
General Partner	ECG Town Oaks GP, LLC		0.01%
Limited Partner	First Horizon Community Investment Group, Inc. ("FHC")		99.99%
Special LP	CC Community Development Holdings, Inc.		0.00%
Construction Completion Guarantor(s):			
CC Guarantor 1:	ECG Town Oaks, LP		
CC Guarantor 2:	ECG Town Oaks GP, LLC		
CC Guarantor 3:	ECG Town Oaks Developer, LLC		
CC Guarantor 4:	C. Hunter Nelson		
CC Guarantor 5:	John Shepard		
Operating Deficit Guarantor(s):			
OD Guarantor 1:	ECG Town Oaks, LP		
OD Guarantor 2:	ECG Town Oaks GP, LLC		
OD Guarantor 3:	ECG Town Oaks Developer, LLC		
OD Guarantor 4:	C. Hunter Nelson		
OD Guarantor 5:	John Shepard		
Note Purchaser	R4 Capital Funding, LLC ("R4") Designee		
Developer:	ECG Town Oaks Developer, LLC		
Principal 1	C. Hunter Nelson		
Principal 2	John Shepard		
General Contractor 1:	Elmington Construction, LLC ("EC LLC")		
Management Company:	Elmington Property Management, LLC ("EPM LLC")		
Syndicator:	FHC		
Note Issuer:	Florida Housing Finance Corporation		
Architect:	Southeast Venture Design, LLC (a.k.a. SV Design)		
Market Study Provider:	Integra Realty Resources		
Appraiser:	Integra Realty Resources		

MMRN, RRLP, ELI AND HC CREDIT UNDERWRITING REPORT

SMG

PERMANENT FINANCING INFORMATION						
	1st Source	2nd Source	2nd Source	4th Source	5th Source	Other
Lien Position	First	Second	Second			
Lender/Grantor	FHFC MMRN / R4 Designee	FHFC RRLP Base	FHFC RRLP-ELI			
Amount	\$6,795,000	\$4,740,000	\$600,600			
Underwritten Interest Rate	6.10%	0.85%	0.00%			
Loan Term	16.0	16.0	16.0			
Amortization	40.0	N/A	N/A			
Market Rate/Market Financing LTV	46.2%	78.5%	82.6%			
Restricted Market Financing LTV	61.2%	103.9%	109.3%			
Loan to Cost - Cumulative	27.2%	46.2%	48.6%			
Debt Service Coverage	1.142	1.028	1.028			
Operating Deficit & Debt Service Reserves	\$302,199					
# of Months covered by the Reserves	7.8					

Deferred Developer Fee	\$2,611,387
As-Is Land Value	\$1,600,000
Market Rent/Market Financing Stabilized Value	\$14,700,000
Rent Restricted Market Financing Stabilized Value	\$11,100,000
Projected Net Operating Income (NOI) - Year 1	\$547,018
Projected Net Operating Income (NOI) - 15 Year	\$646,363
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	\$0.94
HC Annual Allocation - Qualified in CUR	\$1,110,428
HC Annual Allocation - Equity Letter of Interest	\$1,086,610

CONSTRUCTION/PERMANENT SOURCES:				
Source	Lender	Construction	Permanent	Perm Loan/Unit
FHFC - MMRN	FHFC MMRN Series A / R4 Designee	\$6,795,000	\$6,795,000	\$95,704.23
FHFC - MMRN	FHFC MMRN Series B / R4 Designee	\$10,205,000	\$0	\$0.00
FHFC - RRLP	FHFC RRLP Base	\$4,740,000	\$4,740,000	\$66,760.56
FHFC - RRLP ELI	FHFC RRLP-ELI	\$600,600	\$600,600	\$8,459.15
HC Equity	FHC	\$2,042,622	\$10,213,109	\$143,846.61
Deferred Developer	ECG Town Oaks Dev LLC	\$576,874	\$2,611,387	\$36,780.10
TOTAL		\$24,960,096	\$24,960,096	\$351,550.65

Financing Structure:

MMRN, RRLP, ELI AND HC CREDIT UNDERWRITING REPORT

SMG

Applicant submitted to FHFC an MMRB with Non-Competitive HC and RRLP Application under RFA 2023-304. The MMRN of \$17,000,000 will be underwritten by R4 through their Direct Note Purchase Program where R4 or a designated partner would purchase an estimated \$6,795,000 of construction-permanent tax-exempt notes (“Series A Notes”) and \$10,205,000 of construction period tax-exempt notes (“Series B Notes”). Proceeds of the Notes will be lent to the Applicant on a Draw Basis pursuant to a schedule mutually agreed upon prior to Closing in order to reduce construction period interest. Upon conversion to the permanent period, the MMRN Series B Notes will be Redeemed, and the MMRN Series A Notes in the amount of \$6,795,000 will remain as permanent financing.

Changes from the Application:

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

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

1. Changes in Sources of Funds:

- a. The Applicant submitted a request, dated May 23, 2024, to increase the MMRN amount from \$13,000,000 to \$17,000,000. FHFC staff approved the request on June 20, 2024.
- b. The Application included a Letter of Intent (“LOI”) for Housing Credit equity from Raymond James Affordable Housing Investments, Inc. (“RJAHI”) purchasing \$9,457,802 of Housing Credits at a \$0.90 HC Exchange rate per dollar of Housing Credits. The Applicant subsequently provided an LOI from FHC replacing RJAHI as the Equity Provider purchasing \$10,865,010 Housing Credits at a \$0.94 HC Exchange rate per dollar of Housing Credits.

2. Changes in Development Costs Listed in Application:

- a. Development costs have increased by \$1,717,854 from \$23,242,242 in the application to \$24,960,096 primarily due to increases in general development costs associated engineering fees, legal fees, utility connection/impact fees, tree mitigation assessments by the City of Orlando, financing costs, developer fees, land acquisition costs and the addition of reserves.

3. Other Material Changes from Application:

- a. The Applicant submitted a request, dated February 6, 2024, to increase the number of units from 60 to 62, change the set-asides, unit mix and Development Type from Garden Apartments to Mid-Rise (4 stories). Florida Housing staff approved this request on February 16, 2024. The unit mix and set-asides were changed as follows:

Item Description (From)	Item Description (To)
60 Total Units	62 Total Units
Federal set-aside commitment of "Average Income Test" with the following breakdown of 60 units under RRLP and 4% HC Program:	Federal set-aside commitment of "Average Income Test" with the following breakdown of 62 units under RRLP and 4% HC Program:
10 Units @ 30% AMI	10 Units @ 30% AMI
20 Units @ 60% AMI	22 Units @ 60% AMI
<u>30 Units @ 70% AMI</u>	<u>30 Units @ 70% AMI</u>
Averaging AMI = 60%	Averaging AMI = 60%
30 - 2 Bedroom / 1 Bathroom	32 - 2 Bedroom / 1 Bathroom
30 - 3 Bedroom / 2 Bathroom	30 - 3 Bedroom / 2 Bathroom

- b. The Applicant submitted a second request, dated April 10, 2024, to increase the total number of units from 62 to 71, change the set-asides and unit mix. Florida Housing staff approved this request on April 19, 2024. The unit mix was changed as follows:

Item Description (From)	Item Description (To)
62 Total Units	71 Total Units
Federal set-aside commitment of "Average Income Test" with the following breakdown of 62 units under RRLP and 4% HC Program: 10 Units @ 30% AMI 22 Units @ 60% AMI <u>30 Units @ 70% AMI</u> Averaging AMI = 60%	Federal set-aside commitment of "Average Income Test" with the following breakdown of 71 units under RRLP and 4% HC Program: 11 Units @ 30% AMI 27 Units @ 60% AMI <u>33 Units @ 70% AMI</u> Averaging AMI = 60%
0 - 1 Bedroom / 1 Bathroom 32 - 2 Bedroom / 1 Bathroom 30 - 3 Bedroom / 2 Bathroom	18 - 1 Bedroom / 1 Bathroom 32 - 2 Bedroom / 1 Bathroom 21 - 3 Bedroom / 2 Bathroom

- c. The Applicant submitted a request, dated July 11, 2024, to change the membership of Elmington Affordable, LLC, a member of the General Partner of the Applicant entity as well as a member of the Developer entity. The proposed change would replace four of the current members with trusts, of which the existing members, along with several family members, would be trustees and beneficiaries. In addition, the Applicant requested removal of all beneficiaries under the age of 18 for each Trust. Florida Housing staff approved this request on August 8, 2024. Changes to the organizational structure of the Applicant entity are contingent upon FHFC Board approval.

These changes have no substantial material impact to the MMRN, RRLP, RRLP-ELI and HC 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 July 12, 2024 reflects the following past due item(s): None

Florida Housing’s Asset Management Noncompliance Report dated October 18, 2023 reflects the following noncompliance items: None

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. Based on the Market Study performed by Integra Realty Resources (“IRR”), there is currently residual demand for 27,166 rental units in the PMA within the subject’s proposed income band. The number of households in the PMA is projected to increase 3.4% by 2029. IRR states the capture rate of 0.2% for the subject property is very low indicating the property has a good chance to succeed based on achieving stabilized occupancy and rental rates.
2. Although the Borrower, General Partner (“GP”) and Developer are single-purpose/newly formed entities, the Natural Person Members of the GP and Developer have sufficient experience and financial resources to develop, construct and operate the proposed Development.

Other Considerations: None

Waiver Requests/Special Conditions: None

Additional Information:

1. The Debt Service Coverage ("DSC") ratio for the combined First Mortgage and RRLP Loan reflect a ratio that is lower than 1.10 to 1.00. According to RFA 2023-304, the minimum DSC shall be 1.10 to 1.00 for the RRLP Loan, including all superior mortgages. However, the RFA indicates 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 RRLP Loan, including all superior mortgages. The Applicant will be required to defer at least 35% of its Developer Fee as the First Mortgage and RRLP Loan DSC is 1.028. The Applicant is deferring 75.58% of Developer Fee during the Permanent period.
2. The 2024 Qualified Census Tract ("QCT") for Orange County no longer shows the Development in a QCT. However, at the time of application (2023), the Development was located in a QCT for Orange County and therefore, qualifies for the 30% HC eligible basis boost.

Issues and Concerns: None

Mitigating Factors: None

Recommendation:

SMG recommends FHFC fund MMRN in the amount of \$17,000,000, a RRLP Loan in the amount of \$5,340,600 comprised of a RRLP Base Loan in the amount of \$4,740,000 plus a RRLP-ELI Loan in the amount of \$600,600 SMG also recommends an Annual HC allocation of \$1,110,428 be awarded to Town Oaks Apartments 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 MMRN, RRLP and ELI Loan Conditions and HC Allocation Recommendation and Contingencies (Section B). The reader is cautioned to refer to these sections for complete information.

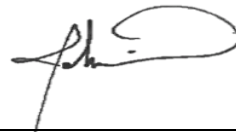
This recommendation is only valid for six months from the date of the report.

Prepared by:



Frank Sforza
Senior Credit Underwriter

Reviewed by:



Joshua Scribner
Credit Underwriting Manager

Overview

Construction Financing Sources

Source	Lender	Applicant	Revised Applicant	Underwriter	Interest Rate	Construction Debt Service
First Mortgage	FHFC MMRN Series A / R4 Designee	\$13,000,000	\$6,795,000	\$6,795,000	6.10%	\$477,705
First Mortgage	FHFC MMRN Series B / R4 Designee		\$10,205,000	\$10,205,000	7.15%	\$840,930
Second Mortgage	FHFC RRLP Base	\$4,740,000	\$4,740,000	\$4,740,000	0.85%	\$46,434
Second Mortgage	FHFC RRLP-ELI	\$600,600	\$600,600	\$600,600	0.00%	\$0
HC Equity	FHC	\$3,310,230	\$1,531,966	\$2,042,622		
Deferred Developer Fee	ECG Town Oaks Dev LLC	\$3,000,000	\$1,030,290	\$576,874		
Total		\$24,650,830	\$24,902,856	\$24,960,096		\$1,365,070

First Mortgage Loan:

The Applicant initially applied for \$13,000,000 in Tax-Exempt Bonds to be issued by Florida Housing for the acquisition and construction of Town Oaks Apartments. On June 20, 2024, Florida Housing approved the Applicant’s request to increase the MMRN to \$17,000,000. The Applicant provided a Note Financing LOI from R4 dated October 5, 2023, last revised July 9, 2024, for the purchase of an estimated \$6,795,000 of construction-permanent tax-exempt notes (“Series A Notes”) and \$10,205,000 construction-period tax-exempt notes (“Series B Notes”) for a total of \$17,000,000 of Tax-Exempt Notes under its Direct Note Purchase Program and the proceeds of the notes will be lent to the Applicant. The term of the loans for the construction phase is expected to be 36 months.

The construction-permanent loan / Series A Notes interest rate will be fixed based upon the 10-Year Treasury Index, published by Thomas Reuters, plus a spread of 1.80% and is subject to a floor rate of 5.40%. The 10-Year Treasury as of July 10, 2024 was 4.30% resulting in an overall interest rate of 6.10%. Payments will be interest only for the first 36 months from the closing date.

The construction-period loan / Series B Notes interest rate will be fixed based upon the 3-Year Treasury Index, published by Thomas Reuters, plus a spread of 2.00% and is subject to a floor rate of 5.80%. The 3-Year Treasury as of July 9, 2024 was 4.40%. Due to the potential for increases in interest rates, SMG included a 75 basis point cushion resulting in an estimated overall rate of 7.15%. The payments will be interest only until maturity (conversion to permanent). Upon construction completion and conversion to permanent financing, the Series B Notes will be redeemed. In addition, an origination fee of 1.0%, Application Fee of \$45,000, and a construction fee of 0.50% is due at construction loan closing.

The Annual FHFC Issuer Fee of 24 basis points of the Series A Notes and Series B Notes and the Annual Fiscal Agent Fee of \$4,500 have been included in the Uses section of the report.

Other Construction Sources of Funds:

Additional sources of funds for this Development during construction consist of RRLP Base Loan in the amount of \$4,740,000, an RRLP-ELI Loan in the amount of \$600,600, Housing Credit equity of \$2,042,622, and deferred Developer Fees in the amount of \$576,874. See the Permanent Financing section below for details.

Construction/Stabilization Period:

Based upon market analysis, the appraiser projects an absorption at a rate of approximately 25 units per month to achieve stabilized occupancy within three months following construction completion. The appraiser assumed pre-leasing will begin at least four months prior to completion. The construction contract requires substantial completion within approximately 19 months. For purposes of this Credit Underwriting, SMG assumes a 22-month construction / stabilization period.

Permanent Financing Sources

Source	Lender	Applicant	Revised Applicant	Underwriter	Interest Rate	Amort. Yrs.	Term Yrs.	Annual Debt
First Mortgage	FHFC MMRN / R4 Designee	\$5,700,000	\$6,795,000	\$6,795,000	6.10%	40	16	\$454,341
Second Mortgage	FHFC RRLP Base	\$4,740,000	\$4,740,000	\$4,740,000	0.85%	N/A	16	\$40,290
Second Mortgage	FHFC RRLP-ELI	\$600,600	\$600,600	\$600,600	0.00%	N/A	16	\$0
HC Equity	FHC	\$9,457,802	\$10,370,117	\$10,213,109				
Def. Developer Fee	ECG Town Oaks Dev LLC	\$3,000,000	\$2,397,139	\$2,611,387				
Total		\$23,498,402	\$24,902,856	\$24,960,096				\$494,631

First Mortgage Loan:

The Applicant provided a Note Financing LOI from R4 dated October 5, 2023, last revised July 9, 2024, for the purchase of an estimated \$6,795,000 of construction-permanent tax-exempt notes ("Series A Notes") and \$10,205,000 construction-period tax-exempt notes ("Series B Notes") for a total of \$17,000,000 of Tax-Exempt Notes under its Direct Note Purchase Program and the proceeds of the notes will be lent to the Applicant. The Series B Notes will redeem in full upon conversion to permanent financing.

The construction-permanent Series A Notes loan interest rate will be fixed at construction loan closing based upon the 10-Year Treasury Index, published by Thomas Reuters, plus a spread of 1.80% and is subject to a floor rate of 5.40%. The 10-Year Treasury as of July 10, 2024 was 4.30% resulting in an overall interest rate of 6.10%. Payments will be interest only for the first 36 months from loan closing followed by principal and interest payments through the term of the loan. Following the interest only construction period, mandatory redemption of the Series A Notes shall occur, in part, on a monthly basis sufficient to fully amortize over 40 years. Upon the 16th anniversary of stabilization, the noteholder shall have the option to require a mandatory tender of the Series A Notes and will be required to provide 6 months' notice for such mandatory tender.

The Development shall be required to achieve stabilization prior to 30 months from closing. R4's stabilization requirements include: (i) the ratio of net operating income of the property for the prior three months to the maximum debt service in any three-month period equals or exceeds 1.15 to 1.00, (ii) the average economic occupancy in each of the three months equals at least 90%, and (iii) the property has achieved Final Completion.

The Permanent Loan will mature sixteen (16) years following conversion to 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 R4 Designee 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 Trust Indenture, and it would then assign the mortgage loan (Project loan) and any other related documents and collateral to R4 Designee, 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, R4 Designee 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 debt service coverage ratio. Fees include a Permanent Loan Servicing Fee to be paid annually based on 2.3 basis points (0.023%) of the outstanding MMRN amount or a minimum of \$243 per month, and an hourly fee of \$204 for extraordinary services; an Annual Compliance Monitoring Fee based on \$188 per month plus an additional fee per set-aside unit of \$11.58, subject to a minimum monthly fee of \$295; a Fiscal Agent Fee of \$4,500 and an annual Issuer Fee based on 24 basis points (0.24%) on the outstanding MMRN balance subject to a minimum fee of \$10,000.

Second Mortgage Loan

The Applicant applied to FHFC under RFA 2023-304 for a RRLP Loan in the amount of \$5,340,600, comprised of a RRLP Base Loan in the amount of \$4,740,000 plus a RRLP-ELI Loan in the amount of \$600,600. The RRLP Base Loan will be non-amortizing and shall have interest rates as follows: (a) 0 percent simple interest per annum on the pro-rata portion of the base loan attributable to ELI units over the life of the loan; and (b) 1 percent simple interest per annum on the pro-rata portion of the base loan attributable to non-ELI units. As such, the RRLP Base Loan will have a 0.85% interest rate over the life of the loan with annual payments based upon available cash flow.

RRLP Base 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 the RFA, the RRLP Base Loan will be coterminous with the first mortgage.. Any unpaid interest will be deferred until cash flow is available. At the maturity of the RRLP Base Loan, however, all principal and unpaid interest is due. Annual payments of all applicable fees will be required.

Applicants that submit an Application under RFA 2023-304 are also eligible for ELI Loan funding for the required ELI set-aside units. The Applicant committed to the Average Income Test ("AIT") and is required to commit 15% of the total units as ELI Set-Aside Units (11 units). The Applicant is eligible for ELI Loan Funding for each of the ELI Units up to 10% of the total units. The RRLP-ELI Loan is in the form of a forgivable loan in the amount of \$600,600.

The ELI AMI for Orange County is 33%. However, as noted above, the Applicant committed to AIT set asides at or below 30% of AMI for the ELI to meet AIT requirements. The RRLP-ELI Loan is non-amortizing with a 0.00% interest per annum over the life of the loan. The principal is forgivable at maturity provided the units for which the RRLP-ELI Loan amount is awarded are targeted to ELI Households for the first 15 years of the 50-year Compliance Period. However, after 15 years, all of the ELI set aside units may convert to serve residents at or below 60% AMI. The Persons with Special Needs set-aside requirement must be maintained through the entire 50-year Compliance Period. The RRLP-ELI 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 the RFA, the RRLP-ELI Loan will be coterminous with the first mortgage. Annual payments of all applicable fees will be required.

Fees for the RRLP Loan are an Annual Permanent Loan Servicing Fee based on 25 bps of the outstanding loan amount with a maximum of \$964 per month, subject to a minimum of \$243 per month and a Compliance Monitoring Fee based on an annual multiple program fee of \$1,054.

MMRN, RRLP, ELI AND HC CREDIT UNDERWRITING REPORT

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Housing Credits Equity Investment:

The Applicant has applied to Florida Housing to receive 4% Housing Credits directly from the United States Treasury in conjunction with tax-exempt financing. A HC calculation is contained in Exhibit 4 of this credit underwriting report.

Based upon a July 15, 2024 LOI, FHC or an affiliate will purchase a 99.99% membership interest in the Applicant and provide HC equity as follows:

Capital Contributions	Amount	Percent of Total	When Due
1st Installment	\$1,531,966.35	15.00%	paid prior to or simultaneous with the closing of construction financing
2nd Installment	\$510,655.45	5.00%	Issuance of Temp COs, 99% completion
3rd Installment	\$510,655.45	5.00%	Issuance of Final COs, 100% completion
4th Installment	\$7,659,831.75	75.00%	Stabilization
Total	\$10,213,109.00	100.00%	

Annual Tax Credits per Syndication Agreement: \$1,086,610

Total HC Available to Syndicator (10 years): \$10,865,013

Syndication Percentage (investor member interest): 99.99%

Calculated HC Exchange Rate (per dollar): \$0.940

Proceeds Available During Construction: \$2,042,622

Sufficient equity proceeds will be disbursed at closing to meet regulatory requirements.

Other Permanent Sources of Funds:

In order to balance the sources and uses of funds after all loan proceeds and capital contributions payable under the FHC LOI have been received, the Developer will have to defer \$2,611,387 of Developer Fees.

Uses of Funds

CONSTRUCTION COSTS:	Applicant Costs	Revised Applicant Costs	Underwriters Total Costs - CUR	Cost Per Unit	HC Ineligible Costs - CUR
Accessory Buildings				\$0	
Demolition	\$14,896			\$0	\$0
Installation of Pre Fab Units				\$0	
New Rental Units	\$11,120,000	\$10,560,318	\$10,560,318	\$148,737	
Off-Site Work				\$0	\$0
Recreational Amenities	\$50,000			\$0	
Rehab of Existing Common Areas				\$0	
Rehab of Existing Rental Units				\$0	
Site Work	\$1,540,000	\$1,667,364	\$1,667,364	\$23,484	\$250,105
Swimming Pool				\$0	
Furniture, Fixture, & Equipment				\$0	
Hard Cost Contingency - in Constr. Contr.				\$0	
Constr. Contr. Costs subject to GC Fee	\$12,724,896	\$12,227,682	\$12,227,682	\$172,221	\$250,105
General Conditions	\$1,700,000	\$733,661	\$733,661	\$10,333	
Overhead		\$244,553	\$244,553	\$3,444	
Profit		\$733,661	\$733,661	\$10,333	
Builder's Risk Insurance				\$0	
General Liability Insurance		\$27,000	\$27,000	\$380	
Payment and Performance Bonds		\$94,000	\$94,000	\$1,324	
Contract Costs not subject to GC Fee		\$89,000	\$89,000	\$1,254	
Total Construction Contract/Costs	\$14,424,896	\$14,149,557	\$14,149,557	\$199,290	\$250,105
Hard Cost Contingency	\$705,000	\$707,478	\$707,477	\$9,964	
PnP Bond paid outside Constr. Contr.				\$0	
Fees for LOC used as Constr. Surety				\$0	
Demolition paid outside Constr. Contr.		\$58,650	\$58,650	\$826	\$58,650
FF&E paid outside Constr. Contr.		\$75,000	\$75,000	\$1,056	
Total Construction Costs:	\$15,129,896	\$14,990,685	\$14,990,684	\$211,136	\$308,755

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 May 10, 2024 in the amount of \$14,149,557. The contract provides for a date of commencement 14 days after the Notice to Proceed is received and grading permit has been issued. The contract calls for achievement of substantial completion no later than 545 days from the date of commencement. Ten (10%) percent retainage will be withheld on all work performed up to 50% completion and no retainage thereafter.

Allowances in the GMP Agreement

- \$10,000 for bicycle parking
- \$1,000/acre for site furnishings (benches/trash cans/etc.).
- \$45,000/acre for landscaping, irrigation, topsoil/planting mix and including the ponds.
- \$75,000 for electrical primary duct bank
- \$450/thousand Queen size brick
- \$10,000 for spray fireproofing of steel at clubhouse
- \$15,000 for monument sign

- \$100/unit for building and unit signage
- \$100/unit for fire pucks at each unit range
- \$207,000 for builder's risk, required security cameras and site lighting during construction
- \$75/unit for rough-in of access control

On Solid Ground, Inc. ("OSG") indicated the specified Allowances were reasonable for this Development.

Final payment will be made when (1) the General Contractor has fully performed the contract, (2) the General Contractor has submitted a final accounting for the Cost of the Work and a final application for payment, and (3) final certificate for payment has been issued by the Architect. The Owner's final payment to the General Contractor shall be made no later than 30 days after the Architect's final Certificate for Payment.

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 RFA and Rule.
4. Costs associated with General Liability Insurance, Payment and Performance Bonds and Building Permit fees (Permit Fees are labeled as "Contract Costs not subject to GC Fee") are contained within the construction contract but no GC Fee was taken on these costs.
5. The hard cost contingency is within the 5.00% allowed by the RFA and Rule and is not included within the GC Contract or schedule of values.
6. The Applicant provided a Demolition Proposal (outside of the construction contract) between the Applicant and Champion Services of Florida, LLC dated June 11, 2024 for the demolition of a 2-story concrete building.
7. FF&E outside the Construction Contract are costs associated with Leasing office furniture and equipment such as desks, tables, chairs, computers, filing cabinets, photo copier, phones, fax machine, lighting, floor coverings, window treatments, coffee maker, refrigerator, and equipment for the fitness center.
8. SMG engaged and received a Plan and Cost Analysis ("PCA") from OSG. Complete results are set forth in Section C of this credit underwriting report.

MMRN, RRLP, ELI AND HC CREDIT UNDERWRITING REPORT

SMG

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	\$563	\$20,000
Appraisal	\$5,000	\$5,000	\$4,500	\$63	
Architect's and Planning Fees				\$0	
Architect's Fee - Green Initiative		\$34,500	\$34,500	\$486	
Architect's Fee - Landscape				\$0	
Architect's Fee - Site/Building Design	\$270,000	\$263,843	\$206,365	\$2,907	
Architect's Fee - Supervision	\$75,000	\$131,922	\$189,400	\$2,668	
Building Permits	\$75,000			\$0	
Builder's Risk Insurance	\$230,000	\$305,399	\$305,399	\$4,301	
Capital Needs Assessment/Rehab				\$0	
Engineering Fees	\$105,000	\$226,200	\$226,200	\$3,186	
Environmental Report	\$20,000	\$25,000	\$25,000	\$352	
Federal Labor Standards Monitoring				\$0	
FHFC Administrative Fees	\$94,588	\$99,298	\$99,939	\$1,408	\$99,939
FHFC Application Fee	\$3,000	\$3,000	\$3,000	\$42	\$3,000
FHFC Credit Underwriting Fee	\$26,781	\$26,781	\$26,781	\$377	\$26,781
FHFC Compliance Fee	\$229,477		\$4,900	\$69	\$4,900
FHFC Other Processing Fee(s)				\$0	
Impact Fee		\$6,088	\$6,088	\$86	
Lender Inspection Fees / Const Admin	\$30,000	\$30,000	\$30,000	\$423	
Green Building Cert. (LEED, FGBC, NGBS)	\$45,000			\$0	
Home Energy Rating System (HERS)				\$0	
Insurance	\$25,000			\$0	
Legal Fees - Organizational Costs	\$350,000	\$382,000	\$382,000	\$5,380	\$191,000
Local Subsidy Underwriting Fee				\$0	
Market Study	\$10,000	\$4,200	\$4,200	\$59	\$4,200
Marketing and Advertising	\$25,000	\$75,000	\$75,000	\$1,056	\$75,000
Plan and Cost Review Analysis		\$2,700	\$2,700	\$38	
Property Taxes	\$7,500	\$25,000	\$25,000	\$352	
Soil Test	\$20,000	\$10,000	\$10,000	\$141	
Survey	\$20,000	\$50,000	\$50,000	\$704	\$12,500
Tenant Relocation Costs				\$0	
Title Insurance and Recording Fees	\$110,000	\$55,000	\$55,000	\$775	\$55,000
Traffic Study				\$0	
Utility Connection Fees		\$178,842	\$178,842	\$2,519	
Soft Cost Contingency	\$51,000	\$100,000	\$100,000	\$1,408	
Other: Zoning & Density Bonus Fees		\$10,000	\$10,000	\$141	
Other: Tree Mitigation Costs		\$196,000	\$196,000	\$2,761	
Total General Development Costs:	\$1,867,346	\$2,285,773	\$2,290,814	\$32,265	\$492,320

Notes to the General Development Costs:

1. Appraisal, Market Study, and Plan and Cost Review fees reflect the actual cost of the reports engaged by SMG.
2. Architect's Fees for Green Initiative, Site/Building Design and Supervision are based on the Agreement between Owner and Architect, Southeast Venture design, LLC dated May 21, 2024.
3. Engineering Fees are based on an Agreement between the owner and Kimley-Horn and Associates, Inc. dated August 11, 2023.

4. The FHFC Administrative Fee is based on 9% of the recommended annual allocation of HC. The FHFC Application Fee is reflective of the application fees stated in RFA 2023-304. The total FHFC Credit Underwriting Fees are \$26,781. The FHFC Compliance Fee of \$4,900 is based on \$100 per year for years 51-99 Ad Valorem Compliance Period. FHFC Compliance Fees through the initial 50 year Compliance period will be ongoing and are incorporated in the operating pro forma and debt service analysis within this report.
5. Impact Fee is associated with school impact fees. All other impact fees have been waived.
6. Green Building Certification costs are included in the Architect's Agreement and noted under Green Initiative.
7. Utility Connection Fees include sewer fees, OUC Water System Development Charge and Lateral sewer development charge. These fees were estimated by the Applicant based on calculation worksheets from the City of Orlando.
8. Soft cost contingency has been limited to 5% as required per the RFA and Rule.
9. Zoning & Density Bonus Fees are associated with the density bonus increase from 62 units to 71 units.
10. Tree Mitigation Costs are fees charged by the Arborist associated with the City of Orlando for removal of trees.
11. Other General Development Costs are based on the Applicant's estimates, which appear reasonable.

MMRN, RRLP, ELI AND HC CREDIT UNDERWRITING REPORT

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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		\$45,000	\$45,000	\$634	
Construction Loan Underwriting Fee				\$0	
Construction Loan Origination Fee	\$240,000	\$255,000	\$170,000	\$2,394	
Construction Loan Commitment Fee				\$0	
Construction Loan Closing Costs	\$25,000	\$25,000	\$25,000	\$352	
Construction Loan Interest	\$1,300,000	\$1,300,000	\$1,365,070	\$19,226	\$296,111
Construction Loan Servicing Fees				\$0	
Permanent Loan Application Fee				\$0	\$0
Permanent Loan Underwriting Fee		\$25,000	\$25,000	\$352	\$25,000
Permanent Loan Subsidy Layering Rev.				\$0	\$0
Permanent Loan Commitment Fee				\$0	\$0
Permanent Loan Origination Fee	\$5,000		\$85,000	\$1,197	\$85,000
Permanent Loan Closing Costs	\$25,000			\$0	\$0
Permanent Loan Interest				\$0	\$0
Permanent Loan Servicing Fee				\$0	\$0
FHFC Note Short-Term Redemption Fee				\$0	\$0
FHFC Note Fiscal Agent Fee		\$10,000	\$8,250	\$116	\$8,250
FHFC Note Credit Enhancement Fee				\$0	\$0
FHFC Note Cost of Issuance		\$233,873	\$233,873	\$3,294	\$233,873
FHFC Note Interest				\$0	\$0
FHFC Note Servicing Fee				\$0	\$0
RRLP Commitment Fee		\$47,400	\$53,406	\$752	\$53,406
RRLP Closing Costs		\$12,500		\$0	\$0
RRLP Interest				\$0	\$0
RRLP Servicing Fee				\$0	\$0
RRLP-ELI Commitment Fee		\$6,006		\$0	\$0
RRLP-ELI Closing Costs				\$0	\$0
RRLP-ELI Servicing Fee				\$0	\$0
Misc Loan Application Fee				\$0	
Misc Loan Underwriting Fee				\$0	
Misc Loan Subsidy Layering Review				\$0	
Misc Loan Origination Fee				\$0	
Misc Loan Closing Costs				\$0	
Misc Loan Interest				\$0	
Misc Loan Servicing Fee				\$0	
Legal Fees - Financing Costs		\$90,000	\$90,000	\$1,268	\$25,000
Negative Arbitrage				\$0	
Forward Rate Lock Fee				\$0	
Placement Agent/Underwriter Fee		\$100,000	\$100,000	\$1,408	\$100,000
Initial TEFRA Fee		\$1,000	\$1,000	\$14	\$1,000
FHA MIP (Prepayment)				\$0	
FHA Exam Fee				\$0	
NIBP Commitment Fee				\$0	
Other: FHFC Issuer Fee		\$73,440	\$74,800	\$1,054	\$74,800
Total Financial Costs:	\$1,595,000	\$2,224,219	\$2,276,399	\$32,062	\$902,439
Dev. Costs before Acq., Dev. Fee & Reserves	\$18,592,242	\$19,500,677	\$19,557,897	\$275,463	\$1,703,514

Notes to the Financial Costs:

1. The Construction Loan Application fee, Underwriting fee, Origination fee and Closing costs reflects the fees noted in the R4 LOI dated October 5, 2023, revised July 9, 2024.
 - a. The LOI indicated there was a 1.00% origination fee based on the Note amount (0.50% allocated to the construction origination fee line, 0.50% allocated to the permanent origination fee line item).
 - b. Seltzer allocated the 0.50% construction fee to the construction origination fee line item, for a total fee of 1% of the construction loan amount.
2. The Permanent Loan Closing fee reflects legal costs noted in the R4 LOI.
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 6.10% for the first mortgage Series A Note Loan, a 7.15% interest rate for the first mortgage Series B Note Loan, a blended interest rate of 0.85% for the Second Mortgage RRLP Loan, a construction/stabilization period of 22 months, and 57% of the MMRN outstanding (on average) during the construction schedule.
4. FHFC Note Fiscal Agent Fee represents 22 months of the annual Fiscal Agent Fee of \$4,500 during the construction period.
5. FHFC Note Cost of Issuance includes fees and expenses of the Real Estate Counsel for MMRN and RRLP Loan, Note Counsel, Disclosure Counsel, Fiscal Agent, and other fees.
6. The RRLP Commitment Fee is 1% of the RRLP Base/RRLP-ELI Loan amount.
7. Legal Fees – Financing Costs are estimates provided by the Applicant.
8. FHFC Issuer Fee represents 22 months of the annual Issuer Fee of 24 basis points (0.24%) during the construction period.
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	
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 development is new construction, there are no non-land acquisition costs.

MMRN, RRLP, ELI AND HC CREDIT UNDERWRITING REPORT

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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	\$3,150,000	\$3,455,000	\$3,455,000	\$48,662	
DF to fund Operating Debt Reserve				\$0	
DF to Brokerage Fees - Land			\$0	\$0	
DF to Excess Land Costs				\$0	
DF to Excess Bldg Acquisition Costs				\$0	
DF to Consultant Fees		\$45,000	\$45,000	\$634	
DF to Guaranty Fees				\$0	
Total Other Development Costs:	\$3,150,000	\$3,500,000	\$3,500,000	\$49,296	\$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
Brokerage Fees - Land			\$0	\$0	\$0
Land Acquisition Cost				\$0	\$0
Land	\$1,500,000	\$1,600,000	\$1,600,000	\$22,535	\$1,600,000
Land Lease Payment				\$0	\$0
Land Carrying Costs				\$0	\$0
Total Acquisition Costs:	\$1,500,000	\$1,600,000	\$1,600,000	\$22,535	\$1,600,000

Notes to the Land Acquisition Costs:

1. The Applicant provided the following:
 - a Purchase and Sale Agreement (“PSA”) dated March 24, 2023 between Richard Freyer and ECG Acquisitions, LLC (“ECGA LLC”) with a purchase price of \$1,500,000 and a Closing date of August 31, 2023 (with the option to extend to November 30, 2023)
 - an Assignment of the PSA dated April 28, 2023 assigning the PSA from ECGA LLC to the Applicant
 - a First Amendment to the PSA dated August 24, 2023 amending the purchase price to \$1,600,000 and extending the Closing date to February 29, 2024
 - a Second Amendment to the PSA dated February 26, 2024 extending the Closing date to August 31, 2024
2. The appraised value of the vacant land is \$1,600,000, which supports the purchase price.

MMRN, RRLP, ELI AND HC CREDIT UNDERWRITING REPORT

SMG

RESERVE ACCOUNTS	Applicant Costs	Revised Applicant Costs	Underwriters Total Costs - CUR	Cost Per Unit	HC Ineligible Costs - CUR
ACC Reserve (Lender)				\$0	\$0
ACC Reserve (Syndicator)				\$0	\$0
Operating Deficit Reserve (FHFC)				\$0	\$0
Operating Deficit Reserve (Lender)				\$0	\$0
Operating Deficit Reserve (Syndicator)		\$302,179	\$302,199	\$4,256	\$302,199
Debt Service Coverage Reserve (FHFC)				\$0	\$0
Debt Service Coverage Reserve (Lender)				\$0	\$0
Debt Service Coverage Reserve (Syndicator)				\$0	\$0
Replacement Reserves (FHFC)				\$0	\$0
Replacement Reserves (Lender)				\$0	\$0
Replacement Reserves (Syndicator)				\$0	\$0
Reserves - Start-Up/Lease-up Expenses				\$0	\$0
Reserves - Working Capital				\$0	\$0
Total Reserve Accounts:	\$0	\$302,179	\$302,199	\$4,256	\$302,199

Notes to Reserve Accounts:

- Reserves – Operating Deficit is the Operating Deficit Reserve (“ODR”) required by the Syndicator, FHC.

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

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

MMRN, RRLP, ELI AND HC CREDIT UNDERWRITING REPORT

SMG

TOTAL DEVELOPMENT COSTS	Applicant Costs	Revised Applicant Costs	Underwriters Total Costs - CUR	Cost Per Unit	HC Ineligible Costs - CUR
TOTAL DEVELOPMENT COSTS:	\$23,242,242	\$24,902,856	\$24,960,096	\$351,551	\$3,605,713

Notes to the Total Development Costs:

1. Total Development Cost (“TDC”) limits per unit were intentionally omitted in RFA 2023-304.
2. Total Development Costs have increased by \$1,717,854 since the time of application, due to increases in general development costs associated engineering fees, legal fees, utility connection/impact fees, tree mitigation assessments by the City of Orlando, financing costs, developer fees, land acquisition costs and the addition of reserves.

MMRN, RRLP, ELI AND HC CREDIT UNDERWRITING REPORT

SMG

Operating Pro forma

OPERATING PRO FORMA		ANNUAL	PER UNIT
INCOME	Gross Potential Rental Income	\$1,043,040	\$14,691
	Miscellaneous	\$22,152	\$312
	Gross Potential Income	\$1,065,192	\$15,003
	Less:		
	Economic Loss - Percentage: 0.0%	\$0	\$0
	Physical Vacancy Loss - Percentage: 4.0%	(\$42,608)	(\$600)
	Collection Loss - Percentage: 1.0%	(\$10,652)	(\$150)
Total Effective Gross Revenue		\$1,011,932	\$14,253
EXPENSES	Fixed:		
	Real Estate Taxes	\$12,425	\$175
	Insurance	\$150,449	\$2,119
	Other	\$0	\$0
	Variable:		
	Management Fee - Percentage: 3.5%	\$35,418	\$499
	General and Administrative	\$21,300	\$300
	Payroll Expenses	\$95,850	\$1,350
	Utilities	\$65,675	\$925
	Marketing and Advertising	\$3,550	\$50
	Maintenance and Repairs	\$35,500	\$500
	Grounds Maintenance and Landscaping	\$12,425	\$175
	Resident Programs	\$10,000	\$141
	Contract Services	\$0	\$0
	Security	\$0	\$0
	Other-Compliance Monitoring	\$1,023	\$14
	Reserve for Replacements	\$21,300	\$300
Total Expenses		\$464,915	\$6,548
Net Operating Income		\$547,018	\$7,704
Debt Service Payments			
DEBT SERVICE	First Mortgage - FHFC MMRN / R4 Designee	\$454,341	\$6,399
	Second Mortgage - FHFC RRLP Base	\$40,290	\$567
	Second Mortgage - FHFC RRLP-ELI	\$0	\$0
	All Other Mortgages -	\$0	\$0
	First Mortgage Fees - FHFC MMRN / R4 Designee	\$24,778	\$349
	Second Mortgage Fees - RRLP Base / RRLP ELI	\$12,622	\$178
	All Other Mortgage Fees -	\$0	\$0
Total Debt Service Payments		\$532,031	\$7,493
Cash Flow After Debt Service		\$14,986	\$211

Debt Service Coverage Ratios	
DSC - First Mortgage plus Fees	1.142
DSC - Second Mortgage plus Fees	1.028
DSC - All Mortgages and Fees	1.028

Financial Ratios	
Operating Expense Ratio	45.9%
Break-Even Ratio	93.8%

Notes to the Operating Pro forma and Ratios:

- The MMRB program does not impose any rent restrictions; however, the development will be utilizing Housing Credits, RRLP and ELI which will impose rent restrictions. Town Oaks Apartments is projected to achieve 2024 Maximum Allowable HC Rents published by Florida Housing on all units based upon the appraiser’s estimate of achievable rents per comparable properties surveyed. The Applicant engaged Enercon Services, Inc. to prepare a UA Energy Consumption Model Estimate. This model was submitted to Florida Housing for approval on July 1, 2024. The model reflects the residents paying for electricity and the Applicant paying for water, sewer, and trash pick-up.

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

County: Orange 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	3	630	30%			\$543	\$74	\$469		\$469	\$469	\$469	\$16,884
1	1.0	7	630	60%			\$1,086	\$74	\$1,012		\$1,012	\$1,012	\$1,012	\$85,008
1	1.0	8	630	70%			\$1,267	\$74	\$1,193		\$1,193	\$1,193	\$1,193	\$114,528
2	1.0	5	850	30%			\$651	\$84	\$567		\$567	\$567	\$567	\$34,020
2	1.0	12	850	60%			\$1,303	\$84	\$1,219		\$1,219	\$1,219	\$1,219	\$175,536
2	1.0	15	850	70%			\$1,520	\$84	\$1,436		\$1,436	\$1,436	\$1,436	\$258,480
3	2.0	3	1,050	30%			\$753	\$95	\$658		\$658	\$658	\$658	\$23,688
3	2.0	8	1,050	60%			\$1,506	\$95	\$1,411		\$1,411	\$1,411	\$1,411	\$135,456
3	2.0	10	1,050	70%			\$1,757	\$95	\$1,662		\$1,662	\$1,662	\$1,662	\$199,440
		71	60,590											\$1,043,040

- The RRLP loan will be repaid from available cash flow. The Break-Even Ratio would be 90.6% if the RRLP interest payments were excluded.
- Miscellaneous income includes pet fees, vending, laundry, late fees, and application fees.
- Seltzer utilized a physical vacancy of 4.00% and a 1.00% collection loss which is more conservative than the Appraiser’s estimate.
- Real estate tax expense is based on the Applicant’s estimate. Real Estate Tax expense is based on the Applicant’s plan to apply for the 100% Ad Valorem Property Tax Exemption under Section 196.1978(4), Florida Statutes. Beginning in 2026, the property must apply to Orange County Property Appraiser by March 1st of the tax year. Applying for this exemption requires a 99-year Total Compliance Period with annual certifications. If the property fails to provide affordable housing under the agreement before the end of the agreement term, there will be a penalty that is equal to 100% of the total amount financed by Florida Housing multiplied by each year remaining in the agreement. Seltzer to receive approval from all lenders involved in the transaction, confirming they are okay with these terms, and made a condition of this report.
- Management Fees are based upon the Management Agreement provided by the Applicant that reflects a management fee in the amount of 3.5% of the gross collections.
- General Administrative Costs are based on the Applicant’s estimate.
- Residential Program Costs are based on the Applicant’s estimate.

9. Replacement Reserves in the amount of \$300 per unit per year meet RFA and Rule requirements.
10. Other operating expense estimates are based on comparable properties and are supported by the appraisal.
11. A 15-year income and expense projection reflects increasing debt service coverage ("DSC"), rental income increasing at an annual rate of 2% and expenses increasing at an annual rate of 3%. This projection is attached to this report as Exhibit 1.

SMG

Section B

Loan Conditions

HC Allocation Recommendation and Contingencies

AUGUST 12, 2024

Special Conditions

These recommendations are contingent upon the review and approval of the following items by SMG and Florida Housing at least 30 days prior to loan closing. Failure to receive approval of these items within this time frame may result in postponement of the loan closing.

1. Receipt and satisfactory review of an updated Phase I Environmental Report that is not substantially different than the report utilized in this credit underwriting report.
2. Approval from all lenders involved in the transaction, confirming their approval of the terms of the Ad Valorem Property Tax Exemption.
3. Receipt of the Compliance Monitoring Fee of \$4,900 for Ad Valorem Compliance Period.
4. Florida Housing Board approval of the changes to the organizational structure of the Applicant Entity.

General Conditions

This recommendation is contingent upon the review and approval of the following items by SMG and Florida Housing at least 30 days 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. RRLP Loan Proceeds shall be in an amount per draw that does not exceed the ratio of the RRLP Loan to the Total Development Cost during the construction or rehabilitation phase, unless otherwise

approved by the Credit Underwriter. RRLP-ELI Loan proceeds shall be disbursed in an amount per draw that does not exceed the ratio of the RRLP-ELI Loan to Total Development Cost during the construction or rehabilitation phase, unless otherwise approved by the Credit Underwriter. The closing draw shall include appropriate backup and ACH wiring instructions.

7. Construction Period Developer Fee shall be the 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 Operating Agreement reflecting purchase of the HC under terms consistent with the assumptions contained within this Credit Underwriting Report. The Amended and Restated Operating Agreement shall be in a form and of financial substance satisfactory to Servicer and to FHFC and its Legal Counsel.
12. Satisfactory resolution of any outstanding past due and/or noncompliance items.
13. Payment of any outstanding arrearages to the Corporation, its Legal Counsel, Servicer or any agent or assignee of the Corporation for past due issues applicable to the Development team (Applicant or Developer or Principal, Affiliate or Financial Beneficiary, as described in 67-21.0025 (5) F.A.C., of an Applicant or a Developer).
14. At all times there will be undisbursed loan funds (collectively held by Florida Housing, the first lender and any other source) sufficient to complete the Development. If at any time there are not sufficient funds to complete the Development, the Borrower will be required to expend additional equity on Development costs or to deposit additional equity with Florida Housing which is sufficient (in Florida

Housing's judgment) to complete the Development before additional loan funds are disbursed. This condition specifically includes escrowing at closing all equity necessary to complete construction or another alternative acceptable to Florida Housing in its sole discretion.

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

This recommendation is contingent upon the review and approval of the following items by Florida Housing and its Legal Counsel at least 30 days 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 MMRN, RRLP and RRLP-ELI 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 MMRN, RRLP and RRLP-ELI loans naming FHFC as the insured. All endorsements required by Florida Housing shall be provided.
5. Florida Housing and its Legal Counsel shall review and approve all other lenders closing documents and the Operating Agreement or other applicable agreement. Florida Housing shall be satisfied in its sole discretion that all legal and program requirements for the Loans have been satisfied.
6. Evidence of insurance coverage pursuant to the Request for Application governing this proposed transaction and, if applicable, the FHFC Insurance Guide.
7. Receipt of a legal opinion from the Borrower's Legal Counsel acceptable to Florida Housing addressing the following matters:

- a. The legal existence and good standing of the Borrower and of any partnership or limited liability company that is the general partner / member of the Borrower (the "GP") and of any corporation or partnership that is the managing general partner / member 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, 420.5087 and 420.509, Florida Statutes, Rule Chapters 67-21, 67-53, and 67-60, F.A.C., RFA 2023-304, 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 MMRN, RRLP and RRLP-ELI 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 MMRN funds are used for construction or rehabilitation, all amounts necessary to complete construction must be deposited with the Fiscal Agent prior to Loan Closing, or any phased HC Equity pay-in of amount necessary to complete construction 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. If applicable, receipt and satisfactory review of Financial Statements from all Guarantors dated within 90 days of Real Estate Closing.

5. Guarantors are to provide the standard FHFC Construction Completion Guaranty, to be released upon lien free completion as approved by the Servicer.
6. Guarantors for the MMRN are to provide the standard FHFC Operating Deficit Guaranty. If requested in writing by the Applicant, Servicer will consider a recommendation to release the Operating Deficit Guaranty if all conditions are met, including achievement of a 1.15 DSC on the permanent first mortgage as determined by FHFC or its 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 (3) years following the final certificate of occupancy.
7. Guarantors for the RRLP are to provide the standard FHFC Operating Deficit Guaranty. If requested in writing by the Applicant, Servicer will consider a recommendation to release the Operating Deficit Guaranty if all conditions are met, including achievement of a 1.15 DSC on the combined permanent first mortgage and RRLP Loan as determined by FHFC or its 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 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.
8. Guarantors are to provide the standard FHFC Environmental Indemnity Guaranty.
9. Guarantors are to provide the standard FHFC Guaranty of Recourse Obligations.
10. A mortgagee title insurance lender’s policy naming Florida Housing as the insured second, third and fourth 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.
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 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 Fiscal Agent, or Florida Housing’s loan servicing agent. However, Applicant has the option to prepay Replacement Reserves, as allowed per RFA, in the amount of \$21,300 (one-half the required Replacement Reserves for Years 1 and 2), in order to meet the applicable DSC loan requirements. Applicant can waive this election, if at closing of the loan(s) the required DSC is met without the need to exercise the option. It is currently estimated that Replacement Reserves will be funded from Operations in the amount of \$300 per unit per year for years 1 and 2, followed by \$300 per unit per year thereafter. The initial Replacement Reserve will have limitations on the ability to be drawn. New construction or Redevelopment Developments (with or without acquisition) shall not be

allowed to draw during the first five years or until the establishment of a minimum balance equal to the accumulation of five years of replacement reserves per unit.

The amount established as a Replacement Reserve shall be adjusted based on a Capital Needs Assessment (“CNA”) to be received by the Corporation or its servicers, prepared by an independent third party and acceptable to the Corporation and its servicers at the time the CNA is required, beginning no later than the 10th year after the first residential building in the Development receives a certificate of occupancy, a temporary certificate of occupancy, or is placed in service, whichever is earlier (“Initial Replacement Reserve Date”). A subsequent CNA is required no later than the 15th year after the Initial Replacement Reserve Date and subsequently every five (5) years thereafter.

13. On Solid Ground, LLC (“OSG”) or other construction inspector acceptable for Florida Housing is to act as Florida Housing’s inspector during the construction period.
14. Under Town Oaks Apartments’ construction contract, a minimum of 10% retainage holdback on all construction draws will be withheld until construction is 50% complete and thereafter no additional retainage is withheld. Retainage will not be released until successful lien free completion of construction and issuance of all certificates of occupancy, which satisfies the RFA and Rule minimum requirement.
15. Satisfactory completion of a pre-loan closing compliance audit conducted by Florida Housing or its Servicer, if applicable.
16. Closing of all funding sources prior to or simultaneous with the closing of the MMRN, RRLP and RRLP-ELI loans.
17. Any other reasonable requirements of the Servicer, Florida Housing or its Legal Counsel.

Housing Credit Allocation Recommendation

Seltzer Management Group, Inc. recommends a preliminary annual Housing Credit allocation of \$1,110,428. Please see the HC Allocation Calculation section of this report for further details.

Contingencies

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

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

TOWN OAKS APARTMENTS
RFA 2023-304 (2023-196BR / 2022-546C)
DESCRIPTION OF FEATURES AND AMENITIES

A. The Development will consist of:

71 Units located in 1 Mid-Rise residential building

Unit Mix:

Eighteen (18) one bedroom/one bath units;

Thirty-two (32) two bedroom/one bath units;

Twenty-one (21) three bedroom/two bath units;

71 Total Units

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

The Developments must meet all federal requirements and state building code requirements, including the following, incorporating the most recent amendments, regulations and rules: The Federal Fair Housing Act as implemented by 24 CFR 100, Florida Accessibility Code for Building Construction as adopted pursuant to Section 553.503, Florida Statutes, 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 meet the accessibility standards of Section 504. Section 504 accessibility standards require a minimum of 5 percent of the total dwelling units, but not fewer than one unit, to be accessible for individuals with mobility impairments. An additional 2 percent of the total units, but not fewer than one unit, must be accessible for persons with hearing or vision impairments. 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 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 units;
 8. Bathtub with shower in at least one bathroom in at least 90% of the new construction non-Elderly units;
 9. All 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. The Corporation 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.

- E. The Development must provide the following Accessibility Features in all units:
1. Primary entrance doors on an accessible route shall have a threshold with no more than a ½-inch rise;
 2. All door handles on primary entrance door and interior doors must have lever handles;
 3. Lever handles on all bathroom faucets and kitchen sink faucets;
 4. Mid-point on light switches and thermostats shall not be more than 48 inches above finished floor level; and
 5. Cabinet drawer handles and cabinet door handles in bathroom and kitchen shall be lever or D-pull type that operate easily using a single closed fist.
- F. All 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 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 units and, as applicable, all common areas must have the features listed below:
- a. Low or No-VOC paint for all interior walls (Low-VOC means 50 grams per liter or less for flat; 150 grams per liter or less for non-flat paint);
 - b. Low-flow water fixtures in bathrooms – WaterSense labeled products or the following specifications:
 - i. Toilets: 1.28 gallons/flush or less
 - ii. Urinals: 0.5 gallons/flush,
 - iii. Lavatory Faucets: 1.5 gallons/minute or less at 60 psi flow rate,
 - iv. Showerheads: 2.0 gallons/minute or less at 80 psi flow rate;
 - c. Energy Star certified refrigerator;

- d. Energy Star certified dishwasher;
- e. Energy Star certified ventilation fan in all bathrooms;
- f. Water heater minimum efficiency specifications:
 - Residential Electric:
 - i. Up to 55 gallons = 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 and living rooms;
- h. Air Conditioning (choose in-unit or commercial):
 - i. Air-Source Heat Pumps – Energy Star certified:
 - a. ≥ 7.8 HSPF/ ≥ 15.2 SEER2/ ≥ 11.7 EER for split systems
 - b. ≥ 7.2 HSPF/ ≥ 15.2 SEER2/ ≥ 10.6 EER for single package equipment including gas/electric package units
 - ii. Central Air Conditioners – Energy Star certified:
 - a. ≥ 15.2 SEER/ ≥ 12.0 EER2 for split systems
 - b. ≥ 15.2 SEER/ ≥ 11.5 EER2* 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.

H. The 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
- ICC 700 National Green Building Standard (NGBS).

I. The Applicant must provide the following Resident Programs:

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

1. Employment Assistance Program – The Applicant or its Management Company must provide, at no cost to the resident, a minimum of quarterly scheduled Employment Assistance Program workshops/meetings offering employment counseling by a knowledgeable employment counselor. Such a program includes employability skills workshops providing instruction in the basic skills necessary for getting, keeping, and doing well in a job. The instruction must be held between the hours of 8:00 a.m. and 7:00 p.m. and include, but not be limited to, the following:
 - Evaluation of current job skills;
 - Assistance in setting job goals;
 - Assistance in development of and regular review/update of an individualized plan for each participating resident;
 - Resume assistance;
 - Interview preparation; and
 - Placement and follow-up services.

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

2. 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.
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.

COMPLETENESS AND ISSUES CHECKLIST

DEVELOPMENT NAME: Town Oaks Apartments

DATE: August 12, 2024

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.	
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.	1
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.	

MMRN, RRLP, ELI AND HC CREDIT UNDERWRITING REPORT

SMG

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

NOTES AND APPLICANT'S RESPONSES:

1. Receipt and satisfactory review of an updated Phase I Environmental Report that is not substantially different than the report utilized in this credit underwriting report.
Response: Applicant will provide an updated Phase I prior to Closing.

HC Allocation Calculation

Section I: Qualified Basis Calculation	
Development Cost	\$24,960,096
Less Land Cost	(\$1,600,000)
Less Federal Funds	\$0
Less Other Ineligible Cost	(\$2,005,713)
Less Disproportionate Standard	\$0
Total Eligible Basis	\$21,354,383
Applicable Fraction	100.00%
DDA/QCT Basis Credit	130.00%
Qualified Basis	\$27,760,698
Housing Credit Percentage	4.00%
Annual Housing Credit Allocation	\$1,110,428

Notes to the Qualified Basis Calculation:

1. Other Ineligible Costs primarily include a portion of Site Work costs, demolition costs, a portion of accounting and legal fees, market study costs, marketing and advertising fees, Title Insurance/Recording fees, FHFC application, administrative and credit underwriting fees, construction loan interest costs during lease up, permanent loan underwriting and origination fees, MMRN cost of issuance and reserves.
2. The Borrower committed to a set aside of 100%. Therefore, SMG has utilized an Applicable Fraction of 100%.
3. The Development was located in a Qualified Census Tract, 185.00 at the time of Application. 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% has therefore been applied.

MMRN, RRLP, ELI AND HC CREDIT UNDERWRITING REPORT

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Section II: Gap Calculation	
Total Development Cost (Including Land and Ineligible Costs)	\$24,960,096
Less Mortgages	(\$12,135,600)
Less Grants	\$0
Equity Gap	\$12,824,496
Percentage to Investment Partnership	99.99%
HC Syndication Pricing	\$0.94
HC Required to Meet Gap	\$13,645,815
Annual HC Required	\$1,364,581

Notes to the Gap Calculation:

1. Mortgages include the R4 first mortgage, FHFC RRLP second mortgage and FHFC RRLP-ELI third mortgage.
2. HC Syndication Pricing and Percentage to Investment Partnership are based upon the May 22, 2024 LOI from FHC.

Section III: Tax-Exempt Note 50% Test	
Total Depreciable Cost	\$21,354,383
Plus Land Cost	\$1,600,000
Aggregate Basis	\$22,954,383
Tax-Exempt Note Amount	\$17,000,000
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	\$17,000,000
Proceeds Divided by Aggregate Basis	74.06%

Notes to 50% Test:

1. SMG estimates the Tax-Exempt MMRN amount to be 74.06% of Depreciable Development Costs plus Land Acquisition Costs. If, at the time of Final Cost Certification, the Tax-Exempt Note 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.

MMRN, RRLP, ELI AND HC CREDIT UNDERWRITING REPORT

SMG

Section IV: Summary	
HC per Qualified Basis	\$1,110,428
HC per Gap Calculation	\$1,364,581
Annual HC Recommended	\$1,110,428

Notes to the Summary:

1. The Annual HC Recommended is based on the Qualified Basis calculation.

**FLORIDA HOUSING FINANCE CORPORATION
AUTHORIZATION RESOLUTION
TOWN OAKS APARTMENTS**

RESOLUTION NO.

A RESOLUTION AUTHORIZING THE ISSUANCE OF A MULTIFAMILY MORTGAGE REVENUE NOTE, 2024 SERIES __ [ONE OR MORE SERIES OR SUBSERIES TO BE DESIGNATED] (TOWN OAKS APARTMENTS), 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 OR PLACEMENT AGREEMENT, OR SIMILAR AGREEMENT, FROM OR ON BEHALF OF R4 CAPITAL FUNDING, LLC, OR A DESIGNATED PARTNER OR ASSIGNEE OF R4 CAPITAL FUNDING, LLC, AS APPROVED BY FLORIDA HOUSING IN ACCORDANCE WITH THE TERMS HEREOF, TO THE FLORIDA HOUSING FINANCE CORPORATION, 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 SALE AND ISSUANCE OF SUCH NOTE, INCLUDING, BUT NOT LIMITED TO, A PRIVATE PLACEMENT MEMORANDUM OR TRANSACTION SUMMARY; AUTHORIZING ALL ACTIONS NECESSARY FOR FINAL APPROVAL OF THE SALE AND ISSUANCE 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 its 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, 2024 Series __ [one or more series or subseries to be designated] (Town Oaks Apartments), 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 ECG Town Oaks, LP, together with its predecessors, successors, assigns, affiliates and/or related entities (the “Borrower”), to finance the acquisition, construction and equipping of an approximately 71 unit multifamily residential rental development for persons of low, moderate and middle income, named Town Oaks Apartments, located in Orange County, Florida (the “Property”); provided that the aggregate principal amount of the Note shall not exceed (a) \$17,000,000 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 the 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 sale and issuance 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) \$17,000,000 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 between Florida Housing and the Borrower, or financing agreement 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 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 or placement agreement, or similar agreement, as applicable, among Florida Housing, R4 Capital Funding, LLC (“R4”), or a designated partner or assignee of R4, or such other entity as shall be approved by the Board or the Executive Director of Florida Housing to serve as the initial purchaser of the Note (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 or placement 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 purchase or placement agreement, or similar agreement, an Authorized Signatory is authorized to acknowledge and endorse such note purchase or 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 purchase or 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 or 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 or 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 23rd day of August, 2024.

(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

Ryan Benson, 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 23rd day of August, 2024, 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 , 2024 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
TOWN OAKS APARTMENTS

RESOLUTION NO.

A RESOLUTION AUTHORIZING AND APPROVING THE NEGOTIATED SALE THROUGH A PRIVATE PLACEMENT OF A MULTIFAMILY MORTGAGE REVENUE NOTE, 2024 SERIES __ [ONE OR MORE SERIES OR SUBSERIES TO BE DESIGNATED] (TOWN OAKS APARTMENTS), 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 PURCHASE OR 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 its 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, 2024 Series __ [one or more series or subseries to be

designated] (Town Oaks Apartments), 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 71 unit multifamily residential rental development for persons of low, moderate and middle income, named Town Oaks Apartments, located in Orange County, Florida; provided that the aggregate principal amount of the Note shall not exceed (a) \$17,000,000 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 RBC Capital Markets, LLC, or any other placement agent selected by Florida Housing (hereinafter referred to as the “Placement Agent”), and R4 Capital Funding, LLC (“R4”), or a designated partner or assignee of R4, or such other entity as shall be approved by the Board or the Executive Director of Florida Housing to serve as the initial purchaser of the Note (the “Initial Purchaser”).

3. The Note is to be generally described as follows:

Florida Housing Finance Corporation
Multifamily Mortgage Revenue Note,
2024 Series __ [one or more series or subseries to be designated]
(Town Oaks Apartments)
[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 purchase or placement agreement, or similar agreement, as applicable, 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 or mortgages securing payment of the Note 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 negotiated sale and issuance 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 23rd day of August, 2024.

(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

Ryan Benson, 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 23rd day of August, 2024, 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 _____, 2024 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: _____

SELTZER MANAGEMENT GROUP, INC.

17633 ASHLEY DRIVE
PANAMA CITY BEACH, FL 32413
TEL: (850) 233-3616
FAX: (850) 233-1429

August 12, 2024

Mr. Tim Kennedy
Multifamily Loans & Bonds Director
Florida Housing Finance Corporation
227 North Bronough Street, Suite 5000
Tallahassee, Florida 32301-1329

Re: Maison at Solivita Marketplace – MMRB 2022-104B / 4% HC 2022-556C

Credit Underwriting Report Update Letter (“CUL”) – Changes to the Final CUR dated June 14, 2024 (“Final CUR”) to approve an additional \$5,554,000 in the permanent first mortgage from Grandbridge Real Estate Capital LLC (“Grandbridge”), an increase to the construction period second mortgage, taxable loan from Truist Bank (“Truist”), change in source for the permanent second mortgage from Polaris Capital, LLC (“Polaris”) to the general partner entity Kissimmee Leased Housing Associates III, LLC (“GP”), a decrease in Deferred Developer Fee, a reduction in Deferred General Contractor Fee during the permanent period, a decrease in Additional Equity during the construction and permanent period, and inclusion of the property tax exemption under Section 196.1978(4), Florida Statutes.

Dear Mr. Kennedy:

Seltzer Management Group, Inc. (“SMG” or “Seltzer”) is in receipt of correspondence from Kissimmee Leased Housing Associates III, LLLP (“Borrower”), dated July 1, 2024, requesting Florida Housing Finance Corporation (“FHFC” or “Florida Housing”) consent to a re-underwriting of Maison at Solivita Marketplace (“Development”), incorporating an anticipated real estate tax exemption as provided for in Section 196.1978(4), Florida Statutes. In conjunction with updating pro forma projections to include the tax exemption, the Applicant has requested to increase the permanent phase first mortgage from \$53,556,000 to \$59,110,000 (increase of \$5,554,000), increase the Truist construction phase mortgage from \$27,959,721 to \$28,118,416 (or \$158,695), and change the lending entity of the \$9,000,000 affiliate loan from Polaris to the GP. At your direction, SMG has reviewed the request and formulated a recommendation. Seltzer’s findings are presented below.

The Final CUR for the above referenced transaction was approved at the June 28, 2024 FHFC Board meeting and the transaction has not yet closed.

Mr. Tim Kennedy
Maison at Solivita Marketplace
August 12, 2024

Changes to Construction Sources

Please note the Final CUR column reflects the sources from the Final CUR dated June 14, 2024, and the Underwriter column reflects the updated sources recommended in this CUL

Source	Lender	Final CUR	Revised Applicant	Underwriter	Interest Rate	Construction Debt Service
First Mortgage	FHFC MMRN / Deutsche Bank	\$61,000,000	\$61,000,000	\$61,000,000	7.45%	\$8,043,765
Co-Second Mortgage	Truist-Taxable	\$27,959,721	\$28,118,416	\$28,118,416	8.83%	\$4,394,650
Co-Second Mortgage	FHFC MMRB / Truist Taxable Bridge/Stifel	\$30,000,000	\$30,000,000	\$30,000,000	8.83%	\$4,688,725
Third Mortgage	Kissimmee LHA III, LLC - Taxable	\$9,000,000	\$9,000,000	\$9,000,000	9.00%	\$1,433,700
HC Equity	Truist Capital	\$11,699,791	\$11,699,791	\$11,699,791		
Deferred Developer Fee	Developer	\$24,757,358	\$24,892,415	\$24,665,639		
Deferred GC Fee	WD Construction, LLC	\$4,991,987	\$4,991,987	\$4,991,987		
Def. Development Costs	Deferred Reserve funding	\$2,837,514	\$3,072,513	\$2,837,514		
Additional Equity	Dominium - Affiliate	\$4,790,637	\$246,000	\$4,122,387		
Total		\$177,037,008	\$173,021,122	\$176,435,734		\$18,560,840

Notes on Changes to Construction Financing:

- The Applicant provided a Letter of Interest (“LOI”) from Truist Bank dated January 28, 2024 providing for two loans during construction. The first loan is a taxable loan up to \$35,000,000, and the second loan is an equity bridge loan up to \$30,000,000 that will serve as collateral for the \$30,000,000 tax-exempt bonds that will be issued by FHFC and publicly-offered by Stifel. The equity bridge loan is also a taxable loan (change from the Final CUR) to avoid having a substantial user issue. The Applicant has increased the sizing of the taxable loan (since Final CUR) from \$27,959,721 to \$28,118,416 (or \$158,695). The increase is still below the maximum loan amount of \$35,000,000 as outlined in the LOI. Terms of the taxable loan remain the same as noted in the Final CUR.
- Dominion provided a July 8, 2024 proposal to replace Polaris (an affiliated entity) with the GP as the lender to provide the taxable third mortgage during the construction period and the second mortgage during the permanent period for the same amount and terms initially presented by Polaris.
- Deferred Developer Fee has decreased from \$24,757,358 to \$24,665,639 (or \$91,719).
- Additional Equity provided by an affiliate of Dominion decreased from \$4,790,637 to \$4,122,387 (or \$668,250).

Change to Permanent Sources

Please note the Final CUR column reflects the sources from the Final CUR dated June 14, 2024, and the Underwriter column reflects the updated sources recommended in this CUL

Source	Lender	Final CUR	Revised Applicant	Underwriter	Interest Rate	Amort Yrs.	Term Yrs.	Annual Debt
First Mortgage	FHFC/ Grandbridge/ Freddie Mac	\$53,556,000	\$59,110,000	\$59,110,000	5.73%	40	15	\$3,770,110
Second Mortgage	Kissimmee LHA III, LLC - Taxable	\$9,000,000	\$9,000,000	\$9,000,000	9.00%	45	45	\$824,585
Def. GC Fee	WD Construction, LLC	\$3,745,406	\$1,774,101	\$1,774,101				\$0
HC Equity	Truist Capital	\$77,998,606	\$77,998,606	\$77,998,606				
Def. Developer Fee	Developer	\$24,757,358	\$24,892,415	\$24,665,639				
Additional Equity	Dominium - Affiliate	\$246,000.00	\$246,000	\$246,000				
Additional Equity	Dominium - Affiliate	\$7,733,638	\$0	\$3,641,388				
Total		\$177,037,008	\$173,021,122	\$176,435,734				\$4,594,695

Mr. Tim Kennedy
Maison at Solivita Marketplace
August 12, 2024

Notes on Changes to Permanent Financing:

- Prior to conversion of the Construction Period Tax-Exempt Multifamily Mortgage Revenue Note (the “Note” or “MMRN”) and the Multifamily Mortgage Revenue Bonds (the “Cash Collateralized Bonds” or “MMRB”) to the permanent phase, the Borrower may request SMG and the Florida Housing Board of Directors (the “Board”) to approve an increase in the amount of the permanent first mortgage financing. Upon approval of SMG and the Board, the entire Note and/or a portion of the Cash Collateralized Bonds may remain outstanding during the permanent phase. If such increase in the permanent first mortgage amount is approved by SMG and the Board, and upon satisfaction of certain other conditions to conversion, it is expected that the Note and the Cash Collateralized Bonds will be sold or transferred to, converted to, or exchanged for, as applicable, one or more governmental notes that will be purchased by Grandbridge Commercial Mortgage (“Grandbridge”) pursuant to a forward commitment with the Federal Home Loan Mortgage Corporation. In order to accommodate this possibility, the final maturity of the Cash Collateralized Bonds will be the same as the Note, but with an initial mandatory tender date of 36 months (subject to any subsequent mandatory tender dates provided for in the financing documents). If such increase in the permanent first mortgage amount is not approved by SMG and the Board, the permanent financing sources will remain as described herein, and the Cash Collateralized Bonds will not remain outstanding during the permanent phase.
- Applicant provided a revised Term Sheet from Grandbridge dated July 8, 2024, to provide a Freddie Mac Tax-Exempt, permanent first mortgage not to exceed \$59,110,000, an increase from \$53,556,000 (or \$5,554,000). Terms remain the same as outlined in the Final CUR. The interest rate spread is locked at 2.37% until July 31, 2024. Note, if the spread or the Index increases after July 31, 2024, the first mortgage is subject to being reduced prior to closing for the Applicant not to exceed a 1.10x debt service coverage.
- Dominion provided a July 8, 2024 proposal to replace Polaris (an affiliated entity) with the GP as the lender to provide the taxable third mortgage during the construction period and the second mortgage during the permanent period for the same amount and terms presented originally by Polaris.
- Deferred General Contractor Fee has decreased from \$3,745,406 to \$1,774,101 (or \$1,971,305).
- Deferred Developer Fee has decreased from \$24,757,358 to \$24,665,639 (or \$91,719).
- Additional Equity provided by an affiliate of Dominion has decreased from \$7,733,638 to \$3,641,388 (or \$4,092,250).
- Total Development Costs have decreased from \$177,037,007 to \$176,435,734 (or \$601,273). The decrease is due mainly from the decreased financial costs and developer fee.

Mr. Tim Kennedy
Maison at Solivita Marketplace
August 12, 2024

CONSTRUCTION/PERMANENT SOURCES:				
Source	Lender	Construction	Permanent	Perm Loan/Unit
FHFC - MMRB	FHFC MMRN / Deutsche Bank	\$61,000,000	\$0	\$0.00
FHFC - MMRB	FHFC/ Grandbridge/ Freddie Mac	\$0	\$59,110,000	\$149,267.68
Regulated Mortgage	Truist-Taxable	\$28,118,416	\$0	\$0.00
FHFC - MMRB	FHFC MMRB / Truist Taxable Bridge/Stifel	\$30,000,000	\$0	\$0.00
Self-Sourced: Non-Bond	Kissimmee LHA III, LLC - Taxable	\$9,000,000	\$9,000,000	\$22,727.27
HC Equity	Truist Capital	\$11,699,791	\$77,998,606	\$196,966.18
Deferred Costs - Other	Development	\$2,837,514	\$24,665,639	\$62,286.97
Deferred Developer Fee	Developer	\$24,665,639	\$0	\$0.00
Deferred GC Fee	WD Construction, LLC	\$4,991,987	\$1,774,101	\$4,480.05
Affiliate / Principal	Affiliate Equity & Affiliate Loan	\$4,122,387	\$3,887,388	\$9,816.64
TOTAL		\$176,435,734	\$176,435,734	\$445,544.78
Cash Collateral Source(s):				
Regulated Mortgage	Truist Taxable Bridge Loan	\$30,000,000		

Uses of Funds

	Final CUR	Revised Applicant Costs	Underwriters Total Costs - CUR	Cost Per Unit	HC Ineligible Costs - CUR
Total Construction Costs:	\$99,968,558	\$99,968,559	\$99,968,558	\$252,446	\$2,487,805
Total General Development Costs:	\$16,990,548	\$17,259,648	\$17,023,893	\$42,990	\$1,401,153
Total Financial Costs:	\$23,581,143	\$19,161,100	\$23,038,244	\$58,177	\$5,283,071
Dev. Costs before Acq., Dev. Fee & Reserves	\$140,540,249	\$136,389,307	\$140,030,695	\$353,613	\$9,172,028
Total Non-Land Acquisition Costs:	\$0	\$0	\$0	\$0	\$0
Total Other Development Costs:	\$25,297,244	\$25,432,301	\$25,205,525	\$63,650	\$0
Total Acquisition Costs:	\$8,362,000	\$8,362,000	\$8,362,000	\$21,116	\$8,362,000
Total Reserve Accounts:	\$2,837,514	\$2,837,514	\$2,837,514	\$7,165	\$2,837,514
TOTAL DEVELOPMENT COSTS:	\$177,037,007	\$173,021,122	\$176,435,734	\$445,545	\$20,371,542

Mr. Tim Kennedy
Maison at Solivita Marketplace
August 12, 2024

New Operating Pro Forma

OPERATING PRO FORMA		ANNUAL	PER UNIT
INCOME	Gross Potential Rental Income	\$6,367,536	\$16,080
	Rent Subsidy (ODR)	\$0	\$0
	Other Income:		
	Ancillary Income-Parking	\$0	\$0
	Miscellaneous	\$108,915	\$275
	Washer/Dryer Rentals	\$205,286	\$518
	Cable/Satellite Income	\$0	\$0
	Utility Income	\$332,640	\$840
	Alarm Income	\$0	\$0
	Gross Potential Income	\$7,014,377	\$17,713
	Less:		
	Economic Loss - Percentage: 0.0%	\$0	\$0
Physical Vacancy Loss - Percentage: 4.0%	(\$280,575)	(\$709)	
Collection Loss - Percentage: 1.0%	(\$70,144)	(\$177)	
Total Effective Gross Revenue		\$6,663,659	\$16,827
EXPENSES	Fixed:		
	Real Estate Taxes	\$99,000	\$250
	Insurance	\$413,820	\$1,045
	Other	\$0	\$0
	Variable:		
	Management Fee - Percentage: 2.9%	\$190,351	\$481
	General and Administrative	\$128,700	\$325
	Payroll Expenses	\$514,800	\$1,300
	Utilities	\$475,200	\$1,200
	Marketing and Advertising	\$19,800	\$50
	Maintenance and Repairs	\$277,200	\$700
	Grounds Maintenance and Landscaping	\$0	\$0
	Resident Programs	\$0	\$0
Other-HOA Fees	\$89,496	\$226	
Reserve for Replacements	\$118,800	\$300	
Total Expenses		\$2,327,167	\$5,877
Net Operating Income		\$4,336,491	\$10,951
Debt Service Payments			
DEBT SERVICE	First Mortgage - FHFC/ Grandbridge/ Freddie Mac	\$3,770,110	\$9,520
	Second Mortgage - Kissimmee LHA III, LLC - Taxable	\$824,585	\$2,082
	All Other Mortgages -	\$0	\$0
	First Mortgage Fees - FHFC/ Grandbridge/ Freddie Mac	\$166,801	\$421
	Second Mortgage Fees - Kissimmee LHA III, LLC - Taxable	\$0	\$0
	All Other Mortgages Fees -	\$0	\$0
Total Debt Service Payments		\$4,761,496	\$12,024
Cash Flow After Debt Service		(\$425,005)	(\$1,073)

Mr. Tim Kennedy
Maison at Solivita Marketplace
August 12, 2024

Debt Service Coverage Ratios		
	DSC - First Mortgage plus Fees	1.101
	DSC - Second Mortgage plus Fees	0.911
	DSC - Third Mortgage plus Fees	0.911
	DSC - All Mortgages and Fees	0.911
Financial Ratios		
	Operating Expense Ratio	34.9%
	Break-Even Ratio	101.2%

Notes to the Operating Pro Forma and Ratios:

Post Final CUR, the following changes have occurred:

- Real estate tax expense is based on the Applicant planning to apply for the 100% Ad Valorem Property Tax Exemption under Section 196.1978(4), Florida Statutes. Beginning in 2026, the property must apply to Osceola County Property Appraiser by March 1st of the tax year. Applying for this exemption requires a 99-year compliance period under a Land Use Restriction Agreement with annual certifications. Therefore, after the initial 30-year Compliance Period required by the Non-Competitive Application ("Compliance Period") expires, all set-aside units within the Development shall be rented to households who shall have a household income less than or equal to one hundred and twenty percent (120%) of the Area Median Income for a period of sixty-nine (69) years ("Ad Valorem Compliance Period"). The Ad Valorem Compliance Period, together with the Compliance Period shall have a term of ninety-nine (99) years (the "Total Compliance Period"). The Applicant will be responsible for compliance monitoring fees for 30 years, which is to be paid to the Servicer, for years 31-99, compliance monitoring will be self-certified by the Applicant to FHFC. The Applicant will also be responsible for the compliance monitoring fee of \$6,900 (\$100 per year) for years 31-99 Ad Valorem Compliance Period, to be paid at closing to FHFC. If the property fails to provide affordable housing under the agreement before the end of the agreement term, there will be a penalty that is equal to 100% of the total amount financed by FHFC multiplied by each year remaining in the agreement. Seltzer to receive approval from all lenders involved in the transaction, confirming they are okay with these terms, and made a condition of this CUL. Minor taxes are for non-ad valorem taxes based on historical figures and supported by the Appraisal.

MSA/County: Orlando-Kissimmee-Sanford MSA / Osceola County

Bed Rooms	Bath Rooms	Units	Square Feet	AMI%	Low HOME Rents	High HOME Rents	Gross HC Rent	Utility Allow.	Net Restricted Rents	PBRA Contr Rents	Applicant Rents	Appraiser Rents	CU Rents	Annual Rental Income
2	2.0	120	923	60%			\$1,303	\$119	\$1,184		\$1,184	\$1,184	\$1,184	\$1,704,960
3	2.0	84	1,220	60%			\$1,506	\$149	\$1,357		\$1,357	\$1,357	\$1,357	\$1,367,856
3	2.0	96	1,215	60%			\$1,506	\$149	\$1,357		\$1,357	\$1,357	\$1,357	\$1,563,264
4	2.0	96	1,383	60%			\$1,680	\$177	\$1,503		\$1,503	\$1,503	\$1,503	\$1,731,456
		396	462,648											\$6,367,536

- Since the Final CUR, Gross Potential Rental Income has not changed. With the reduction in estimated Real Estate Taxes from \$510,613 to \$99,000 (or \$411,613) and increase in the first mortgage loan from \$53,556,000 to \$59,110,000 (or \$5,554,000), total debt service increased from \$4,392,648 to \$4,761,496 (or \$368,848). After resizing the first mortgage, Debt Service Coverage ("DSC") for the first mortgage plus fees remains at 1.10x. DSC for all mortgages plus fees increased from 0.894x to 0.911x (or 0.017).

Mr. Tim Kennedy
Maison at Solivita Marketplace
August 12, 2024

Tax-Exempt Bond 50% Test

Section III: Tax-Exempt Bond 50% Test	
Total Depreciable Cost	\$156,064,192
Plus Land Cost	\$8,362,000
Aggregate Basis	\$164,426,192
Tax-Exempt Bond Amount	\$91,000,000
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	\$91,000,000
Proceeds Divided by Aggregate Basis	55.34%

Conclusion

SMG concludes that the additional \$5,554,000 in permanent first mortgage financing does not change Florida Housing's security or financial position. SMG recommends that FHFC approve the additional first mortgage debt, an increase to the construction period second mortgage, the change to the lender entity of the affiliate loan, from Polaris to GP, decrease in the additional equity provided by an affiliate and property tax exemption under Section 196.1978(4), Florida Statutes subject to the following:

- Approval from all lenders involved in the transaction, confirming their approval of the increased permanent first mortgage and terms of the Ad Valorem Property Tax Exemption.
- Receipt of the Compliance Monitoring Fee of \$6,900 for the Ad Valorem Compliance Period.
- Review and approval of all loan documents consistent with the terms outlined above by Florida Housing, its Legal Counsel and Servicer.
- All closing conditions in the CUR must be met.
- 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

FLORIDA HOUSING FINANCE CORPORATION
AMENDED AND RESTATED AUTHORIZATION RESOLUTION
MAISON AT SOLIVITA MARKETPLACE

RESOLUTION NO. _____

A RESOLUTION AMENDING AND RESTATING RESOLUTION NO. 2024-___; AUTHORIZING THE ISSUANCE OF (1) THE MULTIFAMILY MORTGAGE REVENUE NOTE, 2024 SERIES __ [ONE OR MORE SERIES OR SUBSERIES TO BE DESIGNATED] (MAISON AT SOLIVITA MARKETPLACE) (THE "GOVERNMENTAL NOTE"), AND (2) THE MULTIFAMILY MORTGAGE REVENUE BONDS, 2024 SERIES __ [ONE OR MORE SERIES OR SUBSERIES TO BE DESIGNATED] (MAISON AT SOLIVITA MARKETPLACE) (THE "CASH COLLATERALIZED BONDS"), EACH OF THE FLORIDA HOUSING FINANCE CORPORATION; PROVIDING FOR A MAXIMUM AGGREGATE PRINCIPAL AMOUNT OF THE GOVERNMENTAL NOTE AND THE CASH COLLATERALIZED BONDS; APPROVING THE PREPARATION, EXECUTION, AND DELIVERY OF ONE OR MORE TRUST INDENTURES AND/OR FUNDING LOAN AGREEMENTS BETWEEN THE FLORIDA HOUSING FINANCE CORPORATION AND A CORPORATE TRUSTEE OR FISCAL AGENT NAMED THEREIN, AND ONE OR MORE LOAN AGREEMENTS AND/OR FINANCING AGREEMENTS BETWEEN THE FLORIDA HOUSING FINANCE CORPORATION AND THE BORROWER NAMED THEREIN; AUTHORIZING ONE OR MORE LOANS MADE PURSUANT TO ONE OR MORE LOAN AGREEMENTS AND/OR FINANCING AGREEMENTS TO THE BORROWER NAMED THEREIN; AUTHORIZING THE PREPARATION, EXECUTION, AND DELIVERY OF ALL DOCUMENTS NECESSARY FOR THE ISSUANCE AND SALE OF THE GOVERNMENTAL NOTE AND THE CASH COLLATERALIZED BONDS; AUTHORIZING ALL ACTIONS NECESSARY FOR FINAL APPROVAL OF THE ISSUANCE AND SALE OF THE GOVERNMENTAL NOTE AND THE CASH COLLATERALIZED BONDS, THE FINANCING OF MAISON AT SOLIVITA MARKETPLACE, 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 its bonds, debentures, notes, or other evidence 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 (1) Multifamily Mortgage Revenue Note, 2024 Series __ [one or more series or subseries to be designated] (Maison at Solivita Marketplace) (the "Governmental Note"), and (2) Multifamily Mortgage Revenue Bonds, 2024 Series __ [one or more series or subseries to be designated] (Maison at Solivita Marketplace) (the "Cash Collateralized Bonds" and, together with the Governmental Note, the "Obligations"), each as tax-exempt or taxable obligations, for the purpose of making one or more loans to Kissimmee Leased Housing Associates III, LLLP, together with its predecessors, successors, assigns, affiliates, and/or related entities (the "Borrower"), to finance the acquisition, construction, and equipping of an approximately 396-unit multifamily residential rental development for persons of low, moderate, and middle income named Maison at Solivita Marketplace located in the City of Kissimmee, Osceola County, Florida (the "Property"); provided that the maximum aggregate principal amount of the Obligations shall not exceed (a) \$91,000,000, or (b) such greater maximum aggregate principal amount of the Obligations which, at the time of issuance, does not exceed a maximum aggregate principal amount which would result in a debt service coverage ratio for the Obligations, as reflected in the Credit Underwriter Confirmation (as defined below) for the Property, of less than 1.00x (subject to receipt of private activity bond allocation being made available for the

tax-exempt Obligations and compliance with Section 147(f) of the Internal Revenue Code of 1986, as amended); 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) that 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) that private enterprise, unaided, is not meeting and cannot reasonably be expected to meet, the need for such residential housing; and

(3) that the need for such residential housing will be alleviated by the financing of the Property; and

WHEREAS, Florida Housing is desirous of taking all action necessary to give final approval for the financing of the Property as described in the Credit Underwriting Report (as defined herein) and to issue the Obligations in compliance with the Act and other applicable provisions of State law;

NOW THEREFORE, it is hereby ascertained, determined, and resolved:

1. The Property is hereby given final approval for financing on the terms and conditions as described in the Credit Underwriting Report for the Property, presented to and approved by the Board on June 28, 2024, as amended and supplemented by that certain letter from the Credit Underwriter presented to and approved by the Board on this date (collectively, the "Credit Underwriting Report"), with such deviations as an Authorized Signatory (as defined herein), in consultation with staff of Florida Housing, Bond Counsel, Special Counsel, and/or the

Credit Underwriter may approve. Execution of one or more trust indentures and/or funding loan agreements and one or more loan agreements and/or financing agreements, each as described below, by an Authorized Signatory shall be conclusive evidence of such approval.

2. Florida Housing hereby authorizes the issuance and sale of the Obligations 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 a maximum aggregate principal amount of not to exceed (a) \$91,000,000, or (b) such greater maximum aggregate principal amount of the Obligations which, at the time of issuance, does not exceed a maximum aggregate principal amount which would result in a debt service coverage ratio for the Obligations, as reflected in the Credit Underwriter Confirmation for the Property, of less than 1.00x, subject to receipt of private activity bond allocation being made available for the tax-exempt Obligations and compliance with Section 147(f) of the Internal Revenue Code of 1986, as amended. Subject to the immediately preceding sentence, the maximum aggregate principal amount of the Obligations shall be determined by an Authorized Signatory after receipt of the Credit Underwriter Confirmation for the Property. The "Credit Underwriter Confirmation" is the written confirmation, delivered prior to the issuance of the Obligations, from the Florida Housing Credit Underwriter with respect to the Property that, taking into account any increase in the maximum aggregate principal amount of the Obligations, the conditions set forth in and the requirements of the Credit Underwriting Report have been satisfied. Conclusive evidence of the determination and approval of any such increase in maximum aggregate principal amount of the Obligations shall be evidenced by a certificate of an Authorized Signatory.

3. One or more trust indentures and/or funding loan agreements between Florida Housing and a corporate trustee or fiscal agent named therein (the "Trustee"), setting out the terms and conditions of the Obligations are hereby authorized to be prepared and delivered, in such forms as may be approved by any member of the Board, the Executive Director or Interim or Acting Executive Director, the Chief Financial Officer, the Comptroller, 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 forms shall set forth as to the Obligations such maturities, interest rates, and purchase price as shall be determined in accordance with the Act, including Section 420.509, Florida Statutes), and the execution of such trust indentures and/or funding loan agreements 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. One or more loan agreements and/or financing agreements between Florida Housing and the Borrower, setting out the terms of one or more loans of the proceeds of the Obligations by Florida Housing to the Borrower (collectively, the "Loans"), and the payment and other obligations of the Borrower in respect of the Loans, including one or more promissory notes made by the Borrower to Florida Housing evidencing the Loans, are hereby authorized to be prepared and delivered, in such forms as may be approved by an Authorized Signatory, and the execution of such loan agreements or financing agreements 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. If necessary, a private placement memorandum, memorandum of terms and conditions, or transaction summary is hereby authorized to be prepared and distributed in connection with the Governmental Note in such form as shall be approved by an Authorized Signatory, and the execution of a final private placement memorandum, final memorandum of terms and conditions, or transaction summary, if necessary, by an Authorized Signatory shall be conclusive evidence of such approval.

6. One or more preliminary official statements (or preliminary limited offering memorandums) and one or more final official statements (or final limited offering memorandums) are each authorized to be prepared and distributed in connection with the sale of the Cash Collateralize Bonds in such form as shall be approved by an Authorized Signatory, and the execution of such final official statements (or final limited offering memorandums) by an Authorized Signatory shall be conclusive evidence of such approval.

7. The Obligations shall be sold in accordance with the requirements of the Act, including Section 420.509(12), Florida Statutes. Pursuant to the Act, the Governmental Note shall be sold by negotiated sale and private placement and the Cash Collateralized Bonds shall be sold by negotiated sale. An Authorized Signatory is hereby authorized to execute one or more purchase agreements, placement agreements, and/or trust indentures or funding loan agreements, as applicable, upon approval of the terms thereof by the staff of Florida Housing, Bond Counsel, and/or Special Counsel, and the execution of such purchase agreements,

placement agreements, and/or trust indentures or funding loan agreements, as applicable, by an Authorized Signatory shall be conclusive proof of such approval.

8. An Authorized Signatory is authorized to cause to be prepared and to issue, execute, and deliver any additional documents necessary for the issuance of the Obligations, the making of the Loans, upon the approval of the terms of any credit enhancement, if applicable, and the security therefor, by the staff of Florida Housing, Bond Counsel, and/or Special Counsel. All other actions by Florida Housing necessary for the final approval of the Property for financing, the issuance of the Obligations, the making of the Loans, upon the approval of the terms of any credit enhancement, if applicable, and the security therefor (including, but not limited to, the changing of the title of the Obligations and the series designation of the Obligations, if desirable), are hereby authorized.

9. The principal of, premium, if any, and all interest on the Obligations shall be payable solely out of revenues and other amounts pledged therefor as described in one or more trust indentures and/or funding loan agreements. The Obligations do not constitute obligations, 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; and neither the credit, the revenues, nor the taxing power of the State or of any unit of local government thereof shall be, or shall be deemed to be, pledged to the payment of the Obligations.

10. The Obligations may be executed either manually or by facsimile signature by any Authorized Signatory or other officer of Florida Housing. In case any Authorized Signatory or officer whose signature or a facsimile of whose signature appears on the Obligations ceases to be an Authorized Signatory or officer before delivery of the Obligations, the signature or facsimile signature is nevertheless valid and sufficient for all purposes as fully and to the same extent as if he or she had remained in office until the delivery.

11. The maximum aggregate principal amount of the Obligations 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.

13. This Resolution shall take effect immediately upon adoption.

ADOPTED THIS 23rd DAY OF AUGUST, 2024.

(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

Ryan Benson, 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 23rd day of August, 2024, 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: _____
Name: Tim Kennedy
Title: 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 23rd day of August, 2024, 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

FLORIDA HOUSING FINANCE CORPORATION
AMENDED AND RESTATED SALE RESOLUTION
MAISON AT SOLIVITA MARKETPLACE

RESOLUTION NO. _____

A RESOLUTION AMENDING AND RESTATING RESOLUTION NO. 2024-__ ; AUTHORIZING AND APPROVING THE NEGOTIATED SALE OF THE MULTIFAMILY MORTGAGE REVENUE NOTE, 2024 SERIES __ [ONE OR MORE SERIES OR SUBSERIES TO BE DESIGNATED] (MAISON AT SOLIVITA MARKETPLACE) (THE "GOVERNMENTAL NOTE") AND THE MULTIFAMILY MORTGAGE REVENUE BONDS, 2024 SERIES __ [ONE OR MORE SERIES OR SUBSERIES TO BE DESIGNATED] (MAISON AT SOLIVITA MARKETPLACE) (THE "CASH COLLATERALIZED BONDS"), EACH OF THE FLORIDA HOUSING FINANCE CORPORATION; AUTHORIZING THE ISSUANCE AND SALE OF THE GOVERNMENTAL NOTE AND THE CASH COLLATERALIZED BONDS; AUTHORIZING THE NEGOTIATION AND EXECUTION OF ONE OR MORE BOND PURCHASE AGREEMENTS, BOND PLACEMENT AGREEMENTS, AND/OR TRUST INDENTURES OR FUNDING LOAN AGREEMENTS, AND SUCH OTHER DOCUMENTS AS ARE NECESSARY FOR THE NEGOTIATED SALE AND PRIVATE PLACEMENT OF THE GOVERNMENTAL NOTE AND THE NEGOTIATED SALE OF THE CASH COLLATERALIZED BONDS; AUTHORIZING THE EXECUTIVE DIRECTOR OR INTERIM OR ACTING EXECUTIVE DIRECTOR, CHIEF FINANCIAL OFFICER, COMPTROLLER, OR ANY MEMBER OF THE BOARD OF DIRECTORS OF THE FLORIDA HOUSING FINANCE CORPORATION OR OTHER AUTHORIZED SIGNATORY TO TAKE ANY OTHER ACTIONS NECESSARY TO NEGOTIATE THE SALE OF THE GOVERNMENTAL NOTE THROUGH A NEGOTIATED SALE AND PRIVATE PLACEMENT AND THE CASH COLLATERALIZED BONDS THROUGH A NEGOTIATED SALE, 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 its bonds, debentures, notes, or other evidence 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 (1) Multifamily Mortgage Revenue Note, 2024 Series __ [one or more series or subseries to be designated] (Maison at Solivita Marketplace) (the "Governmental Note"), and (2) Multifamily Mortgage Revenue Bonds, 2024 Series __ [one or more series or subseries to be designated] (Maison at Solivita Marketplace) (the "Cash Collateralized Bonds" and, together with the Governmental Note, the "Obligations"), as tax-exempt or taxable bonds, for the purpose of making one or more loans to Kissimmee Leased Housing Associates III, LLLP, together with its predecessors, successors, assigns, affiliates, and/or related entities (the "Borrower"), to finance the acquisition, construction, and equipping of an approximately 396-unit multifamily residential rental development for persons of low, moderate, and middle income named Maison at Solivita Marketplace located in the City of Kissimmee, Osceola County, Florida (the "Property"); provided that the maximum aggregate principal amount of the Obligations shall not exceed (a) \$91,000,000, or (b) such greater maximum aggregate principal amount of the Bonds which, at the time of issuance, does not exceed a maximum aggregate principal amount which would result in a debt service coverage ratio for the Obligations, as reflected in the Credit Underwriter Confirmation (as defined below) for the Property, of less than 1.00x (subject to receipt of private activity bond allocation being made available for the tax-exempt Obligations and compliance with Section 147(f) of the Internal Revenue Code of 1986, as amended); and

WHEREAS, the Act authorizes Florida Housing to negotiated with one or more purchasers designated by Florida Housing for a negotiated sale and private placement of the Governmental Note with one or more purchasers, if Florida Housing by official action at a public meeting determines that such negotiated sale and private placement of the Governmental Note is in the best interest of Florida Housing; and

WHEREAS, the Act authorizes Florida Housing to negotiate with one or more underwriters designated by Florida Housing for a negotiated sale of the Cash Collateralized Bonds through one or more underwriters if Florida Housing by official action at a public meeting determines that such negotiated sale of the Cash Collateralized Bonds is in the best interest of Florida Housing; and

WHEREAS, Florida Housing has reviewed the market conditions and trends affecting the sale of the Obligations; and

WHEREAS, Florida Housing has received a recommendation and reviewed and looked at the relative advantage of a negotiated sale and private placement of the Governmental Note and the negotiated sale of the Cash Collateralized Bonds in light of the 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 Governmental Note and the current and anticipated market conditions render the Governmental Note as a candidate for a negotiated sale and private placement; and

WHEREAS, the nature and structure of the Cash Collateralized Bonds and the current and anticipated market conditions render the Cash Collateralized Bonds as a candidate for a negotiated sale; and

WHEREAS, based on the foregoing, the Board hereby finds that, with respect to the Governmental Note, a negotiated sale and private placement is in the best interest of the public and Florida Housing based on the current market conditions and based upon the structure of the Governmental Note. Existing and projected market conditions and any lack of flexibility in the public sale of the Governmental Note could be prejudicial to Florida Housing and to the public. Additionally, the structure of the Governmental Note and the current demand for these types of obligations support a negotiated sale and private placement; and

WHEREAS, based on the foregoing, the Board hereby finds that, with respect to the Cash Collateralized Bonds, a negotiated sale is in the best interest of the public and Florida Housing based on the current market conditions and based upon the structure of the Cash Collateralized Bonds. Existing and projected market conditions and any lack of flexibility in the sale of the Cash Collateralized Bonds could be prejudicial to Florida Housing and to the public. Additionally, the structure of the Cash Collateralized Bonds and the current demand for these types of obligations support a negotiated sale.

NOW, THEREFORE, BE IT RESOLVED BY FLORIDA HOUSING:

1. A negotiated sale and private placement of the Governmental Note and a negotiated sale of the Cash Collateralized Bonds is in the best interest of Florida Housing and the public for the reasons herein described.

2. The negotiated sale and private placement of the Governmental Note is to be negotiated by Florida Housing with or through Stifel, Nicolaus & Co., as placement agent (the "Placement Agent"), and Deutsche Bank Securities, Inc., or an affiliate thereof, as the purchaser of the Governmental Note (the "Purchaser").

3. The Governmental Note are to be generally described as follows:

Florida Housing Finance Corporation
Multifamily Mortgage Revenue Note,
2024 Series __ [one or more series or subseries to be designated]
(Maison at Solivita Marketplace).

4. Florida Housing shall negotiate through the Placement Agent with the Purchaser and execute such documents as are necessary to sell and privately place the Governmental Note with the Purchaser pursuant to this Resolution. It is expected that upon the satisfaction of certain conditions of conversion, the Governmental Note will be sold or transferred to, converted to, or exchanged for a governmental note that will be purchased by Grandbridge Commercial Mortgage, or an affiliate thereof ("Grandbridge"), pursuant to a forward commitment with the Federal Home Loan Mortgage Corporation. Any member of the Board, the Executive Director or Interim or Acting Executive Director, the Chief Financial Officer, the Comptroller, 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 the negotiated sale and private placement of the Governmental Note and to execute one or more bond purchase agreements, bond placement agreements, and/or trust indenture or funding loan agreements, as applicable, upon approval of

the terms thereof, and the execution thereof by an Authorized Signatory shall be conclusive evidence of such approval.

5. The negotiated sale of the Cash Collateralized Bonds is to be negotiated by Florida Housing with or through Stifel, Nicolaus & Co., as underwriter (the "Underwriter").

6. The Cash Collateralized Bonds are to be generally described as follows:

Florida Housing Finance Corporation
Multifamily Mortgage Revenue Bonds,
2024 Series __ [one or more series or subseries to be designated]
(Maison at Solivita Marketplace).

7. Florida Housing shall negotiate with or through the Underwriter and execute such documents as are necessary to sell the Cash Collateralized Bonds to the purchasers pursuant to this Resolution. If Florida Housing approves by subsequent action of the Board an increase in the amount of the permanent first mortgage financing, and upon the satisfaction of certain conditions of conversion, the Cash Collateralized Bonds will be converted to, or exchanged for a governmental note that will be purchased by Grandbridge, pursuant to a forward commitment with the Federal Home Loan Mortgage Corporation. Any Authorized Signatory is authorized to negotiate the terms of the negotiated sale of the Cash Collateralized Bonds and to execute one or more bond purchase agreements, bond placement agreements, and/or trust indenture or funding loan agreements, as applicable, upon approval of the terms thereof, and the execution thereof by an Authorized Signatory shall be conclusive evidence of such approval.

8. The authority to execute one or more bond purchase agreements, bond placement agreements, and/or trust indentures or funding loan agreements, as applicable, is

predicated upon such agreements providing for an interest rate or rates on the Governmental Note and the Cash Collateralized Bonds that would not exceed the lesser of 10% or the maximum rate authorized under Florida law, and would provide for a negotiated sale and private place of the Governmental Note and the negotiated sale of the Cash Collateralized Bonds, each in conformance with the program documents.

9. An Authorized Signatory and 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 and/or private placement, as applicable, of the Obligations pursuant to this Resolution and to provide for the use of the proceeds of the Obligations contemplated by this Resolution.

10. The award of the Obligations pursuant to the terms of this Resolution shall be final without any further action by Florida Housing.

11. All resolutions or parts of resolutions in conflict with this Resolution are hereby superseded and repealed to the extent of such conflict.

[Remainder of page intentionally left blank]

12. This Resolution shall take effect immediately upon adoption.

ADOPTED THIS 23rd DAY OF AUGUST, 2024.

(SEAL)

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.

ATTEST:

Melissa Levy, Assistant Secretary, Florida Housing Finance Corporation's Board of Directors

Ryan Benson, 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 23rd day of August, 2024, 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: _____
Name: Tim Kennedy
Title: 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 23rd day of August, 2024, 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

August 7, 2024

Angie Sellers, Chief Financial Officer
Florida Housing Finance Corporation
227 North Bronough Street, Suite 5000
Tallahassee, Florida 32301-1329

Re: The Residences at Martin Manor, 2024 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 July 10 2024, relating to The Residences at Martin Manor (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 two series of tax-exempt notes privately placed with a bank during the construction phase and one series of tax-exempt notes privately placed with a bank during the permanent phase. During the construction phase, one series of notes will bear interest at a fixed rate, and one series of notes will bear interest at a variable rate. During the permanent phase the notes will bear interest at a fixed rate.

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: The Residences at Martin Manor

Construction Notes Purchaser: Citibank, N.A.

Permanent Note Purchaser: Citibank, N.A.

Developer / Key Representative: DM Redevelopment Developer, LLC / Howard D. Cohen

Recommended Method of Sale: Negotiated private placement

Based on the structure of the note 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,

Samuel Rees

Caine Mitter & Associates Incorporated

Samuel Rees
Vice President

cc: Tim Kennedy, Multifamily Loans & Bonds Director



August 7, 2024

Angie Sellers, Chief Financial Officer
Florida Housing Finance Corporation
227 North Bronough Street, Suite 5000
Tallahassee, Florida 32301-1329

Re: The Enclave at Canopy Park, 2024 Multifamily Mortgage Revenue Bonds and 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 July 11, 2024, relating to The Enclave at Canopy Park (the "Credit Underwriting Report"), and herein provide my recommendation for both a negotiated public offering method of sale and 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 bonds and 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 short-term, cash collateralized tax-exempt bonds to finance construction. After construction, the bonds will convert to tax-exempt notes that are privately placed with a bank. During the construction phase the bonds will bear interest at a variable rate, and during the permanent phase the note will bear interest at a fixed rate.

The Credit Underwriting Report proposes a negotiated public offering to be an effective method of sale of the tax-exempt bonds and 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: The Enclave at Canopy Park

Permanent Note Purchaser: Citibank, N.A.

Developer / Key Representative: The Enclave at Canopy Park Developer, LLC / Brett Green

Recommended Method of Sale: Negotiated public offering for the construction phase and negotiated private placement for the permanent phase

Based on the structure of the bond and note issue and prevailing market conditions, a negotiated public offering will be an effective method of sale for the tax-exempt bonds, and 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, these methods 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,

Samuel Rees

Caine Mitter & Associates Incorporated

Samuel Rees
Vice President

cc: Tim Kennedy, Multifamily Loans & Bonds Director

August 7, 2024

Angie Sellers, Chief Financial Officer
Florida Housing Finance Corporation
227 North Bronough Street, Suite 5000
Tallahassee, Florida 32301-1329

Re: Town Oaks Apartments, 2024 Multifamily Mortgage Revenue Note 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 July 12, 2024, relating to Town Oaks Apartments (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 two series of tax-exempt notes that are privately placed during the construction phase and one series of tax-exempt notes that are privately placed during the permanent phase. During the construction phase, one series of notes will bear interest at a fixed rate, and one series of notes will bear interest at a variable rate. During the permanent phase the notes will bear interest at a fixed rate.

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: Town Oaks Apartments

Construction Note Purchaser: R4 Capital Funding, LLC

Permanent Note Purchaser: R4 Capital Funding, LLC

Developer / Key Representative: ECG Town Oaks Developer, LLC / C. Hunter Nelson

Recommended Method of Sale: Negotiated private placement

Based on the structure of the note 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,

Samuel Rees

Caine Mitter & Associates Incorporated

Samuel Rees
Vice President

cc: Tim Kennedy, Multifamily Loans & Notes Director

RESOLUTION
of the
Board of Directors of
Florida Housing Finance Corporation
pertaining to
the Acknowledgement Resolution for
Magnolia Trail

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 MAGNOLIA LLC, OR AN AFFILIATE THEREOF OR ANY ENTITY IN WHICH SP MAGNOLIA 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 \$17,600,000 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 Magnolia LLC, or an affiliate thereof or any entity in which SP Magnolia LLC is a general partner or managing member (the "Developer"), on a site located in Escambia County, Florida, and known as Magnolia Trail, 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 \$17,600,000 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 Escambia 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 2024 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 23rd day of August, 2024.

(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

Ryan Benson, 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 23rd day of August, 2024, 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 _____, 2024 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: _____



August 5, 2024

Tim Kennedy
Multifamily Loans/Bonds Director
Florida Housing Finance Corp.
227 N. Bronough Street, Suite 5000
Tallahassee, FL 32301

**RE: Walden Pond Preservation, L.P.
Loan Extension Request**

Dear Mr. Kennedy:

Walden Pond Preservation, L.P. kindly requests a one-year extension of the 2009 Series B Multifamily Mortgage Revenue Bond loan with a new maturity of December 1, 2025. We are working on a new rehabilitation with an anticipated closing in the 3rd quarter of 2025 and additional time is needed to secure the financing. Citibank, as the funding lender and bondholder, has agreed to the extension.

Please let us know if you need any additional information. Thank you for your time and assistance.

Best regards,

A handwritten signature in blue ink, appearing to read "Tony Del Pozzo".

Tony Del Pozzo
Vice President

Florida Housing Finance Corporation

Credit Underwriting Report

Perrine Village II

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

RFA 2022-205 (2023-136SN / 2022-539C)

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, ELI Loan, 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

August 9, 2024

Perrine Village II

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Section A

Report Summary

Please note, there are multiple unit sizes for each of the unit types, First Housing has shown the smallest square footage per unit type in the chart above.

As required by the Federal Fair Housing Act, at least 80% of the total units will be rented to residents that qualify as Elderly.

Veteran Preference in Elderly Developments Commitment: The proposed Development committed to offer a preference to Veterans on occupancy applications and waitlists throughout the 50-year Compliance Period with a goal of at least five percent (5%) of the units (8 units) in the Development being occupied by one or more Veterans. Veteran Households that meet the Link units or other Area Median Income (“AMI”) Set-Aside requirements will also count towards the goal of at least five percent (5%) of the units (8 units) in the Development being occupied by one or more Veterans.

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 (23 units) as ELI set-aside units at 30% or less of the AMI. However, the Applicant has selected to set-aside 30% of the units (45 units) as ELI set-aside units at 30% or less of the AMI. **Persons with Special Needs Set-Aside Commitment:** The proposed Development must set aside 50% of the ELI set-aside units (23 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 (Miami-Dade County). The MOU was approved by Florida Housing Finance Corporation (“Florida Housing”, “FHFC”, or “Corporation”) on June 14, 2024.

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 28 units targeted for Link units for Persons with Special Needs (ELI - 23 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 April 16, 2024.

Buildings: Residential - 2 Non-Residential - 1
 Parking: Parking Spaces - 90 Accessible Spaces - 13

The 90 parking spaces include 78 off-street spaces and 12 on-street parking spaces.

Set Asides:

Program	% of Units	# of Units	% AMI	Term (Years)
SAIL/ELI/HC	30.000%	45	30%	50
SAIL/HC	3.333%	5	40%	50
SAIL/HC	0.667%	1	50%	50
SAIL/HC	3.333%	5	60%	50
SAIL/HC	28.000%	42	70%	50
SAIL/HC	34.667%	52	80%	50
NHTF	3.333%	5	22%	50
County MMRB	40%	60	60%	30
Surtax	32.000%	48	30%	30
Surtax	4.000%	6	40%	30
Surtax	1.333%	2	50%	30
Surtax	20.000%	30	70%	30
Surtax	42.667%	64	80%	30

Absorption Rate 35 units per month for 4.3 months.

Occupancy Rate at Stabilization: Physical Occupancy 96.00% Economic Occupancy 95.00%
 Occupancy Comments N/A - New Construction

DDA: No QCT: Yes Multi-Phase Boost: No QAP Boost: No
 Site Acreage: 2.216 Density: 67.690 Flood Zone Designation: X
 Zoning: Perrine Community Urban Center Flood Insurance Required?: No

DEVELOPMENT TEAM		
Applicant/Borrower:	Perrine Apartments II, Ltd.	% Ownership
General Partner	APC Perrine Apartments II, LLC	
Limited Partner	PNC Bank, National Association ("PNC")	
Construction Completion Guarantor(s):		
CC Guarantor 1:	Perrine Apartments II, Ltd.	
CC Guarantor 2:	APC Perrine Apartments II, LLC	
CC Guarantor 3:	Howard D. Cohen Revocable Trust	
CC Guarantor 4:	Howard D. Cohen	
CC Guarantor 5:	Perrine Development II, LLC	
CC Guarantor 6:	APC Perrine Development II, LLC	
Operating Deficit Guarantor(s):		
OD Guarantor 1:	Perrine Apartments II, Ltd.	
OD Guarantor 2:	APC Perrine Apartments II, LLC	
OD Guarantor 3:	Howard D. Cohen Revocable Trust	
OD Guarantor 4:	Howard D. Cohen	
OD Guarantor 5:	Perrine Development II, LLC	
OD Guarantor 6:	APC Perrine Development II, LLC	
Bond Purchaser	NewPoint Impact Fund I LP (or its designee) ("NewPoint")	
Developer:	Perrine Development II, LLC	
General Contractor 1:	Atlantic Pacific Community Builders, LLC	
Management Company:	Atlantic Pacific Community Management, LLC	
Syndicator:	PNC	
Bond Issuer:	Housing Finance Authority of Miami-Dade County ("HFAMDC")	
Architect:	Corwil Architects, Inc.	
Market Study Provider:	Colliers International Valuation & Advisory Services ("Colliers")	
Appraiser:	Colliers	

PERMANENT FINANCING INFORMATION						
	1st Source	2nd Source	3rd Source	4th Source	5th Source	6th Source
Lien Position	First	Second	Third	Fourth	Fifth	Sixth
Lender/Grantor	HFAMDC/ NewPoint - Series A-1	FHFC - SAIL	FHFC - ELI	FHFC - NHTF	Miami-Dade County - Surtax/HOME/ Housing Development Action Grant ("HoDAG")	Seller Financing - Miami-Dade County Public Housing and Community Development ("PHCD")
Amount	\$13,332,190	\$8,400,000	\$750,000	\$1,575,000	\$5,000,000	\$2,400,000
Underwritten Interest Rate	5.80%	1.00%	0.00%	0.00%	1.00%	4.61%
Loan Term	17	21.833	30	30	30	30
Amortization	40	0	0	0	0	0
Market Rate/Market Financing LTV	33%	54%	56%	60%	72%	78%
Restricted Market Financing LTV	55%	90%	93%	99%	120%	130%
Loan to Cost - Cumulative	25%	41%	42%	45%	55%	59%
Loan to Cost - SAIL Only	N/A	16%	N/A	N/A	N/A	N/A
Debt Service Coverage	1.47	1.32	1.32	1.31	1.25	1.13
Operating Deficit & Debt Service Reserves	\$659,510					
# of Months covered by the Reserves	3.6					

Deferred Developer Fee	\$738,942
As-Is Land Value	\$4,050,000
As-Is Value (Land & Building)	\$3,900,000
Market Rent/Market Financing Stabilized Value	\$40,100,000
Rent Restricted Market Financing Stabilized Value	\$24,200,000
Projected Net Operating Income (NOI) - Year 1	\$1,319,094
Projected Net Operating Income (NOI) - 15 Year	\$1,517,384
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	\$0.91
HC Annual Allocation - Initial Award	\$2,109,835
HC Annual Allocation - Qualified in CUR	\$2,258,592
HC Annual Allocation - Equity Letter of Interest	\$2,305,938

CONSTRUCTION/PERMANENT SOURCES:				
Source	Lender	Construction	Permanent	Perm Loan/Unit
Local HFA Bonds	HFAMDC/NewPoint - Series A-1	\$15,067,000	\$13,332,190	\$88,881
Local HFA Bonds	HFAMDC/NewPoint - Series A-2	\$13,325,000	\$0	\$0
FHFC - SAIL	FHFC	\$8,400,000	\$8,400,000	\$56,000
FHFC - SAIL ELI	FHFC	\$750,000	\$750,000	\$5,000
FHFC - NHTF	FHFC	\$1,575,000	\$1,575,000	\$10,500
Local Government Subsidy	Miami-Dade County - Surtax/HOME/HoDAG	\$5,000,000	\$5,000,000	\$33,333
Seller Financing	Miami-Dade County PHCD	\$2,400,000	\$2,400,000	\$16,000
HC Equity	PNC	\$4,196,388	\$20,981,938	\$139,880
Deferred Developer Fee	Perrine Development II, LLC	\$2,464,682	\$738,942	\$4,926
TOTAL		\$53,178,070	\$53,178,070	\$354,520

Credit Underwriter: First Housing

Date of Final CUR: 08/09/2024

TDC PU Limitation at Application: \$445,000 TDC PU Limitation at Credit Underwriting: \$471,700

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?	1.	
Are all funding sources the same as shown in the Application?		2-4.
Are all local government recommendations/contributions still in place at the level described in the Application?	N/A	
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?		5.
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?		6.
Is the Development in all other material respects the same as presented in the Application?		7-8.

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

1. The Applicant submitted a request, dated June 13, 2024, requesting to change the Developer Entity from APC Perrine Development II, LLC to Perrine Development II, LLC. The Developer entity, Perrine Development II, LLC, would be owned 85% by APC Perrine Development II, LLC and 15% by DI Perrine Village South Dev LLC. FHFC approved this change on July 9, 2024.

2. Since the Application, the construction tax-exempt bond amount has increased from \$24,500,000 to \$28,392,000 and the permanent tax-exempt bond amount has decreased from \$13,558,000 to \$13,332,190.
3. Since the Application, per the Invitation to Enter Credit Underwriting issued by FHFC on July 27, 2023, the Applicant was awarded FHFC NHTF funding in the loan amount of \$1,575,000.
4. Since the Application a Miami-Dade County Surtax loan in the amount of \$5,000,000 and a Miami-Dade County PHCD loan in the amount of \$2,400,000 have been included as a source of financing.
5. The Total Development Cost (“TDC”) has increased by a total of \$6,498,730 from \$46,679,340 to \$53,178,070 or 13.92% since the Application. This change is mainly due to an increase in construction costs and the capital lease payment.
6. Since the Application, the Syndicator has changed from Wells Fargo Community Lending and Investment to PNC and the syndication rate has decreased from \$0.95 to \$0.91.
7. Since the Application, the Applicant submitted a request, dated May 31, 2024 (revised June 13, 2024), to increase the number of residential buildings from one to two, change the unit mix and set-asides. FHFC’s staff approved these changes on July 8, 2024.

Unit Mix (From)	Unit Mix (To)
90 - 0 bedroom/1 bathroom (20 ELI units)	116 - 0 bedroom/1 bathroom (18 ELI units)
11 – 1 bedroom/1 bathroom (2 ELI units)	12 – 1 bedroom/1 bathroom (7 ELI units)
33 – 2 bedroom/2 bathroom (7 ELI units)	22 – 2 bedroom/2 bathroom (20 ELI units)
15 – 3 bedroom/2 bathroom (3 ELI units)	0 – 3 bedroom/2 bathroom (0 ELI units)
1 – 4 bedroom/2 bathroom (0 ELI units)	0 – 4 bedroom/2 bathroom (0 ELI units)
150 – Total Units (32 ELI units)	150 – Total Units (45 ELI units)

Set-Asides (From)	Set-Asides (To)
21.333% or 32 units at 30% AMI	30.000% or 45 units at 30% AMI
11.333% or 17 units at 40% AMI	3.333% or 5 units at 40% AMI
2.667% or 4 units at 50% AMI	0.667% or 1 units at 50% AMI
20.000% or 30 units at 60% AMI	3.3333% or 5 units at 60% AMI
0% or 0 units at 70% AMI	28.000% or 42 units at 70% AMI
44.667% or 67 units at 80% AMI	34.667% or 52 units at 80% AMI
60.000% Average AMI	60.000% Average AMI

8. It is First Housing's understanding that the Applicant will be submitting a legal description change. FHFC's review and approval of the legal description change is a condition to close.

The above changes have no substantial material impact to the SAIL, ELI, 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 October 18, 2023, the Development has the following noncompliance item(s) not in the correction period:

- None

According to the FHFC Past Due Report, dated July 12, 2024, the Development Team has the following past due item(s):

- None

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

Strengths:

1. The Principals, Developer, General Contractor, 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.
3. According to the Market Study, the restricted rent supply within the primary market area ("PMA") has a weighted average occupancy of 99.5%.

Waiver Requests/Special Conditions:

None

Issues and Concerns:

None

Mitigating Factors:

None

Additional Information:

1. The Development has applied to the Housing Finance Authority of Miami-Dade County for a Tax-Exempt Multifamily Mortgage Revenue Bond (“MMRB” or “Bond”). The Bonds are expected to be issued in two series, Series A-1 in the amount of \$15,067,000 and Series A-2 in the amount of \$13,325,000 and privately placed with NewPoint. Series A-1 Bonds will be long-term and Series A-2 Bonds will be short-term bonds.
2. The Development’s site currently consists of public housing units, the tenants on site will be moved to Quail Roost Transit Village I, which is currently under construction and expected to be complete in October 2024. The cost associated with relocating the tenants is not the responsibility of the Applicant. However, the Applicant will be responsible for moving tenants from Perrine “Big Gardens” to Perrine Village II. First Housing received a Relocation Plan, dated April 10, 2024. Perrine “Big Gardens” located at 10161 Circle Plaza W, Miami, FL 33157 is a Miami-Dade Housing Agency public housing complex, which contains 158-units. According to the Relocation Plan, the Applicant will offer temporary and permanent relocation assistance following the Uniform Relocation Act and will help locate homes appropriate for each individual’s living situation and family composition. The Applicant plans to relocate 57 units from Perrine “Big Gardens” to the Development. All households eligible for relocation assistance will receive moving assistance required for a permanent move. The Applicant will pay all moving expenses associated with the move at no cost to the tenant.
3. The Development will be receiving rental assistance for 57 units under a Rental Assistance Demonstration (“RAD”) conversion. As part of the RAD conversion, the Development is eligible for a 60/40 blend, where up to 60% of the units (or 34 units) will be Section 18 and 40% of the units (or 23 units) will be RAD units. First Housing received an award letter from the U.S. Department of Housing and Urban Development (“HUD”), dated January 12, 2024. The award letter serves as HUD’s Commitment to Enter into a Housing Assistance Payments (“CHAP”) for the Development. According to the award letter, there will be twenty-three (23), zero-bedroom units with a contract rent of \$727. First Housing received a letter from Miami-Dade County PHCD, dated March 28, 2024. According to the letter, Miami-Dade County PHCD has approved twelve (12), one-bedroom units at

\$1,944 and twenty-two (22), two-bedrooms at \$2,358. Receipt of the rental assistance contract(s) is a condition to close.

4. The Development will contain approximately 1,691 square feet of ground floor retail space. At this time there is no letter of interest for the space and the Applicant has not projected any retail income in their budget.
5. 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, relocation costs, commercial/retail space, land costs and Operating Deficit Reserves (“ODR”), of \$471,700 per unit for an enhanced structural system, new construction, mid-rise (5-6 stories) Development located in Miami-Dade County which includes a \$7,500 per unit add on for tax-exempt bonds and \$7,500 PHA add-on. The Development’s per unit TDC, less demolition costs, relocation costs, commercial/retail space, land costs, and ODR is \$317,563 per unit, which meets the TDC requirement.
6. The Applicant is required to provide a certification executed by the General Contractor for compliance with debarment and suspension regulations. First Housing has been in receipt of this certification.
7. The Applicant is required to comply with the HUD environmental requirements as provided in 24 CFR 93.301(f)(1) and (2). First Housing received the Housing Trust Fund Environmental Review, dated May 8, 2024, prepared by Arcadis U.S., Inc. (“Arcadis”). Based on the results of the completed Housing Trust Fund Checklist, Arcadis finds the Development to be in compliance with the Property Standards a 24 CFR 93.301(f)1 for new construction.
8. The Applicant is required to provide evidence demonstrating that the Development is consistent with the applicable Consolidated Plan. First Housing has been in receipt of this certification.
9. The Applicant has submitted the Affirmative Fair Housing Marketing Plan.
10. First Housing received the Development’s site plan which indicates a net area of 3.16 acres; however, the sketch survey received indicates 2.216± acres. The difference is for a future phase. According to conversations with a representative of the Applicant, the mortgageable land will be 2.216 acres. Verification from FHFC and its Legal Counsel of the Development’s legal description and meeting the required zoning requirements is a condition to close.

Recommendation:

First Housing recommends a SAIL Loan in the amount of \$8,400,000, an ELI Loan in the amount of \$750,000, a NHTF Loan in the amount of \$1,575,000, and an annual HC Allocation of \$2,258,592 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, ELI Loan, 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:



Stephanie Petty
Senior Credit Underwriter

Reviewed by:



Ed Busansky
Senior Vice President

Overview

Construction Financing Sources:

Construction Sources	Lender	Application	Revised Applicant	Underwriter	Construction Interest Rate	Annual Construction Debt Service
Local HFA Bonds	HFAMDC/NewPoint - Series A-1	\$24,500,000	\$15,067,000	\$15,067,000	5.80%	\$873,886
Local HFA Bonds	HFAMDC/NewPoint - Series A-2	\$0	\$13,325,000	\$13,325,000	6.50%	\$866,125
FHFC - SAIL	FHFC	\$8,400,000	\$8,400,000	\$8,400,000	1.00%	\$84,000
FHFC - SAIL ELI	FHFC	\$750,000	\$750,000	\$750,000	0.00%	\$0
FHFC - NHTF	FHFC	\$0	\$1,575,000	\$1,575,000	0.00%	\$0
Local Government Subsidy	Miami-Dade County - Surtax/HOME/HoDAG	\$0	\$5,000,000	\$5,000,000	0.00%	\$0
Seller Financing	Miami-Dade County PHCD	\$7,014,500	\$2,400,000	\$2,400,000	0.00%	\$0
HC Equity	PNC	\$6,801,159	\$4,196,388	\$4,196,388	N/A	N/A
Deferred Developer Fee	Perrine Development II, LLC	\$0	\$5,389,074	\$2,464,682	N/A	N/A
Total		\$47,465,659	\$56,027,462	\$53,178,070		\$1,824,011

First Mortgage:

First Housing has received a Financing Application, dated June 4, 2024, which indicates NewPoint will provide construction and permanent bond financing. The construction bond amount will be comprised of two series of bonds, Tax-Exempt Series A-1 Bonds in the amount of \$15,067,000 and Tax-Exempt Series A-2 Bonds in the amount of \$13,325,000. Payments during construction will be interest only and it is anticipated the bonds will be drawn down. The interest rate on the Tax-Exempt Series A-1 Bonds will be fixed and equal to 2.75% over the Tax-Exempt Index. The interest rate on the Tax-Exempt Series A-2 Bonds will be fixed and equal to 3.45% over the Tax-Exempt Index. The Tax-Exempt Index is defined as the 15-year BVAL Municipal Index (non-callable) benchmark rate published by Bloomberg. The construction period shall not exceed 26 months, with the option for two, 6-month extension options. The first extension will be at no additional cost, while the second extension fee will be equal to 0.50% of the total construction phase bond amount.

The interest rate on the Tax-Exempt Series A-1 Bonds is based the 15-year BVAL Municipal Index rate of 3.050% (as of June 21, 2024), a spread of 2.75%, for an interest rate of 5.80%. The interest rate on the Tax-Exempt Series A-2 Bonds is based on the 15-year BVAL Municipal Index rate of 3.050% (as of June 21, 2024), a spread of 3.45%, for an interest rate of 6.50%.

The annual HFAMDC Issuer Fee of 25 bps and a Trustee Fee of \$4,500 are included in the Uses section of this report.

FHFC SAIL, ELI, 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 \$8,400,000, a preliminary ELI loan in the amount of \$750,000, and a preliminary NHTF Loan in the amount of \$1,575,000.

The SAIL Loan is non-amortizing with an interest rate of 1% over the life of the loan and annual payments based upon available cash flow. The SAIL Loan will have a total term of 25 years, of which 3 years and 2 months is for the construction/stabilization period and 21 years and 10 months is for the permanent period, as required by the syndicator, PNC, and permitted by Rule 67-48. 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 ELI Loan is non-amortizing with an interest rate of 0% over the life of the loan. The ELI Loan will have a total loan term of 33 years and 2 months, of which 3 years and 2 months is for the construction/stabilization period and 30 years is for the permanent period, as required by the syndicator, PNC, and permitted by the RFA. Annual payments of all applicable fees will be required. Principal is forgivable at maturity, provided the units for which the ELI Loan amount is awarded are targeted to ELI households.

The NHTF Loan is a forgivable 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 Link units for the first 30 years of the 50-year Compliance Period. The NHTF Loan will have a term of 33 years and 2 months, of which 3 years and 2 months is for the construction/stabilization period and 30 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.

Miami-Dade County:

First Housing received a Conditional Loan Commitment, dated April 23, 2024, from Miami-Dade County for a total commitment of \$5,000,000 comprised of \$1,000,000 in Surtax/SHIP funds, \$2,000,000 in HOME Funds, and \$2,000,000 in HoDAG funds. The term of the loan will be for 30 years, or as established prior to closing by the Mayor or Mayor's designee in accordance with the results of Underwriting. The interest rate is 0% interest during construction years 1 and 2 and 1% interest only payments for years 3-30 from development cash flow, with another 0.5% interest accruing and due at maturity. Full principal is due at maturity.

Miami-Dade County PHCD:

First Housing received a draft letter, date June 20, 2024, from Miami-Dade County PHCD (“Landlord”) offering to issue a subordinate construction and permanent note to the Development. Receipt of a final letter is a condition to close. The construction period amount is \$2,400,000 for a term of 30 months with an interest rate of 0%. The permanent period amount is \$2,400,000 for a term of 30 years. The interest rate will be compounded annual interest at the long term applicable federal rate in effect for the month in which the construction financing closing occurs. The note will require annual interest-only payments based on available cash flow. All principal and accrued interest will be due the earlier of 1) the sale or refinancing of the property or 2) at maturity.

Housing Credit Equity:

First Housing has reviewed a letter of interest (“LOI”) from PNC, dated June 21, 2024, indicating a fund sponsored by PNC or PNC directly will acquire 99.99% ownership interest in the Applicant. According to the letter, the annual HC allocation is estimated to be in the amount of \$2,305,938 and a syndication rate of \$0.91 per dollar. PNC anticipates a net capital contribution of \$20,981,938 and has committed to make available 20.00% or \$4,196,388 of the total net equity during the construction period. The LOI indicates a capital contribution of \$20,981,937; however, the contributions add to \$20,981,938. Three additional installments will be available at construction completion, stabilization, and 8609s. The first installment, in the amount of \$3,147,291 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.

Deferred Developer Fee:

To balance the sources and uses of funds during construction, the Developer is required to defer \$2,464,682 or approximately 33.35% of the total Developer Fee of \$7,389,399.

Permanent Financing Sources:

Permanent Sources	Lender	Application	Revised Applicant	Underwriter	Term Yrs.	Amort. Yrs.	Interest Rate	Annual Debt Service
Local HFA Bonds	HFAMDC/NewPoint - Series A	\$13,558,000	\$14,080,000	\$13,332,190	17	40	5.80%	\$858,065
FHFC - SAIL	FHFC	\$8,400,000	\$8,400,000	\$8,400,000	21.833	0	1.00%	\$84,000
FHFC - SAIL ELI	FHFC	\$750,000	\$750,000	\$750,000	30	0	0.00%	\$0
FHFC - NHTF	FHFC	\$0	\$1,575,000	\$1,575,000	30	0	0.00%	\$0
Local Government Subsidy	Miami-Dade County - Surtax/HOME/HoDAG	\$0	\$5,000,000	\$5,000,000	30	0	1.00%	\$50,000
Seller Financing	Miami-Dade County PHCD	\$0	\$2,400,000	\$2,400,000	30	0	4.61%	\$110,640
HC Equity	PNC	\$20,041,428	\$20,981,937	\$20,981,938	N/A	N/A	N/A	N/A
Deferred Developer Fee	Perrine Development II, LLC	\$6,801,159	\$2,840,525	\$738,942	N/A	N/A	N/A	N/A
Total		\$49,550,587	\$56,027,462	\$53,178,070				\$1,102,705

First Mortgage:

First Housing has received a Financing Application, dated June 4, 2024, which indicates NewPoint will provide construction and permanent bond financing. The permanent bond amount will be the Tax-Exempt Series A-1 Bonds in the amount of \$15,067,000. The permanent phase bond parameters include i) 1.15 debt service coverage ratio, ii) 90% Loan to Value, and iii) 70% Loan to Cost. First Housing has estimated a permanent loan amount of \$13,332,190 in order to meet the 10% Developer Fee deferral required by Miami-Dade County Surtax/HOME/HoDAG funding. The interest rate on the Tax-Exempt Series A-1 Bonds will be fixed and equal to 2.75% over the Tax-Exempt Index. The permanent period will be 17 years, based on a 40-year amortization schedule. The interest rate on the Tax-Exempt Series A-1 Bonds is based on the 15-year BVAL Municipal Index rate of 3.050% (as of June 21, 2024), a spread of 2.75%, for an interest rate of 5.80%. Amortization will commence on the first date of the 49th month following the date the loan converts from the construction phase to the permanent phase.

Additional fees included in the Debt Service calculation consist of an annual Issuer Fee of 25 bps of the outstanding Bonds and an annual Trustee Fee of \$4,500. The Compliance Monitoring Fee is based on \$30 per unit.

According to the Financing Application, NewPoint is utilizing current year rents to size the permanent phase financing. Earn-out Proceeds of up to 10% of the Series A-1 Bonds can be accommodated, provided the stabilized debt service is 1.15x. Proceeds related to a potential earn-out at stabilization will not be disbursed prior to stabilization. Upon conversion, if the first mortgage loan is increased above the principal amount at closing, it will be subject to FHFC's approval.

FHFC SAIL, ELI, 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 \$8,400,000, a preliminary ELI loan in the amount of \$750,000, and a preliminary NHTF Loan in the amount of \$1,575,000.

The SAIL Loan is non-amortizing with an interest rate of 1% over the life of the loan and annual payments based upon available cash flow. The SAIL Loan will have a total term of 25 years, of which 3 years and 2 months is for the construction/stabilization period and 21 years and 10 months is for the permanent period, as required by the syndicator, PNC, and permitted by Rule 67-48. 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 ELI Loan is non-amortizing with an interest rate of 0% over the life of the loan. The ELI Loan will have a total loan term of 33 years and 2 months, of which 3 years and 2 months is for the construction/stabilization period and 30 years is for the permanent period, as required by the syndicator, PNC, and permitted by the RFA. Annual payments of all applicable fees will be required. Principal is forgivable at maturity, provided the units for which the ELI Loan amount is awarded are targeted to ELI households.

The NHTF Loan is a forgivable 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 Link units for the first 30 years of the 50-year Compliance Period. The NHTF Loan will have a term of 33 years and 2 months, of which 3 years and 2 months is for the construction/stabilization period and 30 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, ELI, and NHTF loans, fees include an annual multiple program Compliance Monitoring Fee of \$1,054 and an annual Permanent Loan Servicing Fee of 25 bps of the outstanding loan amount up to a maximum of \$964 per month, subject to a minimum of \$243 per month.

Miami-Dade County:

First Housing received a Conditional Loan Commitment, dated April 23, 2024, from Miami-Dade County for a total commitment of \$5,000,000 comprised of \$1,000,000 in Surtax/SHIP funds, \$2,000,000 in HOME Funds, and \$2,000,000 in HoDAG funds. The term of the loan will be for

30 years, or as established prior to closing by the Mayor or Mayor's designee in accordance with the results of Underwriting. The interest rate is 0% interest during construction years 1 and 2 and 1% interest only payments for years 3-30 from development cash flow, with another 0.5% interest accruing and due at maturity. Full principal is due at maturity. Verification that the term of the loan is coterminous with the NHTF loan is a condition to close.

Miami-Dade County PHCD:

First Housing received a draft letter, dated June 20, 2024, from the Landlord offering to issue a subordinate construction and permanent note to the Development. Receipt of a final letter is a condition to close. The construction period amount is \$2,400,000 for a term of 30 months with an interest rate of 0%. The permanent period amount is \$2,400,000 for a term of 30 years. The interest rate will be compounded annual interest at the long term applicable federal rate in effect for the month in which the construction financing closing occurs. The note will require annual interest-only payments based on available cash flow. All principal and accrued interest will be due the earlier of 1) the sale or refinancing of the property or 2) at maturity. Verification that the term of the loan is coterminous with the NHTF loan is a condition to close.

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 the LOI, dated June 21, 2024, a fund sponsored by PNC or PNC directly will provide HC equity as follows:

Capital Contributions	Amount	Percentage of Total	When Due
1st Installment	\$3,147,291	15.00%	Admission
2nd Installment	\$1,049,097	5.00%	99% Completion
3rd Installment	\$11,540,066	55.00%	100% Completion
4th Installment	\$4,796,471	22.86%	Stabilization
5th Installment	\$449,013	2.14%	8609s
Total	\$20,981,938	100.00%	

Annual Credit Per Syndication Agreement \$2,305,938

Calculated HC Exchange Rate \$0.91

Limited Partner Ownership Percentage 99.99%

Proceeds Available During Construction \$4,196,388

The LOI indicates a capital contribution of \$20,981,937; however, the contributions add to \$20,981,938.

Deferred Developer Fee:

To balance the sources and uses of funds during the permanent funding period, the Developer is required to defer \$738,942 or approximately 10.00% of the total Developer Fee of \$7,389,399.

Uses of Funds

CONSTRUCTION COSTS:	Applicant Costs	Revised Applicant Costs	Underwriters Total Costs - CUR	Cost Per Unit	HC Ineligible Costs - CUR
Accessory Buildings	\$405,215	\$0	\$324,000	\$2,160	\$324,000
New Rental Units	\$23,540,586	\$29,271,945	\$22,481,674	\$149,878	\$102,300
Site Work	\$0	\$0	\$2,871,471	\$19,143	\$287,147
Constr. Contr. Costs subject to GC Fee	\$23,945,801	\$29,271,945	\$25,677,145	\$171,181	\$713,447
General Conditions	\$3,423,514	\$0	\$1,540,629	\$10,271	\$0
Overhead	\$0	\$0	\$513,542	\$3,424	\$0
Profit	\$0	\$0	\$1,540,629	\$10,271	\$0
Total Construction Contract/Costs	\$27,369,315	\$29,271,945	\$29,271,945	\$195,146	\$713,447
Hard Cost Contingency	\$1,340,396	\$1,463,598	\$1,463,597	\$9,757	\$0
PnP Bond paid outside Constr. Contr.	\$0	\$231,296	\$231,296	\$1,542	\$0
Demolition paid outside Constr. Contr.	\$107,567	\$150,000	\$150,000	\$1,000	\$150,000
FF&E paid outside Constr. Contr.	\$0	\$150,000	\$150,000	\$1,000	\$0
Other: Art in Public Places	\$0	\$769,366	\$769,366	\$5,129	\$0
Other: Recreational/Owner Items	\$415,000	\$192,600	\$192,600	\$1,284	\$62,520
Total Construction Costs:	\$29,232,278	\$32,228,805	\$32,228,804	\$214,859	\$925,967

Notes to the Total Construction Costs:

1. The Applicant has provided an executed construction contract, dated June 21, 2024, in the amount of \$29,271,945. This is a Standard Form of Agreement between Owner, Perrine Apartments II, Ltd. and Contractor, Atlantic Pacific Community Builders, 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 480 days from the date of commencement of work. The construction contract specifies a retainage of 10% shall be withheld on all payments until 50% completion of the project, at which time, no further retainage shall be withheld on payment through substantial completion of work, subject to lender approval.
2. First Housing used the Schedule of Values to break out the construction costs.
3. According to an email from a representative of the Applicant, the cost to construct the commercial space is estimated at \$324,000 and has been included as an ineligible cost.
4. Based on conversations with a representative of the Applicant, washer/dryers will be provided in the units receiving rental assistance (57 units) at no additional cost. However, the remaining 93 units will have the option to rent washer/dyers at an additional cost. The ineligible cost of \$102,300 is the cost of purchasing washer/dyers which are income producing.

5. The GC Contract specifies that allowances are included within Exhibit J; however, Exhibit J states “to be included at a later time”. Verification of the allowances is a condition to close.
6. The GC fee is within the maximum 14% of hard costs allowed by the RFA and 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. Receipt of all GC Section 3 contract requirements is a condition to close.
8. Hard Cost Contingency is 5% of the total construction contract, which is within the allowable 5% of total hard costs for new construction developments as allowed by the RFA and Rule Chapters 67-48 and 67-21.
9. The Applicant has budgeted for P&P Bonds to secure the construction contract.
10. Since the residential buildings currently on site will be demolished, the demolition cost is ineligible.
11. Recreational/Owner Items includes security CCTV, signage, picnic benches and BBQ, exterior benches and garbage cans, gym equipment, common area washer/dryers, and photo documentation.
12. The ineligible recreational/owner items of \$62,520 consists of ineligible costs of \$30,00 for washer/dryers in common areas. The remaining ineligible cost is based on an estimate that 20% of the cost is ineligible.

GENERAL DEVELOPMENT COSTS:	Applicant Costs	Revised Applicant Costs	Underwriters Total Costs - CUR	Cost Per Unit	HC Ineligible Costs - CUR
Accounting Fees	\$40,000	\$50,000	\$50,000	\$333	\$12,500
Appraisal	\$12,000	\$20,000	\$7,250	\$48	\$0
Architect's Fee - Site/Building Design	\$954,238	\$780,750	\$780,750	\$5,205	\$0
Architect's Fee - Supervision	\$175,000	\$110,000	\$110,000	\$733	\$0
Building Permits	\$144,998	\$172,027	\$172,027	\$1,147	\$0
Builder's Risk Insurance	\$159,910	\$190,847	\$190,847	\$1,272	\$0
Engineering Fees	\$150,000	\$0	\$0	\$0	\$0
Environmental Report	\$20,700	\$38,600	\$38,600	\$257	\$0
FHFC Administrative Fees	\$189,886	\$209,316	\$203,273	\$1,355	\$203,273
FHFC Application Fee	\$3,000	\$87,000	\$3,000	\$20	\$3,000
FHFC Credit Underwriting Fee	\$24,179	\$24,905	\$27,603	\$184	\$27,603
FHFC Compliance Fee	\$251,898	\$251,898	\$274,424	\$1,829	\$274,424
FHFC Other Processing Fee(s)	\$0	\$0	\$500	\$3	\$500
Impact Fee	\$32,258	\$27,906	\$27,906	\$186	\$0
Lender Inspection Fees / Const Admin	\$175,590	\$506,319	\$506,319	\$3,375	\$0
Green Building Cert. (LEED, FGBC, NAHB)	\$50,000	\$0	\$41,450	\$276	\$0
Insurance	\$249,806	\$448,165	\$448,165	\$2,988	\$173,487
Legal Fees - Organizational Costs	\$850,000	\$800,000	\$800,000	\$5,333	\$537,500
Market Study	\$8,000	\$8,000	\$4,250	\$28	\$4,250
Marketing and Advertising	\$50,000	\$35,000	\$35,000	\$233	\$35,000
Plan and Cost Review Analysis	\$0	\$23,000	\$4,350	\$29	\$0
Property Taxes	\$239,448	\$250,068	\$250,068	\$1,667	\$200,054
Soil Test	\$8,000	\$8,700	\$8,700	\$58	\$0
Survey	\$25,000	\$100,000	\$100,000	\$667	\$0
Tenant Relocation Costs	\$742,618	\$333,115	\$333,115	\$2,221	\$333,115
Title Insurance and Recording Fees	\$380,239	\$465,489	\$465,489	\$3,103	\$77,440
Utility Connection Fees	\$172,093	\$203,214	\$203,214	\$1,355	\$0
Soft Cost Contingency	\$231,815	\$284,794	\$270,027	\$1,800	\$0
Other: Utility Relocation	\$0	\$210,000	\$210,000	\$1,400	\$210,000
Other: Third Party Reports	\$0	\$104,250	\$104,250	\$695	\$0
Total General Development Costs:	\$5,340,676	\$5,743,363	\$5,670,577	\$37,804	\$2,092,146

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: Appraisal, FHFC Application Fee, FHFC Credit Underwriting, Market Study, and Plan and Cost Analysis ("PCA").
3. The FHFC Administrative Fee is based on 9% of the recommended annual 4% Housing Credit allocation.

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 of \$274,424 is based on the 2024 compliance fee calculator spreadsheet provided by FHFC.
6. First Housing has included a FHFC Processing Fee of \$500 for a legal description change.
7. First Housing received a breakout of the Lender Inspection Fees, which includes but is not limited to Plan Review and Draw Inspections, Davis-Bacon Review Fee, Threshold Inspections, Construction Materials Testing, Waterproofing Professions, Private Provider Inspections, ADA Consulting, and Photo Documentations. First Housing verified the private provider inspections is from a third-party.
8. The Applicant provided a Professional Services Proposal NGBS Administration + NGBS Verification for the Development, dated May 10, 2024, from Abney + Abney Green Solutions. First Housing has included a cost of \$41,450 for NGBS services.
9. Since the residential buildings currently on site will be demolished, the tenant relocation costs are ineligible.
10. 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.
11. Third Party Reports of \$104,250 consists of approximately \$100,000 for PNC’s third party reports and the remaining for the Utility Allowance Study.

FINANCIAL COSTS:	Applicant Costs	Revised Applicant Costs	Underwriters Total Costs - CUR	Cost Per Unit	HC Ineligible Costs - CUR
Construction Loan Application Fee	\$0	\$6,000	\$25,000	\$167	\$0
Construction Loan Origination Fee	\$250,000	\$150,670	\$150,670	\$1,004	\$0
Construction Loan Closing Costs	\$49,000	\$30,134	\$30,134	\$201	\$0
Construction Loan Interest	\$3,041,748	\$3,115,140	\$978,752	\$6,525	\$564,544
Permanent Loan Origination Fee	\$135,580	\$70,400	\$66,661	\$444	\$66,661
Permanent Loan Closing Costs	\$40,674	\$92,941	\$92,941	\$620	\$92,941
Bridge Loan Origination Fee	\$0	\$133,250	\$133,250	\$888	\$0
Bridge Loan Interest	\$0	\$1,478,114	\$970,060	\$6,467	\$559,531
Local HFA Bond Trustee Fee	\$0	\$0	\$14,252	\$95	\$14,252
Local HFA Bond Cost of Issuance	\$288,225	\$283,332	\$283,827	\$1,892	\$283,827
SAIL Commitment Fee	\$0	\$136,925	\$84,000	\$560	\$84,000
SAIL Closing Costs	\$0	\$0	\$12,500	\$83	\$12,500
SAIL-ELI Commitment Fee	\$0	\$0	\$7,500	\$50	\$7,500
SAIL-ELI Closing Costs	\$0	\$0	\$6,500	\$43	\$6,500
Misc Loan Underwriting Fee	\$0	\$0	\$9,500	\$63	\$9,500
Misc Loan Origination Fee	\$0	\$0	\$50,000	\$333	\$50,000
NHTF Closing Costs	\$0	\$0	\$12,500	\$83	\$12,500
Other: HFA Issuer Fee	\$0	\$0	\$224,794	\$1,499	\$224,794
Total Financial Costs:	\$3,805,227	\$5,496,906	\$3,152,840	\$21,019	\$1,989,049
Dev. Costs before Acq., Dev. Fee & Reserves	\$38,378,181	\$43,469,074	\$41,052,222	\$273,681	\$5,007,162

Notes to the Financial Costs:

1. According to the Financing Application from Newpoint, there is an application processing fee of \$25,000.
2. The Construction Loan Commitment Fee is based on 1.00% of the Series A-1 construction loan amount.
3. The Construction Loan Interest of \$978,752 (for Series A-1) is based on an interest rate of 5.80%, a 24-month term, and an average outstanding loan balance of 56%. The GC Contract specifies a substantial completion of no later than 480 calendar days (or approximately 16 months) and considering an 8-month lease-up/stabilization period, First Housing has estimated that a construction term of 24-months is reasonable.
4. The Permanent Loan Commitment Fee is based on 0.5% of the permanent loan amount (Series A-1).
5. The Applicant has included the cost of Series A-2 within Bridge Loan costs. The Bridge Loan Origination Fee is based on 1% of Series A-2.

6. The Bridge Loan Interest of \$970,060 is based on an interest rate of 6.50%, a 24-month term, and an average outstanding loan balance of 56%.
7. First Housing received a Cost of Issuance (“COI”) estimate from Royal Bank of Canada (“RBC”).
8. The Local HFA Bond Trustee Fee includes an annual Trustee Fee of \$4,500 for 3.167 years.
9. SAIL Commitment Fee is based on 1% of the SAIL Loan.
10. ELI Commitment Fee is based on 1% of the ELI Loan.
11. First Housing included FHFC closing costs of \$6,500 for the ELI loan and \$12,500 for each of the SAIL and NHTF loans for FHFC legal counsel fees.
12. The Misc. Loan Underwriting Fee is associated with the Miami-Dade County Surtax/HOME/HoDAG.
13. First Housing has included a Commitment Fee of 1% on the Surtax/HOME/HoDAG funding.
14. HFA Issuer Fee includes 3.167 years of the HFAMDC Issuer Fee of 0.25% of the total bond issuance.

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

Notes to the Non-Land Acquisition Costs:

1. Since this is new construction, non-land acquisition costs do not apply.

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	\$6,801,159	\$7,821,939	\$7,389,399	\$49,263	\$0
Total Other Development Costs:	\$6,801,159	\$7,821,939	\$7,389,399	\$49,263	\$0

Notes to the Other Development Costs:

1. The recommended Developer's Fee does not exceed 18% of Total Development Cost 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 Lease Payment	\$1,500,000	\$3,900,000	\$3,900,000	\$26,000	\$3,900,000
Total Acquisition Costs:	\$1,500,000	\$3,900,000	\$3,900,000	\$26,000	\$3,900,000

Notes to Acquisition Costs:

1. First Housing received a draft Ground Lease between Miami-Dade County (“Landlord”) and Perrine Apartments II, Ltd. (“Tenant”). The term of the lease shall be 75 years and will have a one-time capitalized lease payment in the amount of \$3,900,000. Receipt of an executed Ground Lease is a condition to close.
2. First Housing reviewed an Appraisal of the Development prepared by Colliers, dated July 5, 2024, which concluded to a market “as is” value, as of April 7, 2024, of \$3,900,000, 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 (Syndicator)	\$0	\$659,510	\$659,510	\$4,397	\$659,510
Reserves - Start-Up/Lease-up Expenses	\$0	\$176,939	\$176,939	\$1,180	\$176,939
Total Reserve Accounts:	\$0	\$836,449	\$836,449	\$5,576	\$836,449

Notes to Reserve Accounts:

1. The Applicant is estimating an ODR of \$659,510, which will be verified by the syndicator at closing. In exchange for receiving funding from the Corporation, the Corporation reserves the authority to restrict the disposition of any funds remaining in any operating deficit reserve(s) after the term of the reserve’s original purpose has terminated or is near termination. Authorized disposition uses are limited to payments towards any outstanding loan balances of the Development funded from the Corporation, any outstanding Corporation fees, any unpaid costs incurred in the completion of the Development (i.e., deferred Developer Fee), the Development’s capital replacement reserve account (provided, however, that any operating deficit reserve funds deposited to the replacement reserve account will not replace, negate, or otherwise be considered an advance payment or pre-funding of the Applicant’s obligation to periodically fund the replacement reserve

account), the reimbursement of any loan(s) provided by a partner, member or guarantor as set forth in the Applicant’s organizational agreement (i.e., operating or limited partnership agreement) whereby its final disposition remains under this same restriction. The actual direction of the disposition is at the Applicant’s discretion so long as it is an option permitted by the Corporation. In no event, shall the payment of amounts to the Applicant or the Developer from any operating deficit reserve established for the Development cause the Developer Fee or General Contractor fee to exceed the applicable percentage limitations provided for in this RFA.

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 67-21 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	HC Ineligible Costs - CUR
TOTAL DEVELOPMENT COSTS:	\$46,679,340	\$56,027,462	\$53,178,070	\$354,520	\$9,743,611

Notes to Total Development Costs:

1. Total Development Costs have increased by a total of \$6,498,730 from \$46,679,340 to \$53,178,070 or 13.92% since the Application. This change is mainly due to an increase in construction costs and the capital lease payment.

Operating Pro Forma – Perrine Village II

FINANCIAL COSTS:				Year 1	Year 1 Per Unit
OPERATING PRO FORMA					
INCOME:	Gross Potential Rental Income			\$2,698,164	\$17,988
	Other Income				
	Miscellaneous			\$45,000	\$300
	Washer/Dryer Rentals			\$27,900	\$186
	Gross Potential Income			\$2,771,064	\$18,474
	Less:				
	Physical Vac. Loss Percentage: 4.00%			\$110,843	\$739
Collection Loss Percentage: 1.00%			\$27,711	\$185	
Total Effective Gross Income				\$2,632,511	\$17,550
EXPENSES:	Fixed:				
	Real Estate Taxes			\$184,216	\$1,228
	Insurance			\$270,000	\$1,800
	Variable:				
	Management Fee Percentage: 6.00%			\$157,951	\$1,053
	General and Administrative			\$60,000	\$400
	Payroll Expenses			\$202,500	\$1,350
	Utilities			\$78,750	\$525
	Marketing and Advertising			\$11,250	\$75
	Maintenance and Repairs/Pest Control			\$71,250	\$475
	Grounds Maintenance and Landscaping			\$33,750	\$225
	Security			\$187,500	\$1,250
	Other			\$11,250	\$75
	Reserve for Replacements			\$45,000	\$300
Total Expenses				\$1,313,417	\$8,756
Net Operating Income				\$1,319,094	\$8,794
Debt Service Payments					
First Mortgage - HFAMDC/NewPoint			\$858,065	\$5,720	
Second Mortgage - FHFC - SAIL			\$84,000	\$560	
Third Mortgage - FHFC - ELI			\$0	\$0	
Fourth Mortgage - FHFC - NHTF			\$0	\$0	
Fifth Mortgage - Miami-Dade County - Surtax/HOME/HoDAG			\$50,000	\$333	
Sixth Mortgage - Miami-Dade County PHCD			\$110,640	\$738	
First Mortgage Fees - HFAMDC/NewPoint			\$42,214	\$281	
Second Mortgage Fees - FHFC - SAIL			\$12,622	\$84	
Third Mortgage Fees - FHFC - ELI			\$3,970	\$26	
Fourth Mortgage Fees - FHFC - NHTF			\$4,992	\$33	
Fifth Mortgage Fees - Miami-Dade County - Surtax/HOME/HoDAG			\$0	\$0	
Sixth Mortgage Fees - Miami-Dade County PHCD			\$0	\$0	
Total Debt Service Payments				\$1,166,502	\$7,777
Cash Flow after Debt Service				\$152,592	\$1,017
Debt Service Coverage Ratios					
DSC - First Mortgage plus Fees			1.47x		
DSC - Second Mortgage plus Fees			1.32x		
DSC - Third Mortgage plus Fees			1.32x		
DSC - Fourth Mortgage plus Fee			1.31x		
DSC - Fifth Mortgage plus Fees			1.25x		
DSC - All Mortgages and Fees			1.13x		
Financial Ratios					
Operating Expense Ratio			49.89%		
Break-even Economic Occupancy Ratio (all debt)			89.79%		

Notes to the Operating Pro Forma and Ratios:

1. The Development will be utilizing Housing Credits in conjunction with SAIL, ELI, and NHTF, which will impose rent restrictions. The rent levels are based on the 2024 maximum LIHTC rents published on FHFC’s website for Miami-Dade County less the applicable utility allowance. However, the Development will be receiving rental assistance on 57 units. Below is the rent roll for the Development:

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
0	1.0	5	416	22%			\$437	\$73	\$ 364	\$ 727	\$ 727	\$ 727	\$ 727	\$ 43,620
0	1.0	18	416	30%			\$596	\$73	\$ 523	\$ 727	\$ 727	\$ 727	\$ 727	\$ 157,032
0	1.0	41	416	70%			\$1,391	\$73	\$ 1,318		\$ 1,318	\$ 1,318	\$ 1,318	\$ 648,456
0	1.0	52	416	80%			\$1,590	\$73	\$ 1,517		\$ 1,517	\$ 1,517	\$ 1,517	\$ 946,608
1	1.0	7	561	30%			\$638	\$87	\$ 551	\$1,944	\$ 1,944	\$ 1,944	\$ 1,944	\$ 163,296
1	1.0	3	561	40%			\$851	\$87	\$ 764	\$1,944	\$ 1,944	\$ 1,944	\$ 1,944	\$ 69,984
1	1.0	1	561	50%			\$1,064	\$87	\$ 977	\$1,944	\$ 1,944	\$ 1,944	\$ 1,944	\$ 23,328
1	1.0	1	561	70%			\$1,490	\$87	\$ 1,403	\$1,944	\$ 1,944	\$ 1,944	\$ 1,944	\$ 23,328
2	2.0	20	840	30%			\$765	\$112	\$ 653	\$2,358	\$ 2,358	\$ 2,358	\$ 2,358	\$ 565,920
2	2.0	2	840	40%			\$1,021	\$112	\$ 909	\$2,358	\$ 2,358	\$ 2,358	\$ 2,358	\$ 56,592
		150	73,468											\$ 2,698,164

2. The utility allowances are based on an Energy Consumption Model (“ECM”) Utility Allowance Estimate. FHFC’s staff approval of the ECM utility allowances for credit underwriting purposes is a condition to close.
3. The Appraisal included a vacancy and collection loss rate of 3.5%; however, First Housing concluded to a vacancy and collection loss of 5.00% to be more conservative.
4. The Appraisal projected retail income of \$59,185 (or \$35/sq ft.) and Common Area Maintenance (“CAM”) Income of \$16,910 (or \$10/sq ft). However, at this time there is no letter of interest for the space and the Developer has not projected any retail income in their budget. To be conservative, First Housing has not included any retail income.
5. The Appraisal projected Miscellaneous Income of \$45,000 which is comprised of revenue from late fees, pet fees, transfer fees, retained deposits, application fees, and laundry income.

6. The Applicant intends to rent washer/dryers to the residents. The penetration rate is projected at 50% of the units not receiving rental assistance with a monthly rate of \$50, which the Appraiser found to be acceptable.
7. 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.
8. First Housing has received a draft Property Management Agreement between Perrine Apartments II, Ltd. and Atlantic Pacific Community Management, LLC (“Agent”). The Agent shall receive a monthly fee beginning when the leasing operation commences, in the amount of the greater of: 6% of monthly Effective Gross Income or 5% of pro forma (budgeted) Effective Gross Income assuming 93% occupancy. Upon reaching 93% initial occupancy, the Management Fee will be converted to 6% of monthly Effective Gross Income. First Housing has utilized a Management Fee of 6%.
9. The landlord will pay for trash, common area electric, water, and sewer. The tenant will be responsible for electricity, water, sewer, cable, and internet.
10. Replacement Reserves of \$300 per unit per year are required, which meets the RFA and Rules 67-21 and 67-48 minimum requirement. According to an email from PNC, dated July 9, 2024, replacement reserves will increase 3% annually.
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, interest payments on the SAIL and Miami-Dade County loans are based on available cash flow. This ratio would improve to 80.96% if these interest payments were not included.

Section B

SAIL, ELI Loan, 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, ELI, and NHTF closing date.

1. Firm Commitment from NewPoint (construction/permanent financing) with terms and conditions that are not substantially different than those utilized in this credit underwriting report.
2. Upon conversion, if the first mortgage loan is increased above the principal amount at closing, it will be subject to FHFC's approval.
3. Final loan documents for the fifth and sixth construction/permanent mortgages with terms which are not substantially different than those utilized in this credit underwriting report.
4. Verification that the fifth and sixth mortgages are coterminous with the NHTF loan.
5. Receipt and satisfactory review of the Final signed, sealed "approved for construction" plans and specifications by the Construction Consultant and the Servicer.
6. Satisfactory receipt of a final PCA.
7. FHFC's approval of the ECM utility allowances for credit underwriting purposes.
8. FHFC's staff review and approval of the legal description change.
9. Satisfactory review of the land area, legal description, zoning requirements, and title by First Housing, FHFC and Counsel.
10. Verification of the GC Contract Allowances.
11. Satisfactory receipt and review of updated financials for the Guarantors, dated within 90 days of closing.
12. Satisfactory receipt of an executed Property Management Agreement.
13. Completion of the HUD Section 3 pre-construction conference.

14. The Development shall meet the Section 3 requirements of the Housing and Urban Development Act of 1968 as amended (12 U.S.C. 1701u and 24 CFR Part 75).
15. Satisfactory receipt of the rental assistance contract(s).
16. Satisfactory receipt of all GC Section 3 contract requirements.
17. Satisfactory receipt of an executed Ground Lease.
18. 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.
19. 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 Associates, Inc. (“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 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.

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. ELI Loan proceeds shall be disbursed during the construction phase in an amount per draw which does not exceed the ratio of the ELI Loan to the Total Development Cost, 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 Limited Partnership Agreement reflecting purchase of the HC under terms consistent with the assumptions contained within this Credit Underwriting Report. The Amended and Restated Limited Partnership 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 PNC 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 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;
 - 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, ELI, 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 PNC or an affiliate, that requires funding of all HC Equity Installments during construction, even if the Borrower is in default under the Limited Partnership Agreement.
4. All amounts necessary to complete construction must be deposited with the Trustee prior to closing, or any phased HC Equity pay-in amount necessary to complete construction shall be contingent upon an obligation of the entity providing payments, regardless of any default under any documents relating to the HC's, as long as the First Mortgage continues to be funded. Notwithstanding the foregoing, at least 15% of all HC Equity (but not less than provided for in the Syndication Agreement or such higher amount as recommended by First Housing) shall be deposited with the Trustee at the MMRB closing unless a lesser amount is approved by FHFC prior to closing.
5. Guarantors to provide the standard FHFC Construction Completion Guaranty, to be released upon lien-free completion, as approved by the Servicer.
6. 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.

7. Guarantors to provide the Standard FHFC Environmental Indemnity Guaranty.
8. Guarantors to provide the Standard FHFC Guaranty of Recourse Obligations.
9. 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.
10. 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.
11. Replacement Reserves in the amount of \$300 per unit per year will be required to be deposited on a monthly basis into a designated escrow account, to be maintained by the First Mortgagee or Florida Housing's Loan(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 \$45,000 (one-half the required Replacement Reserves for Years 1 and 2), in order to meet the applicable DSC loan requirements. Applicant can waive this election, if at closing of the loan(s) the required DSC is met without the need to exercise the option. It is currently estimated that Replacement Reserves will be funded from Operations in the amount of \$300 per unit per year for years 1 and 2, followed by \$300 per unit per year thereafter. The initial replacement reserve will have limitations on the ability to be drawn. New construction 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.

12. 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 retainage of 10% shall be withheld on all payments until 50% completion, at which time, no further retainage shall be withheld on payments through substantial completion. This meets the RFA and Rule Chapters 67-48 and 67-21 minimum requirements.
13. Closing of all funding sources prior to or simultaneous with the SAIL, ELI, and NHTF loans.
14. Satisfactory completion of a pre-loan closing compliance audit conducted by FHFC or Servicer, if applicable.
15. Satisfactory resolution of any outstanding past due and/or noncompliance items.
16. 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 \$2,258,592. 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, ELI, and NHTF loans.
2. Purchase of the HC's by PNC 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																
Gross Potential Rental Income		\$2,698,164	\$2,752,127	\$2,807,170	\$2,863,313	\$2,920,579	\$2,978,991	\$3,038,571	\$3,099,342	\$3,161,329	\$3,224,556	\$3,289,047	\$3,354,828	\$3,421,924	\$3,490,363	\$3,560,170
Other Income																
Ancillary Income		\$0														
Miscellaneous		\$45,000	\$45,900	\$46,818	\$47,754	\$48,709	\$49,684	\$50,677	\$51,691	\$52,725	\$53,779	\$54,855	\$55,952	\$57,071	\$58,212	\$59,377
Washer/Dryer Rentals		\$27,900	\$28,458	\$29,027	\$29,608	\$30,200	\$30,804	\$31,420	\$32,048	\$32,689	\$33,343	\$34,010	\$34,690	\$35,384	\$36,092	\$36,813
Gross Potential Income		\$2,771,064	\$2,826,485	\$2,883,015	\$2,940,675	\$2,999,489	\$3,059,479	\$3,120,668	\$3,183,082	\$3,246,743	\$3,311,678	\$3,377,912	\$3,445,470	\$3,514,379	\$3,584,667	\$3,656,360
Less:																
Physical Vac. Loss	Percentage: 4.00%	\$110,843	\$113,059	\$115,321	\$117,627	\$119,980	\$122,379	\$124,827	\$127,323	\$129,870	\$132,467	\$135,116	\$137,819	\$140,575	\$143,387	\$146,254
Collection Loss	Percentage: 1.00%	\$27,711	\$28,265	\$28,830	\$29,407	\$29,995	\$30,595	\$31,207	\$31,831	\$32,467	\$33,117	\$33,779	\$34,455	\$35,144	\$35,847	\$36,564
Total Effective Gross Income		\$2,632,511	\$2,685,162	\$2,738,864	\$2,793,642	\$2,849,514	\$2,906,505	\$2,964,635	\$3,023,927	\$3,084,406	\$3,146,094	\$3,209,016	\$3,273,196	\$3,338,660	\$3,405,433	\$3,473,542
EXPENSES:																
Fixed:																
Real Estate Taxes		\$184,216	\$189,742	\$195,435	\$201,298	\$207,337	\$213,557	\$219,964	\$226,562	\$233,359	\$240,360	\$247,571	\$254,998	\$262,648	\$270,527	\$278,643
Insurance		\$270,000	\$278,100	\$286,443	\$295,036	\$303,887	\$313,004	\$322,394	\$332,066	\$342,028	\$352,289	\$362,857	\$373,743	\$384,955	\$396,504	\$408,399
Variable:																
Management Fee	Percentage: 6.00%	\$157,951	\$161,110	\$164,332	\$167,618	\$170,971	\$174,390	\$177,878	\$181,436	\$185,064	\$188,766	\$192,541	\$196,392	\$200,320	\$204,326	\$208,413
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		\$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
Utilities		\$78,750	\$81,113	\$83,546	\$86,052	\$88,634	\$91,293	\$94,032	\$96,853	\$99,758	\$102,751	\$105,833	\$109,008	\$112,279	\$115,647	\$119,116
Marketing and Advertising		\$11,250	\$11,588	\$11,935	\$12,293	\$12,662	\$13,042	\$13,433	\$13,836	\$14,251	\$14,679	\$15,119	\$15,573	\$16,040	\$16,521	\$17,017
Maintenance and Repairs/Pest Control		\$71,250	\$73,388	\$75,589	\$77,857	\$80,193	\$82,598	\$85,076	\$87,629	\$90,257	\$92,965	\$95,754	\$98,627	\$101,585	\$104,633	\$107,772
Grounds Maintenance and Landscaping		\$33,750	\$34,763	\$35,805	\$36,880	\$37,986	\$39,126	\$40,299	\$41,508	\$42,753	\$44,036	\$45,357	\$46,718	\$48,119	\$49,563	\$51,050
Security		\$187,500	\$193,125	\$198,919	\$204,886	\$211,033	\$217,364	\$223,885	\$230,601	\$237,519	\$244,645	\$251,984	\$259,544	\$267,330	\$275,350	\$283,611
Other		\$11,250	\$11,588	\$11,935	\$12,293	\$12,662	\$13,042	\$13,433	\$13,836	\$14,251	\$14,679	\$15,119	\$15,573	\$16,040	\$16,521	\$17,017
Reserve for Replacements		\$45,000	\$46,350	\$47,741	\$49,173	\$50,648	\$52,167	\$53,732	\$55,344	\$57,005	\$58,715	\$60,476	\$62,291	\$64,159	\$66,084	\$68,067
Total Expenses		\$1,313,417	\$1,351,240	\$1,390,166	\$1,430,227	\$1,471,458	\$1,513,892	\$1,557,565	\$1,602,513	\$1,648,774	\$1,696,387	\$1,745,391	\$1,795,827	\$1,847,738	\$1,901,167	\$1,956,159
Net Operating Income		\$1,319,094	\$1,333,921	\$1,348,699	\$1,363,414	\$1,378,056	\$1,392,613	\$1,407,070	\$1,421,414	\$1,435,632	\$1,449,707	\$1,463,625	\$1,477,369	\$1,490,922	\$1,504,267	\$1,517,384
Debt Service Payments																
First Mortgage - HFAMDC/NewPoint		\$858,065	\$858,065	\$858,065	\$858,065	\$858,065	\$858,065	\$858,065	\$858,065	\$858,065	\$858,065	\$858,065	\$858,065	\$858,065	\$858,065	\$858,065
Second Mortgage - FHFC - SAIL		\$84,000	\$84,000	\$84,000	\$84,000	\$84,000	\$84,000	\$84,000	\$84,000	\$84,000	\$84,000	\$84,000	\$84,000	\$84,000	\$84,000	\$84,000
Third Mortgage - FHFC - ELI		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Fourth Mortgage - FHFC - NHTF		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Fifth Mortgage - Miami-Dade County - Surtax/HOME/HoDAG		\$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
Sixth Mortgage - Miami-Dade County PHCD		\$110,640	\$110,640	\$110,640	\$110,640	\$110,640	\$110,640	\$110,640	\$110,640	\$110,640	\$110,640	\$110,640	\$110,640	\$110,640	\$110,640	\$110,640
First Mortgage Fees - HFAMDC/NewPoint		\$42,214	\$42,124	\$42,025	\$41,916	\$41,796	\$41,665	\$41,521	\$41,365	\$41,194	\$41,008	\$40,806	\$40,586	\$40,349	\$40,091	\$39,813
Second Mortgage Fees - FHFC - SAIL		\$12,622	\$12,622	\$12,622	\$12,622	\$12,622	\$12,622	\$12,622	\$12,622	\$12,622	\$12,622	\$12,622	\$12,622	\$12,622	\$12,622	\$12,622
Third Mortgage Fees - FHFC - ELI		\$3,970	\$3,970	\$3,970	\$3,970	\$3,970	\$3,970	\$3,970	\$3,970	\$3,970	\$3,970	\$3,970	\$3,970	\$3,970	\$3,970	\$3,970
Fourth Mortgage Fees - FHFC - NHTF		\$4,992	\$4,992	\$4,992	\$4,992	\$4,992	\$4,992	\$4,992	\$4,992	\$4,992	\$4,992	\$4,992	\$4,992	\$4,992	\$4,992	\$4,992
Fifth Mortgage Fees - Miami-Dade County -		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Sixth Mortgage Fees - Miami-Dade County PHCD		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Debt Service Payments		\$1,166,502	\$1,166,412	\$1,166,313	\$1,166,204	\$1,166,084	\$1,165,953	\$1,165,809	\$1,165,653	\$1,165,482	\$1,165,296	\$1,165,094	\$1,164,875	\$1,164,637	\$1,164,379	\$1,164,101
Cash Flow after Debt Service		\$152,592	\$167,509	\$182,385	\$197,210	\$211,972	\$226,660	\$241,260	\$255,762	\$270,150	\$284,411	\$298,531	\$312,495	\$326,286	\$339,887	\$353,283
Debt Service Coverage Ratios																
DSC - First Mortgage plus Fees		1.47	1.48	1.50	1.51	1.53	1.55	1.56	1.58	1.60	1.61	1.63	1.64	1.66	1.67	1.69
DSC - Second Mortgage plus Fees		1.32	1.34	1.35	1.37	1.38	1.40	1.41	1.43	1.44	1.46	1.47	1.48	1.50	1.51	1.53
DSC - Third Mortgage plus Fees		1.32	1.33	1.35	1.36	1.38	1.39	1.41	1.42	1.44	1.45	1.46	1.48	1.49	1.51	1.52
DSC - Fourth Mortgage plus Fee		1.31	1.33	1.34	1.36	1.37	1.39	1.40	1.41	1.43	1.44	1.46	1.47	1.48	1.50	1.51
DSC - Fifth Mortgage plus Fees		1.25	1.26	1.28	1.29	1.31	1.32	1.33	1.35	1.36	1.37	1.39	1.40	1.41	1.43	1.44
DSC - All Mortgages and Fees		1.13	1.14	1.16	1.17	1.18	1.19	1.21	1.22	1.23	1.24	1.26	1.27	1.28	1.29	1.30
Financial Ratios																
Operating Expense Ratio		49.89%	50.32%	50.76%	51.20%	51.64%	52.09%	52.54%	52.99%	53.46%	53.92%	54.39%	54.86%	55.34%	55.83%	56.32%

According to an email from PNC, dated July 9, 2024, replacement reserves will increase 3% annually.

HC Allocation Calculation

Section I: Qualified Basis Calculation

Total Development Costs(including land and ineligible Costs)	\$53,178,070
Less Land Costs	\$3,900,000
Less Federal Grants and Loans	\$0
Less Other Ineligible Costs	\$5,843,611
Total Eligible Basis	\$43,434,458
Applicable Fraction	100%
DDA/QCT Basis Credit	130%
Qualified Basis	\$56,464,795
Housing Credit Percentage	4.00%
Annual Housing Credit Allocation	\$2,258,592

Notes to the Qualified Basis Calculation:

1. Other ineligible costs include retail space, washers/dryers, site work, recreation/owner items, demolition costs, accounting fees, FHFC Fees, insurance, legal fees, market study, advertising/marketing fees, property taxes, tenant relocation, title work, utility relocation, financial costs, and operating 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 Qualified Census Tract (“QCT”); 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)	\$53,178,070
Less Mortgages	\$31,457,190
Less Grants	\$0
Equity Gap	\$21,720,880
HC Syndication Percentage to Investment Partnership	99.99%
HC Syndication Pricing	\$0.91
HC Required to meet Equity Gap	\$23,871,486
Annual HC Required	\$2,387,149

Notes to the Gap Calculation:

1. The pricing and syndication percentage was taken from the LOI from PNC, dated June 21, 2024.

Section III: Summary

HC Per Syndication Agreement	\$2,305,938
HC Per Qualified Basis	\$2,258,592
HC Per GAP Calculation	\$2,387,149
Annual HC Recommended	\$2,258,592
Syndication Proceeds based upon Syndication Agreement	\$20,981,938

1. 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	\$28,392,000
Less: Debt Service Reserve Funded with Tax-Exempt Bond Proceeds	\$0
Other:	\$0
Other:	\$0
Equals Net Tax-Exempt Bond Amount	\$28,392,000
Total Depreciable Cost	\$43,434,458
Plus Land Cost	\$3,900,000
Aggregate Basis	\$47,334,458
Net Tax-Exempt Bond to Aggregate Basis Ratio	59.98%

1. Based on the budget, the Development appears to meet the 50% test for 4% Housing Credits.

Perrine Village II
RFA 2022-205 (2023-136SN / 2022-539C)
DESCRIPTION OF FEATURES AND AMENITIES

A. The Development will consist of:

150 Units located in 2 Mid-Rise residential building

Unit Mix:

One-hundred sixteen (116) zero bedroom/1 bath units:

Twelve (12) one bedroom/one bath units:

Twenty-two (22) two bedroom/two bath units:

150 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. Elderly Developments must have a minimum of one elevator per residential building provided for all Elderly Set-Aside Units that are located on a floor higher than the first floor.
10. All Elderly Demographic New Construction 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, all Elderly Demographic Developments must 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:
 - o 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.
 - o 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.
 - o 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 overtravel feature allow drawers to extend completely past the cabinet front so all the contents can be accessed. The drawer shall be deep and wide enough to store pots and pans and the drawer slides shall have a weight load rating of a minimum of 100 pounds. The drawers shall be mounted on a pair of metal side rails that are ball-bearing.

G. Green Building Features required in all Developments:

All new construction units and, as applicable, all common areas must have the features listed below 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. Required Resident Program for all Applicants that select the Elderly Demographic (ALF or Non-ALF):

a) 24 Hour Support to Assist Residents In Handling Urgent Issues

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

This assistance may include staff:

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

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

At a minimum, residents shall be informed by the property management, at move-in and via a written notice(s)/instructions provided to each resident and displayed in the Development's common or public areas, that staff are available to receive resident calls at all times. These notices shall also provide contact information and direction to first contact the community-based emergency services if they have health or safety risk concerns.

I. Applicants who select the Elderly 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. 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.

b. 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.

c. Computer Training

The Applicant or its Management Company shall make available computer and internet training classes (basic and/or advanced level depending on the needs and requests of the residents). The training classes must be provided at least once a week, at no cost to the resident, in a dedicated space on site. 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.

DEVELOPMENT

NAME: Perrine Village II

DATE: August 9, 2024

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.	5.
14. Firm commitment from the credit enhancer or private placement purchaser, if any.	Unsatis.	6.
15. Firm commitment letter from the syndicator, if any.	Unsatis.	7.

16. Firm commitment letter(s) for any other financing sources.	Unsatis.	8.
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.	9.
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.	Unsatis.	10.
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 conditioned upon a final PCA.
4. Closing is conditioned upon receipt of a final survey.
5. Closing is conditioned upon receipt of a satisfactory executed Management Agreement.
6. Closing is conditioned upon receipt of a firm commitment from NewPoint (construction and permanent financing) with terms and conditions that are not substantially different than those utilized in this credit underwriting report.
7. Closing is conditioned upon receipt of an Amended and Restated Limited Partnership Agreement.

8. Closing is conditioned upon final loan documents for the fifth and sixth construction/permanent mortgage with terms that are not substantially different than those utilized in this credit underwriting report.
9. Closing is conditioned upon receipt of a final draw schedule.
10. Closing is conditioned upon 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.

Florida Housing Finance Corporation

Credit Underwriting Report

Heritage Village South

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

RFA 2022-205 (2023-143SN / 2022-540C)

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, ELI Loan, 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

August 9, 2024

Heritage Village South

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Section A

Report Summary

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 (18 units) as ELI set-aside units at 30% or less of the Area Median Income (“AMI”). However, the Applicant has selected to set-aside 28.448% of the units (33 units) as ELI set-aside units at 30% or less of the AMI. Persons with Special Needs Set-Aside Commitment: The proposed Development must set aside 50% of the ELI set-aside units (17 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 (Miami-Dade County). The MOU was approved by Florida Housing Finance Corporation (“Florida Housing”, “FHFC”, or “Corporation”) on July 30, 2024.

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 22 units targeted for Link Units for Persons with Special Needs (ELI - 17 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 September 1, 2023.

Buildings: Residential - 2 Non-Residential - 1
 Parking: Parking Spaces - 144 Accessible Spaces - 14

Set Asides:

Program	% of Units	# of Units	% AMI	Term (Years)
County MMRN	40%	47	60%	30
SAIL/HC/ELI	28.448%	33	30%	50
SAIL/HC	6.035%	7	40%	50
SAIL/HC	7.759%	9	50%	50
SAIL/HC	5.172%	6	60%	50
SAIL/HC	52.586%	61	80%	50
NHTF	4.310%	5	22%	50
Miami-Dade County	28.448%	33	30%	30
Miami-Dade County	6.034%	7	40%	30
Miami-Dade County	7.759%	9	50%	30
Miami-Dade County	5.172%	6	60%	30
Miami-Dade County	52.586%	61	80%	30

The Conditional Loan Commitment letter, dated April 23, 2024, from Miami-Dade County indicates the Development will serve 30 households with incomes at and below 30% of AMI, 12 households with incomes at and below 40% of AMI, 8 households at and below 50% of AMI, 4 households with income at and below 60% of AMI, 2 households with income at and below 70% of AMI, and 60 households at and below 80% of AMI. However, based on conversations with a representative of the Applicant, the Applicant has requested to change the set-asides required by Miami-Dade County. The set-asides detailed in the chart above are based on the requested changes. Verification from Miami-Dade County of the change in set-asides is a condition to close.

Absorption Rate: 30 units per month for 3.9 months.

Occupancy Rate at Stabilization: Physical Occupancy 96.00% Economic Occupancy 95.00%
 Occupancy Comments N/A - New Construction

DDA: No QCT: Yes Multi-Phase Boost: No QAP Boost: No
 Site Acreage: 5.22 Density: 22.22 Flood Zone Designation: AH
 Zoning: Naranja Community Urban Center (NCUC) Flood Insurance Required?: Yes

DEVELOPMENT TEAM			
Applicant/Borrower:	Heritage Village South, Ltd.	% Ownership	
General Partner	Heritage Village South GP, LLC		0.01%
Limited Partner	Bank of America, N.A. ("BoA")		99.99%
Special LP	An Affiliate of BoA		0.00%
Construction Completion Guarantor(s):			
CC Guarantor 1:	Heritage Village South, Ltd.		
CC Guarantor 2:	Heritage Village South GP, LLC		
CC Guarantor 3:	Howard D. Cohen Revocable Trust		
CC Guarantor 4:	Howard D. Cohen		
CC Guarantor 5:	Heritage Village South Development, LLC		
CC Guarantor 6:	APC Heritage Village South Development, LLC		
Operating Deficit Guarantor(s):			
OD Guarantor 1:	Heritage Village South, Ltd.		
OD Guarantor 2:	Heritage Village South GP, LLC		
OD Guarantor 3:	Howard D. Cohen Revocable Trust		
OD Guarantor 4:	Howard D. Cohen		
OD Guarantor 5:	Heritage Village South Development, LLC		
OD Guarantor 6:	APC Heritage Village South Development, LLC		
Note Purchaser	BoA (construction) and Barings, LLC ("Barings") (permanent)		
Developer:	Heritage Village South Development, LLC		
General Contractor 1:	Atlantic Pacific Community Builders, LLC ("APC Builders")		
Management Company:	Atlantic Pacific Community Management, LLC ("APC Management")		
Syndicator:	BoA		
Note Issuer:	Housing Finance Authority of Miami-Dade County ("HFAMDC")		
Architect:	Corwil Architects, Inc.		
Market Study Provider:	Colliers International Valuation & Advisory Services ("Colliers")		
Appraiser:	Colliers		

PERMANENT FINANCING INFORMATION					
	1st Source	2nd Source	3rd Source	4th Source	5th Source
Lien Position	First	Second	Third	Fourth	Fifth
Lender/Grantor	HFAMDC/ Barings	FHFC - SAIL	FHFC - ELI	FHFC - NHTF	Miami-Dade County - Surtax/HOME/ Housing Development Action Grant ("HoDAG")
Amount	\$15,059,827	\$6,228,000	\$750,000	\$1,475,000	\$5,000,000
Underwritten Interest Rate	5.60%	1.00%	0.00%	0.00%	1.00%
Loan Term	18	22	30	30	30
Amortization	40	0	0	0	0
Market Rate/Market Financing LTV	48%	68%	70%	75%	91%
Restricted Market Financing LTV	58%	82%	85%	91%	110%
Loan to Cost - Cumulative	30%	42%	44%	47%	57%
Loan to Cost - SAIL Only	N/A	12%	N/A	N/A	N/A
Debt Service Coverage	1.33	1.23	1.23	1.22	1.17
Operating Deficit & Debt Service Reserves	\$594,000				
# of Months covered by the Reserves	3.2				

Deferred Developer Fee	\$743,211
As-Is Land Value	\$3,250,000
As-Is Value (Land & Building)	\$2,975,000
Market Rent/Market Financing Stabilized Value	\$31,500,000
Rent Restricted Market Financing Stabilized Value	\$25,900,000
Projected Net Operating Income (NOI) - Year 1	\$1,312,507
Projected Net Operating Income (NOI) - 15 Year	\$1,522,556
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	\$0.93004688
HC Annual Allocation - Initial Award	\$1,701,296
HC Annual Allocation - Qualified in CUR	\$2,237,458
HC Annual Allocation - Equity Letter of Interest	\$2,241,089

CONSTRUCTION/PERMANENT SOURCES:				
Source	Lender	Construction	Permanent	Perm Loan/Unit
Local HFA Notes	HFAMDC/BoA/Barings	\$25,000,000	\$15,059,827	\$129,826
FHFC - SAIL	FHFC	\$6,228,000	\$6,228,000	\$53,690
FHFC - SAIL ELI	FHFC	\$750,000	\$750,000	\$6,466
FHFC - NHTF	FHFC	\$1,475,000	\$1,475,000	\$12,716
Local Government Subsidy	Miami-Dade County - Surtax/HOME/HoDAG	\$5,000,000	\$5,000,000	\$43,103
HC Equity	BoA	\$6,252,328	\$20,841,094	\$179,665
Deferred Developer Fee	Heritage Village South Development, LLC	\$4,797,804	\$743,211	\$6,407
Operating Deficit Reserve	N/A	\$594,000	\$0	\$0
TOTAL		\$50,097,132	\$50,097,132	\$431,872

Credit Underwriter: First Housing

Date of Final CUR: 08/09/2024

TDC PU Limitation at Application: \$405,000 TDC PU Limitation at Credit Underwriting: \$429,300

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?		1-3.
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?		4.
Do the site plans/architectural drawings account for all amenities/features listed in the Application?		4.
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?		5.
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?		6.
Is the Development in all other material respects the same as presented in the Application?		7.

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

1. Since the Application, the construction tax-exempt loan amount has decreased from \$25,500,000 to \$25,000,000 and the permanent loan amount has increased from \$11,490,000 to \$15,059,827.

2. Since the Application, per the Invitation to Enter Credit Underwriting issued by FHFC on July 27, 2023, the Applicant was awarded FHFC NHTF funding in the loan amount of \$1,475,000.
3. Since the Application, \$5,000,000 in Surtax/HOME/HoDAG from Miami-Dade County has been included as a source of funding.
4. Receipt of a final Plan and Cost Analysis (“PCA”) verifying all features and amenities is a condition to close.
5. The Total Development Cost (“TDC”) has increased by a total of \$12,650,801 from \$37,446,331 to \$50,097,132 or 33.78% since the Application. This change is mainly due to an increase in construction costs and financial costs.
6. Since the Application, the syndication rate has decreased from \$0.95 to \$0.93004688 and the syndicator has changed from Wells Fargo Community Lending and Investing to BoA.
7. Since the Application, the Applicant submitted a request, dated July 8, 2024, to change the unit mix and set asides. FHFC’s staff approved this change on July 18, 2024.

Unit Mix From:	Unit Mix To:
0 – zero bedroom/one bathroom	29 – zero bedroom/one bathroom
86 – one bedroom/one bathroom (15 ELI)	41 – one bedroom/one bathroom (7 ELI)
5 – two bedroom/two bathroom	3 – two bedroom/two bathroom (2 ELI)
21 – three bedroom/two bathroom (4 ELI)	39 – three bedroom/two bathroom (23 ELI)
4 – four bedroom/two bathroom	4 – four bedroom/two bathroom (1 ELI)
116 total units, 19 ELI	116 total units, 33 ELI

Set-Asides From:	Set-Asides To:
19 units or 16.379% at 30% AMI	33 units or 28.448% at 30% AMI
0 units or 0% at 40% AMI	7 units or 6.035% at 40% AMI
34 units or 29.310% at 50% AMI	9 units or 7.759% at 50% AMI
17 units or 14.655% at 60% AMI	6 units or 5.172% at 60% AMI
1 unit or 0.862% at 70% AMI	0 unit or 0% at 70% AMI
45 units or 38.793% at 80% AMI	61 units or 52.586% at 80% AMI
100% set-aside	100% set-aside
60.00% Average	60.00% Average

The above changes have no substantial material impact to the SAIL, ELI, 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 October 18, 2023, the Development has the following noncompliance item(s) not in the correction period:

- None

According to the FHFC Past Due Report, dated July 12, 2024, the Development Team has the following past due item(s):

- None

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

Strengths:

1. The Principals, Developer, General Contractor, 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.
3. According to the Market Study there are twenty-seven affordable developments located within three miles of the Development, with a weighted occupancy rate of 99.3%. The Development has a fair share capture rate of 1.18%, indicating there is demand for additional restricted units.

Waiver Requests/Special Conditions:

None

Issues and Concerns:

None

Mitigating Factors:

None

Additional Information:

1. The Development has applied to the Housing Finance Authority of Miami-Dade County for Tax-Exempt Multifamily Mortgage Revenue Notes (“MMRN” or “Notes”). The Applicant has applied to BoA/Barings to provide construction and permanent funding (“Funding Loan”). The Funding Loan is requested pursuant to any Federal, State or local requirements concerning the proposed tax-exempt private activity allocation and/or Low-Income Housing Tax Credit requirements. The Funding Loan will be originated by BoA/Barings on behalf of HFAMDC (“Governmental Lender”). The proceeds of the Funding Loan will be used by HFAMDC to fund a mortgage loan with matching economic terms (“Project Loan”) to the Applicant to finance the construction and permanent financing of the Development. The Funding Loan will be a non-recourse obligation of HFAMDC secured solely by receipts and revenues from the Project Loan and the collateral pledged (including a first mortgage lien with respect to the Development). Under the MMRN structure, the Funding Loan replaces the purchase by BoA/Barings of tax-exempt bonds.

2. The equity provider is a related entity to the Construction Lender, which will cause the interest on the MMRN to be taxable, while held by BoA. Additionally, IRS regulations related to the substantial user issue will not allow the Note Issuer, HFAMDC to receive its full standard Issuer Fees during construction (when BoA is the Noteholder). There will not be a substantial user issue during the permanent phase since BoA will no longer be the Noteholder.

3. The Development will be receiving rental assistance for 58 units under a Rental Assistance Demonstration (“RAD”) conversion. As part of the RAD conversion, the Development is eligible for a 60/40 blend, where up to 60% of the units (or 34 units) will be Section 18 and 40% of the units (or 24 units) will be RAD units. First Housing received an award letter from the U.S. Department of Housing and Urban Development (“HUD”), dated April 1, 2024. The award letter serves as HUD’s Commitment to Enter into a Housing Assistance Payments (“CHAP”) for the Development. There will be twelve (12) one-bedroom units with a contract rent of \$746, three (3) two-bedroom units with a contract rent of \$928, and nine (9) three-bedroom units with a contract rent of \$1,221. First Housing received a letter from Miami-Dade County Public Housing and Community Development (“PHCD”), dated March 25, 2024. According to the letter, Miami-Dade County PHCD has approved thirty (30) three-bedroom units at \$3,063 and four (4) four-bedrooms at \$3,608. Receipt of the rental assistance contract(s) is a condition to close. Please note, the Applicant has concluded to rent of \$2,359 for one of the three-bedroom units. The Applicant is being conservative, as they anticipate they will only receive 2-bedroom subsidy for that 3-bedroom unit as the household being placed in that unit will be a 2-bedroom household.

4. First Housing received a Relocation Plan, dated October 3, 2023. The existing development consists of a public housing complex consisting of twenty-six (26) three-bedroom units. There are 18 units currently occupied. The Applicant will offer temporary and permanent relocation assistance following the Uniform Relocation Act and will help locate homes appropriate for each individual's living situation and family composition. Relocated residents retain the right to return to the Development once it has been completed. Tenants eligible for relocation will receive free assistance with their household packing and physical move to their relocation housing unit.
5. 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, relocation costs, land costs, and Operating Deficit Reserves ("ODR"), of \$429,300 per unit for a new construction, garden-style, Enhanced Structural Systems Construction Development located in Miami-Dade County which includes a \$7,500 per unit add on for tax-exempt bonds and a \$7,500 per unit PHA add on. The Development's per unit TDC, less demolition costs, relocation costs, land costs and ODR is \$408,429 per unit, which meets the TDC requirement.
6. The Applicant is required to provide a certification executed by the General Contractor for compliance with debarment and suspension regulations. First Housing has been in receipt of this certification.
7. The Applicant is required to comply with the HUD environmental requirements as provided in 24 CFR 93.301(f)(1) and (2). First Housing received the Housing Trust Fund Environmental Review, dated April 8, 2024, prepared by Arcadis U.S., Inc. ("Arcadis"). Based on the results of the completed Housing Trust Fund Checklist, Arcadis finds the Development to be in compliance with the Property Standards a 24 CFR 93.301(f)1 for new construction.
8. The Applicant is required to provide evidence demonstrating that the Development is consistent with the applicable Consolidated Plan. First Housing has been in receipt of this certification.
9. The Applicant has submitted the Affirmative Fair Housing Marketing Plan.
10. First Housing received a survey which indicates the Development's site is 3.872± acres; however, the site plan indicates a gross area of 5.22 acres. The difference is a public right-of-way which will be vacated at closing. First Housing received a Memorandum, dated July 2, 2024, granting petition to close the right-of-way. Review of the land area, legal description, and title by First Housing, FHFC and Counsel is a condition to closing.

Recommendation:

First Housing recommends a SAIL Loan in the amount of \$6,228,000, an ELI Loan in the amount of \$750,000, a NHTF Loan in the amount of \$1,475,000, and an annual HC Allocation of \$2,237,458 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, ELI Loan, 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:



Stephanie Petty
Senior Credit Underwriter

Reviewed by:



Ed Busansky
Senior Vice President

Overview

Construction Financing Sources:

Construction Sources	Lender	Application	Revised Applicant	Underwriter	Construction Interest Rate	Annual Construction Debt Service
Local HFA Notes	HFAMDC/BoA	\$25,500,000	\$25,000,000	\$25,000,000	8.67%	\$2,167,500
FHFC - SAIL	FHFC	\$6,228,000	\$6,228,000	\$6,228,000	1.00%	\$62,280
FHFC - SAIL ELI	FHFC	\$750,000	\$750,000	\$750,000	0.00%	\$0
FHFC - NHTF	FHFC	\$0	\$1,475,000	\$1,475,000	0.00%	\$0
Local Government Subsidy	Miami-Dade County - Surtax/HOME/HoDAG	\$0	\$5,000,000	\$5,000,000	0.00%	\$0
HC Equity	BoA	\$5,656,243	\$6,252,772	\$6,252,328	N/A	N/A
Deferred Developer Fee	Heritage Village South Development, LLC	\$5,577,073	\$6,714,433	\$4,797,804	N/A	N/A
Operating Deficit Reserve	N/A	\$0	\$0	\$594,000	N/A	N/A
Total		\$43,711,316	\$51,420,205	\$50,097,132		\$2,229,780

First Mortgage:

The construction first mortgage debt will include the origination of a Tax-Exempt loan in the total amount of \$25,000,000 to be issued by HFAMDC. The proceeds of which will fund a construction loan from BoA in the amount of \$25,000,000.

First Housing received an executed Term Sheet from BoA, dated July 17, 2024. According to the term sheet the construction loan will be the least of a) \$25,000,000, b) 85% Loan to Cost, or c) 80% of the adjusted Loan to Value Ratio. The loan will require interest only payments for the term of the loan, which is expected to be for 30 months from the loan closing. A six-month extension option is available subject to approval from BoA. The interest rate of the construction loan will be a floating rate based on the Daily Secured Overnight Financing Rate (“SOFR”) plus a SOFR adjustment of 0.10% and SOFR margin of 2.50%. The construction loan interest is based on the Daily SOFR rate of 5.32% (as of July 17, 2024), a total spread of 2.60%, plus a 0.75% underwriting cushion for an all-in rate of 8.67%.

The annual HFAMDC Issuer Fee is 25 bps of the outstanding principal amount and the Fiscal Agent Fee of \$4,250 are included in the Uses section of this report.

FHFC SAIL, ELI, 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 \$6,228,000, a preliminary ELI loan in the amount of \$750,000, and a preliminary NHTF Loan in the amount of \$1,475,000.

The SAIL Loan is non-amortizing with an interest rate of 1% over the life of the loan and annual payments based upon available cash flow. The SAIL Loan will have a total term of 25 years, of which 3 years is for the construction/stabilization period and 22 years is for the permanent period, as required by the Syndicator, BOA, and permitted by Rule 67-48. 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 ELI Loan is non-amortizing with an interest rate of 0% over the life of the loan. The ELI Loan will have a total loan term of 33 years, of which 3 years is for the construction/stabilization period and 30 years is for the permanent period as required by the Syndicator, BoA, and permitted by the RFA. Annual payments of all applicable fees will be required. Principal is forgivable at maturity, provided the units for which the ELI Loan amount is awarded are targeted to ELI households.

The NHTF Loan is a forgivable 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 Link units for the first 30 years of the 50-year Compliance Period. The NHTF Loan will have a term of 33 years, of which 3 years is for the construction/stabilization period and 30 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.

Miami-Dade County:

First Housing received a Conditional Loan Commitment, dated April 23, 2024, from Miami-Dade County for a total commitment of \$5,000,000 comprised of \$1,500,000 in Surtax/SHIP funds, \$1,500,000 in HOME Funds, and \$2,000,000 in HoDAG funds. The term of the loan will be for 30 years, or as established prior to closing by the Mayor or Mayor's designee in accordance with the results of Underwriting. The interest rate is 0% interest during construction years 1 and 2 and 1% interest only payments for years 3-30 from development cash flow, with another 0.5% interest accruing and due at maturity. Full principal is due at maturity.

Housing Credit Equity:

First Housing has reviewed a letter of interest (“LOI”) provided by BoA, dated July 17, 2024, indicating BoA will acquire 99.99% ownership interest in the Applicant. According to the letter, the annual HC allocation is estimated to be in the amount of \$2,241,089 and a syndication rate of \$0.93 per dollar. However, First Housing is calculating a syndication rate of \$0.93004688. BoA anticipates a net capital contribution of \$20,841,094 and has committed to make available 30.00% or \$6,252,328 of the total net equity during the construction period. Three additional installments will be available at construction completion, conversion, and upon receipt of the Form 8609. The first installment, in the amount of \$3,126,164 or 15.00% of the total net equity, is \$0.10 short of meeting the RFA requirement that 15% of the total equity must be contributed at or prior to the closing. Verification that 15% of equity is funded at closing is a condition to close.

Deferred Developer Fee:

To balance the sources and uses of funds during construction, the Developer is required to defer \$4,797,804 or approximately 64.56% of the total Developer Fee of \$7,432,111.

Operating Deficit Reserve:

According to the LOI, the Operating Deficit Reserve will be funded upon the permanent loan conversion, which is after construction completion.

Permanent Financing Sources:

Permanent Sources	Lender	Application	Revised Applicant	Underwriter	Term Yrs.	Amort. Yrs.	Interest Rate	Annual Debt Service
Local HFA Notes	HFAMDC/Barings	\$11,490,000	\$16,300,000	\$15,059,827	18	40	5.60%	\$944,417
FHFC - SAIL	FHFC	\$6,228,000	\$6,228,000	\$6,228,000	22	0	1.00%	\$62,280
FHFC - SAIL ELI	FHFC	\$750,000	\$750,000	\$750,000	30	0	0.00%	\$0
FHFC - NHTF	FHFC	\$0	\$1,475,000	\$1,475,000	30	0	0.00%	\$0
Local Government Subsidy	Miami-Dade County - Surtax/HOME/HoDAG	\$0	\$5,000,000	\$5,000,000	30	0	1.00%	\$50,000
HC Equity	BoA	\$16,160,696	\$20,842,573	\$20,841,094	N/A	N/A	N/A	N/A
Deferred Developer Fee	Heritage Village South Development, LLC	\$5,577,073	\$824,632	\$743,211	N/A	N/A	N/A	N/A
Total		\$40,205,769	\$51,420,205	\$50,097,132				\$1,056,697

First Mortgage:

First Housing has received a letter, dated July 17, 2024, which indicates that Barings will provide a permanent loan in the amount of \$17,950,000. First Housing has estimated a permanent loan amount of \$15,059,827 in order to meet the 10% Developer Fee deferral required by Miami-Dade County Surtax/HOME/HoDAG funding. The term of the loan is 18 years with a 40-year amortization period. The fixed rate coupon is based on the 15-YR SOFR Swap of 3.80%, with a floor of 3.50%, plus a loan spread of 1.70%, and a forward premium of 0.10%, for an estimated fixed rate of 5.60%. According to the letter, the first 4 years will require interest only payments. However, based on conversation with HFAMDC, a 4-year interest only period will not be allowed. First Housing has shown the loan amortizing in year one.

According to the letter there is an upsizing option of up to 10% of the permanent loan amount at conversion, with pricing on the upsizing to be the greater of the original coupon plus 0.25% or the market pricing at that such time. Upon conversion, if the first mortgage loan is increased above the principal amount at closing, it will be subject to FHFC's approval.

Additional fees included in the Debt Service calculation consist of an annual Issuer Fee of 25 bps of the outstanding MMRN and an annual Fiscal Agent Fee of \$4,250. The Compliance Monitoring Fee is based on \$30 per unit.

FHFC SAIL, ELI, 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 \$6,228,000, a preliminary ELI loan in the amount of \$750,000, and a preliminary NHTF Loan in the amount of \$1,475,000.

The SAIL Loan is non-amortizing with an interest rate of 1% over the life of the loan and annual payments based upon available cash flow. The SAIL Loan will have a total term of 25 years, of which 3 years is for the construction/stabilization period and 22 years is for the permanent period, as required by the Syndicator, BOA, and permitted by Rule 67-48. 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 ELI Loan is non-amortizing with an interest rate of 0% over the life of the loan. The ELI Loan will have a total loan term of 33 years, of which 3 years is for the construction/stabilization period and 30 years is for the permanent period as required by the Syndicator, BoA, and permitted by the RFA. Annual payments of all applicable fees will be required. Principal is forgivable at maturity, provided the units for which the ELI Loan amount is awarded are targeted to ELI households.

The NHTF Loan is a forgivable 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 Link units for the first 30 years of the 50-year Compliance Period. The NHTF Loan will have a term of 33 years, of which 3 years is for the construction/stabilization period and 30 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, ELI, and NHTF loans, fees include an annual multiple program Compliance Monitoring Fee of \$1,054 and an annual Permanent Loan Servicing Fee of 25 bps of the outstanding loan amount up to a maximum of \$964 per month, subject to a minimum of \$243 per month.

Miami-Dade County:

First Housing received a Conditional Loan Commitment, dated April 23, 2024, from Miami-Dade County for a total commitment of \$5,000,000 comprised of \$1,500,000 in Surtax/SHIP funds, \$1,500,000 in HOME Funds, and \$2,000,000 in HoDAG funds. The term of the loan will be for 30 years, or as established prior to closing by the Mayor or Mayor's designee in accordance with the results of Underwriting. The interest rate is 0% interest during construction years 1 and 2 and 1% interest only payments for years 3-30 from development cash flow, with another 0.5% interest accruing and due at maturity. Full principal is due at maturity. Verification that the Miami-Dade County loan is coterminous with the ELI and NHTF is a condition to close.

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 the LOI provided by BoA, dated July 17, 2024, BoA will provide HC equity as follows:

Capital Contributions	Amount	Percentage of Total	When Due
1st Installment	\$3,126,164	15.00%	Admission of the Investor Limited Partner and the Special Limited Partner
2nd Installment	\$3,126,164	15.00%	Evidence of 50% construction completion
3rd Installment	\$6,252,328	30.00%	Evidence of 100% construction completion
4th Installment	\$7,815,411	37.50%	Achievement of at least 3 consecutive calendar months of a minimum 1.15 debt service coverage on the permanent loans, all tax credit units have been leased to qualified tenants at least one time, permanent certificates of occupancy for each building, all reserves have funded, draft cost certification, and receipt of executed housing assistance payments contract
5th Installment	\$521,027	2.50%	Receipt of 8609, copy of recorded Extended Use Agreement, compliance audit of initial tenant files, executed note evidencing the Partnership's obligation to pay the deferred Developer fee, and calculations of final adjusters have been prepared and agreed to
Total	\$20,841,094	100.00%	

Annual Credit Per Syndication Agreement	\$2,241,089
Calculated HC Exchange Rate	\$0.93004688
Limited Partner Ownership Percentage	99.99%
Proceeds Available During Construction	\$6,252,328

The LOI indicates a syndication rate of \$0.93 per dollar. However, First Housing is calculating a syndication rate of \$0.93004688.

Deferred Developer Fee:

To balance the sources and uses of funds during the permanent funding period, the Developer is required to defer \$743,211 or approximately 10.00% of the total Developer Fee of \$7,432,111.

Uses of Funds

CONSTRUCTION COSTS:	Applicant Costs	Revised Applicant Costs	Underwriters Total Costs - CUR	Cost Per Unit	HC Ineligible Costs - CUR
Accessory Buildings	\$244,393	\$0	\$0	\$0	\$0
Demolition	\$326,880	\$0	\$357,000	\$3,078	\$357,000
New Rental Units	\$18,767,565	\$28,239,311	\$21,829,370	\$188,184	\$0
Site Work	\$0	\$0	\$2,584,956	\$22,284	\$258,496
Constr. Contr. Costs subject to GC Fee	\$19,338,838	\$28,239,311	\$24,771,326	\$213,546	\$615,496
General Conditions	\$2,768,458	\$0	\$1,486,280	\$12,813	\$0
Overhead	\$0	\$0	\$495,427	\$4,271	\$0
Profit	\$0	\$0	\$1,486,280	\$12,813	\$0
Total Construction Contract/Costs	\$22,107,296	\$28,239,311	\$28,239,311	\$243,442	\$615,496
Hard Cost Contingency	\$1,077,898	\$1,411,966	\$1,411,965	\$12,172	\$0
PnP Bond paid outside Constr. Contr.	\$0	\$195,056	\$195,056	\$1,682	\$0
Demolition paid outside Constr. Contr.	\$0	\$331,682	\$0	\$0	\$0
FF&E paid outside Constr. Contr.	\$0	\$125,000	\$125,000	\$1,078	\$0
Other: Art in Public Places	\$0	\$753,329	\$753,329	\$6,494	\$0
Other: Recreational/Owner Items	\$450,000	\$640,097	\$640,097	\$5,518	\$170,619
Total Construction Costs:	\$23,635,194	\$31,696,441	\$31,364,758	\$270,386	\$786,115

Notes to the Total Construction Costs:

1. The Applicant has provided an executed construction contract, dated July 18, 2024, in the amount of \$28,239,311.21. This is a Standard Form of Agreement between Owner, Heritage Village South, Ltd. and Contractor, Atlantic Pacific Community Builders, 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 480 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 completion at which time, no further retainage shall be withheld on payment through substantial completion of work, subject to lender approval.
2. First Housing used the Schedule of Value (“SOV”) to break out to the construction costs. Please note, the Profit and Overhead are lumped into one line item within the SOV, but First Housing has separated the costs.
3. Since the residential buildings will be demolished, the demolition cost is ineligible.
4. According to Exhibit J of the GC Contract, there are no allowances.
5. The total construction costs subject to a GC fee is \$24,771,325.63. The total GC Fee is \$3,467,985.58, which is within the maximum 14% of hard costs allowed by the RFA and

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.

6. Receipt of all GC Section 3 contract requirements is a condition to close.
7. Hard Cost Contingency is 5% of the total construction contract, which is within the allowable 5% of total hard costs for new construction developments as allowed by the RFA and Rule Chapters 67-48 and 67-21.
8. The Applicant has included off-site demolition costs of \$331,682. Since this off-site demolition cost is for another parcel and for a future second phase, First Housing has removed this cost from the Development's budget.
9. The Applicant has budgeted for P&P Bonds to secure the construction contract.
10. Recreational/Owner Items is comprised of computers, printers, books, washer/dryers in common areas and units, security CCTV, signage, picnic benches & BBQ, exterior benches and garbage cans, gym equipment, photo documentation, overhead lines, scheduler, cleaning, surveyor, and site security.
11. The ineligible recreational/owner items of \$170,619 includes ineligible costs of \$53,200 for washer/dryers. The remaining ineligible cost is based on an estimate that 20% of the cost is ineligible.

GENERAL DEVELOPMENT COSTS:	Applicant Costs	Revised Applicant Costs	Underwriters Total Costs - CUR	Cost Per Unit	HC Ineligible Costs - CUR
Accounting Fees	\$40,000	\$50,000	\$50,000	\$431	\$12,500
Appraisal	\$12,000	\$33,400	\$6,250	\$54	\$0
Architect's Fee - Site/Building Design	\$1,000,000	\$852,000	\$852,000	\$7,345	\$0
Architect's Fee - Supervision	\$100,000	\$110,000	\$110,000	\$948	\$0
Building Permits	\$45,132	\$141,771	\$141,771	\$1,222	\$0
Builder's Risk Insurance	\$87,485	\$128,550	\$128,550	\$1,108	\$0
Engineering Fees	\$100,000	\$5,000	\$5,000	\$43	\$0
Environmental Report	\$70,700	\$78,725	\$78,725	\$679	\$0
FHFC Administrative Fees	\$153,117	\$201,723	\$201,371	\$1,736	\$201,371
FHFC Application Fee	\$3,000	\$68,280	\$3,000	\$26	\$3,000
FHFC Credit Underwriting Fee	\$24,179	\$199,084	\$27,603	\$238	\$27,603
FHFC Compliance Fee	\$227,131	\$227,131	\$247,070	\$2,130	\$247,070
Impact Fee	\$178,809	\$29,120	\$29,120	\$251	\$0
Lender Inspection Fees / Const Admin	\$171,190	\$461,042	\$461,042	\$3,975	\$0
Green Building Cert. (LEED, FGBC, NAHB)	\$50,000	\$0	\$51,780	\$446	\$0
Insurance	\$167,584	\$355,378	\$355,378	\$3,064	\$135,044
Legal Fees - Organizational Costs	\$775,000	\$990,000	\$990,000	\$8,534	\$643,500
Market Study	\$8,000	\$8,000	\$3,750	\$32	\$3,750
Marketing and Advertising	\$35,000	\$35,000	\$35,000	\$302	\$35,000
Plan and Cost Review Analysis	\$0	\$0	\$4,300	\$37	\$0
Property Taxes	\$189,013	\$247,787	\$247,787	\$2,136	\$195,466
Soil Test	\$8,000	\$10,000	\$10,000	\$86	\$0
Survey	\$25,000	\$53,440	\$53,440	\$461	\$0
Tenant Relocation Costs	\$1,070,820	\$986,852	\$986,852	\$8,507	\$986,852
Title Insurance and Recording Fees	\$354,319	\$432,487	\$432,487	\$3,728	\$90,822
Utility Connection Fees	\$201,538	\$109,464	\$109,464	\$944	\$0
Soft Cost Contingency	\$226,313	\$335,110	\$281,087	\$2,423	\$0
Total General Development Costs:	\$5,323,330	\$6,149,344	\$5,902,827	\$50,886	\$2,581,978

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: Appraisal, FHFC Application Fee, FHFC Credit Underwriting, Market Study, and Plan and Cost Review Analysis.

3. The FHFC Administrative Fee is based on 9% of the recommended annual 4% Housing Credit allocation.
4. The FHFC Credit Underwriting Fee includes an underwriting fee of \$25,652 and a Subsidy Layering Review fee of \$1,951.
5. FHFC Compliance Fee of \$247,070 is based on the 2024 compliance fee calculator spreadsheet provided by FHFC.
6. First Housing received a breakout of the Lender Inspection Fees, which includes but is not limited to Plan Review and Draw Inspections, Davis-Bacon Review Fee, Threshold Inspections, Construction Materials Testing, Moisture Management Professional, Private Provider, and ADA Consulting. First Housing verified the private provider is from a third-party.
7. The Applicant provided a Professional Services Proposal NGBS Administration + Verification services for Heritage Village South, dated December 20, 2023, from Abney + Abney Green Solutions. First Housing has included a cost of \$51,780 for NGBS services.
8. The Applicant has included a relocation budget at \$986,852. The Relocation Plan estimates a relocation budget of \$512,208. According to an email, dated July 7, 2024, the additional relocation costs include rehabilitation to the temporary housing units that must be rehabilitated to bring them up to the County's standards. This requirement is part of the agreement they have with the County. Since the current units will be demolished, the tenant relocation cost is considered ineligible.
9. 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	\$255,000	\$250,000	\$250,000	\$2,155	\$0
Construction Loan Closing Costs	\$51,000	\$0	\$0	\$0	\$0
Construction Loan Interest	\$1,701,156	\$3,423,763	\$2,629,900	\$22,672	\$1,183,455
Permanent Loan Application Fee	\$0	\$6,750	\$0	\$0	\$0
Permanent Loan Origination Fee	\$0	\$81,500	\$75,299	\$649	\$75,299
Local HFA Note Fiscal Agent Fee	\$0	\$0	\$10,625	\$92	\$10,625
Local HFA Note Cost of Issuance	\$293,748	\$258,220	\$259,067	\$2,233	\$259,067
SAIL Commitment Fee	\$0	\$0	\$62,280	\$537	\$62,280
SAIL Closing Costs	\$0	\$0	\$12,500	\$108	\$12,500
SAIL-ELI Commitment Fee	\$0	\$0	\$7,500	\$65	\$7,500
SAIL-ELI Closing Costs	\$0	\$0	\$6,500	\$56	\$6,500
Misc Loan Underwriting Fee	\$0	\$0	\$9,500	\$82	\$9,500
Misc Loan Origination Fee	\$0	\$0	\$50,000	\$431	\$50,000
NHTF Closing Costs	\$0	\$0	\$12,500	\$108	\$12,500
Legal Fees - Financing Costs	\$0	\$480,000	\$480,000	\$4,138	\$480,000
Other: HFA Issuer Fee	\$0	\$0	\$156,250	\$1,347	\$156,250
Total Financial Costs:	\$2,335,374	\$4,500,233	\$4,021,921	\$34,672	\$2,325,476
Dev. Costs before Acq., Dev. Fee & Reserves	\$31,293,898	\$42,346,018	\$41,289,507	\$355,944	\$5,693,569

Notes to the Financial Costs:

1. The Construction Loan Origination Fee is based on 1.00% of the construction loan amount.
2. The Construction Loan Interest of \$2,629,900 is based on an interest rate of 8.67%, a 26-month term, and an average outstanding loan balance of 56%. The GC Contract specifies a substantial completion of not later than 480 calendar days (or approximately 16 months) and considering a 10-month lease-up/stabilization period, First Housing has estimated that a construction term of 26-months is reasonable.
3. The Permanent Loan Origination Fee is based on 0.50% of the permanent loan amount.
4. First Housing received a draft Cost of Issuance (“COI”). First Housing adjusted the Local HFA Note Underwriting Fee to \$16,984 and Closing Fee of \$2,863.
5. The Local HFA Note Fiscal Fee includes an Annual Fiscal Agent Fee of \$4,250 for 30 months.

6. Local HFA Issuer Fee includes 30 months of the HFAMDC Issuer Fee of 0.25% of the bond amount.
7. SAIL Commitment Fee is based on 1% of the SAIL Loan.
8. ELI Commitment Fee is based on 1% of the ELI Loan.
9. First Housing included FHFC closing costs of \$6,500 for the ELI loan and \$12,500 for each of the SAIL and NHTF loans for FHFC legal counsel fees.
10. The Misc. Loan Underwriting Fee is associated with the Miami-Dade County Surtax/HOME/HoDAG funding.
11. First Housing has included a Commitment Fee of 1% on the Surtax/HOME/HoDAG funding.

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, non-land acquisition costs do not apply.

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	\$5,577,073	\$7,669,721	\$7,432,111	\$64,070	\$0
Total Other Development Costs:	\$5,577,073	\$7,669,721	\$7,432,111	\$64,070	\$0

Notes to the Other Development Costs:

1. The recommended Developer's Fee does not exceed 18% of Total Development Cost 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 Lease Payment	\$575,360	\$575,360	\$575,360	\$4,960	\$575,360
Total Acquisition Costs:	\$575,360	\$575,360	\$575,360	\$4,960	\$575,360

Notes to Acquisition Costs:

1. First Housing received an Option to Ground Lease, dated July 3, 2023, between Miami-Dade County (“Authority”) and Heritage Village South, Ltd. (“Optionee”). The Option shall terminate without notice on August 31, 2024. The term of the lease shall be 75 years and the lease rent shall be paid as follows: i) an annual rent equal to \$20,000 payable on the first day commencing the first day of the lease year following stabilization of the Development, payable out of the available net cash flow, such amount to increase at 3% per year and ii) a one-time capitalized lease payment, to be paid upon financial closing, in the amount of \$4,960 per unit or \$575,360. Satisfactory receipt of an executed Ground Lease is a condition to close.

2. First Housing reviewed an Appraisal of the Development prepared by Colliers, dated July 5, 2024, which concluded to a market value “as is” value in the Development, as of April 7, 2024, of \$2,975,000, 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 (Syndicator)	\$0	\$622,952	\$594,000	\$5,121	\$594,000
Reserves - Start-Up/Lease-up Expenses	\$0	\$206,154	\$206,154	\$1,777	\$206,154
Total Reserve Accounts:	\$0	\$829,106	\$800,154	\$6,898	\$800,154

Notes to Reserve Accounts:

1. According to the LOI, dated July 17, 2024, an Operating Deficit Reserve in the amount of \$594,000 (3-month reserve) or greater will be required. In exchange for receiving funding from the Corporation, the Corporation reserves the authority to restrict the disposition of any funds remaining in any operating deficit reserve(s) after the term of the reserve’s original purpose has terminated or is near termination. Authorized disposition uses are limited to payments towards any outstanding loan balances of the Development funded from the Corporation, any outstanding Corporation fees, any unpaid costs incurred in the completion of the Development (i.e., deferred Developer Fee), the Development’s capital replacement reserve account (provided, however, that any operating deficit reserve funds deposited to the replacement reserve account will not replace, negate, or otherwise be considered an advance payment or pre-funding of the Applicant’s obligation to periodically fund the replacement reserve account), the reimbursement of any loan(s) provided by a partner, member or guarantor as set forth in the Applicant’s organizational agreement (i.e., operating or limited partnership agreement whereby its final disposition remains under this same restriction. The actual direction of the disposition is at the Applicant’s discretion so long as it is an option permitted by the Corporation. In no event, shall the payment of amounts to the Applicant or the Developer from any operating deficit reserve established

for the Development cause the Developer Fee or General Contractor fee to exceed the applicable percentage limitations provided for in this RFA.

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 67-21 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	HC Ineligible Costs - CUR
TOTAL DEVELOPMENT COSTS:	\$37,446,331	\$51,420,205	\$50,097,132	\$431,872	\$7,069,083

Notes to Total Development Costs:

- Total Development Costs have increased by a total of \$12,650,801 from \$37,446,331 to \$50,097,132 or 33.78% since the Application. This change is mainly due to an increase in construction costs and financial costs.

Operating Pro Forma – Heritage Village South

FINANCIAL COSTS:				Year 1	Year 1 Per Unit
OPERATING PRO FORMA					
INCOME:	Gross Potential Rental Income			\$2,631,096	\$22,682
	Other Income				
	Miscellaneous			\$34,800	\$300
	Washer/Dryer Rentals			\$17,400	\$150
	Gross Potential Income			\$2,683,296	\$23,132
	Less:				
	Physical Vac. Loss		Percentage: 4.00%	\$107,332	\$925
	Collection Loss		Percentage: 1.00%	\$26,833	\$231
	Total Effective Gross Income			\$2,549,131	\$21,975
	EXPENSES:	Fixed:			
Real Estate Taxes			\$190,476	\$1,642	
Insurance			\$269,700	\$2,325	
Variable:					
Management Fee		Percentage: 6.00%	\$152,948	\$1,319	
General and Administrative			\$46,400	\$400	
Payroll Expenses			\$179,800	\$1,550	
Utilities			\$63,800	\$550	
Marketing and Advertising			\$11,600	\$100	
Maintenance and Repairs/Pest Control			\$46,400	\$400	
Grounds Maintenance and Landscaping			\$31,900	\$275	
Security			\$197,200	\$1,700	
Other			\$11,600	\$100	
Reserve for Replacements			\$34,800	\$300	
Total Expenses			\$1,236,624	\$10,661	
Net Operating Income			\$1,312,507	\$11,315	
Debt Service Payments					
First Mortgage - HFAMDC/Barings			\$944,417	\$8,142	
Second Mortgage - FHFC - SAIL			\$62,280	\$537	
Third Mortgage - FHFC - ELI			\$0	\$0	
Fourth Mortgage - FHFC - NHTF			\$0	\$0	
Fifth Mortgage - Miami-Dade County - Surtax/HOME/HoDAG			\$50,000	\$431	
First Mortgage Fees - HFAMDC/Barings			\$45,240	\$390	
Second Mortgage Fees - FHFC - SAIL			\$12,622	\$109	
Third Mortgage Fees - FHFC ELI			\$3,970	\$34	
Fourth Mortgage Fees - FHFC NHTF			\$4,742	\$41	
Fifth Mortgage Fees - Miami-Dade County -			\$0	\$0	
Total Debt Service Payments			\$1,123,271	\$9,683	
Cash Flow after Debt Service			\$189,237	\$1,631	
Debt Service Coverage Ratios					
DSC - First Mortgage plus Fees			1.33x		
DSC - Second Mortgage plus Fees			1.23x		
DSC - Third Mortgage plus Fees			1.23x		
DSC - Fourth Mortgage plus Fee			1.22x		
DSC - Fifth Mortgage plus Fees			1.17x		
Financial Ratios					
Operating Expense Ratio			48.51%		
Break-even Economic Occupancy Ratio (all debt)			88.25%		

Notes to the Operating Pro Forma and Ratios:

1. The Development will be utilizing Housing Credits in conjunction with SAIL, ELI, and NHTF, which will impose rent restrictions. The rent levels are based on the 2024 maximum LIHTC rents published on FHFC’s website for Miami-Dade County less the applicable utility allowance. However, the Development will be receiving rental assistance on 58 units. Below is the rent roll for the Development:

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
0	1.0	27	430	80%			\$1,590	\$72	\$ 1,518		\$ 1,517	\$ 1,518	\$ 1,518	\$ 491,832
0	1.0	2	431	80%			\$1,590	\$72	\$ 1,518		\$ 1,517	\$ 1,518	\$ 1,518	\$ 36,432
1	1.0	2	590	22%			\$638	\$86	\$ 552	\$ 746	\$ 746	\$ 746	\$ 746	\$ 17,904
1	1.0	7	590	30%			\$638	\$86	\$ 552	\$ 746	\$ 746	\$ 746	\$ 746	\$ 62,664
1	1.0	1	590	40%			\$851	\$86	\$ 765	\$ 746	\$ 746	\$ 746	\$ 746	\$ 8,952
1	1.0	2	590	80%			\$1,703	\$86	\$ 1,617	\$ 746	\$ 746	\$ 746	\$ 746	\$ 17,904
1	1.0	29	590	80%			\$1,703	\$86	\$ 1,617		\$ 1,618	\$ 1,617	\$ 1,617	\$ 562,716
2	2.0	1	920	22%			\$766	\$110	\$ 656	\$ 928	\$ 928	\$ 928	\$ 928	\$ 11,136
2	2.0	2	920	30%			\$765	\$110	\$ 655	\$ 928	\$ 928	\$ 928	\$ 928	\$ 22,272
3	2.0	2	1,020	22%			\$885	\$128	\$ 757	\$3,063	\$ 3,063	\$ 3,063	\$ 3,063	\$ 73,512
3	2.0	9	1,020	30%			\$885	\$128	\$ 757	\$1,221	\$ 1,221	\$ 1,221	\$ 1,221	\$ 131,868
3	2.0	14	1,020	30%			\$885	\$128	\$ 757	\$3,063	\$ 3,063	\$ 3,063	\$ 3,063	\$ 514,584
3	2.0	6	1,020	40%			\$1,180	\$128	\$ 1,052	\$3,063	\$ 3,063	\$ 3,063	\$ 3,063	\$ 220,536
3	2.0	6	1,020	50%			\$1,475	\$128	\$ 1,347	\$3,063	\$ 3,063	\$ 3,063	\$ 3,063	\$ 220,536
3	2.0	1	1,347	60%			\$1,770	\$128	\$ 1,642	\$3,063	\$ 3,063	\$ 3,063	\$ 3,063	\$ 36,756
3	2.0	1	1,347	80%			\$2,361	\$128	\$ 2,233	\$2,359	\$ 2,359	\$ 2,359	\$ 2,359	\$ 28,308
4	2.0	1	1,345	30%			\$987	\$153	\$ 834	\$3,608	\$ 3,608	\$ 3,608	\$ 3,608	\$ 43,296
4	2.0	3	1,347	50%			\$1,646	\$153	\$ 1,493	\$3,608	\$ 3,608	\$ 3,608	\$ 3,608	\$ 129,888
		116	85,242											\$ 2,631,096

2. The Utility Allowances are based on an Energy Consumption Model (“ECM”) Utility Allowance Estimate. FHFC’s staff approval of the ECM Utility Allowances, for Credit Underwriting Purposes, is a condition to close.
3. The appraisal included a vacancy and collection loss rate of 3%. First Housing concluded to a vacancy and collection loss of 5.00% to be more conservative.
4. The Appraisal projected Miscellaneous Income of \$34,800 which is comprised of revenue from late fees, pet fees, transfer fees, retained deposits, laundry income, and application fees.

5. The Applicant intends to rent washer/dryers to the residents. The penetration rate is projected at 50% (of the non-PBRA units) with a monthly rate of \$50, which the Appraiser found to be acceptable.
6. 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 has received a draft Property Management Agreement between Heritage Village South, Ltd. and Atlantic Pacific Community Management, LLC (“Agent”). The Agent shall receive a monthly fee beginning when the leasing operation commences, in the amount of the greater of: 6% of monthly Effective Gross Income or 6% of pro forma (budgeted) Effective Gross Income assuming 95% occupancy. Upon reaching 95% initial occupancy, the Management Fee will be converted to 6% of monthly Effective Gross Income. First Housing has utilized a Management Fee of 6%.
8. The landlord will pay for trash and common area electric and sewer/water. The tenant will be responsible for electricity, sewer/water, cable, and internet.
9. Replacement Reserves of \$300 per unit per year are required which meets the RFA and Rules 67-21 and 67-48 minimum requirement. Based on conversations with a representative of the Applicant, it is anticipated Replacement Reserves will increase at 3% annually.
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. The Break-even Economic Occupancy Ratio includes all debt; however, payments interest on the SAIL and Miami-Dade County loans are based on available cash flow. This ratio would improve to 84.06% if the these interest payments were not included.

Section B

SAIL, ELI Loan, 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, ELI, and NHTF closing date.

1. Firm Commitment from BoA (construction financing) and from Barings (permanent financing) with terms and conditions that are not substantially different than those utilized in this credit underwriting report.
2. Upon conversion, if the first mortgage loan is increased above the principal amount at closing, it will be subject to FHFC's approval.
3. Final loan documents for the fifth construction/permanent mortgage with terms which are not substantially different than those utilized in this credit underwriting report.
4. Verification of Miami-Dade County's approval of the change in set-asides and verification that the Miami-Dade County's loan is coterminous with the ELI and NHTF loans.
5. Verification that the first equity contribution is no less than 15% of the total equity contribution.
6. Receipt and satisfactory review of the Final signed, sealed "approved for construction" plans and specifications by the Construction Consultant and the Servicer.
7. Satisfactory receipt of a final Plan and Cost Analysis.
8. Satisfactory review and approval of the land area, legal description, and title by First Housing, FHFC and Counsel is a condition to closing.
9. Receipt of the rental assistance contract(s).
10. FHFC's staff approval of the ECM Utility Allowances, for Credit Underwriting Purposes.
11. Satisfactory review of an executed Ground Lease, with terms that are not substantially different than those utilized in this credit underwriting report.
12. Receipt of an executed Management Agreement.

13. Satisfactory receipt and review of updated financials for the Guarantors, dated within 90 days of closing.
14. Receipt of all GC Section 3 contract requirements.
15. Completion of the HUD Section 3 pre-construction conference.
16. The Development shall meet the Section 3 requirements of the Housing and Urban Development Act of 1968 as amended (12 U.S.C. 1701u and 24 CFR Part 75).
17. 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 Associates, Inc. ("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 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.

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. ELI Loan proceeds shall be disbursed during the construction phase in an amount per draw which does not exceed the

ratio of the ELI Loan to the Total Development Cost, 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 Limited Partnership Agreement reflecting purchase of the HC under terms consistent with the assumptions contained within this Credit Underwriting Report. The Amended and Restated Limited Partnership 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 BoA, 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 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;
 - 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, ELI, 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 BoA or an affiliate, that requires funding of all HC Equity Installments during construction, even if the Borrower is in default under the Limited Partnership Agreement.
4. All amounts necessary to complete construction must be deposited with the Fiscal Agent prior to closing, or any phased HC Equity pay-in amount necessary to complete construction shall be contingent upon an obligation of the entity providing payments, regardless of any default under any documents relating to the HC's, as long as the First Mortgage continues to be funded. Notwithstanding the foregoing, at least 15% of all HC Equity (but not less than provided for in the Syndication Agreement or such higher amount as recommended by First Housing) shall be deposited with the Fiscal Agent at the MMRB closing unless a lesser amount is approved by FHFC prior to closing.
5. Guarantors to provide the standard FHFC Construction Completion Guaranty, to be released upon lien-free completion, as approved by the Servicer.
6. 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.

7. Guarantors to provide the Standard FHFC Environmental Indemnity Guaranty.
8. Guarantors to provide the Standard FHFC Guaranty of Recourse Obligations.
9. 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.
10. Property tax and hazard insurance escrow are to be established and maintained by the First Mortgagee Lender, Fiscal Agent, 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.
11. Replacement Reserves in the amount of \$300 per unit per year will be required to be deposited on a monthly basis into a designated escrow account, to be maintained by the First Mortgagee or Florida Housing's Loan(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 \$34,800 (one-half the required Replacement Reserves for Years 1 and 2), in order to meet the applicable DSC loan requirements. Applicant can waive this election, if at closing of the loan(s) the required DSC is met without the need to exercise the option. It is currently estimated that Replacement Reserves will be funded from Operations in the amount of \$300 per unit per year for years 1 and 2, followed by \$300 per unit per year thereafter. 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.

12. 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% shall be withheld on all payments until 50% completion, at which time, no further retainage shall be withheld on payments through substantial completion. This meets the RFA and Rule Chapters 67-48 and 67-21 minimum requirements.
13. Closing of all funding sources prior to or simultaneous with the SAIL, ELI, and NHTF loans.
14. Satisfactory completion of a pre-loan closing compliance audit conducted by FHFC or Servicer, if applicable.
15. Satisfactory resolution of any outstanding past due and/or noncompliance items.
16. 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 \$2,237,458. 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, ELI, and NHTF loans.
2. Purchase of the HC's by BoA, 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	\$2,631,096	\$2,683,718	\$2,737,392	\$2,792,140	\$2,847,983	\$2,904,943	\$2,963,041	\$3,022,302	\$3,082,748	\$3,144,403	\$3,207,291	\$3,271,437	\$3,336,866	\$3,403,603	\$3,471,675	
	Other Income																
	Miscellaneous	\$34,800	\$35,496	\$36,206	\$36,930	\$37,669	\$38,422	\$39,190	\$39,974	\$40,774	\$41,589	\$42,421	\$43,269	\$44,135	\$45,018	\$45,918	
	Washer/Dryer Rentals	\$17,400	\$17,748	\$18,103	\$18,465	\$18,834	\$19,211	\$19,595	\$19,987	\$20,387	\$20,795	\$21,211	\$21,635	\$22,067	\$22,509	\$22,959	
	Gross Potential Income	\$2,683,296	\$2,736,962	\$2,791,701	\$2,847,535	\$2,904,486	\$2,962,576	\$3,021,827	\$3,082,264	\$3,143,909	\$3,206,787	\$3,270,923	\$3,336,341	\$3,403,068	\$3,471,129	\$3,540,552	
	Less:																
	Physical Vac. Loss Percentage: 4.00%	\$107,332	\$109,478	\$111,668	\$113,901	\$116,179	\$118,503	\$120,873	\$123,291	\$125,756	\$128,271	\$130,837	\$133,454	\$136,123	\$138,845	\$141,622	
	Collection Loss Percentage: 1.00%	\$26,833	\$27,370	\$27,917	\$28,475	\$29,045	\$29,626	\$30,218	\$30,823	\$31,439	\$32,068	\$32,709	\$33,363	\$34,031	\$34,711	\$35,406	
	Total Effective Gross Income	\$2,549,131	\$2,600,114	\$2,652,116	\$2,705,158	\$2,759,262	\$2,814,447	\$2,870,736	\$2,928,150	\$2,986,713	\$3,046,448	\$3,107,377	\$3,169,524	\$3,232,915	\$3,297,573	\$3,363,524	
	EXPENSES:	Fixed:															
Ground Lease		\$0															
Real Estate Taxes		\$190,476	\$196,190	\$202,076	\$208,138	\$214,382	\$220,814	\$227,438	\$234,261	\$241,289	\$248,528	\$255,984	\$263,663	\$271,573	\$279,720	\$288,112	
Insurance		\$269,700	\$277,791	\$286,125	\$294,708	\$303,550	\$312,656	\$322,036	\$331,697	\$341,648	\$351,897	\$362,454	\$373,328	\$384,528	\$396,064	\$407,945	
Variable:																	
Management Fee Percentage: 6.00%		\$152,948	\$156,007	\$159,127	\$162,310	\$165,556	\$168,867	\$172,244	\$175,689	\$179,203	\$182,787	\$186,443	\$190,171	\$193,975	\$197,854	\$201,811	
General and Administrative		\$46,400	\$47,792	\$49,226	\$50,703	\$52,224	\$53,790	\$55,404	\$57,066	\$58,778	\$60,541	\$62,358	\$64,228	\$66,155	\$68,140	\$70,184	
Payroll Expenses		\$179,800	\$185,194	\$190,750	\$196,472	\$202,366	\$208,437	\$214,691	\$221,131	\$227,765	\$234,598	\$241,636	\$248,885	\$256,352	\$264,042	\$271,964	
Utilities		\$63,800	\$65,714	\$67,685	\$69,716	\$71,807	\$73,962	\$76,181	\$78,466	\$80,820	\$83,245	\$85,742	\$88,314	\$90,964	\$93,692	\$96,503	
Marketing and Advertising		\$11,600	\$11,948	\$12,306	\$12,676	\$13,056	\$13,448	\$13,851	\$14,267	\$14,695	\$15,135	\$15,589	\$16,057	\$16,539	\$17,035	\$17,546	
Maintenance and Repairs/Pest Control		\$46,400	\$47,792	\$49,226	\$50,703	\$52,224	\$53,790	\$55,404	\$57,066	\$58,778	\$60,541	\$62,358	\$64,228	\$66,155	\$68,140	\$70,184	
Grounds Maintenance and Landscaping		\$31,900	\$32,857	\$33,843	\$34,858	\$35,904	\$36,981	\$38,090	\$39,233	\$40,410	\$41,622	\$42,871	\$44,157	\$45,482	\$46,846	\$48,252	
Security		\$197,200	\$203,116	\$209,209	\$215,486	\$221,950	\$228,609	\$235,467	\$242,531	\$249,807	\$257,301	\$265,020	\$272,971	\$281,160	\$289,595	\$298,283	
Other		\$11,600	\$11,948	\$12,306	\$12,676	\$13,056	\$13,448	\$13,851	\$14,267	\$14,695	\$15,135	\$15,589	\$16,057	\$16,539	\$17,035	\$17,546	
Reserve for Replacements		\$34,800	\$35,844	\$36,919	\$38,027	\$39,168	\$40,343	\$41,553	\$42,800	\$44,084	\$45,406	\$46,768	\$48,171	\$49,616	\$51,105	\$52,638	
Total Expenses		\$1,236,624	\$1,272,193	\$1,308,799	\$1,346,472	\$1,385,243	\$1,425,144	\$1,466,210	\$1,508,474	\$1,551,971	\$1,596,738	\$1,642,813	\$1,690,232	\$1,739,038	\$1,789,269	\$1,840,969	
Net Operating Income		\$1,312,507	\$1,327,921	\$1,343,317	\$1,358,687	\$1,374,019	\$1,389,303	\$1,404,526	\$1,419,677	\$1,434,742	\$1,449,710	\$1,464,564	\$1,479,292	\$1,493,877	\$1,508,304	\$1,522,556	
Debt Service Payments																	
First Mortgage - HFAMDC/Barings	\$944,417	\$944,417	\$944,417	\$944,417	\$944,417	\$944,417	\$944,417	\$944,417	\$944,417	\$944,417	\$944,417	\$944,417	\$944,417	\$944,417	\$944,417	\$944,417	
Second Mortgage - FHFC - SAIL	\$62,280	\$62,280	\$62,280	\$62,280	\$62,280	\$62,280	\$62,280	\$62,280	\$62,280	\$62,280	\$62,280	\$62,280	\$62,280	\$62,280	\$62,280	\$62,280	
Third Mortgage - FHFC - ELI	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Fourth Mortgage - FHFC - NHTF	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Fifth Mortgage - Miami-Dade County - Surtax/HOME/HoDAG	\$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		
First Mortgage Fees - HFAMDC/Barings	\$45,240	\$45,077	\$44,902	\$44,714	\$44,512	\$44,296	\$44,063	\$43,814	\$43,548	\$43,262	\$42,956	\$42,629	\$42,280	\$41,906	\$41,507		
Second Mortgage Fees - FHFC - SAIL	\$12,622	\$12,622	\$12,622	\$12,622	\$12,622	\$12,622	\$12,622	\$12,622	\$12,622	\$12,622	\$12,622	\$12,622	\$12,622	\$12,622	\$12,622		
Third Mortgage Fees - FHFC ELI	\$3,970	\$3,970	\$3,970	\$3,970	\$3,970	\$3,970	\$3,970	\$3,970	\$3,970	\$3,970	\$3,970	\$3,970	\$3,970	\$3,970	\$3,970		
Fourth Mortgage Fees - FHFC NHTF	\$4,742	\$4,742	\$4,742	\$4,742	\$4,742	\$4,742	\$4,742	\$4,742	\$4,742	\$4,742	\$4,742	\$4,742	\$4,742	\$4,742	\$4,742		
Fifth Mortgage Fees - Miami-Dade County - Surtax/HOME/HoDAG	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0		
Total Debt Service Payments	\$1,123,271	\$1,123,108	\$1,122,933	\$1,122,745	\$1,122,543	\$1,122,326	\$1,122,094	\$1,121,845	\$1,121,578	\$1,121,292	\$1,120,987	\$1,120,660	\$1,120,310	\$1,119,936	\$1,119,537		
Cash Flow after Debt Service	\$189,237	\$204,813	\$220,385	\$235,942	\$251,476	\$266,977	\$282,432	\$297,832	\$313,165	\$328,417	\$343,578	\$358,632	\$373,567	\$388,368	\$403,019		
Debt Service Coverage Ratios																	
DSC - First Mortgage plus Fees	1.33	1.34	1.36	1.37	1.39	1.41	1.42	1.44	1.45	1.47	1.48	1.50	1.51	1.53	1.54		
DSC - Second Mortgage plus Fees	1.23	1.25	1.26	1.28	1.29	1.31	1.32	1.34	1.35	1.36	1.38	1.39	1.41	1.42	1.44		
DSC - Third Mortgage plus Fees	1.23	1.24	1.26	1.27	1.29	1.30	1.32	1.33	1.34	1.36	1.37	1.39	1.40	1.42	1.43		
DSC - Fourth Mortgage plus Fee	1.22	1.24	1.25	1.27	1.28	1.30	1.31	1.32	1.34	1.35	1.37	1.38	1.40	1.41	1.42		
DSC - Fifth Mortgage plus Fees	1.17	1.18	1.20	1.21	1.22	1.24	1.25	1.27	1.28	1.29	1.31	1.32	1.33	1.35	1.36		
Financial Ratios																	
Operating Expense Ratio	48.51%	48.93%	49.35%	49.77%	50.20%	50.64%	51.07%	51.52%	51.96%	52.41%	52.87%	53.33%	53.79%	54.26%	54.73%		
Break-even Economic Occupancy Ratio (all debt)	88.25%	87.82%	87.41%	87.01%	86.64%	86.29%	85.95%	85.64%	85.34%	85.06%	84.80%	84.55%	84.32%	84.11%	83.92%		

Based on conversations with a representative of the Applicant, it is anticipated Replacement Reserves will increase 3% annually.

HC Allocation Calculation

Section I: Qualified Basis Calculation

Total Development Costs(including land and ineligible Costs)	\$50,097,132
Less Land Costs	\$575,360
Less Federal Grants and Loans	\$0
Less Other Ineligible Costs	\$6,493,723
Total Eligible Basis	\$43,028,048
Applicable Fraction	100%
DDA/QCT Basis Credit	130%
Qualified Basis	\$55,936,462
Housing Credit Percentage	4.00%
Annual Housing Credit Allocation	\$2,237,458

Notes to the Qualified Basis Calculation:

1. Other ineligible costs include recreational/owner items, demolition costs, washers/dryers, site work, accounting fees, FHFC Fees, insurance, legal fees, market study, advertising/marketing fees, property taxes, tenant relocation costs, title work, financial costs, and operating 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 Qualified Census Tract (“QCT”); 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)	\$50,097,132
Less Mortgages	\$28,512,827
Less Grants	\$0
Equity Gap	\$21,584,305
HC Syndication Percentage to Investment Partnership	99.99%
HC Syndication Pricing	\$0.93004688
HC Required to meet Equity Gap	\$23,210,081
Annual HC Required	\$2,321,008

Notes to the Gap Calculation:

1. The pricing and syndication percentage was taken from the LOI from BoA, dated July 17, 2024. However, First Housing is calculating a syndication rate of \$0.93004688.

Section III: Summary

HC Per Syndication Agreement	\$2,241,089
HC Per Qualified Basis	\$2,237,458
HC Per GAP Calculation	\$2,321,008
Annual HC Recommended	\$2,237,458
Syndication Proceeds based upon Syndication Agreement	\$20,841,094

1. 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 Note Amount	\$25,000,000
Less: Debt Service Reserve Funded with Tax-Exempt Note Proceeds	\$0
Other:	\$0
Other:	\$0
Equals Net Tax-Exempt Note Amount	\$25,000,000
Total Depreciable Cost	\$43,028,048
Plus Land Cost	\$575,360
Aggregate Basis	\$43,603,408
Net Tax-Exempt Note to Aggregate Basis Ratio	57.33%

1. Based on the budget, the Development appears to meet the 50% test for 4% Housing Credits.

Heritage Village South
RFA 2022-205 (2023-143SN / 2022-540C)
DESCRIPTION OF FEATURES AND AMENITIES

A. The Development will consist of:

116 Garden Apartments located in 2 residential buildings

Unit Mix:

Twenty-Nine (29) zero bedroom/one bathroom units;

Forty-One (41) one bedroom/one bath units;

Three (3) two bedroom/two bath units;

Thirty-Nine (39) three bedroom/two bath units;

Four (4) four bedroom/two bath units;

116 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.

c. 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.

DEVELOPMENT

NAME: Heritage Village South

DATE: August 9, 2024

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.	Unsatis.	5.
14. Firm commitment from the credit enhancer or private placement purchaser, if any.	Unsatis.	6.
15. Firm commitment letter from the syndicator, if any.	Unsatis.	7.

16. Firm commitment letter(s) for any other financing sources.	Unsatis.	8.
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.	9.
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.	10.
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.	Unsatis.	11.
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 conditioned upon a final PCA.
4. Closing is conditioned upon receipt of a final survey.
5. Closing is conditioned upon receipt of an executed Management Agreement.
6. Closing is conditioned upon receipt of a firm commitment from BoA (Construction financing) and Barings (permanent financing) with terms and conditions that are not substantially different than those utilized in this credit underwriting report.
7. Closing is conditioned upon receipt of an Amended and Restated Limited Partnership Agreement.

8. Closing is conditioned upon final loan documents for the fifth construction/permanent mortgages with terms that are not substantially different than those utilized in this credit underwriting report.
9. Closing is conditioned upon receipt of a final draw schedule is a condition to close.
10. Closing is conditioned upon receipt of the rental assistance contract(s).
11. Closing is conditioned upon 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.

Florida Housing Finance Corporation

Credit Underwriting Report

Mercy Village

**HOUSING CREDIT AND SAIL FINANCING FOR
HOMELESS HOUSING DEVELOPMENTS LOCATED
IN MEDIUM AND LARGE COUNTIES**

SAIL, ELI, NHTF, and 9% HC

(RFA 2023-103 / 2023-175CSN)

Section A: Report Summary

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

Section C: Supporting Information and Schedules

Prepared by

AmeriNat®

Final Report

August 9, 2024

MERCY VILLAGE

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Section A
Report Summary

Recommendation

AmeriNat® (“AmeriNat”) recommends a State Apartment Incentive Loan (“SAIL”) in the amount of \$4,066,500, an Extremely Low Income (“ELI”) Loan of \$133,500, a National Housing Trust Fund (“NHTF”) Loan of \$1,680,000, an annual Housing Credit (“HC”) allocation of \$2,040,000 to Mercy Village, LLLP (“Applicant”) for the construction and permanent phase financing of Mercy Village (the proposed “Development”).

DEVELOPMENT & SET-ASIDES

Development Name: Mercy Village

RFA/Program Numbers: RFA 2023-103 / 2023-175CSN

Address: 3607 W Silver Springs Blvd

City: Ocala Zip Code: 34475 County: Marion County Size: Medium

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

Construction Type: Steel and Masonry

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

Unit Composition:
of ELI Units: 9 ELI Units Are Restricted to 40% AMI, or less. Total # of units with PBRA? 0
of Link Units: 0 Are the Link Units Demographically Restricted? No # of NHTF Units: 6

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	700	22%			\$298	\$75	\$223		\$161	\$223	\$223	\$16,056
1	1.0	9	700	40%			\$543	\$75	\$468		\$384	\$468	\$468	\$50,544
1	1.0	3	700	60%			\$814	\$75	\$739		\$631	\$508	\$508	\$18,288
1	1.0	12	700	60%			\$814	\$75	\$739		\$631	\$617	\$617	\$88,848
1	1.0	29	700	60%			\$814	\$75	\$739		\$631	\$739	\$739	\$257,172
		59	41,300											\$430,908

Please note that the unit sizes shown represent the average square footage for each bedroom size. The actual total square footage for the units is 41,049, as noted in the Plans.

The demographic commitment is Homeless Individuals and Families. For the Persons with Special Needs population, the Applicant has selected to serve a population of adult persons requiring independent living services in order to maintain housing or develop independent living skills and who have a Disabling Condition that neither currently impairs nor is likely to impair their physical mobility, such as persons with a mental illness. The Applicant committed to set aside at least 50% (30 units), but less than 80% (48 units), of the total units for Homeless individuals and families; and at least 20% (12 units) of the total units for Persons with Special Needs (which may be the same units set aside for Homeless individuals and families). The Applicant must irrevocably commit to the Homeless Individuals and Families demographic commitment selected for a minimum of 50 years. The Persons with Special Needs commitment is required for a minimum of 15 years. After the initial 15 years, the Applicant may submit a request to FHFC that allows the Applicant to commit to a different population(s) demographic commitment provided at 2.b. of Exhibit A if the appropriate Level 1 or Level 2 Accessibility Requirements are met at the Development for the population(s).

SAIL, ELI, AND HC CREDIT UNDERWRITING REPORT

AMERINAT

Based on RFA 2023-103, the Applicant must commit to set aside 15% of the total units (9 units) in the Development to serve ELI Households. The Applicant is eligible for ELI Loan Funding. One-third of the required ELI set-aside units (3 units) are eligible for ELI Loan funding up to the maximum ELI request amount of \$600,000.

ELI Loan Amount per Bedroom Count: Marion County

Three (3) One-Bedroom units at \$44,500 = \$133,500

Total = \$133,500

The ELI Set-Aside Units are required for a minimum of 50 years. However, after 15 years, all of the ELI Set-Aside Units associated with the ELI Loan Funding (3 units) may convert to serve residents at or below 60% Area Median Income (“AMI”). The ELI Set-Aside Units that were not associated with the ELI Loan funding (6 units) will remain ELI Set-Aside Units for the entire compliance period. The Persons with Special Needs set-aside commitment must be maintained throughout the entire 50 year Compliance Period.

NHTF Set-Aside Commitment: The proposed development must set aside six (6) units as NHTF Link units targeted for Persons with Special Needs who are referred by a FHFC-designated Special Needs Household Referral Agency. These units are required to be set aside at 22% AMI and are in addition to the 15% requirement for ELI set aside units (9 units). After 30 years, all of the NHTF Link units may convert to serve residents at or below 60% AMI; however, the Persons with Special Needs set aside commitment must be maintained through the entire 50 year Compliance Period.

All Applicants must meet the following requirements specific to its commitment, pursuant to RFA 2023-103, to serve Homeless households:

1. Have an executed agreement to participate in the Continuum of Care’s Homeless Management Information System (“HMIS”); and will contribute data on the Development’s tenants to the Continuum of Care’s HMIS data system or, if serving Survivors of Domestic Violence, is providing aggregate data reports to the Continuum of Care. The executed agreement shall be required at least 6 months prior to the expected placed in service date.
2. Commit to a housing provider in the Local Homeless Assistance Continuum of Care’s Homeless Coordinated Entry system as required by the U.S. Department of Housing and Urban Development.

The Tenant Selection Plan was approved by FHFC on April 26, 2023.

Buildings: Residential - 1 Non-Residential - 0
 Parking: Parking Spaces - 69 Accessible Spaces - 6

Program	% of Units	# of Units	% AMI	Term (Years)
SAIL/ELI/HC	15.0%	9	40%	50
SAIL/HC	85.0%	50	60%	50
NHTF	10.0%	6	22%	50

Absorption Rate: 25 units per month for 2.4 months.

Occupancy Rate at Stabilization: Physical Occupancy 96.00% Economic Occupancy 95.00%
 Occupancy Comments Comparables in PMA are averaging 99% occupancy

DDA: Yes QCT: No Multi-Phase Boost: No QAP Boost: No
 Site Acreage: 2.58 Density: 22.8682 Flood Zone Designation: X
 Zoning: B-2 and PD, Community Business and Planned Development Flood Insurance Required?: No

SAIL, ELI, AND HC CREDIT UNDERWRITING REPORT

AMERINAT

DEVELOPMENT TEAM		
Applicant/Borrower:	Mercy Village, LLLP	% Ownership
General Partner	C4 Mercy, LLC	
Limited Partner	Hunt Capital Partners, LLC, or its designee	
Construction Completion Guarantor(s):		
CC Guarantor 1:	Mercy Village, LLLP	
CC Guarantor 2:	C4 Mercy, LLC	
CC Guarantor 3:	Carrfour Supportive Housing, Inc.	
Operating Deficit Guarantor(s):		
OD Guarantor 1:	Mercy Village, LLLP	
OD Guarantor 2:	C4 Mercy, LLC	
OD Guarantor 3:	Carrfour Supportive Housing, Inc.	
Developer:	Carrfour Supportive Housing, Inc.	
General Contractor 1:	Park & Eleazer Construction, LLC	
Management Company:	Crossroads Management, LLC	
Syndicator:	Hunt Capital Partners, LLC, or its designee	
Architect:	CM Design & Development LLC d/b/a CMA Architects	
Market Study Provider:	Meridian Appraisal Group, Inc.	
Appraiser:	Meridian Appraisal Group, Inc.	

PERMANENT FINANCING INFORMATION						
	1st Source	2nd Source	3rd Source	4th Source	5th Source	Other
Lien Position	1	2	3			
Lender/Grantor	FHFC - SAIL	FHFC - ELI	FHFC - NHTF			
Amount	\$4,066,500	\$133,500	\$1,680,000			
Underwritten Interest Rate	0.50%	0.00%	0.00%			
All In Interest Rate	0.50%	0.00%	0.00%			
Loan Term	15	15	30			
Amortization	n/a	n/a	n/a			
Market Rate/Market Financing LTV	42%	44%	61%			
Restricted Market Financing LTV	635%	656%	919%			
Loan to Cost - Cumulative	17%	18%	25%			
Loan to Cost - SAIL Only	17%					
Debt Service Coverage	1.29	1.15	1.00			
Operating Deficit & Debt Service Reserves	\$952,063					
# of Months covered by the Reserves	25.5					

SAIL, ELI, AND HC CREDIT UNDERWRITING REPORT

AMERINAT

Deferred Developer Fee	\$244,190
As-Is Land Value	\$475,000
Market Rent/Market Financing Stabilized Value	\$9,590,000
Rent Restricted Market Financing Stabilized Value	\$640,000
Projected Net Operating Income (NOI) - Year 1	\$40,777
Projected Net Operating Income (NOI) - 15 Year	\$40,777
Year 15 Pro Forma Income Escalation Rate	2%
Year 15 Pro Forma Expense Escalation Rate	3%
Housing Credit (HC) Syndication Price	\$0.8550
HC Annual Allocation - Initial Award	\$2,040,000
HC Annual Allocation - Qualified in CUR	\$2,040,000
HC Annual Allocation - Equity Letter of Interest	\$2,040,000

CONSTRUCTION/PERMANENT SOURCES:				
Source	Lender	Construction	Permanent	Perm Loan/Unit
Regulated Mortgage Lender	NLP	\$6,000,000	\$0	\$0
FHFC - SAIL	FHFC	\$4,066,500	\$4,066,500	\$68,924
FHFC - SAIL ELI	FHFC	\$133,500	\$133,500	\$2,263
FHFC - NHTF	FHFC	\$1,680,000	\$1,680,000	\$28,475
HC Equity	Hunt	\$7,848,116	\$17,440,256	\$295,598
Deferred Developer Fee	Developer	\$3,836,330	\$244,190	\$4,139
TOTAL		\$23,564,446	\$23,564,446	\$399,397

Credit Underwriter:	AmeriNat Loan Services		
Date of Final CUR:	08/09/2024		
TDC PU Limitation at Application:	\$370,000	TDC PU Limitation at Credit Underwriting:	\$435,778
Minimum 1st Mortgage per Rule:	N/A	Amount Dev. Fee Reduced for TDC Limit:	\$0

Per 67-48.0072 (28) (g), any Development that qualifies as a Homeless or Persons with Special Needs Demographic Development would use the actual committed debt in lieu of a calculated minimum qualifying first mortgage.

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?	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?		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?	X	

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

1. In the RFA Timeline Items (Acceptance, 7-, 14-, 21-, and 2-month items), Burke Construction Group, Inc. ("Burke"), was identified as the proposed General Contractor for the Development. Since, Park & Eleazer Construction, LLC ("PEC"), has replaced Burke as the General Contractor. AmeriNat received and reviewed an experience chart that was provided that illustrates PEC has been the Qualifying Agent for sixteen multifamily housing developments and is sufficiently qualified.
2. Since the time of Application, Neighborhood Lending Partners of Florida, Inc. ("NLP") has replaced JPMorgan Chase Bank, N.A. as the Construction Lender for the transaction and the amount of the Construction Loan has decreased from \$12,500,000 to \$6,000,000. Additionally, Hunt Capital Partners, LLC ("Hunt") has replaced Enterprise Housing Credit Investments, LLC as the proposed Investor Limited Partner and provider of the HC equity. The Letter of Intent ("LOI") from Hunt dated June 21 ,2024, indicates Hunt, or an affiliate, will purchase a 99.99% ownership interest in the Applicant in exchange for a total HC equity of \$17,440,256, or approximately \$0.8550 per HC.

3. Total Development Costs have increased from \$23,218,266 to \$23,564,446 for a difference of \$346,180 since the Application due to increases in Construction Costs and Land Acquisition Costs.

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

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

- According to the October 18, 2023, Asset Management Noncompliance Report, the Development Team has following noncompliance items:
 - Amistad - HC 2011-064CH/2012-026CH HOME: 2011-064CH - 1) Failure to meet Uniform Physical Condition Standards for common area 2) Failure to meet Uniform Physical Condition Standards for units Updated as of 9/28/2023-Email from management
 - Liberty Village - HC/SAIL 2015-279CS - Failure to meet Uniform Physical Inspection Standards (UPCS) for Building Exterior Update as of 10/2/2023 Letter sent to owner
- According to the July 12, 2024, Florida Housing Past Due Report, the Development Team has no past due items.

This recommendation is subject to satisfactory resolution of any outstanding past due and/or noncompliance items 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.
2. Per the appraiser, Meridian Appraisal Group, Inc. (“Meridian”) the comparable like-kind properties to the Development have an occupancy rate of 99%. Additionally, the market study concludes that the performance of existing restricted projects indicates significant demand as several of the restricted rent comparable developments have years long waiting lists.
3. According to the Shimberg Center for Housing Studies, there is only one project located in Marion County with homeless restrictions on it. The 2022 Rental Market study conducted by Shimberg calculated a Level of Effort for the state and each county. The Level of Effort equals the number of permanent supportive housing units divided by the number of individuals or families that are currently homeless. A Level of Effort ratio below 1.0 indicates that there are more individuals or families currently homeless than there are permanent supportive housing beds or units. Marion County has a Level of Effort of 22% for housing individuals. The Level of Effort indicates adequate demand in Marion County Florida, for permanent and transitional housing for homeless individuals.

Other Considerations:

1. In accordance with RFA, 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 (Garden Apartments-ESSC) (1-3 stories)(New Construction), inclusive of a 90% Homeless Demographic TDC Multiplier per the RFA and an 6.00% escalation rate applied to the base \$370,000 per unit allowable, is \$435,777.78 per unit. The TDC per unit as underwritten equals \$389,258.51 per unit, which does not exceed the allowable amount. As such, the Development is eligible for FHFC funding as a result.

2. To the underwriter's knowledge, no construction cost exceeding 20% is subcontracted to any one entity.
3. To the underwriter's knowledge, no construction cost shall be subcontracted to any entity that has common ownership or is an Affiliate of the General Contractor or Developer.

Issues and Concerns:

1. Carrfour Supportive Housing, Inc., is a named defendant to an active lawsuit that alleges violations of the Fair Housing Act of 1968 including pervasive and persistent sexual harassment and discrimination which included threats, uninvited sexual harassment, targeting and uninvited sex based discrimination. The lawsuit was filed by legal counsel for Fiona Rawls, a transgender female. Carrfour explains that Ms. Rawls claims that the operations and services staff at the property where she resides did nothing when other residents spoke to her in what she believed to be a demeaning fashion. When this was brought to Carrfour's attention, a meeting was held with all residents and the importance in using proper pronouns was explained and Carrfour informed them that this sort of behavior would not be tolerated. This matter is covered by insurance and the insurance company has supplied defense counsel which has filed for a motion to dismiss.

Mitigant: It appears that Carrfour has responded to the plaintiff's complaint and that the matter will be resolved through due process. There appears to be sufficient insurance coverage to minimize the potential exposure, should the court award reparative damages to the plaintiff.

Waiver Requests:

None

Special Conditions:

1. Completion of the HUD Section 3 pre-construction conference is a condition precedent to loan closing.
2. The Development shall meet the Section 3 requirements of the Housing and Urban Development Act of 1968 as amended (12 U.S.C. 1701u and 24 CFR Part 135) is a condition precedent to loan closing.
3. Receipt of an updated geotechnical report and satisfactory review and approval by Moran Construction Consultants, LLC ("Moran") is a condition precedent to loan closing.
4. Satisfactory receipt of the Affirmative Fair Housing Marketing Plan is a condition precedent to loan closing.

Additional Information:

None


Recommendation:

AmeriNat recommends a SAIL Loan in the amount of \$4,066,500, an ELI Loan of \$133,500, a NHTF Loan of \$1,680,000, and an annual Housing Credit ("HC") allocation of \$2,040,000 to Mercy Village, LLLP for the construction and permanent phase financing of the proposed Development.

These recommendations are based upon the assumptions detailed in the Report Summary (Section A) and Supporting Information and Schedules (Section C). In addition, these recommendations are subject to the SAIL, ELI, and NHTF Special and General Conditions and the HC Allocation Recommendations 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:



Kyle Kuenn
Multifamily Chief Credit Underwriter

Reviewed by:



George Repity
Sr. 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	NLP	\$12,500,000	\$6,092,665	\$6,000,000	8.40%	\$748,400
FHFC - SAIL	FHFC	\$4,066,500	\$4,066,500	\$4,066,500	0.50%	\$0
FHFC - SAIL ELI	FHFC	\$133,500	\$133,500	\$133,500	0.00%	\$0
FHFC - NHTF	FHFC	\$1,650,000	\$1,650,000	\$1,680,000	0.00%	\$0
HC Equity	Hunt	\$3,467,653	\$7,848,000	\$7,848,116		
Deferred Developer Fee	Developer	\$1,400,613	\$3,528,464	\$3,836,330		
Total :		\$23,218,266	\$23,319,129	\$23,564,446		\$748,400

Proposed First Mortgage Loan:

The Applicant provided a LOI from NLP dated June 21, 2024, whereby NLP will provide first mortgage construction financing in the form of a construction loan in an amount up to \$6,000,000, or an amount not to exceed 80% of the as-completed and stabilized rent- restricted appraised value or 80% of the loan to cost, whichever is less. The construction loan term will be up to a maximum of 24 months with one conditional six-month maturity extension in conjunction with a fee equal to 0.25% of the outstanding balance on the construction loan. The Applicant shall make monthly interest-only payments based upon a floating interest rate equal to 30-day average Secured Overnight Financing Rate (5.35353% as of August 9, 2024) with a floor of 200 basis points, plus a spread of 2.30%. AmeriNat included a 0.75% cushion for rate volatility for an all in interest rate of 8.40%. The Applicant will pay Total Fees equaling \$71,000 (Application fee \$8,000, Construction Loan Origination Fee (1.00%) \$60,000, and Loan Processing Fee \$3,000).

SAIL:

The Applicant applied to FHFC under RFA 2023-103 for SAIL funds in the amount of \$4,066,500. Applicants that commit to set aside at least 50%, but less than 80%, of the total units for Homeless individuals and families will qualify for a SAIL with an interest rate of 0% for the percentage of units that are set aside for Homeless individuals and families, and a 1% interest rate for the remaining units. As such, the Applicant has committed to set aside 50 percent of the total units for homeless individuals and families; therefore, SAIL will be non-amortizing with a 0.50% blended interest rate over the life of the loan with annual payments based upon available cash flow.

SAIL 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. 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. 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.

ELI Loan:

Applicants who submitted an Application for RFA 2023-103 are also eligible for ELI Loan funding for the required ELI set-aside units not to exceed the lesser of (a) \$600,000; or (b) the maximum amount based

on the ELI set-aside per unit limits; for 5% of the total units. The ELI Loan is in the form of a forgivable loan in an amount of \$133,500.

The ELI AMI for Marion County is 40%. The Applicant committed to set aside 15% of the units (9 units) at or below 40% of AMI for ELI. The ELI Loan will be non-amortizing with a 0.00% interest rate 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. However, after 15 years, all of the ELI set aside units associated with the ELI Loan funding (3 units) may convert to serve residents at or below 60% AMI. 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 17.5 years, of which 2.5 years is for the construction/stabilization period and 15 years is for the permanent period. ELI loan proceeds shall be disbursed during the construction phase in an amount per construction draw which does not exceed the ratio of the ELI loan to Total Development Costs, unless approved by the credit underwriter.

NHTF Loan:

Applicants who submitted an Application for RFA 2023-103 are also eligible for NHTF Loan funding to subsidize additional deep targeted units for Persons with Special Needs (“NHTF Link units”). The Applicant was selected to receive a NHTF Loan in the form of a forgivable loan in an amount of \$1,680,000 and is required to designate 6 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 will be non-amortizing with a 0.00% interest rate per annum for a total term of 32.5 years, of which 2.5 years are for the construction/stabilization period and 30 years is for the permanent period. 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 (6 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. 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.

HC Equity:

The Applicant provided a LOI from Hunt dated June 21, 2024. According to the LOI, Hunt, or its assigns, will acquire a 99.99% limited member interest in the Applicant at \$0.855 per Housing Credit for a total investment of \$17,440,256. The LOI states that \$2,616,038, or 15.00%, will be provided at closing, which meets the requirement per RFA 2023-103. A total of \$7,848,116 will be provided during the construction phase.

Deferred Developer Fee:

The Applicant will be required to defer \$3,836,330 or 95.94% of the total developer fee of \$3,998,667 (inclusive of the \$952,063 of Developer Fee to fund an Operating Deficit Reserve) 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 - SAIL	FHFC	\$4,066,500	\$4,066,500	\$4,066,500	0.50%	n/a	15	\$20,333
FHFC - SAIL ELI	FHFC	\$133,500	\$133,500	\$133,500	0.00%	n/a	15	\$0
FHFC - NHTF	FHFC	\$1,650,000	\$1,650,000	\$1,680,000	0.00%	n/a	30	\$0
HC Equity	Hunt	\$17,338,266	\$17,440,000	\$17,440,256				
Deferred Developer Fee	Developer	\$30,000	\$29,129	\$244,190				
Total :		\$23,218,266	\$23,319,129	\$23,564,446				\$20,333

SAIL:

Upon achievement of construction completion and stabilization, the Construction Loan will be satisfied with HC equity proceeds and the SAIL loan will be elevated to first mortgage lien position.

The Applicant applied to FHFC under RFA 2023-103 for SAIL funds in the amount of \$4,066,500. Applicants that commit to set aside at least 50%, but less than 80 percent, of the total units for Homeless individuals and families will qualify for a SAIL with an interest rate of 0% for the percentage of units that are set aside for Homeless individuals and families, and a 1% interest rate for the remaining units. As such, the Applicant has committed to set aside 50 percent of the total units for homeless individuals and families; therefore, SAIL will be non-amortizing with a 0.50% blended interest rate over the life of the loan with annual payments based upon available cash flow.

SAIL 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. Any unpaid interest will be deferred until cash flow is available. At the maturity of the SAIL, however, all principal and unpaid interest is due. Annual payments of all applicable fees will be required. Fees include an annual Permanent Loan Servicing Fee of 25 bps of the outstanding loan amount up to a maximum of \$964 per month, subject to a minimum of \$243 per month and an annual Compliance Monitoring Multiple Program Fee of \$1,054.

ELI Loan:

Applicants who submitted an Application for RFA 2023-103 are also eligible for ELI Loan funding for the required ELI set-aside units not to exceed the lesser of (a) \$600,000; or (b) the maximum amount based on the ELI set-aside per unit limits; for 5% of the total units. The ELI Loan is in the form of a forgivable loan in an amount of \$133,500.

The ELI AMI for Marion County is 40%. The Applicant committed to set aside 15% of the units (9 units) at or below 40% of AMI for ELI. The ELI Loan will be non-amortizing with a 0.00% interest rate 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. However, after 15 years, all of the ELI set aside units associated with the ELI Loan funding (3 units) may convert to serve residents at or below 60% AMI. 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 17.5 years, of which 2.5 years is for the construction/stabilization period and 15 years is for the permanent period. 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 \$964 per month, subject to a minimum of \$243 per month and an annual Compliance Monitoring Multiple Program Fee of \$1,054.

NHTF Loan:

Applicants who submitted an Application for RFA 2023-103 are also eligible for NHTF Loan funding to subsidize additional deep targeted units for Persons with Special Needs. The Applicant was selected to

SAIL, ELI, AND HC CREDIT UNDERWRITING REPORT

AMERINAT

receive an NHTF Loan in the form of a forgivable loan in an amount of \$1,680,000 and is required to designate 6 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 will be non-amortizing loan with a 0.00% interest rate per annum for a total term of 32.5 years, of which 2.5 years is for the construction/stabilization period and 30 years is for the permanent period. 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 (6 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. 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 \$964 per month, subject to a minimum of \$243 per month and an annual Compliance Monitoring Multiple Program Fee of \$1,054.

HC Equity:

The Applicant provided a LOI from Hunt dated June 21, 2024. According to the LOI, Hunt, or its assigns, will acquire a 99.99% limited member interest in the Applicant at \$0.855 per Housing Credit for a total investment of \$17,440,256. The HC Equity will be provided as follows:

Capital Contributions	Amount	Percent of Total	Due upon
1st Installment	\$2,616,038	15.00%	LP's admission into the Partnership and Closing of the Construction Financing
2nd Installment	\$1,744,026	10.00%	Later of 25% Construction Completion or April 1, 2025
3rd Installment	\$1,744,026	10.00%	Later of 50% Construction Completion or July 1, 2025
4th Installment	\$1,744,026	10.00%	Later of 75% Construction Completion or October 1, 2025
5th Installment	\$1,744,026	10.00%	Latest of lien-free completion, temporary Cert of Occupancy, or January 1, 2026
6th Installment	\$4,360,064	25.00%	Later of any necessary radon testing or mitigation and April 1, 2026,
7th Installment	\$3,313,647	19.00%	Latest of receipt of an as-built survey, repayment of the Construction Loan, Rental Achievement, receipt of the final cost certification, receipt of recorded Regulatory Agreement, the issuance of all required final Cert of occupancy, and July 1, 2026
8th Installment	\$174,403	1.00%	Latest of receipt of IRS Form 8609, completion of LP's 1st year tenant audit, receipt of LP's K-1 for 1st year, and January 1, 2027
Total:	\$17,440,256	100%	

Annual Credits Per Syndication Agreement	\$2,040,000
Total Credits Per Syndication Agreement	\$20,400,000
Calculated HC Rate:	\$0.8550
Limited Partner Ownership Percentage	99.99%
Proceeds During Construction	\$7,848,116

Deferred Developer Fee:

The Developer will be required to permanently defer \$244,190 or 8.02% of the total Developer Fee of \$3,046,604 (exclusive of the \$952,063 of Developer Fee to fund an Operating Deficit Reserve).

Uses of Funds

CONSTRUCTION COSTS:	Applicant Costs	Revised Applicant Costs	Underwriters Total Costs - CUR	Cost Per Unit	HC Ineligible Costs - CUR
New Rental Units	\$10,862,458	\$13,865,850	\$9,846,974	\$166,898	\$5,478
Site Work	\$540,500		\$2,234,602	\$37,875	\$335,190
Furniture, Fixture, & Equipment	\$250,000			\$0	
Constr. Contr. Costs subject to GC Fee	\$11,652,958	\$13,865,850	\$12,081,576	\$204,772	\$340,668
General Conditions			\$724,894	\$12,286	
Overhead			\$241,631	\$4,095	
Profit	\$1,676,190		\$724,894	\$12,286	
Payment and Performance Bonds	\$500,000		\$92,855	\$1,574	
Contract Costs not subject to GC Fee	\$150,000			\$0	
Total Construction Contract/Costs	\$13,979,148	\$13,865,850	\$13,865,850	\$235,014	\$340,668
Hard Cost Contingency	\$620,000	\$693,293	\$693,292	\$11,751	
FF&E paid outside Constr. Contr.		\$768,248	\$765,000	\$12,966	
Total Construction Costs:	\$14,599,148	\$15,327,391	\$15,324,142	\$259,731	\$340,668

Notes to Actual Construction Costs:

1. The Applicant provided an executed Standard Form of Agreement Between the Owner and General Contractor where the basis of payment is the Cost of Work Plus a Fee with a Guaranteed Maximum Price (“GMP”) (the “Construction Contract”). The Construction Contract was entered into as of July 9, 2024, and is executed by the Applicant and Park & Eleazer Construction, LLC. The Construction Contract states the Contract Sum is guaranteed not to exceed \$13,685,850, indicates substantial completion within 392 days, and construction is to commence within fifteen (15) days of the Owner's Notice to Proceed or receipt of all necessary construction permits, whichever occurs later. The Construction Contract indicates retainage of ten percent (10%) until 50% completion of work with no additional retainage held thereafter.
2. A Document and Cost Review (“DCR”) was engaged by AmeriNat and performed by Moran Construction Consultants, LLC (“Moran”). Moran summarized their review of the construction contract and schedule of values in a report dated July 11, 2024. The review concludes that overall costs to construct are adequate for satisfactory completion of the proposed development. The costs for similar type developments identified in the DCR range from \$166.75 per gross square foot to \$248.58 per gross square foot, with the Development slightly higher than the range at \$253.95 per gross square foot. Moran noted that the cost per gross square foot appears slightly higher than typical multi-family development due to the amount of Site Work (Undercut and Replacement Allowance), Concrete (ESS Structure), Stucco, and Stucco Framing (the Vener is 100% Stucco); however, the cost per unit is within typical range when compared with developments of similar size and scope. The following items have been identified as allowances in the Construction Contract:
 - \$500,000 – Sitework - Undercut & Replacement

Moran indicated that the allowances are within an acceptable range for the scope of work indicated.
3. A 5% hard cost contingency was utilized by AmeriNat as permitted by RFA 2023-103 and Rule 67-48, F.A.C (the “Rule”).
4. 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 2023-103 and the Rule.
5. The General Contractor will obtain a Payment and Performance Bond to secure the Construction Contract. An estimate of the cost is included outside of the Construction Contract’s Schedule of Values.

6. FF&E Paid outside of the Construction Contract consists of office and common area furniture, outdoor furniture/equipment, gym equipment, and certain security fixtures and upgrades not already included in 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	\$508	\$30,000
Appraisal	\$10,000	\$7,500	\$5,500	\$93	
Architect's Fee - Site/Building Design	\$600,000	\$450,000	\$450,000	\$7,627	
Architect's Fee - Supervision	\$50,000	\$70,000	\$65,000	\$1,102	
Building Permits	\$350,000	\$75,000	\$75,000	\$1,271	
Builder's Risk Insurance	\$200,000	\$200,000	\$200,000	\$3,390	
Engineering Fees	\$100,000	\$150,000	\$150,000	\$2,542	
Environmental Report	\$10,000	\$10,000	\$10,000	\$169	
FHFC Administrative Fees	\$112,200	\$112,200	\$112,200	\$1,902	\$112,200
FHFC Application Fee	\$3,000	\$3,000	\$3,000	\$51	\$3,000
FHFC Credit Underwriting Fee	\$24,905	\$28,000	\$27,786	\$471	\$27,786
FHFC Compliance Fee	\$200,000	\$230,000	\$236,671	\$4,011	\$236,671
FHFC Other Processing Fee(s)			\$25,000	\$424	\$25,000
Impact Fee	\$350,000	\$250,000	\$214,939	\$3,643	\$214,939
Lender Inspection Fees / Const Admin	\$40,000	\$0	\$52,240	\$885	\$52,240
Green Building Cert. (LEED, FGBC, NAHB)	\$50,000	\$19,000	\$14,600	\$247	
Insurance	\$75,000	\$200,000	\$200,000	\$3,390	
Legal Fees - Organizational Costs	\$200,000	\$130,000	\$130,000	\$2,203	\$130,000
Market Study	\$7,500	\$7,500	\$5,500	\$93	\$5,500
Marketing and Advertising	\$50,000	\$50,000	\$50,000	\$847	\$50,000
Plan and Cost Review Analysis		\$7,000	\$5,850	\$99	
Property Taxes	\$20,000	\$20,000	\$20,000	\$339	\$10,000
Soil Test	\$15,000	\$10,000	\$10,000	\$169	
Survey	\$30,000	\$30,000	\$30,000	\$508	\$10,000
Tenant Relocation Costs		\$20,000	\$20,000	\$339	\$20,000
Title Insurance and Recording Fees	\$190,000	\$145,437	\$145,437	\$2,465	\$145,437
Utility Connection Fees	\$250,000	\$150,000	\$150,000	\$2,542	\$72,719
Soft Cost Contingency	\$144,000	\$130,182	\$125,020	\$2,119	
Other: Material Testing		\$120,000	\$61,690	\$1,046	
Total General Development Costs:	\$3,111,605	\$2,654,819	\$2,625,433	\$44,499	\$1,145,492

Notes to the General Development Costs:

- AmeriNat reflects actual costs for the market study, appraisal, and plan and cost review analysis.
- Architect's Fees for Site/Building Design and Supervision are based on the Agreement between Owner and Architect, CM Design & Development LLC d/b/a CMA Architects, dated May 25, 2023. The contract included the engineering fees as well.
- The FHFC Administrative Fee is based on 5.5% of the recommended annual allocation of HC. The FHFC Application Fee is reflective of the application fees stated in RFA 2023-103.
- FHFC Credit Underwriting Fee includes the SAIL / ELI Credit Underwriting Fee (\$15,360), NHTF Credit Underwriting Fee (\$5,146), 9% HC Credit Underwriting Fee (\$5,146), PRL Underwriting Fee (\$1,759), and a \$375 credit reporting fee.
- FHFC Other Processing Fees include extensions for the 10% Test (\$5,000), providing a Notice of Commencement as evidence for commencing construction (\$10,000), and providing the Limited Partnership Agreement as evidence for closing the tax credit partnership (\$10,000).

SAIL, ELI, AND HC CREDIT UNDERWRITING REPORT

AMERINAT

6. Impact Fees are based upon invoices from the City of Ocala provided by the Applicant.
7. AmeriNat received a Consultant Agreement, dated January 25, 2024, between the Applicant and Energy Cost Solutions Group, LLC, to perform National Green Building Standard (“NGBS”) Certification on the Development.
8. The Developer has engaged Paramount Consulting & Engineering, LLC, to perform building envelope consulting, inspections, and testing. The cost represented in the chart above are from a proposal dated April 3, 2024.
9. 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 2023-103 and the Rule.
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 Application Fee			\$8,000	\$136	
Construction Loan Origination Fee	\$125,000	\$81,000	\$60,000	\$1,017	
Construction Loan Closing Costs	\$75,000	\$30,000	\$3,000	\$51	
Construction Loan Interest	\$938,310	\$490,323	\$748,400	\$12,685	\$336,141
Permanent Loan Origination Fee	\$50,000	\$21,000	\$0	\$0	
SAIL Commitment Fee			\$40,665	\$689	\$40,665
SAIL Closing Costs			\$12,500	\$212	\$12,500
SAIL-ELI Commitment Fee			\$1,335	\$23	
SAIL-ELI Closing Costs			\$6,500	\$110	\$6,500
Misc Loan Closing Costs		\$10,000	\$0	\$0	
NHTF Closing Costs			\$12,500	\$212	\$12,500
Legal Fees - Financing Costs		\$75,000	\$75,000	\$1,271	\$75,000
Other: Syndicator Legal		\$65,000	\$65,000	\$1,102	\$65,000
Other: FHFC Loan Extension Fee		\$84,000	\$58,800	\$997	\$58,800
Total Financial Costs:	\$1,188,310	\$856,323	\$1,091,700	\$18,503	\$607,106
Dev. Costs before Acq., Dev. Fee & Reserves	\$18,899,063	\$18,838,533	\$19,041,275	\$322,733	\$2,093,266

Notes to the Financial Costs

1. Financial costs were derived from the representations illustrated in the LOI’s for equity and construction 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 NLP, 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. SAIL Commitment Fee is based on 1% of the SAIL amount.
4. SAIL-ELI Commitment Fee is based on 1% of the ELI Loan amount.
5. FHFC closing costs for FHFC legal fees are \$6,500 for the ELI Loan and \$12,500 for each of the SAIL and NHTF Loans.
6. FHFC Loan Extension Fee includes a firm loan commitment issuance deadline extension fee based on 1% of the SAIL, ELI, and NHTF loan amounts.
7. The remaining Financial Costs appear reasonable.

SAIL, ELI, AND HC CREDIT UNDERWRITING REPORT

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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	\$3,015,500	\$3,014,165	\$3,046,604	\$51,637	
DF to fund Operating Debt Reserve	\$953,703	\$941,927	\$952,063	\$16,137	
Total Other Development Costs:	\$3,969,203	\$3,956,092	\$3,998,667	\$67,774	\$0

Notes to the Other Development Costs:

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

LAND ACQUISITION COSTS	Applicant Costs	Revised Applicant Costs	Underwriters Total Costs - CUR	Cost Per Unit	HC Ineligible Costs - CUR
Land	\$175,000			\$0	
Land Lease Payment		\$175,000	\$175,000	\$2,966	\$175,000
Other: <u>Assumed Debt</u>		\$174,504	\$174,504	\$2,958	\$174,504
Total Acquisition Costs:	\$175,000	\$349,504	\$349,504	\$5,924	\$349,504

Notes to Land Acquisition Costs:

- Applicant provided an executed Ground Lease Agreement (“Lease”) dated January 20, 2023, between Applicant (“Tenant”) and Saving Mercy Corporation (“Landlord”) with a capital lease payment in the amount of \$175,000. The Lease has a term of 65 years from the commencement date, defined as the closing date of the Tenants construction loan.
- A conditional term of the Lease is for the Applicant to assume and satisfy the outstanding principal balance together with accrued interest for a Predevelopment Loan from Florida Housing to the Landlord as evidenced by a promissory note dated November 20, 2014 in the face amount of \$500,000 (the “PLP Loan”), the outstanding balance of which is approximately \$174,503.62.
- An Appraisal performed by Meridian Appraisal Group, Inc. dated June 27, 2024, identifies a market value of the ground leasehold interest in the subject site, as if vacant, of \$475,000, which is greater than the combined value of the Land lease payment and the assumed debt.

RESERVE ACCOUNTS	Applicant Costs	Revised Applicant Costs	Underwriters Total Costs - CUR	Cost Per Unit	HC Ineligible Costs - CUR
Operating Deficit Reserve (Syndicator)			\$0	\$0	
Other: <u>Insurance</u>	\$175,000	\$175,000	\$175,000	\$2,966	\$175,000
Total Reserve Accounts:	\$175,000	\$175,000	\$175,000	\$2,966	\$175,000

Notes to the Reserve Accounts:

1. An Insurance Reserve will be established in the amount of \$175,000.

TOTAL DEVELOPMENT COSTS	Applicant Costs	Revised Applicant Costs	Underwriters Total Costs - CUR	Cost Per Unit	HC Ineligible Costs - CUR
TOTAL DEVELOPMENT COSTS:	\$23,218,266	\$23,319,129	\$23,564,446	\$399,397	\$2,617,770

Notes to Total Development Costs:

1. Total Development Costs have increased from \$23,218,266 to \$23,564,446 for a difference of \$346,180 since the Application due to increases in Construction Costs and Land Acquisition Costs.

OPERATING PRO FORMA

FINANCIAL COSTS:		Year 1	Year 1 Per Unit
OPERATING PRO FORMA			
INCOME:	Gross Potential Rental Income	\$430,908	\$7,304
	Rent Subsidy (ODR)	\$22,975	\$389
	Other Income		\$0
	Ancillary Income	\$17,700	\$300
	Gross Potential Income	\$471,583	\$7,993
	Less:		
	Physical Vac. Loss Percentage: 4.00%	\$18,863	\$320
	Collection Loss Percentage: 1.00%	\$4,716	\$80
	Total Effective Gross Income	\$448,004	\$7,593
EXPENSES:	Fixed:		
	Ground Lease	\$1	\$0
	Real Estate Taxes	\$41,396	\$702
	Insurance	\$100,300	\$1,700
	Variable:		
	Management Fee Percentage: 6.00%	\$26,880	\$456
	General and Administrative	\$29,500	\$500
	Payroll Expenses	\$100,000	\$1,695
	Utilities	\$44,250	\$750
	Marketing and Advertising	\$2,950	\$50
	Maintenance and Repairs/Pest Control	\$29,500	\$500
	Grounds Maintenance and Landscaping	\$11,800	\$200
	Contract Services	\$2,950	\$50
	Reserve for Replacements	\$17,700	\$300
	Total Expenses	\$407,227	\$6,902
	Net Operating Income	\$40,777	\$691
Debt Service Payments			
First Mortgage - SAIL	\$20,333	\$345	
Second Mortgage - SAIL/ELI	\$0	\$0	
Third Mortgage - NHTF	\$0	\$0	
First Mortgage Fees - SAIL	\$11,220	\$190	
Second Mortgage Fees - SAIL/ELI	\$3,970	\$67	
Third Mortgage Fees - NHTF	\$5,254	\$89	
Total Debt Service Payments	\$40,777	\$691	
Cash Flow after Debt Service	\$0	\$0	
Debt Service Coverage Ratios			
DSC - First Mortgage plus Fees	1.29x		
DSC - Second Mortgage plus Fees	1.15x		
DSC - Third Mortgage plus Fees	1.00x		
DSC - Fourth Mortgage plus Fee	1.00x		
DSC - Fifth Mortgage plus Fees	1.00x		
DSC - All Mortgages and Fees	1.00x		
Financial Ratios			
Operating Expense Ratio	90.90%		
Break-even Economic Occupancy Ratio (all debt)	95.30%		

Notes to the Operating Pro Forma and Ratios:

1. The Development will be utilizing Housing Credits, SAIL, ELI and NHTF which will impose rent restrictions. The appraisal concludes that the Development should achieve the 2024 Maximum Allowable HC Rents as published on Florida Housing website for the 22% AMI NHTF units, 40% AMI HC units, and 60% AMI HC units with an exception of the 60% units set aside as homeless units and the units set aside for tenants with a Disabling Condition, both of which are anticipated to achieve rents below the maximum HC rents as those individuals and families are anticipated to be receiving SSI benefits. Utility allowances were derived from a Utility Allowance Study prepared by Energy Consulting, Inc. and approved by FHFC staff on June 5, 2024. A rent roll for the Development property is illustrated in the following table:

Ocala MSA (Marion 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	6	700	22%			\$298	\$75	\$223		\$161	\$223	\$223	\$16,056
1	1.0	9	700	40%			\$543	\$75	\$468		\$384	\$468	\$468	\$50,544
1	1.0	3	700	60%			\$814	\$75	\$739		\$631	\$508	\$508	\$18,288
1	1.0	12	700	60%			\$814	\$75	\$739		\$631	\$617	\$617	\$88,848
1	1.0	29	700	60%			\$814	\$75	\$739		\$631	\$739	\$739	\$257,172
		59	41,300											\$430,908

2. AmeriNat utilized a 5.0% total economic vacancy rate (4% physical vacancy and 1% collection loss) for the potential gross apartment income as concluded by the appraiser based on comparables in the market.
3. Ancillary Income is comprised of income related to multifamily operations in the form of vending income, late charges, pet deposits, forfeited security deposits, etc.
4. AmeriNat utilized a real estate tax expense based upon the appraiser’s estimated property tax assessment for the Development of \$464,112 or \$7,866 per unit. The current millage rate was applied, and the real estate tax burden was concluded to be \$702 per unit for underwriting purposes. The estimate considered the income restrictions of the Development.
5. AmeriNat utilized an estimate of \$1,700 per unit for insurance, which is consistent with the appraisal. The comparable developments presented by the appraiser ranged from \$1,179 to \$1,458 per unit. The appraisal noted that insurance costs have increased significantly since 2005 and the appraiser expects rates to be on the rise again after the last few active hurricane seasons. The Development will be located in flood zones designated “X” and “A”. Per the FHFC Insurance Guide, receipt of a Flood Hazard Certification Determination is a condition to the SAIL, ELI, and NHTF loan closing.
6. The Applicant submitted an executed Management Agreement wherein Crossroads Management, LLC (“Manager”) will manage the Development. The Agreement states the initial term shall be for one year and will be automatically renewed for successive one-year terms unless terminated by either party in writing in accordance with the Agreement. The Agreement provides for compensation to the Manager in the amount of 6.0% of the total gross rental collections received during the preceding month. The appraisal concluded a management fee of 7% based on the projected income level of the Development. The Appraiser surveyed comparable properties and determined a range of fees of 3% to 6%. AmeriNat utilized a management fee of 6% based on Management Agreement as it is within the conclusion supported by the appraisal.
7. Replacement Reserves of \$17,700 or a minimum of \$300 per unit per annum, which meets the RFA and Rule 67-48 minimum requirements.

8. Each of the SAIL, ELI and NHTF loans have an annual Permanent Loan Servicing Fee based on 25 basis points of the outstanding loan amounts, with a minimum monthly fee of \$243 and a maximum monthly fee of \$964, and an hourly fee of \$204 for extraordinary services. The annual Multiple Program Compliance Monitoring Fee is \$1,054.
9. Based upon an estimated Net Operating Income (“NOI”) of \$40,777 for the proposed Development’s initial year of stabilized operations; the SAIL mortgage loan plus fees can be supported by operations at a 1.29x to 1.00 DSC. The combined amount of the SAIL and ELI loan plus fees can be supported by operations at a 1.15x to 1.00 DSC, and all debt and fees can be supported by operations at 1.00x to 1.00 DSC.

According to Rule 67-48.0072 (11), the minimum Debt Service Coverage (“DSC”) shall be 1.10 to 1.00 for the SAIL, including superior mortgages. Additionally, for the HC, the proposed Development must demonstrate that it can meet a minimum of 1.10x DSC for the 1st and 2nd mortgage. In the case where an ODR is approved during credit underwriting, then the ODR can be used as income for purposes of this test.

AmeriNat’s estimate for total debt service payments through year 15 totals \$786,580 which is covered by the 5% Developer Fee to fund an Operating Debt Reserve of \$952,063. The Development meets the preceding guidelines.

10. A 15-year Operating Pro forma attached hereto as Exhibit 1 reflects rental income increasing at an annual rate of 2% and expenses increasing at an annual rate of 3%.
11. The Break-even Economic Occupancy Ratio includes all debt; however, interest payments on the SAIL loan are based on available cash flow. This ratio would improve to 90.69% if this interest payment was not included.

Section B

SAIL, ELI, and NHTF Special and General Conditions

Special Conditions

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

1. Completion of the HUD Section 3 pre-construction conference.
2. The Development shall meet the Section 3 requirements of the Housing and Urban Development Act of 1968 as amended (12 U.S.C. 1701u and 24 CFR Part 75).
3. Receipt of an updated geotechnical report and satisfactory review and approval by Moran Construction Consultants, LLC.
4. Satisfactory receipt of the Affirmative Fair Housing Marketing Plan.

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 loan closing. Failure to submit and to receive approval of these items within this time frame may result in postponement of the loan closing date.

1. Borrower is to comply with any and all recommendations noted in the Document and Cost Review prepared by Moran Construction Consultants, LLC.
2. Building permits and any other necessary approvals and permits (e.g., final site plan approval, water management district, Department of Environmental Protection, Army Corps of Engineers, Department of Transportation, etc.). An acceptable alternative to this requirement is receipt and satisfactory review of a letter from the local permitting and approval authority stating that the above referenced permits and approvals will be issued upon receipt of applicable fees (with no other conditions), or evidence of 100% lien-free completion, if applicable. If a letter is provided, copies of all permits will be required as a condition of the first post-closing draw.
3. Final sources and uses of funds itemized by source and line item, in a format and in amounts approved by the Servicer. A detailed calculation of the construction interest based on the final draw schedule (see below), documentation of the closing costs, and draft loan closing statement must also be provided. The 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. 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, ELI, & NHTF 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 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.
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 Chapter 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. 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 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 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 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)/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 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 SAIL, ELI, & NHTF 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 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 67-48 F.A.C., Rule Chapter 67-53, F.A.C., Rule Chapter 67-60, F.A.C., Section 42 I.R.C., RFA 2023-103, and any other applicable State and Federal requirements.

2. Acceptance by the Borrower and execution of all documents evidencing and securing the 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. 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 SAIL 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.
4. If applicable, receipt and satisfactory review of Financial Statements from all Guarantors dated within 90 days of Real Estate 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. A mortgagee title insurance policy naming Florida Housing as the insured in the amount of the 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.
9. 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.
10. 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 67-48, in the amount of \$17,700 (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.

11. Moran Construction Consultants, LLC or other construction inspector acceptable to Florida Housing is to act as Florida Housing's inspector during the construction period.
12. Under terms of the construction contract, a minimum of 10% retainage holdback on all construction draws until the Development is 50% complete and thereafter no additional retainage is withheld. Retainage will not be released until successful completion of construction and issuance of all certificates of occupancy which satisfies the RFA and Rule minimum requirement.
13. Satisfactory completion of a pre-loan closing compliance audit conducted by Florida Housing or Servicer, if applicable.
14. Closing of all funding sources simultaneous with or prior to closing of the SAIL, ELI & NHTF loans.
15. Any other reasonable requirements of the Servicer, Florida Housing, or its Legal Counsel.

Housing Credit Allocation Recommendation

AmeriNat recommends an annual \$2,040,000 HC Allocation. Please refer to Exhibit 3 - HC Allocation Calculation for further detail.

Contingencies

1. Purchase of the HC by the Syndicator or its assigns under the terms consistent with assumptions of this report.
2. Closing of the SAIL, ELI, and NHTF loans consistent with the assumptions of this credit underwriting 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 items.
5. Any other reasonable requirements of FHFC or its Servicer.

Exhibit 1
Mercy 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	\$430,908	\$439,526	\$448,317	\$457,283	\$466,429	\$475,757	\$485,272	\$494,978	\$504,877	\$514,975	\$525,274	\$535,780	\$546,496	\$557,425	\$568,574
	Rent Subsidy (ODR)	\$22,975	\$26,186	\$29,583	\$33,173	\$36,964	\$40,965	\$45,182	\$49,625	\$54,302	\$59,223	\$64,991	\$71,040	\$77,379	\$84,020	\$90,973
	Other Income															
	Ancillary Income	\$17,700	\$18,054	\$18,415	\$18,783	\$19,159	\$19,542	\$19,933	\$20,332	\$20,738	\$21,153	\$21,576	\$22,008	\$22,448	\$22,897	\$23,355
	Gross Potential Income	\$471,583	\$483,766	\$496,314	\$509,239	\$522,552	\$536,264	\$550,388	\$564,935	\$579,918	\$595,351	\$611,842	\$628,827	\$646,322	\$664,342	\$682,902
	Less:															
	Physical Vac. Loss Percentage: 4.00%	\$18,863	\$19,350	\$19,852	\$20,369	\$20,902	\$21,450	\$22,015	\$22,597	\$23,196	\$23,814	\$24,473	\$25,153	\$25,852	\$26,573	\$27,316
	Collection Loss Percentage: 1.00%	\$4,716	\$4,838	\$4,963	\$5,093	\$5,226	\$5,363	\$5,504	\$5,650	\$5,799	\$5,954	\$6,119	\$6,289	\$6,463	\$6,644	\$6,829
	Total Effective Gross Income	\$448,004	\$459,578	\$471,499	\$483,778	\$496,425	\$509,451	\$522,868	\$536,688	\$550,922	\$565,584	\$581,250	\$597,386	\$614,006	\$631,125	\$648,757
	EXPENSES:	Fixed:														
Ground Lease		\$1	\$1	\$1	\$1	\$1	\$1	\$1	\$1	\$1	\$1	\$1	\$1	\$1	\$1	
Real Estate Taxes		\$41,396	\$42,638	\$43,917	\$45,235	\$46,592	\$47,989	\$49,429	\$50,912	\$52,439	\$54,012	\$55,633	\$57,302	\$59,021	\$60,791	\$62,615
Insurance		\$100,300	\$103,309	\$106,408	\$109,601	\$112,889	\$116,275	\$119,763	\$123,356	\$127,057	\$130,869	\$134,795	\$138,839	\$143,004	\$147,294	\$151,713
Variable:																
Management Fee Percentage: 6.00%		\$26,880	\$27,574	\$28,290	\$29,026	\$29,785	\$30,567	\$31,372	\$32,201	\$33,055	\$33,935	\$34,875	\$35,843	\$36,840	\$37,867	\$38,925
General and Administrative		\$29,500	\$30,385	\$31,297	\$32,235	\$33,203	\$34,199	\$35,225	\$36,281	\$37,370	\$38,491	\$39,646	\$40,835	\$42,060	\$43,322	\$44,621
Payroll Expenses		\$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
Utilities		\$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
Marketing and Advertising		\$2,950	\$3,039	\$3,130	\$3,224	\$3,320	\$3,420	\$3,522	\$3,628	\$3,737	\$3,849	\$3,965	\$4,083	\$4,206	\$4,332	\$4,462
Maintenance and Repairs/Pest Control		\$29,500	\$30,385	\$31,297	\$32,235	\$33,203	\$34,199	\$35,225	\$36,281	\$37,370	\$38,491	\$39,646	\$40,835	\$42,060	\$43,322	\$44,621
Grounds Maintenance and Landscaping		\$11,800	\$12,154	\$12,519	\$12,894	\$13,281	\$13,679	\$14,090	\$14,513	\$14,948	\$15,396	\$15,858	\$16,334	\$16,824	\$17,329	\$17,849
Contract Services		\$2,950	\$3,039	\$3,130	\$3,224	\$3,320	\$3,420	\$3,522	\$3,628	\$3,737	\$3,849	\$3,965	\$4,083	\$4,206	\$4,332	\$4,462
Reserve for Replacements		\$17,700	\$17,700	\$17,700	\$17,700	\$17,700	\$17,700	\$17,700	\$17,700	\$17,700	\$17,700	\$18,231	\$18,778	\$19,341	\$19,922	\$20,519
Total Expenses		\$407,227	\$418,801	\$430,722	\$443,001	\$455,648	\$468,674	\$482,091	\$495,911	\$510,145	\$524,807	\$540,473	\$556,609	\$573,229	\$590,348	\$607,980
Net Operating Income	\$40,777	\$40,777	\$40,777	\$40,777	\$40,777	\$40,777	\$40,777	\$40,777	\$40,777	\$40,777	\$40,777	\$40,777	\$40,777	\$40,777	\$40,777	
Debt Service Payments																
First Mortgage - SAIL	\$20,333	\$20,333	\$20,333	\$20,333	\$20,333	\$20,333	\$20,333	\$20,333	\$20,333	\$20,333	\$20,333	\$20,333	\$20,333	\$20,333	\$20,333	
Second Mortgage - SAIL/ELI	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Third Mortgage - NHTF	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
First Mortgage Fees - SAIL	\$11,220	\$11,220	\$11,220	\$11,220	\$11,220	\$11,220	\$11,220	\$11,220	\$11,220	\$11,220	\$11,220	\$11,220	\$11,220	\$11,220	\$11,220	
Second Mortgage Fees - SAIL/ELI	\$3,970	\$3,970	\$3,970	\$3,970	\$3,970	\$3,970	\$3,970	\$3,970	\$3,970	\$3,970	\$3,970	\$3,970	\$3,970	\$3,970	\$3,970	
Third Mortgage Fees - NHTF	\$5,254	\$5,254	\$5,254	\$5,254	\$5,254	\$5,254	\$5,254	\$5,254	\$5,254	\$5,254	\$5,254	\$5,254	\$5,254	\$5,254	\$5,254	
Total Debt Service Payments	\$40,777	\$40,777	\$40,777	\$40,777	\$40,777	\$40,777	\$40,777	\$40,777	\$40,777	\$40,777	\$40,777	\$40,777	\$40,777	\$40,777	\$40,777	
Cash Flow after Debt Service	\$0	(\$0)	(\$0)	(\$0)	\$0	(\$0)	(\$0)	(\$0)	(\$0)	(\$0)	\$0	\$0	(\$0)	(\$0)	(\$0)	
Debt Service Coverage Ratios																
DSC - First Mortgage plus Fees	1.29x	1.29x	1.29x	1.29x	1.29x	1.29x	1.29x	1.29x	1.29x	1.29x	1.29x	1.29x	1.29x	1.29x	1.29x	
DSC - Second Mortgage plus Fees	1.15x	1.15x	1.15x	1.15x	1.15x	1.15x	1.15x	1.15x	1.15x	1.15x	1.15x	1.15x	1.15x	1.15x	1.15x	
DSC - Third Mortgage plus Fees	1.00x	1.00x	1.00x	1.00x	1.00x	1.00x	1.00x	1.00x	1.00x	1.00x	1.00x	1.00x	1.00x	1.00x	1.00x	
DSC - All Mortgages and Fees	1.00x	1.00x	1.00x	1.00x	1.00x	1.00x	1.00x	1.00x	1.00x	1.00x	1.00x	1.00x	1.00x	1.00x	1.00x	
Financial Ratios																
Operating Expense Ratio	90.90%	91.13%	91.35%	91.57%	91.79%	92.00%	92.20%	92.40%	92.60%	92.79%	92.98%	93.17%	93.36%	93.54%	93.71%	
Break-even Economic Occupancy Ratio (all debt)	95.30%	95.30%	95.30%	95.30%	95.30%	95.30%	95.30%	95.30%	95.30%	95.30%	95.30%	95.30%	95.30%	95.30%	95.30%	

Mercy Village
RFA 2023-103 (2023-175CSN)
Description of Features and Amenities

The Development will consist of:

59 apartment units located in 1 garden apartment residential building

Unit Mix:

Fifty-nine (59) one bedroom/one bath units

59 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.

*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:

- Broadband infrastructure which includes cables, fiber optics, wiring, or other infrastructure, as long as the installation results in accessibility in each unit;
- Termite prevention;
- Pest control;

- Window covering for each window and glass door inside each unit;
- Cable or satellite TV hook-up in each unit and, if the Development offers cable or satellite TV service to the residents, the price cannot exceed the market rate for service of similar quality available to the Development's residents from a primary provider of cable or satellite TV;
- At least two full bathrooms in all 3 bedroom or larger units;
- 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;
- Full-size range and oven in all units;
- A Community Building/dedicated space that includes:
 - At least one private office space with a door for resident purposes such as meeting with case managers and/or counselors; and
 - At least one enclosed training room with a door to conduct group training and educational activities for residents.

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) Level 2 Accessibility Requirements

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

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

d. Required Green Building Features in all Developments

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

- Low or No-VOC paint for all interior walls (Low-VOC means 50 grams per liter or less for flat; 150 grams per liter or less for non-flat paint);
- Low-flow water fixtures in bathrooms—WaterSense labeled products or the following specifications:
 - Toilets: 1.28 gallons/flush or less,
 - Urinals: 0.5 gallons/flush,
 - Lavatory Faucets: 1.5 gallons/minute or less at 60 psi flow rate,
 - Showerheads: 2.0 gallons/minute or less at 80 psi flow rate;
- Energy Star certified refrigerator;
- Energy Star certified dishwasher;
- Energy Star certified ventilation fan in all bathrooms;
- Water heater minimum efficiency specifications:
 - Residential Electric:
 - Up to 55 gallons = 0.95 EF or 0.92 UEF; or
 - More than 55 gallons = Energy Star certified; or
 - Tankless = 0.97 EF and Max GPM of ≥ 2.5 over a 77° rise or 0.87 UEF and GPM of ≥ 2.9 over a 67° rise;
 - Residential Gas (storage or tankless/instantaneous): Energy Star certified,
 - Commercial Gas Water Heater: Energy Star certified;
- Energy Star certified ceiling fans with lighting fixtures in bedrooms;
- Air Conditioning (in-unit or commercial):
 - Air-Source Heat Pumps – Energy Star certified:
 - ≥ 8.5 HSPF/ ≥ 15 SEER/ ≥ 12.5 EER for split systems
 - ≥ 8.2 HSPF ≥ 15 SEER/ ≥ 12 EER for single package equipment including gas/electric package units
 - Central Air Conditioners – Energy Star certified:
 - 15 SEER/ ≥ 12.5 EER* for split systems

- ≥ 15 SEER/ ≥ 12 EER* for single package equipment including gas/electric package units.

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

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

_____ Leadership in Energy and Environmental Design (LEED);

_____ Florida Green Building Coalition (FGBC);

_____ Enterprise Building Communities; or

___X___ ICC 700 National Green Building Standard (NGBS)

HOUSING CREDIT ALLOCATION CALCULATION

Qualified Basis Calculation

Total Development Cost	\$23,564,446
Less Land Costs	\$349,504
Less Other Ineligible Costs	\$2,268,266
Total Eligible Basis	\$20,946,676
Applicable Fraction	100%
DDA/QCT Basis Credit, if applicable	130%
Qualified Basis	\$27,230,679
Housing Credit Percentage (Federal allocation)	9.00%
Annual Housing Credit Allocation	\$2,450,761

Notes to the Qualified Basis Calculation:

1. "Other Ineligible Costs" include, but are not limited to, site work, accounting fees, legal fees, market study, Florida Housing compliance, administrative, application, and underwriting fees, marketing/advertising fees, various fees associated with the SAIL, ELI and NHTF funding, a portion of construction loan interest, land and reserves.
2. The Development is 100% set-aside; therefore, the Applicable Fraction is 100%.
3. The Development is not located in a Difficult Development Area ("DDA") or Qualified Census Tract ("QCT"). However, the RFA and FHFC's 2024 Qualified Allocation Plan states FHFC will retain the authority to designate Developments as a high-cost area through the authority given to FHFC by the Housing and Economic Recovery Act of 2008, enacted July 30, 2008. The criteria for such designation will be that any Person with Special Needs Development or Homeless Development awarded in a competitive solicitation process will be eligible for up to the 30% boost if that Development is not located in a HUD-designated DDA or a QCT. Therefore, the 130% multiplier was utilized for the Annual Housing Credit Allocation.
4. H.R. 5771, The Tax Increase Prevention Act of 2014, provided for a minimum rate of 9% to be applied to the qualified basis for HC allocations made before January 1, 2015; therefore, the minimum rate of 9% has been applied herein.

GAP Calculation

Total Development Cost (including land and ineligible costs)	\$23,564,446
Less Mortgages	\$5,880,000
Equity Gap	\$17,684,446
HC Percentage to Investment Partnership	99.99%
HC Syndication Pricing	\$0.8550
HC Required to meet Equity Gap	\$20,685,631
Annual HC Required	\$2,068,563

Notes to the GAP Calculation:

1. Mortgages include the SAIL, ELI, and NHTF mortgages to be provided by Florida Housing.
2. The HC Syndication Pricing of \$0.8550 per dollar and HC Percentage to Investment Partnership are based upon Hunt's LOI dated June 21, 2024.

SAIL, ELI, AND HC CREDIT UNDERWRITING REPORT

Summary

HC Per Applicants Request	\$2,040,000
HC Per Qualified Basis	\$2,450,761
HC Per GAP Calculation	\$2,068,563
Annual HC Recommended	\$2,040,000
HC Proceeds Recommended	\$17,440,256

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.

COMPLETENESS AND ISSUES CHECKLIST

DEVELOPMENT NAME: Mercy Village
DATE: August 9, 2024

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.	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 REQUIRED ITEMS:	STATUS	NOT E
	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.	1, 2, 3, 4

NOTES AND DEVELOPER RESPONSES:

1. Completion of the HUD Section 3 pre-construction conference is a condition precedent to loan closing.
2. The Development shall meet the Section 3 requirements of the Housing and Urban Development Act of 1968 as amended (12 U.S.C. 1701u and 24 CFR Part 135) is a condition precedent to loan closing.
3. Moran recommends UES provide specific recommendations for the building foundation and site hardscapes to ensure compliance with construction documents and further recommends confirmation that UES has been retained for on-going material testing. Receipt of an updated geotechnical report and satisfactory review and approval by Moran is a condition precedent to loan closing.
4. Satisfactory receipt of the Affirmative Fair Housing Marketing Plan is a condition precedent to loan closing.



August 7, 2024

Mr. Tim Kennedy
Multifamily Loans & Bonds Director
Florida Housing Finance Corporation
227 N. Bronough Street, Suite 5000
Tallahassee, FL 32301

RE: Asher House RFA 2021-105 (2021-310G)
Financing to Build Smaller Permanent Supportive Housing Properties For Persons With
Developmental Disabilities

Dear Mr. Kennedy:

AmeriNat® (“AmeriNat”) reviewed an application submitted in response to the Florida Housing Finance Corporation (“FHFC” or “Florida Housing”) Request for Applications (“RFA”) 2021-105 for Financing to Build Smaller Permanent Supportive Housing Properties For Persons With Developmental Disabilities on behalf of Human Development Center, Inc. (“Applicant”). The Applicant is requesting \$498,150 of grant funding for the new construction of a single-family home located at 5350 Murrhee Street, Seffner, Hillsborough County, FL, 33584. The single-family home will consist of approximately 3,465 square feet with six bedrooms and three bathrooms, known as the Asher House (the “Development”).

The Development is a Community Residential Home, with Shared Housing, designed to have a maximum of six (6) residents containing six (6) bedrooms and three (3) shared bathrooms. Each resident will have a private bedroom with locking door and non-exclusive access to shared living facilities including a front covered entry, covered rear lanai, Foyer, Great Room, Game Room, Laundry Room, Kitchen with pass through countertops and walk-in pantry. Total Occupancy of the Development shall be limited to no more than six (6) residents. No more than two (2) residents will share one (1) bathroom that must be accessible to them with a locking door. As such, the development will be adding to the supply of units through new construction to serve Persons with Developmental Disabilities with six residents residing at the home.

The Development will set aside six (100%) of the bedrooms to Persons with Development Disabilities as permanent supportive housing, with four bedrooms for tenants with incomes at or below 60% of the Area Median Income (“AMI”) and two bedrooms for tenants with incomes at or below 33% of AMI (“Extremely Low Income”) for a Compliance Period of 10 years.

The Development is a Community Residential Home and should qualify as Intensive Behavior Community Residential Home. It should be considered Shared Housing. As such, the Applicant shall utilize the six bedrooms as Shared Housing throughout the Compliance Period. Income certification of residents will be required throughout the Compliance Period (10 years).

The Applicant, a Florida not-for-profit corporation with a 6-member Board of Directors, was formed January 16, 1978 for the purpose of providing life skills, educational and employment training and services

Mr. Tim Kennedy
Asher House RFA 2021-105 (2021-310G)
August 7, 2024
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to adults diagnosed with intellectual disability, autism, and mental health disorders. The Development will be self-managed by the Applicant and constructed by M. Rodriguez Builders, Inc. (“MRB” or the “General Contractor”).

DEVELOPMENT & SET-ASIDES

Development Name: Asher House

RFA/Program Numbers: 2021-105 / 2021-310G

Address: 5350 Murrhee St

City: Seffner Zip Code: 33584 County: Hillsborough County Size: Large

Development Category: New Construction Development Type: Single Family

Construction Type: Masonry

Demographic Commitment:
Primary: Persons with Developmental Disabilities for 100% of the Units

Program	% of Units	# of Units	% AMI	Term (Years)
<u>Grant</u>	<u>33.30%</u>	<u>2</u>	<u>33%</u>	<u>10</u>
<u>Grant</u>	<u>66.70%</u>	<u>4</u>	<u>60%</u>	<u>10</u>

DEVELOPMENT TEAM

Applicant/Borrower:	<u>Human Development Center, Inc.</u>	%	Ownership
Construction Completion Guarantor(s):			
CC Guarantor 1:	<u>Human Development Center, Inc.</u>		
Developer:	<u>Human Development Center, Inc.</u>		
General Contractor 1:	<u>M. Rodriguez Builders, Inc.</u>		
Management Company:	<u>Human Development Center, Inc.</u>		
Architect:	<u>Harry J. Howard</u>		
Appraiser:	<u>Appraisal Alliance, Inc.</u>		

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Sources of Funds

Source	Lender	Applicant's Revised Total	Underwriter's Total	Interest Rate	Amortization Years	Term Years	Annual Debt Service
FHFC - Legislative Appropriation	FHFC - Grant	\$498,150	\$488,150	n/a	0	10	\$0
Applicant Equity	Applicant	\$771,910	\$848,187				
Total :		\$1,270,060	\$1,336,337				\$0

Grant Funding:

Applicants that commit to New Construction that serves Persons with Development Disabilities may request grant funding amounts as outlined within the RFA. Based on the RFA, the total grant funding includes the base award of \$450,000, plus an additional \$18,050 for predevelopment and credit underwriting costs, and up to \$20,000 for the purchase and installation of a permanent standby generator for a maximum grant amount of \$488,050. The Application included \$10,000 for demolition of an existing structure that is not an occupied, existing Community Residential Home or Supported Living Unit. However, the land that was purchased for construction of the Development is vacant so demolition of an existing structure is not necessary. Based on the total Development costs, it is estimated \$488,150 will be utilized in grant funding, which complies with the requirements of the RFA. Florida Housing will pay the predevelopment and credit underwriting costs directly and deduct the appropriate amounts from the award. Any funding remaining from the amount set aside for predevelopment costs may be utilized for Development costs. Grant proceeds shall be disbursed during the construction phase in an amount per draw which does not exceed the ratio of the grant to the Total Development Cost, unless approved by the Credit Underwriter.

Terms and conditions of the Grant funding will be embodied in the Restrictive Covenant and Grant Agreement and recorded in the public records of the County wherein the development is located. Violation of any material term or condition of the documents evidencing or securing the Grant shall constitute a default. The Grant funding is revocable if the Grant funds are used for any purpose not permitted under the Request for Application or Restrictive Covenant and Grant Agreement or if funds were awarded or disbursed to Grantee based upon fraud or misrepresentation committed by the Grantee during the Compliance Period.

Applicant Equity:

AmeriNat estimates the Applicant will be required to contribute \$848,187 of Applicant Equity to balance the sources and uses of funds. In the event Hard Cost Contingency is not fully expended by 100% lien free completion, the Applicant may be reimbursed any unspent contingency funds. To date, the Applicant has utilized \$525,000 of equity for the purchase of the land.

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Uses of Funds

CONSTRUCTION COSTS:	Revised Applicant Costs	Underwriters Total Costs - CUR	Cost Per Unit
New Rental Units	\$549,370	\$549,370	\$91,562
Site Work	\$40,900	\$40,900	\$6,817
Constr. Contr. Costs subject to GC Fee	\$590,270	\$590,270	\$98,378
General Conditions	\$14,959	\$14,959	\$2,493
Overhead	\$33,910	\$33,910	\$5,652
Profit	\$48,321	\$48,321	\$8,054
Total Construction Contract/Costs	\$687,460	\$687,460	\$114,577
Hard Cost Contingency	\$0	\$34,373	\$5,729
Other: Arch/Eng in GC Contract	\$3,500	\$3,500	\$583
Other: Building Permits in GC Contract	\$2,500	\$2,500	\$417
Other: Survey in GC Contract	\$2,000	\$2,000	\$333
Other: Generator in GC Contract	\$20,000	\$20,000	\$3,333
Other: Impact Fees in GC Contract	\$28,800	\$28,800	\$4,800
Total Construction Costs:	\$744,260	\$778,633	\$129,772

GENERAL DEVELOPMENT COSTS:	Revised Applicant Costs	Underwriters Total Costs - CUR	Cost Per Unit
Appraisal	\$800	\$800	\$133
Building Permits		\$0	\$0
Builder's Risk Insurance		\$1,000	\$167
FHFC Application Fee		\$800	\$133
FHFC Credit Underwriting Fee		\$8,803	\$1,467
FHFC Compliance Fee		\$1,000	\$167
Lender Inspection Fees / Const Admin		\$11,344	\$1,891
Plan and Cost Review Analysis		\$2,400	\$400
Survey		\$1,400	\$233
Title Insurance and Recording Fees		\$750	\$125
Soft Cost Contingency		\$1,557	\$260
Other: TSP Report		\$850	\$142
Other: Grant commitment fee		\$2,000	\$333
Total General Development Costs:	\$800	\$32,704	\$5,451

DEVELOPER FEE ON NON-ACQUISITION COSTS	Revised Applicant Costs	Underwriters Total Costs - CUR	Cost Per Unit
Developer Fee - Unapportioned	\$0	\$0	\$0
Total Other Development Costs:	\$0	\$0	\$0

LAND ACQUISITION COSTS	Revised Applicant Costs	Underwriters Total Costs - CUR	Cost Per Unit
Land	\$525,000	\$525,000	\$87,500
Total Acquisition Costs:	\$525,000	\$525,000	\$87,500
TOTAL DEVELOPMENT COSTS:	\$1,270,060	\$1,336,337	\$222,723

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Notes to Total Development Costs:

- The Applicant provided an executed Building Contract dated June 21, 2024, between the Applicant and the General Contractor illustrating a guaranteed maximum price of \$687,460.14 for the Development’s construction. The General Contractor will achieve construction completion in 10 months from the receipt of building permits. Retainage in the amount of 10 percent per draw shall be held by the Servicer during construction until the Development is 50 percent complete. At 50 percent completion, no additional retainage shall be held from the remaining draws. Release of funds held as retainage shall occur pursuant to the Grant Funding Agreement.

A Plan and Cost Review (“PCR”) was engaged by AmeriNat and performed by On Solid Ground, LLC (“OSG”). OSG summarized their review of the construction contract and schedule of values in a report dated July 15, 2024. The review concludes that the guaranteed maximum price of \$687,460.14 should be considered adequate for satisfactory completion of the proposed development as described in the contract documents. The costs for similar type developments identified in the PCR range from \$141.24 per square foot to \$160.44 per square foot excluding the costs of site work and special construction. The Development has a projected unit cost of \$168.54 per square foot. The construction progress schedule submitted for OSG’s review shows a 10-month duration; OSG stated this time is sufficient. The PCR illustrates allowances totaling \$246,859 within the Schedule of Values, which OSG states is reasonable given the current construction environment due to very high demand for construction materials and equipment. Allowances include:

• Appliances	\$4,000
• Kitchen Cabinets	\$15,600
• Laundry and Vanity Cabinets	\$4,500
• Electrical fixtures	\$1,000
• Front door	\$2,800
• Granite countertops	\$12,800
• Hardware – Levers	\$2,200
• Tile floor material	\$13,900
• Plumbing fixtures	\$3,500
• Shower wall tiles materials	\$5,200
• <u>Sitework and county fees</u>	<u>\$181,359.</u>
Total	\$246,859

- The General Contractor Fee is comprised of Overhead and Profit and does not exceed the maximum 18% of the actual construction costs permitted by the RFA.
- The Architect Fee, Engineering Fees, Building Permits, Survey, Impact Fees, and Generator costs are included in the Schedule of Values and reflected as Reimbursables.
- A Hard Cost Contingency of 5% and a Soft Cost Contingency of 5% of General Development Costs was utilized by AmeriNat, which meets the requirements of the RFA.
- The FHFC Credit Underwriting Fee includes an \$8,653 fee for credit underwriting and \$150 credit report fee.
- For Inspection Fees/Construction Admin., AmeriNat estimates the cost of five construction site inspections (\$800 each) and six draw reviews including the closing draw (6 hours per draw at \$204

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per hour). Per the RFA, the fees related to up to four draws are eligible for reimbursement from the Grant Funding Agreement. The remaining inspection and reviews will be paid with Applicant Equity.

- In accordance with the RFA, the Applicant will pay a Grant Commitment Fee which is limited to 1% of the amount of the final Grant award, up to a maximum of \$2,000, to be paid at closing, and is eligible for reimbursement from the grant funding.
- In accordance with the RFA, the Applicant will pay the Compliance Monitoring fee at a rate of \$100 per year for 10 years (the "Compliance Period").
- The Applicant provided a Special Warranty Deed executed as of October 21, 2022, between Independence Realty Developers LLC (the "Seller") and the Applicant. An accompanying Closing Statement illustrates the terms in which the Seller conveyed the land to the Applicant for a purchase price of \$525,000.

An Appraisal dated June 10, 2024, performed by Mr. Paul T. Willies, of Appraisal Alliance, Inc., identified an "As Is" value for the vacant land of \$1,660,000, which supports the purchase price.

- Per the RFA, Developer Overhead is limited to 10% of Development Costs; however, the Developer is foregoing this fee.

Construction Features and Amenities

The Applicant committed to provide certain required and optional construction features and amenities within the RFA as outlined within Exhibit A of this recommendation. According to Scope of Work in the Property Construction Agreement between the Applicant and the General Contractor, the General Contractor shall adhere to the required and optional construction features and amenities of Section Four A.7. of the RFA which are included in the contract documents. OSG, the Construction Inspector engaged by AmeriNat, will verify the required construction features and amenities have been constructed at the Development.

Third Party Reports

Appraisal:	An Appraisal dated June 10, 2024, was completed by Mr. Paul T. Willies, a State Certified Real Estate Appraiser whose license is RZ2762 which expires November 30, 2024. Per the appraisal, the as-is market value of the land is \$1,660,000, which supports the purchase price of \$525,000.
Blower Door Test:	N/A New Construction
HVAC Inspection:	N/A New Construction
Home Inspection:	N/A New Construction
Soils Test Report:	The Applicant supplied a Geotechnical Engineering Services report where Tierra, Inc. ("Tierra") completed geotechnical services and supplied subsurface information for a previously planned multifamily development at

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the site. Seven standard penetration test borings were conducted to maximum depths of 30 feet below the ground surface, five auger borings to depths of 5 to 9 ½ feet, and an additional 37 hand auger borings to explore the limits of organic soils that were encountered. The borings encountered fine sand, clayey sand, organic sand and sandy silt throughout the boring exploration depths of 20 feet. The groundwater level was encountered at 5 to 7 feet across multiple boring locations at the time of exploration. It should be noted that groundwater levels tend to fluctuate throughout the year. The report concluded the proposed buildings may be supported by conventional shallow foundations after proper site preparation. OSG reviewed the geotechnical report and confirmed a shallow concrete foundation system.

Transaction Screen
Assessment:

A Transaction Screen Process Report (“TSP”) dated September 9, 2022, was performed by GLE Associates, Inc. (“GLE”) in accordance with the scope and limitations of ASTM Practice E 1528-14. Based upon a site inspection performed by GLE on September 1, 2022, the assessment revealed no evidence of any potential environmental concern. Based on the findings and conclusions of the TSP, no additional assessment appear warranted at this time.

Plan & Cost Review:

A Plan and Cost Review was engaged by AmeriNat and performed by OSG. OSG summarized their findings, conclusions and recommendations in a Final PCR dated July 15, 2024. OSG analyzed the construction drawings, specifications, budget, and other construction related documents, and provided comments and recommendations. The construction drawings reviewed provide the basic information necessary to satisfactorily complete construction of the proposed 6 bedroom/3 bath home for Persons with Developmental Disabilities, once combined with normal subcontractor-supplied shop drawings and submittals. The Applicant committed to provide certain Features and Amenities in accordance with the RFA and Application. The PCR confirms the features and amenities to be constructed at the Development are in accordance with the representations made in the Application. OSG concludes the Development’s design is in general conformance with Fair Housing Act Design Guide as implemented by 24 CFR 100 (“Fair Housing”), Section 504 of the Rehabilitation Act of 1973 (“Section 504”) 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; with the exceptions noted below:

- 603.2.3 Door Swing: The ADA bathroom door swings into the clear floor space of the lavatory.
- The Building Contract specifies a wireless doorbell and chime box for audible/visual compliance; however, the doorbell must be wired.

The review concludes that the guaranteed maximum price of \$687,460.14 should be considered adequate for satisfactory completion of the proposed development as described in the contract documents. The costs for similar

Mr. Tim Kennedy
Asher House RFA 2021-105 (2021-310G)
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type developments identified in the PCR range from \$141.24 per square foot to \$160.44 per square foot excluding the costs of site work and special construction. The Development has a projected unit cost of \$168.54 per square foot. The construction progress schedule submitted for OSG’s review shows a 10-month duration; OSG stated this time is sufficient. The PCR illustrates allowances totaling \$246,859 within the Schedule of Values, which OSG states is reasonable for this development. Allowances include:

• Appliances	\$4,000
• Kitchen Cabinets	\$15,600
• Laundry and Vanity Cabinets	\$4,500
• Electrical fixtures	\$1,000
• Front door	\$2,800
• Granite countertops	\$12,800
• Hardware – Levers	\$2,200
• Tile floor material	\$13,900
• Plumbing fixtures	\$3,500
• Shower wall tiles materials	\$5,200
• <u>Sitework and county fees</u>	<u>\$181,359.</u>
Total	\$246,859

Receipt of a final PCR that confirms the Development meets the applicable accessibility requirements and features is a condition precedent to the Grant closing.

Resident Community-
Based Services
Coordination Plan:

Receipt and Approval by the Florida Housing Policy Administrator of a Resident Community-Based Services Coordination Plan is a condition precedent to the Grant Closing.

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Recommendation

AmeriNat recommends the issuance of a grant of \$488,150 to the Applicant for the construction financing of the Development. This recommendation is contingent upon the review and approval of the following items by Florida Housing, its Legal Counsel and Servicer, at least two weeks prior to real estate loan closing. Failure to submit and to receive approval of these items within this time frame may result in postponement of the loan closing date. The closing is subject to the following conditions:

1. Receipt and Approval of the Resident Community Based Services Coordination Plan by Florida Housing Policy Administrator.
2. Receipt of a final PCR that confirms the Development meets the applicable accessibility requirements and features.
3. Review and approval of all grant documentation by Florida Housing, its Legal Counsel and AmeriNat.
4. Payment of all costs and fees payable to Florida Housing, its Legal Counsel and AmeriNat.
5. Payment of the Grant Commitment Fee of \$2,000.
6. Prepayment of the required Compliance Monitoring Fees of \$1,000.
7. Satisfactory resolution of any outstanding past due and/or noncompliance items.
8. Payment of any outstanding arrearages to FHFC, 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, of an Applicant or a Developer).
9. Evidence the Applicant executed a Construction Completion Guaranty to be released at 100% lien free completion of construction.
10. On Solid Ground shall serve as Florida Housing inspector during the construction phase and verify that the construction features and amenities committed to by the Applicant have been constructed, as well as any additional RFA requirements, where applicable.
11. Receipt of building permits and any other necessary approvals. 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). If a letter is provided, copies of all permits will be required as a condition of the first post-closing draw.
12. Evidence that each condition of Grant Funding as outlined in Part III Program Procedures and Requirements for Grant Funding of the RFA has been provided to the satisfaction of Florida Housing, its Legal Counsel and its Servicer.

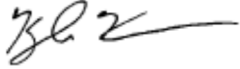
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13. Receipt of evidence of adequate insurance coverage pursuant to the Request for Application governing this proposed transaction and, as applicable, the FHFC Insurance Guide.
14. Receipt and satisfactory review of financial statements dated within 90 days of closing if audited, compiled or reviewed statements are over a year old or if un-audited statements are over 90 days old, and evidence of unrestricted funds on deposit in a separate account equal to or more than the amount of Applicant Equity required to complete construction.
15. Final sources and uses of funds schedule itemized by source and line items, in a format and in amounts approved by the Servicer, and a final construction draw schedule showing itemized sources and uses of funds for each monthly draw. The closing draw shall include appropriate backup and ACH wiring instructions.
16. Execution by Applicant of any documents FHFC deems necessary including, but not limited to, the Restrictive Covenant and Grant Agreement, and a Completion and Operating Deficit Guaranty.
17. Satisfactory receipt and review of a signed and sealed survey which is acceptable to AmeriNat, FHFC, and its Legal Counsel.
18. 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.
19. Any required Applicant equity, as applicable, must be deposited into a separate account prior to closing, which will be verified by AmeriNat. Construction costs associated with the Development are to be withdrawn from the separate account first. Once the account is depleted, Applicant will request funds from the Grant award to complete construction on the Development. Invoices must be submitted to AmeriNat for approval of all funds associated with the construction of the Development.
20. 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. Receipt and satisfactory review of financial statements dated within 90 days of closing if audited, compiled or reviewed statements are over a year old or if un-audited statements are over 90 days old, and evidence of unrestricted funds on deposit in a separate account equal to or more than the amount of Applicant Equity required to complete construction.
21. Any other due diligence required by FHFC, its Legal Counsel or AmeriNat.

Mr. Tim Kennedy
Asher House RFA 2021-105 (2021-310G)
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This recommendation is valid for six months from the date of this report. Please contact me with any questions or comments.

Sincerely,

A handwritten signature in black ink, appearing to read 'K. Kuenn', with a long horizontal stroke extending to the right.

Kyle Kuenn
Multifamily Chief Credit Underwriter

Enclosure

EXHIBIT "A"
ASHER HOUSE / RFA 2021-205 (2021-310G)
DESCRIPTION OF FEATURES AND AMENITIES

- A.** The Development will consist of **6** bedrooms and **3** bathrooms.
1. Each Resident shall have a private Bedroom with a locking door;
 2. For every two Residents, there must be at least one full bathroom with a locking door that is accessible to those Residents; and
 3. Community Residential Homes must have no more than six (6) Residents per Unit.
- B.** The Development is to be constructed in accordance with the final plans and specifications approved by the authority having jurisdiction, 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. The Development will conform to requirements of local, state & federal laws, rules, regulations, ordinances, orders and codes.

All proposed Developments must meet all federal requirements and state building code requirements, including, but not limited to:

1. Florida Accessibility Code for Building Construction as adopted pursuant to Section 553.503, F.S.;
2. The Fair Housing Act as implemented by 24 CFR 100 regardless of the age of the Development*; and
3. 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.

*To the extent that a Development is not otherwise subject to The Fair Housing Act as implemented by 24 CFR 100, the Development shall nevertheless comply with The Fair Housing Act as implemented by 24 CFR 100 as requirements of the Corporation funding program to the same extent as if the Development were subject to The Fair Housing Act as implemented by 24 CFR 100 in all respects. To that end, when certain construction feature standards and requirements are otherwise not applicable due to the age of the building, all Developments receiving Corporation funding will be treated as if they are applicable.

- C.** The Development must provide the following General and Green Building Features listed below:
1. Termite prevention and pest control throughout the entire Compliance Period;
 2. Window covering for each window and glass door inside each unit;
 3. 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;
 4. Number of full bathrooms in each unit of the proposed Development must be equal to or greater than the number of existing full bathrooms;

5. Installation of a permanent, standby generators in all Community Residential Homes. The permanent, standby generator must be purchased from a manufacturer certified distributor that has certified installers who meet the required product and installation specifications; and
 6. A full-size range and oven in all Units;
 7. Low or No-VOC paint for all interior walls (Low-VOC means 50 grams per liter or less for flat paint; 150 grams per liter or less for non-flat paint);
 8. 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;
 9. Energy Star certified refrigerator;
 10. Energy Star certified dishwasher;
 11. Energy Star certified washing machine, if provided;
 12. Energy Star certified fans in all bathrooms; and
 13. Minimum SEER of 15 for air conditioners.
- D.** The Developments must provide the Accessibility, Adaptability, Universal Design and Visitability features listed below:
1. For a Community Residential Home, in accordance with the Federal and state accessibility codes, must provide accessibility features in all common areas, including the kitchen, 50 percent of the Bedrooms and a minimum of one (1) bathroom must be fully accessible, in accordance with the 2010 ADA Standards for Accessible Design. These fully accessible Bedrooms and the fully accessible bathroom(s) shall provide mobility features that comply with the Residential Dwelling Units provision of the 2010 ADA Standards for Accessible Design. At least one of the total Bedrooms shall be accessible to persons with visual and hearing impairments in accordance with the 2010 ADA Standards for Accessible Design. The Bedroom(s) that is accessible to persons with visual and hearing impairments shall comply with the communication features described for Residential Dwelling Units with Communication Features in the 2010 ADA Standards for Accessible Design.
 2. For Supported Living Units, a minimum of 50 percent of the total Units shall be fully accessible in accordance with the 2010 ADA Standards for Accessible Design. These fully accessible Units shall provide mobility features that comply with the Residential Dwelling Units provision of the 2010 ADA Standards for Accessible Design. At least one of the total Units shall be accessible to persons with visual and hearing impairments in accordance with the 2010 ADA Standards for Accessible Design. The Unit(s) that is accessible to persons with visual and hearing impairments shall comply with the communication features described for Residential Dwelling Units with Communication Features in the 2010 ADA Standards for Accessible Design.
 3. The Development must provide an accessible route that meets the 2010 ADA Standards for Accessible Design. A continuous, unobstructed path throughout the site and the building that connects all the accessible features, elements, and spaces shall be provided. This shall include the back yard and all amenities of the Development;
 4. The primary entrance door shall have a threshold with no more than a ½-inch rise;
 5. Thresholds at doorways of exterior sliding doors shall not exceed ½-inch in height;

6. When a secondary exterior door exits onto decks, patios, or balcony surfaces constructed of impervious materials, such as concrete or asphalt, the accessible route may be interrupted. In this case, the outside landing surface may be dropped a maximum of 4 inches below the floor level of the interior of the dwelling unit to prevent water infiltration at door sills, as allowed in the Fair Housing Act Guidelines;
7. If the exterior surface is constructed of pervious material, such as a wood deck that will drain adequately, that surface must be maintained to within ½-inch of the interior floor level;
8. All exterior doors shall provide a clear opening of not less than 32 inches. This includes the primary entrance door, all sliding glass doors, French doors, other double-leaf doors, doors that open onto private decks, balconies, and patios, and any other exterior doors;
9. All door handles on primary entrance door and interior doors must have lever handles;
10. Interior doorways shall provide a clear opening of not less than 32 inches;
11. All interior doorways must have flush thresholds;
12. Hall widths must be at least 36 inches wide to allow a person in a wheelchair to make a 90 degree turn into or out of a 32" door opening;
13. Lever handles on all bathroom faucets and kitchen sink faucets;
14. Toilets must be 16.5 inches in height as measured from the finished floor to the top of the toilet seat; and
15. Mid-point on light switches and thermostats shall not be more than 48 inches above finished floor level.

FLORIDA HOUSING FINANCE CORPORATION

Credit Underwriting Report

FOX POINTE

RFA 2023-108 (2023-192CRA)

Rental Recovery Loan Program (“RRLP”), Extremely Low-Income Loan Program (“ELI”), Home Investment Partnership Program Assistance from the American Rescue Plan Act (“HOME-ARP”) and 9% Competitive Housing Credits (“HC”)

HC and RRLP Financing for Homeless Housing Developments Located in Medium and Large Counties Affected by Hurricanes Ian and Nicole

Section A: Report Summary

Section B: RRLP, ELI & HOME-ARP Special and General Conditions and Housing Credit Allocation Recommendation and Contingencies

Section C: Supporting Information and Schedules

Prepared by

AmeriNat®

Final Report

August 12, 2024

FOX POINTE

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Section A
Report Summary

Recommendation

AmeriNat® (“AmeriNat”) recommends a RRLP loan in the amount of \$4,200,000, comprised of a RRLP Base Loan in the amount of \$3,964,500 plus a RRLP ELI loan in the amount of \$235,500, a HOME-ARP loan in the amount of \$1,392,300 and an annual allocation of 9% competitive HC in the annual amount of \$2,040,000 to HfH Fox Pointe, LLC (“Applicant”) for the construction and permanent phase financing of Fox Pointe (the proposed “Development”).

DEVELOPMENT & SET-ASIDES																						
Development Name:		<u>Fox Pointe</u>																				
RFA/Program Numbers:		<u>RFA 2023-108</u>			/			<u>2023-192CRA</u>														
Address:		<u>1088 10th Street</u>																				
City:		<u>Holly Hill</u>			Zip Code:			<u>32117</u>			County:			<u>Volusia</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>Homeless</u> for <u>50%</u> of the Units																				
Unit Composition:		# of ELI Units: <u>14</u> ELI Units Are Restricted to <u>30%</u> AMI, or less. Total # of units with PBRA? <u>0</u>																				
		# of Link Units: <u>0</u> Are the Link Units Demographically Restricted? <u>No</u> # of NHTF Units: <u>0</u>																				

Bed Rooms	Bath Rooms	Units	Square Feet	AMI%	Low HOME Rents	High HOME Rents	Gross HC Rent	Utility Allow.	Net Restricted Rents	PBRA Contr Rents	Applicant Rents	Appraiser Rents	CU Rents	Annual Rental Income
1	1.0	4	664	22%	\$726		\$319	\$100	\$219		\$212	\$219	\$219	\$10,512
2	2.0	2	925	22%	\$871		\$383	\$130	\$253		\$249	\$253	\$253	\$6,072
3	2.0	1	1,112	22%	\$1,006		\$442	\$161	\$281		\$283	\$281	\$281	\$3,372
1	1.0	8	664	30%			\$435	\$100	\$335		\$328	\$335	\$335	\$32,160
2	2.0	4	925	30%			\$522	\$130	\$392		\$388	\$392	\$392	\$18,816
3	2.0	2	1,112	30%			\$603	\$161	\$442		\$444	\$389	\$389	\$9,336
1	1.0	7	664	60%			\$871	\$100	\$771		\$474	\$450	\$450	\$37,800
2	2.0	6	925	60%			\$1,045	\$130	\$915		\$563	\$420	\$420	\$30,240
3	2.0	1	1,112	60%			\$1,207	\$161	\$1,046		\$646	\$389	\$389	\$4,668
1	1.0	7	664	60%			\$871	\$100	\$771		\$764	\$771	\$771	\$64,764
2	2.0	5	925	60%			\$1,045	\$130	\$915		\$911	\$915	\$915	\$54,900
3	2.0	2	1,112	60%			\$1,207	\$161	\$1,046		\$1,048	\$1,046	\$1,046	\$25,104
1	1.0	10	664	80%			\$1,162	\$100	\$1,062		\$1,055	\$1,062	\$1,062	\$127,440
2	2.0	7	925	80%			\$1,394	\$130	\$1,264		\$1,260	\$1,264	\$1,264	\$106,176
3	2.0	4	1,112	80%			\$1,610	\$161	\$1,449		\$1,451	\$1,449	\$1,449	\$69,552
		70	57,224											\$600,912

Homeless Commitment: The Applicant committed to set aside at least 50% (35 units), but less than 80% (56 units), of the total units to be set aside for Homeless individuals and families; and at least 20% of the total units (14 units) for Persons with Special Needs, which may be the same units set aside for Homeless individuals and families. The Applicant must irrevocably commit to the Homeless Individuals and Families demographic commitment selected for a minimum of 50 years.

The Persons with Special Needs commitment is required for a minimum of 15 years. After the initial 15 years, the Applicant may submit a request to FHFC that allows the Applicant to commit to a different population(s) demographic commitment provided at 2.b. of Exhibit A if the appropriate Level 1 or Level 2

Accessibility Requirements are met at the Development for the population(s). Further, the Applicant selected the following Persons with Special Needs populations the Development will serve:

- Adult persons requiring independent living services in order to maintain housing or develop independent living skills and who have a Disabling Condition that currently impairs or is likely to impair their physical mobility;
- Persons receiving benefits under the Social Security Disability Insurance program or the Supplemental Security Income program or from veterans' disability benefits;
- Adult persons requiring independent living services in order to maintain housing or develop independent living skills and who have a Disabling Condition that neither currently impairs nor is likely to impair their physical mobility, such as persons with a mental illness.

All Applicants must meet the following requirements specific to its commitment, pursuant to RFA 2023-108, to serve Homeless households:

1. The Applicant must have an executed agreement to participate in the Continuum of Care ("CoC") Homeless Management Information System ("HMIS") and will contribute data on the Development's tenants to the CoC's HMIS data system, or if serving Survivors of Domestic Violence is providing aggregate data reports to the CoC. The executed agreement shall be required at least 6 months prior to the expected placed-in-service date.
2. The Applicant must also commit to be a housing provider in the Local Homeless Assistance CoC's Homeless Coordinated Entry system as required by the U.S. Department of Housing and Urban Development.

The Applicant selected Average Income Test; therefore, as required by the RFA 2023-108 ("RFA"), the Applicant must set aside 20% of the total units (14 units) as ELI Set-Aside units at 30% of 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 who are referred by a FHFC-designated Special Needs Household Referral Agency.

HOME ARP Units Set-Aside Commitment: The proposed Development must set-aside seven (7) units as HOME-ARP 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 21 units targeted for Persons with Special Needs (ELI-14 units, HOME-ARP-7 units). The Persons with Special Needs set-aside commitment must be maintained throughout the entire 50-year Compliance Period. A Tenant Selection Plan ("TSP"), as required by RFA 2023-108, was approved by FHFC on July 18, 2023.

RRLP, ELI, HOME-ARP AND HC CREDIT UNDERWRITING REPORT

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Buildings: Residential - 1 Non-Residential - 0
 Parking: Parking Spaces - 140 Accessible Spaces - 5

Set Asides:	Program	% of Units	# of Units	% AMI	Term (Years)
	HC / RRLP / ELI	20.000%	14	30%	50
	HC / RRLP	50.000%	35	60%	50
	HC / RRLP	30.000%	21	80%	50
	HC / HOME-ARP	10.000%	7	22%	50

Absorption Rate: 30 units per month for 2.5 months.

Occupancy Rate at Stabilization: Physical Occupancy 94.50% Economic Occupancy 93.50%
 Occupancy Comments 95.7% weighted occupancy rate for the CMA per the Market Study

DDA: No QCT: No Multi-Phase Boost: No QAP Boost: Yes - 30%
 Site Acreage: 6.27 Density: 11.16 Flood Zone Designation: X
 Zoning: current: PUD; future: Medium Density Residential Flood Insurance Required?: No

DEVELOPMENT TEAM

Applicant/Borrower:	HfH Fox Pointe, LLC	% Ownership
General Partner	HfH Fox Pointe MM, LLC	0.009%
General Partner	HTG Fox Pointe, LLC	0.001%
Limited Partner	Raymond James Affordable Housing Investments or an affiliate thereof	99.990%
Construction Completion Guarantor(s):		
CC Guarantor 1:	HfH Fox Pointe, LLC	
CC Guarantor 2:	HfH Fox Pointe MM, LLC	
CC Guarantor 3:	HTG Fox Pointe, LLC	
CC Guarantor 4:	HTG Fox Pointe Developer, LLC and HfH Fox Pointe Developer, LLC	
CC Guarantor 5:	HTG Florida Developer, LLC	
CC Guarantor 6:	Rieger Holdings, LLC, MGM Properties, LLC and Balogh Affordable Housing, LLC	
CC Guarantor 7:	Matthew Rieger and Matthew A. Rieger Investment Trust	
Operating Deficit Guarantor(s):		
OD Guarantor 1:	HfH Fox Pointe, LLC	
OD Guarantor 2:	HfH Fox Pointe MM, LLC	
OD Guarantor 3:	HTG Fox Pointe, LLC	
OD Guarantor 4:	HTG Fox Pointe Developer, LLC and HfH Fox Pointe Developer, LLC	
OD Guarantor 5:	HTG Florida Developer, LLC	
OD Guarantor 6:	Rieger Holdings, LLC, MGM Properties, LLC and Balogh Affordable Housing, LLC	
OD Guarantor 7:	Matthew Rieger and Matthew A. Rieger Investment Trust	
Developer:	HTG Fox Pointe 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 Rieger	
Co-Developer:	HfH Fox Pointe Developer, LLC	
Principal 1	Housing for Homeless, Inc.	
General Contractor 1:	Park & Eleazer Construction, LLC	
Management Company:	HTG Management, LLC	
Syndicator:	Raymond James Affordable Housing Investments or an affiliate thereof	
Architect:	Fugleberg Koch, LLC	
Market Study Provider:	Meridian Appraisal Group, Inc.	
Appraiser:	Meridian Appraisal Group, Inc.	

RRLP, ELI, HOME-ARP AND HC CREDIT UNDERWRITING REPORT

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PERMANENT FINANCING INFORMATION						
	1st Source	1st Source	2nd Source	3rd Source	4th Source	Other
Lien Position	1	1	3	4		
Lender/Grantor	FHFC- RRLP	FHFC - RRLP ELI	FHFC - HOME-ARP	Volusia County SHIP and HOME-ARP		
Amount	\$3,964,500	\$235,500	\$1,392,300	\$1,995,334		
Underwritten Interest Rate	0.80%	0.00%	0.00%	0.00%		
All In Interest Rate	0.80%	0.00%	0.00%	0.00%		
Loan Term	15	15	30	50		
Amortization	n/a	n/a	n/a	n/a		
Market Rate/Market Financing LTV	41.9%	44.4%	59.1%	80.1%		
Restricted Market Financing LTV	144.7%	153.3%	204.1%	276.9%		
Loan to Cost - Cumulative	14.8%	15.7%	20.8%	28.3%		
Debt Service Coverage	3.26	3.26	2.95	2.95		
Operating Deficit & Debt Service Reserves	\$1,048,762					
# of Months covered by the Reserves	24.2					

Deferred Developer Fee	\$1,088,233
As-Is Land Value	\$1,400,000
Market Rent/Market Financing Stabilized Value	\$9,470,000
Rent Restricted Market Financing Stabilized Value	\$2,740,000
Projected Net Operating Income (NOI) - Year 1	\$140,866
Projected Net Operating Income (NOI) - 15 Year	\$109,649
Year 15 Pro Forma Income Escalation Rate	2.00%
Year 15 Pro Forma Expense Escalation Rate	3.00%
Housing Credit (HC) Syndication Price	\$0.89
HC Annual Allocation - Initial Award	\$2,040,000
HC Annual Allocation - Qualified in CUR	\$2,040,000
HC Annual Allocation - Equity Letter of Interest	\$2,040,000

CONSTRUCTION/PERMANENT SOURCES:				
Source	Lender	Construction	Permanent	Perm Loan/Unit
Regulated Mortgage Lender	TD Bank, N.A.	\$13,500,000	\$0	\$0
FHFC - RRLP	FHFC	\$2,849,126	\$3,964,500	\$56,636
FHFC - RRLP ELI	FHFC	\$235,500	\$235,500	\$3,364
FHFC - HOME	FHFC	\$1,392,300	\$1,392,300	\$19,890
Local Government Subsidy	Volusia County SHIP and HOME-ARP	\$1,995,334	\$1,995,334	\$28,505
HC Equity	RJAH	\$5,769,558	\$18,154,184	\$259,345
Deferred Developer Fee	Developer	\$1,088,233	\$1,088,233	\$15,546
TOTAL		\$26,830,051	\$26,830,051	\$383,286

Credit Underwriter:	AmeriNat Loan Services		
Date of Final CUR:	08/12/2024		
TDC PU Limitation at Application:	\$355,556	TDC PU Limitation at Credit Underwriting:	N/A
Minimum 1st Mortgage per Rule:	N/A	Amount Dev. Fee Reduced for TDC Limit:	N/A

Based on Rule Chapter 67-48, the Development will only use its actual committed debt since the Development has a demographic commitment of Homeless and Persons with Special Needs. Therefore, the minimum qualified first mortgage determination does not apply.

According to the RFA, no Total Development Cost (“TDC”) limitations apply.

Changes from the Application:

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

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

- According to the Application, the Applicant indicated a first mortgage construction loan from JP Morgan Chase Bank, N.A. ("Chase") in the amount of \$13,000,000 and a \$1,000,000 permanent loan. TD Bank, N.A. is now providing a \$13,500,000 first mortgage construction, with the RRLP loan elevating to 1st lien position during the permanent period.

Raymond James Tax Credit Funds, Inc. ("RJTCF") is the HC Syndicator and Investor Member of the Applicant and their per credit pricing decreased from \$0.90/dollar to \$0.89/dollar. The overall HC contribution decreased from \$18,358,164 to \$18,154,184.
- TDC has increased by \$1,131,786 from \$25,698,265 to \$26,830,051 since the Application due to increases in general development costs, financial costs, Developer Fee, and reserves.

3. Gomez Construction Company has been replaced by Park and Eleazer Construction LLC (“PEC”) as the general contractor in the transaction. A General Contractor Certification and Prior Experience Chart has been received for PEC.
4. The Applicant submitted a request dated December 6, 2023 to revise the legal description. FHFC staff approved this change on December 20, 2023.

The above changes have no material impact to the RRLP / ELI / HOME-ARP / HC recommendation for the Development.

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

According to the FHFC Asset Management Noncompliance Report dated October 18, 2023, no noncompliance issues exist for the Development Team.

According to the FHFC Past Due Report dated July 12, 2024, no past due issues exist for the Development Team.

This recommendation is subject to satisfactory resolution of any outstanding past due or noncompliance issues prior to 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 was performed by Meridian Appraisal Group, Inc. (“Meridian”) that identifies eight existing comparable affordable properties located within the Competitive Market Area (“CMA”) with a total of 1,520 units. The report concludes an average weighted occupancy rate for the CMA of 95.7% which satisfies the minimum 92% occupancy rate requirement of Rule Chapter 67-48 F.A.C. The performance of comparable properties indicates significant demand for affordable housing.

Other Considerations:

1. To the underwriter’s knowledge, no construction cost exceeding 20% is subcontracted to any one entity.
2. To the underwriter’s knowledge, no construction cost shall be subcontracted to any entity that has common ownership or is an Affiliate of the General Contractor or Developer.

Issues and Concerns:

None

Waiver Requests:

1. The Applicant requested on July 17, 2024 a hard cost contingency of 7.00%. The Plan and Cost Review completed by GLE Associates, Inc. recommends a 4% - 6% hard cost contingency; however, the percentage requested is in excess of the Rule and RFA requirements. Per the RFA and Rule, the maximum hard cost contingency is 5%. At the April 1, 2022 FHFC Telephonic Board meeting, the Board delegated staff to approve contingency reserve increases upon recommendations by the credit

underwriter. AmeriNat recommends that FHFC approve the contingency of 6.00%. FHFC staff approval is a condition precedent to loan closing.

Special Conditions:

1. Receipt of a P&P bond in the full amount of the Construction Contract is a condition precedent to loan closing.
2. Completion of the HUD Section 3 pre-construction conference is a condition precedent to loan closing.
3. The Development shall meet the Section 3 requirements of the Housing and Urban Development Act of 1968 as amended (12 U.S.C. 1701u and 24 CFR Part 75) is a condition precedent to loan closing.
4. FHFC staff approval of the Resident Community-Based Service Coordination Plan is a condition precedent to loan closing.
5. Receipt, review and approval of a final Plan and Cost Review is a condition precedent to loan closing.
6. Receipt of the Affirmative Fair Housing Marketing Plan is a condition precedent to loan closing.
7. FHFC staff approval of the increase in the hard cost contingency is a condition precedent to loan closing.

Additional Information:

1. Florida Housing's RRLP Program has a loan maximum of 25% of Total Development Costs ("TDC") unless it qualifies as an exception. The proposed RRLP funding for the Development totaling \$4,200,000 equates to 15.7% of the underwritten TDC. As such, it complies with the RFA for the RRLP Program.
2. The Applicant submitted a request dated April 24, 2024 to extend the site control and 10% Test deadline for the Development from April 30, 2024 to October 30, 2024. Staff approved the request as of April 24, 2024.
3. The Applicant submitted a request to FHFC dated June 26, 2024 for a 2024 HC swap for the Development. FHFC staff approval is pending.
4. The Applicant submitted a request to FHFC dated July 9, 2024 to extend the Limited Partnership Agreement and Notice of Commencement deadline for the Development from July 31, 2024 to January 31, 2025. FHFC staff approval is pending.

Recommendation:

AmeriNat recommends a RRLP loan in the amount of \$4,200,000, comprised of a RRLP Base Loan in the amount of \$3,964,500 plus a RRLP ELI loan in the amount of \$235,500, a HOME-ARP loan in the amount of \$1,392,300, and an annual allocation of 9% HC in the amount of \$2,040,000 be made to the Applicant for the construction and permanent phase financing of Fox Pointe.

These recommendations are based upon the assumptions detailed in the Report Summary (Section A) and Supporting Information and Schedules (Section C). In addition, these recommendations are subject to the RRLP, ELI & HOME ARP Loan Special and General Conditions Recommendation (Section B). This

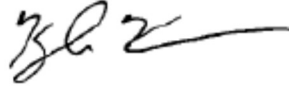
recommendation is only valid for six months from the date of the report. The reader is cautioned to refer to these sections for complete information.

Prepared by:



George J. Repity
Sr. 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
Regulated Mortgage Lender	TD Bank, N.A.	\$13,000,000	\$13,500,000	\$13,500,000	8.69%	\$1,173,150
FHFC - RRLP	FHFC	\$3,964,500	\$3,964,500	\$2,849,126	0.80%	\$31,716
FHFC - RRLP ELI	FHFC	\$235,500	\$235,500	\$235,500	0.00%	\$0
FHFC - HOME	FHFC	\$1,392,300	\$1,392,300	\$1,392,300	0.00%	\$0
Local Government Subsidy	Volusia County SHIP and HOME-ARP	\$0	\$2,000,000	\$1,995,334	0.00%	\$0
HC Equity	RJAH	\$9,179,082	\$4,589,541	\$5,769,558		
Deferred Developer Fee	Developer	\$3,000,000	\$330,350	\$1,088,233		
Total :		\$30,771,382	\$26,012,191	\$26,830,051		\$1,204,866

Proposed First Mortgage Loan:

The Applicant provided a term sheet from TD Bank, N.A. (“TDB”) dated as of June 18, 2024. The term sheet illustrates that TDB will provide a construction period only loan in an amount not to exceed \$13,500,000. The maximum term of the loan shall be 24 months from the date of loan closing, plus one six-month extension. The extension of the construction loan is contingent upon the following:

- lien free completion
- issuance of temporary certificate of occupancy
- a funded interest reserve sufficient to cover anticipated interest through the extension period
- other customary extension conditions including no default or event of default and notice periods and 50% minimum leasing
- The extension option shall only be available if the Permanent Loan and other subordinate loan commitments accommodate the extended maturity

The construction loan will bear interest at a variable rate based on the 30-day LIBOR rate plus a 2.50% spread with a 0.00% floor. The current LIBOR is 5.44%; therefore, the effective rate would be 7.94%. AmeriNat added an additional 0.75% underwriting cushion to the rate stack for an all-in interest rate of 8.69%.

Please note that the subordinate mortgages described hereafter will elevate one lien level as the TDB loan will be satisfied prior to permanent loan conversion.

Proposed Second Mortgage Loan:

The Applicant applied to Florida Housing for a RRLP loan in the amount of \$4,200,000 comprised of a RRLP Base Loan in the amount of \$3,964,500 plus a RRLP ELI loan in the amount of \$235,500 under RFA 2023-108 for construction/permanent financing of the Development. The RRLP Base loan total term will be 17.5 years (including a 30-month construction/stabilization period and a 15-year permanent period) as permitted by the RFA.

The RRLP Base loan shall be non-amortizing with an interest rate, as per the RFA, which is a combination of 0.00% for the 14 ELI units and 1.00% for the 56 non-ELI units and yields a blended rate of 0.80% 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 RRLP Base loan, all principal and accrued interest will be due. Annual payments of all applicable fees will be required. RRLP Base loan proceeds shall be disbursed during the construction phase in an amount per construction draw which does not exceed the ratio of the RRLP Base loan to Total Development Costs, unless approved by the credit underwriter. Based on the analysis presented herein, a total of \$2,849,126 in RRLP Base loan proceeds are needed during the construction phase of the Development.

The Applicant applied to Florida Housing for a RRLP ELI loan of \$235,500 for construction/permanent financing of the Development. The RRLP 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 RRLP ELI loan total term will be 17.5 years (including a 30-month construction/stabilization period and a 15-year permanent period) as permitted by the RFA. ELI loan proceeds shall be disbursed during the construction phase in an amount per construction draw which does not exceed the ratio of the ELI loan to Total Development Costs, unless approved by the credit underwriter. Please note the total of \$4,200,000 in RRLP Base loan and RRLP ELI funding is the maximum allowable per the RFA.

Proposed Third Mortgage:

Per the Invitation to Enter Credit Underwriting dated June 20, 2023, the Applicant is eligible for a HOME-ARP loan of \$1,392,300 for the construction/permanent financing of the Development. The HOME-ARP loan shall be a non-amortizing loan with an interest rate of 0.00% per annum for a total term of 32.5 years (including a 30-month construction/stabilization period and 30-year permanent term). The principal of the loan will be forgiven at maturity provided the units for which the HOME-ARP loan amount is awarded are targeted as HOME-ARP Link units for the first 30 years of the 50-year Compliance Period. The HOME-ARP loan funding will subsidize additional deep targeted units for Persons with Special Needs (HOME-ARP Link units) at 22% of AMI. The HOME-ARP Link units will be in addition to the requirement to set aside 50% of the total units as ELI set-aside units and the required number of Link Units for Persons with Special Needs. As such, the Development will be required to set aside seven (7) units as HOME-ARP Link units, in addition to the ELI Set-Aside units. After 30 years, all of the HOME-ARP Link 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. HOME-ARP loan proceeds shall be disbursed during the construction phase in an amount per construction draw which does not exceed the ratio of the HOME-ARP loan to Total Development Costs, unless approved by the credit underwriter.

Proposed Fourth Mortgage Loan:

The Applicant provided a Commitment of Affordable Housing Development Gap Funding dated May 7, 2024 wherein the County of Volusia will provide \$1,675,334 in State Housing Incentive Program funds ("SHIP") and \$320,000 in HOME-ARP funds for a total of \$1,995,334 for the benefit of the Development. The SHIP funding will provide for 28 units and the HOME-ARP funding will provide for four units at the Development.

The sources will be made in the form of a 50-year deferred forgivable loan with a 0.00% interest rate. Housing Trust Group, LLC, the parent company of the developer, will be responsible for ensuring ongoing compliance with SHIP and HOME-ARP requirements related to occupancy and rent restrictions during the entire period of affordability.

Additional Construction Sources of Funds:

The Applicant provided an LOI from Raymond James Affordable Housing Investments, Inc. ("RJAHI") dated June 17, 2024 that outlines the conditions of the purchase of the HC. A limited partnership or limited liability company formed by RJAHI will provide a net equity investment of \$18,154,184 in exchange for a 99.99% Investment Member ownership interest and a proportionate share of the total HC allocation estimated by RJAHI to be \$20,400,000. The HC allocation will be syndicated at a rate of approximately \$0.89 per \$1.00 of delivered tax credits. An initial HC equity installment of \$2,723,128 will be available upon admission of the Investor to the partnership at construction loan closing, which satisfies the 15% RFA requirement. Additional installments of \$323,302 at 50% construction completion and \$2,723,128 at 98% construction completion yields a total of \$5,769,558 in HC equity available during construction.

Deferred Developer Fee:

The Applicant will be required to defer \$1,088,233 or 24.7% of the Developer Fee during the construction phase, which does not include the portion being used to fund the ODR.

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	TD Bank, N.A.	\$1,000,000	\$0	\$0	0.00%	0	0	\$0
FHFC - RRLP	FHFC	\$3,964,500	\$3,964,500	\$3,964,500	0.80%	n/a	15	\$31,716
FHFC - RRLP ELI	FHFC	\$235,500	\$235,500	\$235,500	0.00%	n/a	15	\$0
FHFC - HOME	FHFC	\$1,392,300	\$1,392,300	\$1,392,300	0.00%	n/a	30	\$0
Local Government Subsidy	Volusia County SHIP and HOME-ARP	\$0	\$2,000,000	\$1,995,334	0.00%	n/a	50	\$0
HC Equity	RJAH	\$18,358,164	\$18,358,164	\$18,154,184				
Deferred Developer Fee	Developer	\$3,000,000	\$61,727	\$1,088,233				
Total :		\$27,950,464	\$26,012,191	\$26,830,051				\$31,716

Proposed First Mortgage Loan:

The RRLP Base loan of \$3,964,500 total term will be 17.5 years (including a 30-month construction/stabilization period and a 15-year permanent period) as permitted by the RFA. The loan shall be non-amortizing with a 0.80% 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 loan, all principal and accrued interest will be due. Annual payments of all applicable fees will be required.

The RRLP ELI loan of \$235,500 shall be non-amortizing with a 0.00% 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 and a 15-year permanent period) as permitted by the RFA. Annual payments of all applicable fees will be required.

Fees include 25 basis points of the outstanding loan amounts, with a minimum monthly fee of \$243 and a maximum monthly fee of \$964, and an hourly fee of \$204 for extraordinary services. The annual Compliance Monitoring Multiple Program Fee is \$1,054.

Proposed Second Mortgage Loan:

The HOME-ARP loan of \$1,392,300 shall be a non-amortizing loan with an interest rate of 0.00% for a total term of 32.5 years (including a 30-month construction/stabilization period and a 30 year permanent term). The principal of the loan will be forgiven at maturity provided the units for which the HOME-ARP loan amount is awarded are targeted as HOME-ARP Link units for the first 30 years of the 50-year Compliance Period. The HOME-ARP loan funding will subsidize additional deep targeted units for Persons with Special Needs (HOME-ARP Link units) at 22% of AMI. The HOME-ARP Link units will be in addition to the requirement to set aside 50% of the total units as ELI set-aside units and the required number of Link Units for Persons with Special Needs. As such, the Development will be required to set aside seven (7) units as HOME-ARP Link units, in addition to the ELI Set-Aside units. After 30 years, the Applicant commits that all of the HOME-ARP 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. Annual payments of all applicable fees will be required. Fees include 25 basis points of the outstanding loan amount, with a minimum monthly fee of \$243 and a maximum monthly fee of \$964, and an hourly fee of \$204 for extraordinary services. The annual Compliance Monitoring Multiple Program Fee is \$1,054.

Proposed Third Mortgage Loan:

The Applicant provided a Commitment of Affordable Housing Development Gap Funding dated May 7, 2024 wherein the County of Volusia will provide \$1,675,334 in State Housing Incentive Program funds (“SHIP”) and \$320,000 in HOME-ARP funds for a total of \$1,995,334 for the benefit of the Development. The SHIP funding will provide for 28 units and the HOME-ARP funding will provide for four units at the Development.

The sources will be made in the form of a 50-year deferred forgivable loan with a 0.00% interest rate. Housing Trust Group, LLC will be responsible for ensuring ongoing compliance with SHIP and HOME-ARP requirements related to occupancy and rent restrictions during the entire period of affordability.

Additional Permanent Sources of Funds:

The LOI dated June 17, 2024 from RJAHI outlines the conditions of the purchase of the HC. A limited partnership or limited liability company formed by RJAHI will provide a net equity investment of \$18,154,184 in exchange for a 99.99% Investment Member ownership interest and a proportionate share of the total HC allocation estimated by TCC to be \$20,400,000. The HC allocation will be syndicated at a rate of approximately \$0.89 per \$1.00 of delivered tax credits. The HC equity contribution to be paid as follows:

Capital Contributions	Amount	Percent of Total	Due upon
1st Installment	\$2,723,128	15.00%	Prior to or simultaneous with the closing of construction financing
2nd Installment	\$323,302	1.78%	The later of 50% construction completion or May 1, 2025
3rd Installment	\$2,723,128	15.00%	The later of 98% construction completion or February 1, 2026
4th Installment	\$12,284,626	67.67%	The later of Stabilized operations or November 1, 2026
5th Installment	\$100,000	0.55%	Project stabilization and receipt of Form(s) 8609
Total:	\$18,154,184	100%	

Annual Credits Per Syndication Agreement	\$2,040,000
Total Credits Per Syndication Agreement	\$20,400,000
Calculated HC Rate:	\$0.89
Limited Partner Ownership Percentage	99.99%
Proceeds During Construction	\$5,769,558

Deferred Developer Fee:

The Developer will be required to permanently defer \$1,088,233 or 24.7% in Developer Fee after stabilization, which does not include the portion being used to fund the ODR. The RFA allows up to 100 percent of the eligible Developer Fee to be deferred and used as a source on the Development Cost Pro Forma without the requirement to show evidence of ability to fund.

Uses of Funds

CONSTRUCTION COSTS:	Applicant Costs	Revised Applicant Costs	Underwriters Total Costs - CUR	Cost Per Unit	HC Ineligible Costs - CUR	HOME Ineligible Costs - CUR
New Rental Units	\$11,200,000	\$11,489,976	\$9,931,167.80	\$141,874	\$56,000	
Site Work	\$2,000,000	\$0	\$1,744,332	\$24,919	\$261,649	
Constr. Contr. Costs subject to GC Fee	\$13,200,000	\$11,489,976	\$11,675,499.80	\$166,793	\$317,649	\$0
General Conditions	\$0	\$689,398	\$700,529	\$10,008		
Overhead	\$1,900,000	\$229,800	\$233,510	\$3,336		
Profit	\$0	\$475,191	\$350,265	\$5,004		
General Liability Insurance	\$0	\$101,374	\$81,729	\$1,168		
Payment and Performance Bonds	\$0	\$144,616	\$88,823	\$1,269		
Total Construction Contract/Costs	\$15,100,000	\$13,130,355	\$13,130,355.80	\$187,577	\$317,649	\$0
Hard Cost Contingency	\$780,000	\$919,125	\$787,821	\$11,255		\$787,821
FF&E paid outside Constr. Contr.	\$500,000	\$425,000	\$425,000	\$6,071		\$425,000
Other: Water line extension	\$0	\$275,000	\$275,000	\$3,929		
Total Construction Costs:	\$16,380,000	\$14,749,480	\$14,618,176.80	\$208,831	\$317,649	\$1,212,821

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 \$13,130,355.80 (the "Construction Contract"). The Construction Contract is dated as of May 9, 2024 and is between the Applicant and Park and Eleazer Construction, LLC ("PEC" or the "General Contractor"). A First Amendment to the Construction Contract dated June 13, 2024 which adjusted Exhibit B of the Construction Contract with respect to the list of plans and specifications. The Construction Contract states the General Contractor will achieve substantial completion no later than 400 calendar days following commencement. The Owner will withhold 10% retainage from payment for all completed work until the Development reaches 50% completion, at which time no retainage will be withheld thereafter. In addition, no specific breakdown was offered for in-unit washers/dryers. As such, an estimate has been included as to the value of the appliances (\$800/set for 70 units totaling \$56,000) has been shown as a portion of "HC Ineligible Costs" for the New Rental Units line item.
2. The General Contractor will secure a P&P Bond to secure the Construction Contract and its cost is shown as part of the SOV. Receipt of a P&P bond in the full amount of the Construction Contract is a condition precedent to loan closing.
3. The General Contractor's Fee (consisting of general conditions, overhead, and profit) does not exceed 14.00% of allowable hard costs as allowed by the RFA and Rule 67-48. The General Contractor's fee stated herein is for credit underwriting purposes only, and the final General Contractor's fee will be determined pursuant to the final cost certification process as per Rule 67-48 F.A.C.
4. A Plan and Cost Review ("PCR") was engaged by AmeriNat and performed by GLE Associates, Inc. ("GLE"). GLE summarized their review of the construction contract and schedule of values in a draft report dated July 15, 2024. The review concludes that overall costs to construct are sufficient for satisfactory completion of the proposed development. The costs for similar type developments identified in the PCR range from \$184,703 per unit to \$190,382 per unit. The Development has a projected unit cost of \$187,577 per unit which GLE deems acceptable.

GLE identified the following as allowances listed in the Construction Contract:

- \$ 40,000 – Passive radon system
- \$250,000 – Landscaping and irrigation
- \$ 30,000 – Picnic pavilion
- \$ 25,000 – Grill, picnic/chess/domino tables
- \$290,121 – Swimming pool with fence, pool shower, pool deck & ADA lift
- \$ 30,000 – Playground & surface area with fencing
- \$ 30,000 – HVAC SEER upgrade
- \$ 48,750 – Trash chutes
- \$ 50,000 – Access control
- \$ 20,000 – BDA system
- \$175,000 – CCTV
- \$1,018,871 Total

It is GLE's opinion that the allowances are within an acceptable range for the scope of work indicated. AmeriNat calculated that the allowances equate to 7.76% of the Construction Contract.

Please note that receipt, review and approval of a final Plan and Cost Review is a condition precedent to loan closing.

5. The Applicant requested, on July 17, 2024, a 7.00% hard cost contingency amount for the Development. The PCR recommends a 4% - 6% contingency. AmeriNat recommends that FHFC approve a contingency of 6.00%. Staff approval of this request is a condition precedent to loan closing.
6. FF&E paid outside of the Construction Contract is comprised of interior design and furniture (\$148,000), pool/patio (\$20,000), playground equipment (\$20,000), fitness equipment (\$25,000), computers and office equipment (\$150,000), homeless unit fixtures and furniture (\$122,000), and signage (\$75,000).

RRLP, ELI, HOME-ARP AND HC CREDIT UNDERWRITING REPORT

AMERINAT

GENERAL DEVELOPMENT COSTS:	Applicant Costs	Revised Applicant Costs	Underwriters Total Costs - CUR	Cost Per Unit	HC Ineligible Costs - CUR	HOME Ineligible Costs - CUR
	Accounting Fees	\$30,000	\$30,000	\$30,000	\$429	\$20,000
Appraisal	\$12,100	\$12,100	\$5,500	\$79		
Architect's Fee - Landscape	\$0	\$19,250	\$0	\$0		
Architect's Fee - Site/Building Design	\$159,634	\$270,572	\$220,000	\$3,143		
Architect's Fee - Supervision	\$75,600	\$75,600	\$67,000	\$957		
Building Permits	\$135,000	\$147,200	\$147,200	\$2,103		
Builder's Risk Insurance	\$126,193	\$160,860	\$160,860	\$2,298		
Engineering Fees	\$150,000	\$175,000	\$136,200	\$1,946		
Environmental Report	\$20,425	\$20,425	\$20,425	\$292		\$20,425
FHFC Administrative Fees	\$115,440	\$115,440	\$112,200	\$1,603	\$112,200	
FHFC Application Fee	\$3,000	\$6,000	\$3,000	\$43	\$3,000	\$3,000
FHFC Credit Underwriting Fee	\$5,102	\$5,102	\$26,027	\$372	\$26,027	\$26,027
FHFC Compliance Fee	\$223,000	\$223,000	\$223,000	\$3,186	\$223,000	
Impact Fee	\$399,767	\$992,053	\$992,053	\$14,172		
Lender Inspection Fees / Const Admin	\$60,000	\$60,000	\$60,000	\$857		
Green Building Cert. (LEED, FGBC, NAHB)	\$25,000	\$25,000	\$38,650	\$552		
Insurance	\$105,000	\$119,000	\$119,000	\$1,700	\$119,000	
Legal Fees - Organizational Costs	\$400,000	\$300,000	\$300,000	\$4,286	\$200,000	
Market Study	\$7,000	\$7,000	\$5,500	\$79	\$5,500	
Marketing and Advertising	\$150,000	\$25,000	\$25,000	\$357	\$25,000	\$25,000
Plan and Cost Review Analysis	\$0	\$12,500	\$3,600	\$51		
Property Taxes	\$78,455	\$36,465	\$36,465	\$521	\$36,465	
Soil Test	\$10,000	\$10,000	\$10,000	\$143		
Survey	\$75,000	\$75,000	\$75,000	\$1,071		\$12,500
Title Insurance and Recording Fees	\$116,858	\$91,043	\$91,043	\$1,301	\$91,043	
Traffic Study	\$0	\$5,000	\$5,000	\$71		
Utility Connection Fees	\$310,000	\$550,060	\$992,040	\$14,172		
Soft Cost Contingency	\$0	\$192,319	\$203,114	\$2,902		\$203,114
Other: FHFC Change and Extension Fees	\$0	\$117,712	\$117,423	\$1,677	\$117,423	
Other: Misc Organizational Costs	\$0	\$10,000	\$10,000	\$143		
Other: FHFC Other Processing Fees	\$0	\$0	\$10,100	\$144	\$10,100	
Other: LPA and NOC Extension Fees	\$0	\$0	\$20,000	\$286	\$20,000	
Total General Development Costs:	\$2,792,574	\$3,888,701	\$4,265,400.00	\$60,934	\$1,008,758	\$290,066

Notes to the General Development Costs:

- AmeriNat reflects actual costs for the appraisal, market study, and plan and cost review analysis.
- FHFC Administrative Fee is based upon a fee of 5.5% of the annual HC recommended herein.
- FHFC Credit Underwriting Fee includes a RRLP/ELI/HOME-ARP/HC credit underwriting fee of \$25,652 and credit reporting fees of \$375.
- Impact Fees are based upon the schedule and calculation provided by the Applicant.
- Inspection Fees include Lender inspection Fees, County inspection fees, GLE's inspections and AmeriNat's draw processing through the construction period and completion of the Development.
- The Applicant provided an executed proposal for National Green Building Standard ("NGBS") certification between the Applicant and Abney + Abney Green Solutions.
- A soft cost contingency of 5.00% has been underwritten, which is consistent with the RFA and Rule Chapter 67-48 and may be utilized by the Applicant in the event soft costs exceed estimates.
- FHFC Other Processing Fees consist of \$5,000 for Site Control, \$5,000 for 10% Test, and \$100 for a Legal Description change.
- LPA and NOC Extension Fees are \$10,000 each, respectively.

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	HOME Ineligible Costs - CUR
	Construction Loan Origination Fee	\$101,250	\$101,250	\$101,250	\$1,446	
Construction Loan Closing Costs	\$0	\$7,500	\$7,500	\$107		
Construction Loan Interest	\$880,000	\$1,310,444	\$1,700,000	\$24,286	\$440,000	
Permanent Loan Origination Fee	\$10,000	\$0	\$0	\$0		
Permanent Loan Closing Costs	\$25,000	\$25,000	\$25,000	\$357	\$25,000	
HOME Closing Costs	\$0	\$0	\$12,500	\$179	\$12,500	
Misc Loan Origination Fee	\$0	\$20,000	\$20,000	\$286	\$20,000	
Legal Fees - Financing Costs	\$0	\$65,000	\$65,000	\$929	\$65,000	
Other: FHFC RRLP ELI Commitment Fees	\$0	\$55,923	\$42,000	\$600	\$42,000	
Other: FHFC RRLP ELI Closing Costs	\$0	\$0	\$12,500	\$179	\$12,500	
Other: Syndication Fees	\$0	\$50,000	\$50,000	\$714	\$50,000	
Other: FHFC Loan Extension Fee	\$0	\$0	\$55,923	\$799	\$55,923	
Total Financial Costs:	\$1,016,250	\$1,635,117	\$2,091,673.00	\$29,881	\$722,923	\$0
Dev. Costs before Acq., Dev. Fee & Reserves	\$20,188,824	\$20,273,298	\$20,975,249.80	\$299,646	\$2,049,330	\$1,502,887

Notes to the Financial Costs

1. Financial costs were derived from the representations illustrated in the LOIs for the construction financing, permanent financing, and HC equity and appear reasonable to AmeriNat.
2. The interest reserve for the Construction Loan was calculated based on terms illustrated in the term sheet from TD Bank which specifies the minimum interest reserve amount they require, the duration of construction referenced in the Construction Contract and the resultant calculation completed by AmeriNat through the use of a construction draw schedule provided by the Applicant.
3. The RRLP Base / RRLP ELI commitment fee is based on 1.00% of each loan.
4. FHFC closing costs for FHFC legal counsel fees are \$12,500 for each of the RRLP Base/RRLP ELI and HOME-ARP loans.
5. FHFC Extension Fee includes a firm loan commitment issuance deadline extension fee based on 1% of each of the RRLP Base/RRLP ELI and HOME-ARP loan amounts.
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	HOME Ineligible Costs - CUR
	Developer Fee - Unapportioned	\$3,200,000	\$3,267,728	\$3,356,039	\$47,943	\$3,356,039
DF to fund Operating Debt Reserve	\$1,009,441	\$1,021,165	\$1,048,762	\$14,982	\$1,048,762	
Total Other Development Costs:	\$4,209,441	\$4,288,893	\$4,404,801	\$62,926	\$4,404,801	\$0

Notes to the Other Development Costs:

1. The recommended Developer's Fee does not exceed 21% of TDC before Developer Fee, land, and ODR as allowed by the RFA and Rule Chapter 67-48. Five percent (5%) of the Developer Fee must be placed in an ODR account to be held by FHFC or its Servicer.

Any disbursements from the ODR account shall be reviewed and approved by FHFC or its Servicer. 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.

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.

2. During construction, the Developer shall only be allowed to draw a maximum of fifty percent (50%) of the total developer fee, but in no case more than the payable developer fee during construction (the "Developer's Overhead"). No more than thirty-five percent (35%) of Developer's Overhead will be funded at Loan closing. The remainder of the Developer's Overhead will be disbursed during construction on a pro rata basis, based upon the percentage of completion of the Development, as approved and reviewed by Florida Housing and the Servicer. The remaining unpaid developer fee shall be considered attributable to "Developer's Profit" and will not be funded until the Development has achieved one hundred percent (100%) lien free completion, and only after Retainage has been released.

AmeriNat estimates payable Developer Fee at closing to be \$770,840, the Developer’s Overhead is estimated to be \$1,431,560, and the Developer’s Profit is estimated to be \$1,114,168, which will be funded following 100% lien free completion. The remaining \$1,088,233 will be permanently deferred and will be paid from the Development’s cash flow from operations.

LAND ACQUISITION COSTS	Applicant Costs	Revised Applicant Costs	Underwriters Total Costs - CUR	Cost Per Unit	HC Ineligible Costs - CUR	HOME Ineligible Costs - CUR
	Land	\$1,300,000	\$1,300,000	\$1,300,000	\$18,571	\$1,300,000
Total Acquisition Costs:	\$1,300,000	\$1,300,000	\$1,300,000	\$18,571	\$1,300,000	\$0

Notes to Land Acquisition Costs:

1. The Applicant provided an Agreement for Purchase and Sale (“AP&S”) executed as of November 21, 2022 between Adolph Balboa and Laura Jean Balboa (the “Sellers”) and Housing Trust Group, LLC (“HTG”). The AP&S illustrates the terms under which HTG would purchase approximately 10.1 acres

for a price of \$1,300,000. An inspection period deadline of March 31, 2023 was established. Four 45-day extensions were permitted per the AP&S.

An Assignment of Agreement between HTG and HfH Fox Pointe, LLC executed as of January 24, 2023 was provided wherein the AP&S was conveyed to the Applicant.

AmeriNat received a 1st Amendment to the AP&S, dated March 7, 2024, which increased the number of 45-day extensions allowed from four to eight. Closing, per the AP&S, is to take place within 180 days of the inspection period.

2. An Appraisal performed by Meridian dated April 15, 2024 identified an “As Is” value for the vacant land of \$1,400,000, which supports the purchase price. The lesser of the two values has been used for underwriting purposes.

RESERVE ACCOUNTS	Applicant Costs	Revised Applicant Costs	Underwriters Total Costs - CUR	Cost Per Unit	HC Ineligible Costs - CUR	HOME Ineligible Costs - CUR
Reserves - Start-Up/Lease-up Expenses	\$0	\$150,000	\$150,000	\$2,143	\$150,000	\$150,000
Total Reserve Accounts:	\$0	\$150,000	\$150,000	\$2,143	\$150,000	\$150,000

Notes to the Reserve Accounts:

1. The Developer has budgeted for \$150,000 in costs associated with lease-up.

TOTAL DEVELOPMENT COSTS	Applicant Costs	Revised Applicant Costs	Underwriters Total Costs - CUR	Cost Per Unit	HC Ineligible Costs - CUR	HOME Ineligible Costs - CUR
TOTAL DEVELOPMENT COSTS:	\$25,698,265	\$26,012,191	\$26,830,051	\$383,286	\$7,904,131	\$1,652,887

Notes to Total Development Costs:

1. TDC has increased by \$1,131,786 from \$25,698,265 to \$26,830,051 since the Application due to increases in general development costs, financial costs, Developer Fee, and reserves.

OPERATING PRO FORMA

FINANCIAL COSTS:		Year 1	Year 1 Per Unit
OPERATING PRO FORMA			
INCOME:	Gross Potential Rental Income	\$600,912	\$8,584
	Other Income		\$0
	Miscellaneous	\$21,000	\$300
	Washer/Dryer Rentals	\$34,650	\$495
	Gross Potential Income	\$656,562	\$9,379
	Less:		
	Physical Vac. Loss Percentage: 5.50%	\$36,110	\$516
	Collection Loss Percentage: 1.00%	\$6,566	\$94
	Total Effective Gross Income	\$613,886	\$8,770
EXPENSES:	Fixed:		
	Real Estate Taxes	\$39,368	\$562
	Insurance	\$119,000	\$1,700
	Variable:		
	Management Fee Percentage: 6.50%	\$39,902	\$570
	General and Administrative	\$35,000	\$500
	Payroll Expenses	\$119,000	\$1,700
	Utilities	\$38,500	\$550
	Marketing and Advertising	\$5,250	\$75
	Maintenance and Repairs/Pest Control	\$31,500	\$450
	Grounds Maintenance and Landscaping	\$10,500	\$150
	Contract Services	\$14,000	\$200
	Reserve for Replacements	\$21,000	\$300
	Total Expenses	\$473,020	\$6,757
Net Operating Income	\$140,866	\$2,012	
Debt Service Payments			
First Mortgage - RRLP Base	\$31,716	\$453	
First Mortgage - RRLP ELI	\$0	\$0	
Second Mortgage - HOME ARP	\$0	\$0	
Third Mortgage - Volusia County SHIP and HOME ARP	\$0	\$0	
First Mortgage Fees - RRLP Base/RRLP ELI CM & PLS	\$11,554	\$165	
Second Mortgage Fees - HOME ARP CM & PLS	\$4,535	\$65	
Third Mortgage Fees - Volusia County SHIP and HOME	\$0	\$0	
Total Debt Service Payments	\$47,805	\$683	
Cash Flow after Debt Service	\$93,061	\$1,329	
Debt Service Coverage Ratios			
DSC - First Mortgage plus Fees	3.26x		
DSC - Second Mortgage plus Fees	2.95x		
DSC - Third Mortgage plus Fees	2.95x		
DSC - All Mortgages and Fees	2.95x		
Financial Ratios			
Operating Expense Ratio	77.05%		
Break-even Economic Occupancy Ratio (all debt)	79.75%		

Notes to the Operating Pro Forma and Ratios:

- The Development will be utilizing Housing Credits in conjunction with RRLP, ELI, & HOME-ARP which will impose rent restrictions. Overall, the maximum Housing Credit rents for 2023 published on FHFC’s website for the Development are achievable as confirmed by the appraiser; 2024 rents were not yet available when the appraisal was completed. Please note that the utility allowances are based on an Energy Consumption Model as part of a 2023 Utility Allowance Report (the “UA Report”) completed by Matern Professional Engineering, Inc. The UA Report was approved by FHFC as of March 26, 2024. A rent roll for the Development property is illustrated in the following table:

MSA (County): Deltona-Daytona Beach-Ormond Beach (Volusia 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	664	22%	\$726		\$319	\$100	\$219		\$212	\$219	\$219	\$10,512
2	2.0	2	925	22%	\$871		\$383	\$130	\$253		\$249	\$253	\$253	\$6,072
3	2.0	1	1,112	22%	\$1,006		\$442	\$161	\$281		\$283	\$281	\$281	\$3,372
1	1.0	8	664	30%			\$435	\$100	\$335		\$328	\$335	\$335	\$32,160
2	2.0	4	925	30%			\$522	\$130	\$392		\$388	\$392	\$392	\$18,816
3	2.0	2	1,112	30%			\$603	\$161	\$442		\$444	\$389	\$389	\$9,336
1	1.0	7	664	60%			\$871	\$100	\$771		\$474	\$450	\$450	\$37,800
2	2.0	6	925	60%			\$1,045	\$130	\$915		\$563	\$420	\$420	\$30,240
3	2.0	1	1,112	60%			\$1,207	\$161	\$1,046		\$646	\$389	\$389	\$4,668
1	1.0	7	664	60%			\$871	\$100	\$771		\$764	\$771	\$771	\$64,764
2	2.0	5	925	60%			\$1,045	\$130	\$915		\$911	\$915	\$915	\$54,900
3	2.0	2	1,112	60%			\$1,207	\$161	\$1,046		\$1,048	\$1,046	\$1,046	\$25,104
1	1.0	10	664	80%			\$1,162	\$100	\$1,062		\$1,055	\$1,062	\$1,062	\$127,440
2	2.0	7	925	80%			\$1,394	\$130	\$1,264		\$1,260	\$1,264	\$1,264	\$106,176
3	2.0	4	1,112	80%			\$1,610	\$161	\$1,449		\$1,451	\$1,449	\$1,449	\$69,552
		70	57,224											\$600,912

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.

- Miscellaneous income includes items such as application fees, pet deposits, and other miscellaneous fees.
- Washer/Dryer Rental income is based on historical operations of properties previously developed by HTG and the appraiser’s proprietary data.
- A 6.50% total economic vacancy rate was applied for underwriting purposes based on the conclusion presented in the appraisal.
- AmeriNat utilized a real estate tax expense of \$562 per unit based on an estimate that took into account the income restrictions of the Development, the non-profit partner which may yield a property tax exemption, and a 4% early payment discount.
- AmeriNat utilized an estimate of \$1,700 per unit for insurance, which is consistent with the appraisal. The Development will be located in a flood zone designated “X”. Zone “X” is an area outside the 100-year flood plain and as such, flood insurance will not be required.
- The Applicant submitted an executed Property Management Agreement (the “Agreement”) wherein HTG Management, LLC (“HTGM”) will manage the Development. The Agreement states the initial term shall be for one year but will be automatically renewed on a yearly basis unless terminated by the Owner for cause in accordance with the Agreement. The management fee payable each month by Owner to HTGM shall be an amount equal to 4.00% or a minimum of \$2,000, whichever is greater, of gross collections per month. The Agreement indicates HTGM is allowed an additional 2.00% in

management fee subject to available cash flow; however, the total management fee cannot exceed 6.00%. The appraisal concluded a rate of 6.50%. The greater of the two rates was used for underwriting purposes.

8. Replacement Reserves of \$21,000 or a minimum of \$300 per unit per annum, per the RFA and Rule Chapter 67-48.
9. Based upon an estimated Net Operating Income ("NOI") of \$140,866 for the proposed Development's initial year of stabilized operations; the First Mortgage RRLP loan can be supported by operations at a 3.26x to 1.00 Debt Service Coverage ("DSC"). All mortgage loans and fees can be supported by operations at a 2.95x to 1.00 DSC.

The RFA states the maximum debt service coverage shall be 1.50x for the RRLP loan, including all superior mortgages. In extenuating circumstances, such as when the Development has deep or short-term subsidy, the debt service coverage may exceed 1.50x. The Development has deep subsidy in the form of 7 HOME-ARP units which serve tenants whose income is 22% or less of AMI and 14 ELI units which serve tenants whose income is 30% or less of AMI. As such, exceeding the maximum threshold of 1.50x is permitted.

10. A 15-year Operating Pro forma attached hereto as Exhibit 1 reflects rental income increasing at an annual rate of 2.00% and expenses increasing at an annual rate of 3.00%.

Section B

RRLP, ELI and HOME-ARP Loan Special and General Conditions

Special Conditions

This recommendation is contingent upon receipt of the following item by Florida Housing at least 30 days prior to real estate loan closing. Failure to submit this item within this time frame may result in postponement of the loan closing date.

1. Receipt of a P&P Bond in the full amount of the Construction Contract.
2. Completion of the HUD Section 3 pre-construction conference.
3. The Development shall meet the Section 3 requirements of the Housing and Urban Development Act of 1968 as amended (12 U.S.C. 1701u and 24 CFR Part 75).
4. FHFC staff approval of the Resident Community-Based Services Coordination Plan.
5. Receipt, review and approval of a final Plan and Cost Review.
6. Receipt of the Affirmative Fair Housing Marketing Plan.
7. FHFC staff approval of the increase in the hard cost contingency.

General Conditions

This recommendation is contingent upon the review and approval of the following items by AmeriNat and Florida Housing at least 30 days prior to Real Estate loan closing. Failure to receive approval of these items within this time frame may result in postponement of the loan closing.

1. Applicant to comply with any and all recommendations noted in the Plan and Cost Review.
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. RRLP Base, RRLP ELI & HOME-ARP Loan Proceeds shall be disbursed in an amount per Draw that does not exceed the ratio of the RRLP Base, RRLP ELI & HOME-ARP loans, respectively, to the Total Development Cost during the construction or rehabilitation phase, unless otherwise approved by the Credit Underwriter. The closing draw shall include appropriate backup and ACH wiring instructions.
7. Construction Period Developer Fee shall be the lessor of i) 50% of the Total Developer Fee or ii) the Total Developer Fee less the Deferred Developer Fee listed in the Sources and Uses for the construction period, as calculated by the Servicer. At closing, a maximum of 35% of the Construction Period Developer Fee may be funded. Remaining Construction Period Developer Fee will be disbursed during construction/rehabilitation on a pro rata basis, based on the percentage of completion of the development, as approved and reviewed by FHFC and Servicer.

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

8. Evidence of insurance coverage pursuant to the Request for Application governing this proposed transaction and, if applicable, the FHFC Insurance Guide.
9. The General Contractor shall secure a payment and performance bond equal to 100 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 Applicant certifications on forms provided by Florida Housing will be required for both design and as-built with respect to Section 504 of the Rehabilitation Act, the Americans with Disabilities Act ("ADA"), and Federal Fair Housing Act requirements, as applicable.
11. A copy of an Amended and Restated Operating Agreement reflecting purchase of the HC under terms consistent with the assumptions contained within this Credit Underwriting Report. The Amended and Restated Operating Agreement shall be in a form and of financial substance satisfactory to Servicer and to FHFC and its Legal Counsel.
12. Satisfactory resolution of any outstanding past due and/or noncompliance issues.
13. Payment of any outstanding arrearages to the Corporation, its Legal Counsel, Servicer or any agent or assignee of the Corporation for past due issues applicable to the Development team (Applicant or Developer or Principal, Affiliate or Financial Beneficiary, as described in Rule Chapter 67-48.0075 (5) F.A.C., of an Applicant or a Developer).
14. At all times there will be undisbursed loan funds (collectively held by Florida Housing, the first lender and any other source) sufficient to complete the Development. If at any time there are not sufficient funds to complete the Development, the Applicant will be required to expend additional equity on Development costs or to deposit additional equity with Florida Housing which is sufficient (in Florida

Housing's judgment) to complete the Development before additional loan funds are disbursed. This condition specifically includes escrowing at closing all equity necessary to complete construction or another alternative acceptable to Florida Housing in its sole discretion.

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

This recommendation is contingent upon the review and approval of the following items by Florida Housing and its Legal Counsel at least 30 days prior to Real Estate loan closing. Failure to receive approval of these items within this time frame may result in postponement of the loan closing.

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

- partnership that is the managing general partner of the GP, of any corporate guarantor and any manager;
- b. Authorization, execution, and delivery by the Applicant and the guarantors, of all Loan documents;
 - c. The Loan documents being in full force and effect and enforceable in accordance with their terms, subject to bankruptcy and equitable principles only;
 - d. The Applicant's and the guarantor's execution, delivery and performance of the loan documents shall not result in a violation of, or conflict with, any judgments, orders, contracts, mortgages, security agreements or leases to which the Applicant is a party or to which the Development is subject to the Applicant's Partnership/Operating Agreement and;
 - e. Such other matters as Florida Housing or its Legal Counsel may require.
8. Evidence of compliance with local concurrency laws, as applicable.
 9. UCC Searches for the Applicant, its partnerships, as requested by Legal Counsel.
 10. Such other assignments, affidavits, certificates, financial statements, closing statements, and other documents as may be reasonably requested by Florida Housing or its Legal Counsel in form and substance acceptable to Florida Housing and its Legal Counsel, in connection with the loan(s).
 11. Any other reasonable conditions established by Florida Housing and its Legal Counsel.

Additional Conditions

This recommendation is also contingent upon the following additional conditions:

1. Compliance with all provisions of Sections 420.507 and 420.5089, Florida Statutes, Rule, 67-48, 67-53, and 67-60, F.A.C., RFA 2023-108, HUD Rule 24 CFR Part 92, Section 42 I.R.C., and any other State and Federal requirements.
2. Acceptance by the Applicant and execution of all documents evidencing and securing the RRLP Base, RRLP ELI & HOME-ARP Loans in form and substance satisfactory to Florida Housing and its Legal Counsel, including, but not limited to, the Promissory Note(s), the Loan Agreement(s), the Mortgage and Security Agreement(s), the Land Use Restriction Agreement(s), and Extended Low Income Housing Agreement(s).
3. If applicable, receipt and satisfactory review of Financial Statements from all Guarantors dated within 90 days of Real Estate Closing.
4. Guarantors are to provide the standard FHFC Construction Completion Guaranty, to be released upon lien free completion as approved by the Servicer.
5. Guarantors for the RRLP 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 permanent First Mortgage RRLP loan as determined by FHFC or the Servicer, and 90% Occupancy and 90% of Gross Potential Rental Income net of utility allowances, if applicable, for a period equal to twelve (12) consecutive months, all certified by an independent Certified Public Accountant ("CPA") and verified by the Servicer. The calculation of the debt service coverage ratio shall be made by FHFC or the Servicer. Notwithstanding the above, the Operating Deficit Guaranty shall not terminate earlier than three (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 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 Fiscal Agent, or Florida Housing's loan servicing agent. However, Applicant has the option to prepay Replacement Reserves, as allowed per RFA and Rule Chapter 67-48, in the amount of \$21,000 (one-half the required Replacement Reserves for Years 1 and 2), in order to meet the applicable DSC loan requirements. Applicant can waive this election, if at closing of the loan(s) the required DSC is met without the need to exercise the option. It is currently estimated that Replacement Reserves will be funded from Operations in the amount of \$300 per unit per year for years 1 and 2, followed by \$300 per unit per year thereafter. The initial Replacement Reserve will have limitations on the ability to be drawn. New construction or Redevelopment Developments (with or without acquisition) shall not be allowed to draw during the first five years or until the establishment of a minimum balance equal to the accumulation of five years of replacement reserves per unit.

The amount established as a Replacement Reserve shall be adjusted based on a Capital Needs Assessment ("CNA") to be received by the Corporation or its servicers, prepared by an independent third party and acceptable to the Corporation and its servicers at the time the CNA is required, beginning no later than the 10th year after the first residential building in the Development receives a certificate of occupancy, a temporary certificate of occupancy, or is placed in service, whichever is earlier ("Initial Replacement Reserve Date"). A subsequent CNA is required no later than the 15th year after the Initial Replacement Reserve Date and subsequently every five (5) years thereafter.

11. GLE Associates, Inc. or other construction inspector acceptable for Florida Housing is to act as Florida Housing's inspector during the construction period.
12. Under the terms of the construction contract, a minimum of 10% retainage holdback on all construction draws will be withheld until construction is 50% complete and thereafter no additional retainage is withheld. Retainage will not be released until successful lien free completion of construction and issuance of all certificates of occupancy, which satisfies the RFA and Rule Chapter 67-48 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 RRLP Base, RRLP ELI and HOME-ARP loans.
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.

Housing Credit Allocation Recommendation

AmeriNat recommends an annual \$2,040,000 HC Allocation. Please refer to Exhibit 3 - HC Allocation Calculation for further detail.

Contingencies

1. Purchase of the HC by the Syndicator or its assigns under the terms consistent with assumptions of this report.
2. Closing of all funding sources prior to or simultaneous with closing of the RRLP Base, RRLP ELI & HOME-ARP loans.
3. Receipt of executed FHFC Fair Housing, Section 504 and ADA as-built certification forms 122, 127, and 129.
4. GLE Associates, Inc. is to act as construction phase inspector for Florida Housing.
5. Satisfactory resolution of any outstanding past due and/or noncompliance issues.
6. Any other reasonable requirements of Florida Housing, its Legal Counsel, or its Servicer.

Exhibit 1
Fox Pointe
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	\$600,912	\$612,930	\$625,189	\$637,693	\$650,446	\$663,455	\$676,725	\$690,259	\$704,064	\$718,145	\$732,508	\$747,159	\$762,102	\$777,344	\$792,891	
	Other Income																
	Miscellaneous	\$21,000	\$21,420	\$21,848	\$22,285	\$22,731	\$23,186	\$23,649	\$24,122	\$24,605	\$25,097	\$25,599	\$26,111	\$26,633	\$27,166	\$27,709	
	Washer/Dryer Rentals	\$34,650	\$35,343	\$36,050	\$36,771	\$37,506	\$38,256	\$39,022	\$39,802	\$40,598	\$41,410	\$42,238	\$43,083	\$43,945	\$44,823	\$45,720	
	Gross Potential Income	\$656,562	\$669,693	\$683,087	\$696,749	\$710,684	\$724,898	\$739,395	\$754,183	\$769,267	\$784,652	\$800,345	\$816,352	\$832,679	\$849,333	\$866,320	
	Less:																
	Physical Vac. Loss Percentage: 5.50%	\$36,110	\$36,832	\$37,569	\$38,320	\$39,087	\$39,868	\$40,666	\$41,479	\$42,309	\$43,155	\$44,018	\$44,898	\$45,796	\$46,712	\$47,646	
	Collection Loss Percentage: 1.00%	\$6,566	\$6,697	\$6,831	\$6,968	\$7,107	\$7,249	\$7,394	\$7,542	\$7,693	\$7,847	\$8,004	\$8,164	\$8,327	\$8,494	\$8,664	
	Total Effective Gross Income	\$613,886	\$626,164	\$638,687	\$651,461	\$664,490	\$677,780	\$691,335	\$705,162	\$719,265	\$733,651	\$748,324	\$763,290	\$778,556	\$794,127	\$810,010	
	EXPENSES:	Fixed:															
Real Estate Taxes		\$39,368	\$40,549	\$41,766	\$43,018	\$44,309	\$45,638	\$47,007	\$48,418	\$49,870	\$51,366	\$52,907	\$54,495	\$56,129	\$57,813	\$59,548	
Insurance		\$119,000	\$122,570	\$126,247	\$130,035	\$133,936	\$137,954	\$142,092	\$146,355	\$150,746	\$155,268	\$159,926	\$164,724	\$169,666	\$174,756	\$179,998	
Variable:																	
Management Fee Percentage: 6.50%		\$39,902	\$40,700	\$41,514	\$42,344	\$43,191	\$44,055	\$44,936	\$45,835	\$46,752	\$47,687	\$48,640	\$49,613	\$50,605	\$51,617	\$52,650	
General and Administrative		\$35,000	\$36,050	\$37,132	\$38,245	\$39,393	\$40,575	\$41,792	\$43,046	\$44,337	\$45,667	\$47,037	\$48,448	\$49,902	\$51,399	\$52,941	
Payroll Expenses		\$119,000	\$122,570	\$126,247	\$130,035	\$133,936	\$137,954	\$142,092	\$146,355	\$150,746	\$155,268	\$159,926	\$164,724	\$169,666	\$174,756	\$179,998	
Utilities		\$38,500	\$39,655	\$40,845	\$42,070	\$43,332	\$44,632	\$45,971	\$47,350	\$48,771	\$50,234	\$51,741	\$53,293	\$54,892	\$56,539	\$58,235	
Marketing and Advertising		\$5,250	\$5,408	\$5,570	\$5,737	\$5,909	\$6,086	\$6,269	\$6,457	\$6,651	\$6,850	\$7,056	\$7,267	\$7,485	\$7,710	\$7,941	
Maintenance and Repairs/Pest Control		\$31,500	\$32,445	\$33,418	\$34,421	\$35,454	\$36,517	\$37,613	\$38,741	\$39,903	\$41,100	\$42,333	\$43,603	\$44,911	\$46,259	\$47,647	
Grounds Maintenance and Landscaping		\$10,500	\$10,815	\$11,139	\$11,474	\$11,818	\$12,172	\$12,538	\$12,914	\$13,301	\$13,700	\$14,111	\$14,534	\$14,970	\$15,420	\$15,882	
Contract Services		\$14,000	\$14,420	\$14,853	\$15,298	\$15,757	\$16,230	\$16,717	\$17,218	\$17,735	\$18,267	\$18,815	\$19,379	\$19,961	\$20,559	\$21,176	
Reserve for Replacements	\$21,000	\$21,000	\$21,000	\$21,000	\$21,000	\$21,000	\$21,000	\$21,000	\$21,000	\$21,000	\$21,000	\$21,630	\$22,279	\$22,947	\$23,636	\$24,345	
Total Expenses	\$473,020	\$486,182	\$499,730	\$513,677	\$528,034	\$542,813	\$558,027	\$573,688	\$589,810	\$606,407	\$624,122	\$642,360	\$661,134	\$680,462	\$700,360		
Net Operating Income	\$140,866	\$139,982	\$138,957	\$137,784	\$136,456	\$134,967	\$133,309	\$131,474	\$129,455	\$127,243	\$124,201	\$120,930	\$117,422	\$113,665	\$109,649		
Debt Service Payments																	
First Mortgage - RRLP Base	\$31,716	\$31,716	\$31,716	\$31,716	\$31,716	\$31,716	\$31,716	\$31,716	\$31,716	\$31,716	\$31,716	\$31,716	\$31,716	\$31,716	\$31,716	\$31,716	
First Mortgage - RRLP ELI	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Second Mortgage - HOME ARP	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Third Mortgage - Volusia County SHIP and HOME ARP	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
First Mortgage Fees - RRLP Base/RRLP ELI CM & PLS	\$11,554	\$11,554	\$11,554	\$11,554	\$11,554	\$11,554	\$11,554	\$11,554	\$11,554	\$11,554	\$11,554	\$11,554	\$11,554	\$11,554	\$11,554	\$11,554	
Second Mortgage Fees - HOME ARP CM & PLS	\$4,535	\$4,535	\$4,535	\$4,535	\$4,535	\$4,535	\$4,535	\$4,535	\$4,535	\$4,535	\$4,535	\$4,535	\$4,535	\$4,535	\$4,535	\$4,535	
Third Mortgage Fees - Volusia County SHIP and HOME	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Total Debt Service Payments	\$47,805	\$47,805	\$47,805	\$47,805	\$47,805	\$47,805	\$47,805	\$47,805	\$47,805	\$47,805	\$47,805	\$47,805	\$47,805	\$47,805	\$47,805	\$47,805	
Cash Flow after Debt Service	\$93,061	\$92,177	\$91,152	\$89,979	\$88,652	\$87,162	\$85,504	\$83,669	\$81,650	\$79,439	\$76,396	\$73,126	\$69,617	\$65,860	\$61,845		
Debt Service Coverage Ratios																	
DSC - First Mortgage plus Fees	3.26x	3.24x	3.21x	3.18x	3.15x	3.12x	3.08x	3.04x	2.99x	2.94x	2.87x	2.79x	2.71x	2.63x	2.53x		
DSC - Second Mortgage plus Fees	2.95x	2.93x	2.91x	2.88x	2.85x	2.82x	2.79x	2.75x	2.71x	2.66x	2.60x	2.53x	2.46x	2.38x	2.29x		
DSC - Third Mortgage plus Fees	2.95x	2.93x	2.91x	2.88x	2.85x	2.82x	2.79x	2.75x	2.71x	2.66x	2.60x	2.53x	2.46x	2.38x	2.29x		
DSC - All Mortgages and Fees	2.95x	2.93x	2.91x	2.88x	2.85x	2.82x	2.79x	2.75x	2.71x	2.66x	2.60x	2.53x	2.46x	2.38x	2.29x		
Financial Ratios																	
Operating Expense Ratio	77.05%	77.64%	78.24%	78.85%	79.46%	80.09%	80.72%	81.36%	82.00%	82.66%	83.40%	84.16%	84.92%	85.69%	86.46%		
Break-even Economic Occupancy Ratio (all debt)	79.75%	80.16%	80.58%	81.01%	81.45%	81.90%	82.36%	82.83%	83.31%	83.80%	84.38%	84.96%	85.56%	86.17%	86.78%		

Fox Pointe
RFA 2023-108 (2023-192CRA)

Description of Features and Amenities

The Development will consist of:

70 apartment units located in 1 garden apartment residential building unit

Unit Mix:

Thirty-six (36) one bedroom/one bath units; and

Twenty-four (24) two bedroom/two bath units; and

Ten (10) three bedroom/two bath units;

70 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.

*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:

- Broadband infrastructure which includes cables, fiber optics, wiring, or other infrastructure, as long as the installation results in accessibility in each unit;
- Termite prevention;
- Pest control;
- Window covering for each window and glass door inside each unit;
- Cable or satellite TV hook-up in each unit and, if the Development offers cable or satellite TV service to the residents, the price cannot exceed the market rate for service of similar quality available to the Development’s residents from a primary provider of cable or satellite TV;
- At least two full bathrooms in all 3 bedroom or larger units;
- 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;
- Full-size range and oven in all units;
- A Community Building/dedicated space that includes:
 - At least one private office space with a door for resident purposes such as meeting with case managers and/or counselors; and
 - At least one enclosed training room with a door to conduct group training and educational activities for residents.

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) Level 1 Accessibility Requirements

- (a) Set aside a minimum of 15 percent of the total units, rounded up, as fully accessible units in accordance with the 2010 ADA Standards for Accessible Design. These fully accessible units must (A) be on an accessible route and provide mobility features that comply with the residential dwelling units provision of the 2010 ADA Standards for Accessible Design; and (B) be equally distributed among different unit sizes and Development types and must be dispersed on all accessible routes throughout the Development; and
- (b) Set aside at least an additional 5 percent of the total units, rounded up, to be accessible to persons with visual and hearing impairments in accordance with the 2010 ADA Standards for Accessible Design. The units that are accessible to persons with visual and hearing impairments shall comply with the communication features described for Residential Dwelling units with Communication Features in the 2010 ADA Standards for Accessible Design.

D. Required Green Building Features in all Developments

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

- Low or No-VOC paint for all interior walls (Low-VOC means 50 grams per liter or less for flat; 150 grams per liter or less for non-flat paint);
- Low-flow water fixtures in bathrooms—WaterSense labeled products or the following specifications:
 - Toilets: 1.28 gallons/flush or less,
 - Urinals: 0.5 gallons/flush,
 - Lavatory Faucets: 1.5 gallons/minute or less at 60 psi flow rate,
 - Showerheads: 2.0 gallons/minute or less at 80 psi flow rate;
- Energy Star certified refrigerator;
- Energy Star certified dishwasher;
- Energy Star certified ventilation fan in all bathrooms;
- Water heater minimum efficiency specifications:
 - Residential Electric:
 - Up to 55 gallons = 0.95 EF or 0.92 UEF; or
 - More than 55 gallons = Energy Star certified; or
 - Tankless = 0.97 EF and Max GPM of ≥ 2.5 over a 77° rise or 0.87 UEF and GPM of ≥ 2.9 over a 67° rise;
 - Residential Gas (storage or tankless/instantaneous): Energy Star certified,
 - Commercial Gas Water Heater: Energy Star certified;
- Energy Star certified ceiling fans with lighting fixtures in bedrooms;
- Air Conditioning (in-unit or commercial):
 - Air-Source Heat Pumps – Energy Star certified:
 - ≥ 8.5 HSPF/ ≥ 15 SEER/ ≥ 12.5 EER for split systems
 - ≥ 8.2 HSPF ≥ 15 SEER/ ≥ 12 EER for single package equipment including gas/electric package units
 - Central Air Conditioners – Energy Star certified:
 - ≥ 15 SEER/ ≥ 12.5 EER* for split systems

- ≥ 15 SEER/ ≥ 12 EER* for single package equipment including gas/electric package units.

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

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

_____ Leadership in Energy and Environmental Design (LEED);

_____ Florida Green Building Coalition (FGBC);

_____ Enterprise Building Communities; or

 X ICC 700 National Green Building Standard (NGBS)

HOUSE CREDIT ALLOCATION CALCULATION

Qualified Basis Calculation

Total Development Cost	\$26,830,051
Less Land Costs	\$1,300,000
Less Other Ineligible Costs	\$6,604,131
Total Eligible Basis	\$18,925,920
Applicable Fraction	100%
DDA/QCT Basis Credit, if applicable	130%
Qualified Basis	\$24,603,696
Housing Credit Percentage (Federal allocation)	9.00%
Annual Housing Credit Allocation	\$2,214,333

Notes to the Qualified Basis Calculation:

1. "Other Ineligible Costs" include but are not limited to a portion of new rental units, site work, accounting fees, FHFC underwriting, application, and administrative fees, legal fees, market study, property taxes, title insurance and recording fees, survey fees, financial and closing costs, and reserves.
2. The Development is 100% set-aside; therefore, the Applicable Fraction is 100%.
3. The Development qualifies for the QAP-Designated Demographic commitment basis boost. Therefore, the Development is eligible for the 130% multiplier 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)	\$26,830,051
Less Mortgages	\$7,587,634
Equity Gap	\$19,242,417
HC Percentage to Investment Partnership	99.99%
HC Syndication Pricing	\$0.89
HC Required to meet Equity Gap	\$21,622,856
Annual HC Required	\$2,162,286

Notes to the GAP Calculation:

1. According to Rule 67-48, the Development will only use its actual committed debt since the Development has a demographic commitment of homeless and persons with special needs.
2. The HC Syndication Pricing of \$0.89 per dollar and HC Percentage to Investment Partnership are based upon the LOI dated June 17, 2024 RJAHI. Please note the actual syndication pricing equals \$0.88999998039 /credit.

Summary

HC Per Applicants Request	\$2,040,000
HC Per Qualified Basis	\$2,214,333
HC Per GAP Calculation	\$2,162,286
Annual HC Recommended	\$2,040,000
HC Proceeds Recommended	\$18,154,184

Notes to Summary:

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

COMPLETENESS AND ISSUES CHECKLIST

DEVELOPMENT NAME: Fox Pointe
DATE: August 12, 2024

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.	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 REQUIRED ITEMS:	STATUS	NOTE
	Satis. / Unsatis.	
20. Executed general construction contract with “not to exceed” costs.	Satis.	
21. HC ONLY: 15% of the total equity to be provided prior to or simultaneously with the closing of the construction financing.	Satis	
22. Any additional items required by the credit underwriter.	Unsatis.	1, 2, 3, 4, 5, 6, 7

NOTES AND DEVELOPER RESPONSES:

1. Receipt of a P&P Bond in the full amount of the Construction Contract is a condition precedent to loan closing.
2. Completion of the HUD Section 3 pre-construction conference is a condition precedent to loan closing.
3. The Development shall meet the Section 3 requirements of the Housing and Urban Development Act of 1968 as amended (12 U.S.C. 1701u and 24 CFR Part 135) is a condition precedent to loan closing.
4. FHFC staff approval of the Resident Community-Based Service Coordination Plan is a condition precedent to loan closing.
5. Receipt, review and approval of a final Plan and Cost Review is a condition precedent to loan closing.
6. Receipt of the Affirmative Fair Housing Marketing Plan is a condition precedent to loan closing.
7. FHFC staff approval of the increase in the hard cost contingency is a condition precedent to loan closing.

BAYSIDE BREEZE REDEVELOPMENT, LLLP
5900 NW 7th Ave, Suite 102
Miami, FL 33127

VIA Electronic Delivery

July 25, 2024

Tim Kennedy
Assistant Director of Multifamily Development
Florida Housing Finance Corporation
227 N. Bronough Street, Suite 5000
Tallahassee, FL 32301

Re: Bayside Breeze/2023-151BSA/2022-535C

Dear Lisa:

On behalf of Bayside Breeze Redevelopment, LLLP., the Applicant and to be Ownership Entity for the above referenced development, please allow this correspondence to serve as a written request for a six-month extension of the Credit Underwriting Report deadline until January 25, 2025 as allowed by the Rule.

Currently, Applicant is hoping to finalize the selection of a LIHTC equity investor and construction lender this month and be able to order third party due diligence reports. Applicant spent the majority of the past three months negotiating an LOI with a local bank that was proposing to provide a construction loan and invest in the tax credits through a syndicator, both proposals with very attractive terms. Regrettably, the bank inserted some conditions into the negotiations that the Applicant and its partners were unable to meet. This has set us back in our attempt to try to co-engage third party reports with the credit underwriter. The Applicant is currently waiting on replacement offers and expects to have those finalized in the next two weeks.

While the equity and debt negotiations were ongoing, Applicant has completed all the financial modeling of rents and operating expenses, as well as advanced construction plans to 100% completion and is in the process of submitting the architectural plans for permits. Once the LIHTC equity investor selection is made, Applicant can advise the underwriter on the selection of the market analyst, appraiser, and the property needs assessment consultant to co-engage reports with lender and investor. All the required due diligence for those reports is on hand.

Additionally, the Applicant has submitted a RAD application and received a CHAP from HUD. Immediately upon selection of the construction lender and the LIHTC investor, the Applicant will request a concept meeting and submit the financing plan to HUD with the goal of being able to close on the property by year end, subject to HUD approvals.

Once the reports are ordered, ideally co-engaged with the final LIHTC investor, Applicant expects to be able to complete the CUR in time for the October FHFC Board meeting, and to close by December 2024 subject to HUD approvals and preparation of all loan documents.

Therefore, our request is for Florida Housing to allow the six-month extension of the CUR deadline as allowed for in the Rule, upon approval by the Board and subject to the Applicant making the required extension fee payment.

We sincerely appreciate the consideration of this request and are available to answer any questions you may have.

Sincerely,

Bayside Breeze Redevelopment, LLLP

By: TEDC Bayside Breeze, LLC, LLC, its General Partner

By: TEDC Affordable Communities, Inc, its Member

By: Carol Gardner
Carol Gardner, President

cc: Brian Barth, Seltzer Management

RGC Phase I, LLC

July 23, 2024

Mr. Tim Kennedy
Multifamily Loans & Bond Director
Florida Housing Finance Corporation
227 North Bronough Street
Tallahassee, FL 32301

Re: *Rainbow Village – RFA 2021-208 / 2021-315S*

Dear Mr. Kennedy:

RGC Phase I, LLC, (“Applicant”) timely submitted Application No. 2021-315S (the “Application”) on April 19, 2021 in response to RFA 2021-208 (SAIL Financing for the Construction of Workforce Housing) (the “RFA”). The Application pertained to:

- Development Name: Rainbow Village
- Development Address: 2000 NW 3rd Ave, Miami, FL
- County: Miami-Dade
- Developer: RGC Phase I Developer, LLC
- Number of Units: 310 newly constructed units
- Type: High-Rise (1) - 8 story building
- Set Asides: Average Income Test

For SAIL and 4% Housing Credits:

52 units (17%) @ or below 30% AMI
42 units (13.5%) @ or below 50% AMI
60 units (19%) @ or below 60% AMI
114 units (37%) @ or below 70% AMI
42 units (13.5%) @ or below 80% AMI

For ELI:

Number of Bedrooms/Bathrooms per Unit	
0 Bed/1 Bathroom	0 ELI Set-Aside (of 30)
1 Bed/1 Bathroom	6 ELI Set-Aside (of 163)
2 Bed/2 Bathrooms	23 ELI Set-Aside (of 85)
3 Bed/2 Bathrooms	20 ELI Set-Aside (of 28)
4 Bed/2 Bathrooms	3 ELI Set-Aside (of 4)
Total	52 units (16.7%)

- Demographics: Workforce, serving general occupancy at the Area Median Income (AMI) described in 6.d of RFA 2021-315S.
- Funding: \$6,000,000 State Apartment Incentive Loan (SAIL); \$3,897,022 Housing Credits (4% HC); \$9,000,000 Construction Inflation Response Viability Funding Request; \$88,000,000 Local HFA Bonds

The Development received an allocation of the 2021 Housing Credit dollar amount meeting the requirements of Section 42(h)(1)(E) and (F) of the Internal Revenue Code of 1986 as amended (“Tax Credits”) and Applicant accepted an invitation to enter credit underwriting dated July 12, 2021.

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 Applicant may request one extension of up to six months. Applicant exercised this right and Florida Housing’s Board approved the extension request on June 17, 2022 to extend the deadline from July 15, 2022 to January 15, 2023. Applicant paid the extension fee required by the Rule. On December 9, 2022, Applicant received Board approval of its Petition for Waiver of Rule 67-48.0072(21)(b), F.A.C. (6/23/20), which granted an additional extension of the firm loan commitment issuance deadline from January 15, 2023 to July 15, 2023. On May 16, 2023, Applicant requested another six-month extension of the firm loan commitment issuance deadline through January 15, 2024. Florida Housing’s Board granted that petition on June 9, 2023. Florida Housing’s Board approved the credit underwriting report on February 2, 2024.

Pursuant to RFA 2021-208, the loan must close within 180 calendar days of the date of the firm commitment (*i.e.*, July 31, 2024). While Applicant intends to close in late July, it respectfully requests an extension of the current loan closing deadline in an abundance of caution. The need for the extensions was created by circumstances beyond Applicant’s control:

- A multitude of issues have caused significant delays in the timeline for this development, which include rising construction costs, interest rates, insurance

costs, and Davis Bacon wages. To address the financing gap, Petitioner is in the process of getting the RAD Conversion Commitment. The delay in obtaining additional funding delayed getting the final HUD and RAD approvals and Applicant was unable to close on its anticipated timeline.

- The Development is located in the City of Miami and is subject to the zoning laws and regulations dictated by the Planning Department and Commission. The Development's unique location required an ordinance change for final site plan submission. While the site plan was submitted on December 16, 2020, it was not accepted until March 14, 2022, after the new ordinance was enacted. Furthermore, the City of Miami Fire Department has had continuous delays in fire review and approval of construction documents needed for acquiring the building permit. Additionally, the City of Miami Public Works department is requiring Applicant to resubmit permitting to the County Public Works department over an area for which it has either direct jurisdiction or an ability to disprove.

Despite these delays, the Development has fully completed construction documents and has received bids from various General Contractors. The Development negotiated a Contract with the General Contractor, completed the Plan and Cost Review and finalized the Credit Underwriting Report.

Applicant believes, based on the progress to date, that it can satisfy the loan closing deadline if extended by 90 days. Rule 67-48.0072(26),¹ effective June 23, 2020, 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

¹ RFA 2021-208 states: "Workforce SAIL loans must meet the credit underwriting, firm loan commitment, and loan closing timeframes outlined in paragraph 67-48.0072(4)(c), F.A.C., and subsections 67-48.0072(21) and (26), F.A.C." *Id.* at p. 90. The RFA also states: "The SAIL loan must close within the timeframe outlined in Rule Chapter 67-48, F.A.C." *Id.* at p. 103.

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). Accordingly, Applicant respectfully requests an extension of the closing deadline of 90 calendar days.

This request was not necessitated through any fault of Applicant. Rather, Applicant exercised due diligence in attempting to move the Development towards construction. If this request is denied, the firm loan commitment will be deemed void and the funds de-obligated. Because the Development cannot move forward without this funding source, the denial would cause Miami-Dade County to lose these 310 affordable housing units. This request should be granted, as opposed to de-obligating the award, because Miami-Dade County is currently experiencing a shortage of affordable housing units. Granting the extension will result in the delivery of 310 affordable housing units much faster than would reallocating the funding to a new development in light of the progress Applicant has made to date.

Should Florida Housing require additional information, Applicant is available to answer questions and to provide all information necessary for consideration of this extension request

Respectfully,

RGC PHASE I, LLC,
a Florida limited liability company

By: **RGC PHASE I MANAGER, LLC,**
a Florida limited liability company,
its Manager

By: 

Matthew Rieger, Manager

Cross Creek Gardens at Quincy, LLC

July 16, 2024

Mr. Tim Kennedy
Multifamily Loans & Bond Director
Florida Housing Finance Corporation
227 North Bronough Street
Tallahassee, FL 32301

Re: *Cross Creek Gardens at Quincy, LLC – Application Nos. 2022-247H/2023-243V & RFA Nos. 2021-206/2023-211*

Dear Mr. Kennedy:

Cross Creek Gardens at Quincy, LLC (“Applicant”) timely submitted Application No. 2022-247H (“Application”) in response to RFA 2021-206 on January 25, 2022. The Application pertained to:

- Development Name: Cross Creek Gardens at Quincy (“Development”)
- 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; and Neighborhood Renaissance, Inc.
- Number of Units: 36¹ 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; \$1,223,928 Viability Loan

¹ The Application initially identified 34 units. On June 1, 2023, Applicant 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., which request was granted on August 23, 2023.

On March 31, 2022, Applicant accepted an invitation to enter credit underwriting dated March 29, 2022. Thus, Applicant had a deadline of March 31, 2023 to complete the firm loan commitment process. Although Rule 67-48.0072 (21)(b), F.A.C., provides that the firm loan commitment must be issued within twelve months of acceptance to enter credit underwriting, it also provides that Applicant may request one extension of up to six months. Applicant exercised this right and Florida Housing's Board approved the extension request on March 10, 2023 to extend the deadline to October 2, 2023. Applicant paid the extension fee required by the Rule.

By Petition dated September 8, 2023, and amended September 13, 2023, Applicant requested an additional 6-month extension of the firm loan commitment deadline to and including April 2, 2024. As justification for its request, Applicant stated that inflation and increased construction costs created a funding gap with the Development's preliminary design construction costs, as estimated by the General Contractor. Applicant advised that it was working to secure additional funding sources, including adding 4% low-income housing tax credits with tax-exempt bonds and viability loan funding.² Applicant also advised that the Credit Underwriting Report would not be complete prior to October 2, 2023, preventing Florida Housing from issuing a Firm Loan Commitment. The Amended Petition was granted by Florida Housing's Board on October 27, 2023.

Per the Rule, Applicant must close within 120 Calendar Days of the date of the firm loan commitment (*i.e.*, August 6, 2024). However, the Rule permits Applicant to request a 90-day extension of the loan-closing deadline:

(4) If the invitation to enter credit underwriting is accepted:

(c) For SAIL, EHCL, and **HOME**, the credit underwriting process must be completed within the time frame outlined in subsection 67-48.0072(21), F.A.C., below and **the loan must close within the time frame outlined in subsection 67-48.0072(26), F.A.C., below.**

(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

² Petitioner subsequently obtained a \$1,300,000 viability loan via application no. 2023-243V in relation to RFA 2023-211 Construction Inflation Response Viability Funding.

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.

Rule 67-48.0072(4)(c) and (26) (5/18/21) (emphasis added).

Despite Applicant's best efforts to timely close, it appears Applicant may not be able to meet the loan-closing deadline. Accordingly, in an abundance of caution, Applicant respectfully requests to extend the loan-closing deadline by ninety (90) days in accordance with the Rule. The need for the requested extension was created by circumstances beyond Applicant's control due to the City of Quincy's receipt of a Rural Infrastructure grant commitment to extend South Springs Road and to install public utilities as a part of their economic development strategy to improve their existing infrastructure to provide for future workforce housing for industrial expansion. Applicant exercised due diligence in attempting to resolve the circumstances causing the delay by revising the Cross Creek at Quincy's civil plans to accommodate the City's scope of work. Applicant has also taken the following actions to avoid the need for another extension:


- Assisted the City to develop civil plans needed for their public bid process.
- Amended our construction contract to include a temporary access road to the development site from Hogan Lane during the construction period and the City's completion of the extension of South Springs Road so that both projects can be completed simultaneously.

Nonetheless, Applicant believes, based on the progress to date, that it can satisfy the loan-closing deadline if extended by 90 days.

The requested extension will not prejudice Applicant, the Development, any other party that applied to receive HOME financing in the RFA, nor Florida Housing. A denial of the extension, however, would: (a) result in substantial economic hardship to Applicant, as it has incurred significant costs to date in an effort to ensure that the Development proceeds to completion; and (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. If this request is not granted, the firm loan commitment will be deemed void, the funds will be de-obligated, 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 extension will ensure the availability of HOME financing that will otherwise be lost as a result of the delays. Granting this request

will also result in the delivery of 36 new affordable housing units much faster than would reallocating the funding to a new development.

Should Florida Housing require additional information, Applicant is available to answer questions and to provide all information necessary for consideration of this request.

Respectfully, 
Terri Murray
Authorized Representative



August 2, 2024

Mr. Robert Dearduff
Florida Housing Finance Corporation
227 N. Bronough Street Ste. 5000
Tallahassee, FL 32301-1329

RE: Development Plan Approval for Toloosa North PLP 2024-005P-09

Dear Mr. Dearduff:

This letter provides notice that the Toloosa North project has my approval to go forward for consideration of FHFC Board approval of the loan amount of \$750,000 for land acquisition and predevelopment expenses. Alachua Habitat for Humanity will develop 52 units, in Alachua County, FL for low- and moderate-income families. PLP funds will be used for acquisition and predevelopment expenses. The borrower is requesting that the \$500,000 land purchase be reimbursed by the PLP loan as they are being required to purchase the site prior to approval of the PLP loan. 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 \$750,000 is sufficient to complete the proposed acquisition and predevelopment activities for this project.

Should you need any further information please feel free to contact me at kropp@flhousing.org or call 352-422-3513.

A handwritten signature in blue ink on a light blue rectangular background, which reads "Steve Kropp".

Steve Kropp
Director Affordable Housing Development
Florida Housing Coalition

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Ashon Nesbitt



Predevelopment Loan Program

Development Plan

Development Name	Toloosa North
Development File Number	2024-005P-09

A. General Information	
Applicant Entity Name	Alachua Habitat for Humanity
Development Name	Toloosa North
Development Address	TBD NW 135th Terr Alachua, FL
Tax Assessor Parcel Id Number	03135 000 000
Development Co-Developers	N/A
Primary Contact	David Weiss Phone 239-404-1221 dweiss@alachuahabitat.org
Development Type	Rental <input type="checkbox"/> Homeownership <input checked="" type="checkbox"/>
Number of Buildings	13 Buildings
Number of Units	52
Target Population	Families
Construction Type	New <input checked="" type="checkbox"/> Rehab <input type="checkbox"/> Both <input type="checkbox"/>
<p>Applicant Comments: We are building site-built, new affordable workforce housing on sewer/water. There will be 13 4-plex units for a total of 52 units. These will be two-story homes (3BR; 2 ½ Bath) approx. 1425 SF. The project will be completed in phases. There will be a Homeowner’s Association to upkeep the exterior of the development, so it holds its value long-term.</p>	
<p>TAP Comments: The borrower must purchase the property prior to the closing of the PLP loan due to the closing date of the contract not being able to be extended. The borrower is requesting reimbursement under the PLP Rule with approval from the FHFC board. The borrower is exploring the use of a Community Land Trust.</p>	

B. Development Finance Information	
PLP Loan Recommended Amount	\$750,000.00
Total Predevelopment Costs	\$300,000
PLP Loan Amount for Acquisition	\$500,000
Estimated Total Development Costs	\$13,627,515
<p>Will the Development be pursuing Tax Credits or Bonds? Yes <input type="checkbox"/> No <input checked="" type="checkbox"/></p>	
<p>If “Yes” selected above, please state name of entity that will own the property?</p>	
<p>Applicant Comments: To reduce risk, we plan to develop the property in two phases. Phase 1 is 12 units; and balance of 40 in phase 2. The total costs for the development are \$13,627,515</p>	
<p>TAP Comments: The borrower has years of experience producing homes in the region.</p>	

C. Development Team		
	Vendor	Status
Developer	Alachua Habitat for Humanity	Under Contract
Co-Developer	N/A	N/A
Contractor	Alachua Habitat for Humanity	Under Contract
Architect	Andrew Kaplan Architect, PA	Contract in negotiation
Engineer	JB Pro	Under Contract
Consultant	TBD	TBD
Property Management	For Sale; Alachua Habitat	Under Contract
Other		
<p>Applicant Comments: We are putting a team together that has worked together for years on single family homes. Alachua Habitat for Humanity is very experienced working with lower income clients and workforce housing. Our architect does all our homes, along with feedback from the President of Land Development, who has experience in building and developing over 2800 lots and homes. Our engineer is well known in our community, and we have worked with them before, and they are very experienced with the City of Alachua.</p>		
<p>TAP Comments: The development team has worked together in the past and has vast experience producing homes for low- and moderate-income families in the area.</p>		

D. Market/Feasibility		
Type of Study	Performed By	Status
Market Study will be appraisal	As required by Underwriter	To be engaged
<p>Type of study appraisal, as assigned by credit underwriter. There is a proven need for workforce housing in the in the City of Alachua. Our clients like the small-town atmosphere. Our Family Services has a waiting list for our properties, and the property taxes will be less than in the City of Gainesville with the possibility to have additional lower taxes due to this project most likely being a land trust development.</p>		
<p>Applicant Comments: Based on past demand and experience, 1425SF 3 Bedroom; 2 ½ Bath \$275,000-\$350,000</p>		
<p>TAP Comments: The land purchase must go through credit underwriting which will include an appraisal report.</p>		

E. Development Site and Site Control	
<p>A description of the development site is required 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 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 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 type="checkbox"/> Yes <input checked="" type="checkbox"/> No
If no liens exist, how was that verified?	Title Commitment
List all existing mortgages and liens on the property:	
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.	N/A
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).	
<p>Applicant Comments: We must close on property before the PLP loan approval, due to current landowners demands. It was extended once to confirm costs and city zoning approvals. We will ask for reimbursement once the PLP loan closes.</p>	

TAP Comments: The borrower is seeking reimbursement for the land purchase as the closing date will be prior to credit underwriting being completed.

F. Development Readiness	
Item	Status
Current Zoning on Property	PDR, multifamily
Current Use of Property	Vacant
Future Land Use Plan	Multi-Family
Site Plan Approval	In Process expect approval by September
Property Survey	In Process
Soil Testing	Completed
Permits	In process
Availability of Utilities to property	Yes, City of Alachua
Availability of Water to property	Yes, City of Alachua
Availability of Sewer to property	Yes, City of Alachua. Extension costing \$200,000 is needed
Availability of Road access to property	Yes, via State Road 235
Environmental Assessments Performed	Past-Tree Farm; phase 1 in process
Appraisal	To be ordered by underwriter
Financial Statements available for review	Yes
Plans, Specs for Development	In Process
Applicant Comments: Currently completing the development layout. We are purchasing the land because it was ready to go.	
TAP Comments: The project is almost shovel ready and will be completed in phases.	

G. Financing Sources		
Name of Source	Amount	Status
PLP	\$750,000	Applied For
Cash (once land purchase is reimbursed.	\$970,000	Committed
Bank Loan (South State Bank)	Revolving line of credit \$700,000	To be applied for
Applicant Comments: A revolving line of credit maybe used to fund construction.		
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?	Revolving line of credit in the amount of \$750,000. The borrower typically closes and then sells the mortgages, providing cash to fund construction.
Will any of the financing closing in conjunction with the PLP loan be permanent or construction financing?	No
TAP Comments: The borrower plans to build the homes using cash and then sell the mortgages. The borrower is considering a revolving line for construction.	

H. Narrative
<p>We currently have a regional bank in Atlanta that will purchase our 2% mortgages at approximate par (or 100%) for the CHR credits. This provides us with funds for future construction funds. In addition, we plan to apply for a revolving line of credit for the hard costs of building the actual units. As this project will be in one location, we will be able to increase our production because we are not building homes all over the county. This also always allows us to get volume estimates, thereby cutting costs. We have personally value engineered the plans to be efficient to build.</p>

I. Predevelopment Loan Request Budget	
Item	Amount
Accounting	\$12,000
Acquisition (Land)	\$500,000
Closing Costs (acquisition)	\$12,000
Appraisal	\$10,000
Architect/Engineer	\$15,000
Bond Closing Fee	\$5,000
Consultant	\$25,000
Environmental Testing	\$8720

Insurance	\$6000
Legal Fees	\$15,000
Survey	\$10,500
Title Insurance	\$3080
Contingency	\$18,000
Other (Soil Tests)	\$13,500
Other (Plat and Design Work)	\$96,200
PLP Loan Total	\$750,000

J. Total Development Costs	
Acquisition costs not covered by PLP	\$20,000
Acquisition closing costs not covered by PLP	\$0,00
Other Predevelopment costs not covered by PLP	\$50,000
Rehabilitation	\$0,00
Hard Construction	\$12,500,000
Construction Contingency	\$500,000
Developer Fees (North Central FL Foundation)	\$57,515
Other construction costs	0
Total Development Cost	\$13,627,515

K. Timeline		
Timeline Item	Date	Status
PLP Loan Approval	August, 2024	Anticipated
Site Acquisition	August 15th, 2024	Anticipated
Survey	September, 2024	Anticipated
Zoning Approval	August 2024	Anticipated
PLP Loan Closing	October 21st, 2024	Anticipated
Applying for Construction Financing	January, 2025	Anticipated
Construction Start	November, 2024	Anticipated
Construction Completion	Spring 2027	Anticipated
Lease-up/Sale	Spring 2027	Anticipated



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Ashon Nesbitt

July 31, 2024

Mr. Robert Dearduff
Florida Housing Finance Corporation
227 N. Bronough Street Ste. 5000
Tallahassee, FL 32301-1329

RE: Development Plan Approval for Midtown St. Petersburg Apartments
PLP 2023-008P-09

Dear Mr. Dearduff:

This letter provides notice that the Midtown St. Petersburg project has my approval to go forward for consideration of FHFC approval of the PLP loan amount of \$439,900 and execution of loan documents. Pathway 2 Success, Inc. is planning to build 3 buildings consisting of 27 rental units for low- and moderate-income family households in St. Petersburg, FL (Pinellas County). PLP funds will be used for 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 \$439,900 is sufficient to complete the proposed predevelopment activities for this project.

Should you need any further information please feel free to contact me at kropp@flhousing.org or call 352-422-3513.

A handwritten signature in black ink on a light blue rectangular background, reading "Steve Kropp".

Steve Kropp
Director of Affordable Housing Development
Florida Housing Coalition



Predevelopment Loan Program

Development Plan

Development Name	Midtown St. Petersburg Apartments PLP
Development File Number	2023-008P-09

A. General Information	
Applicant Entity Name	Pathway 2 Success, Inc.
Development Name	Midtown Apartments
Development Address	Union and Upton Ct
Tax Assessor Parcel Id Number	25-31-16-22320-000-0250 25-31-16-22320-000-0280 25-31-16-22320-000-0290 25-31-16-22320-000-0300 25-31-16-22320-000-0310 25-31-16-22320-000-0320
Development Co-Developers	N/A
Primary Contact	Christopher Jackson - 727-452-7247 christopher.jackson@pathway2success.org
Development Type	Rental <input checked="" type="checkbox"/> Homeownership <input type="checkbox"/>
Number of Buildings	3
Number of Units	27
Target Population	Family
Construction Type	New <input checked="" type="checkbox"/> Rehab <input type="checkbox"/> Both <input type="checkbox"/>
<p>Applicant Comments: Midtown is considered the heart of Saint Petersburg. Our “Midtown Apartments” project is only 5 minutes from downtown St. Petersburg and 15 minutes from St. Petersburg Beach. This project addresses the increasing urban disparity in South Saint Petersburg.</p> <p>The 27 units are contained in three buildings, generating interior courtyards for views and natural ventilation for each apartment. They are connected by the main road and sidewalks. The masonry brick walls play an important role as they are a part of the structure and re-interpret the traditional brick wall.</p>	
<p>TAP Comments: The property has an excellent location near downtown St. Petersburg. The project is well designed and should appeal to new residents. The project will cater to families.</p>	

B. Development Finance Information	
PLP Loan Recommended Amount	\$439,900.00
Total Predevelopment Costs	\$604,900.00
PLP Loan Amount for Acquisition	0
Estimated Total Development Costs	\$5,926,211.00
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?	
Applicant Comments: Pathway 2 Success Inc. has completed an application with Florida Community Loan Fund. We have communicated with Dwayne Rankin and the process is moving forward.	
TAP Comments: The total project cost is about \$220,000 per unit, which is in line with the cost of similar projects in Central Florida. The borrower plans on obtaining conventional financing.	

C. Development Team		
Developer	Pathway 2 Success Inc.	Under Contract
Contractor	Many Moons Enterprise and Groz Construction	Under Contract
Architect	Fraze Design	Under Contract
Engineer	Howard Engineering and Florida Engineering	Under Contract
Property Management	NFX Services LLC	Under Contract
Other		
Applicant Comments: Pathway 2 Success Inc. development team has over 60 years’ experience in building and construction. This team has completed single family homes, schools, and mid-level garden style apartments. Many Moons (GC) works with Pathway 2 Success as the General Contractor. Pathway 2 Success Inc. has hired Groz Construction to complete all shell work of the project. Howard Engineering completed architectural plans. Also, Howard Engineering has been hired to work with the City of Saint Petersburg to help with the permitting process.		
TAP Comments: The applicant has assembled the development team and completed the plans for the project.		

D. Market/Feasibility		
Type of Study	Performed By	Status
Appraisal/ Market Study	TBD	Will be ordered by construction lender
Provide narrative of anticipated marketing and lease up of property:		

A market study/appraisal will be ordered and prepared according to the requirements of the construction lender.

Pathway 2 Success has been a low-income rental provider for over 13yrs. We have partnered with St. Petersburg Housing Authority, Pinellas County Housing Authority, and several other agencies here in Pinellas. Pinellas County waiting list for most of these agencies are two years behind.

Applicant Comments: Currently we have a waiting list of about 20 families looking for homes. We receive calls 7 days a week in reference to housing. Pinellas County is experiencing a new high in the population of homelessness. Your mid-level income person making \$69,520 a year needs affordable housing. We completed an application for a family last week. The household has 4 people. Total income is \$69K and has a section 8 voucher for assistance. The tenant will pay a majority portion of the rent.

TAP Comments: The Applicant has experience providing housing units for the targeted population and has existing partnerships with housing agencies in the market area.

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 type="checkbox"/> No N/A
The Applicant has or will have prior to loan closing, a long-term lease on the site	<input type="checkbox"/> Yes <input type="checkbox"/> No N/A
Are there existing liens on the property?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
If no liens exist, how was that verified?	Gold Title Co
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.	N/A

<p>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).</p>	
<p>Applicant Comments: Pathway 2 Success Inc is the sole owner of the apartment complex.</p>	
<p>TAP Comments: The applicant has purchased the site and is ready to begin development.</p>	

F. Development Readiness	
Item	Status
Current Zoning on Property	CCT-1 and NSM-1
Current Use of Property	Vacant Land
Future Land Use Plan	Neighborhood Suburban Multifamily
Site Plan Approval	Completed
Property Survey	Completed
Soil Testing	Completed
Permits	Completed
Availability of Utilities to property	Yes-Duke Energy
Availability of Water to property	Yes-City of Saint Petersburg
Availability of Sewer to property	Yes-City of Saint Petersburg
Availability of Road access to property	Yes, Upton Street
Environmental Assessments Performed	Complete
Appraisal	To be completed
Financial Statements available for review	Yes
Plans, Specs for Development	Completed
<p>Applicant Comments Pathway 2 Success Inc. has submitted building plans to permitting. Plans have been approved by city officials in the planning dept. Now plans have been moved to the zoning dept. Once zoning is complete, we will submit for final permit.</p>	
<p>TAP Comments:</p>	

G. Financing Sources		
Name of Source	Amount	Status
Florida Community Loan Fund	\$4,926,211	Applied For
Equity	\$1,000,000	Committed
		Choose an item.
		Choose an item.
<p>Applicant Comments: Funding discussions have started with FCLF. Pathway 2 Success has been in partnership with FCLF for 13 years. Funding for this project will provide 27 families with stable affordable housing. FCLF also provides funding for affordable housing for Pathway 2 Success locally here in St. Petersburg. We are working with FCLF as a direct lender for the project to provide construction financing – up to 90% of total value and 100% of cost. There’s over \$1,000,000 in equity in the property which will be leveraged to obtain 100% of cost. i Fund Cities will provide a quote as a backup.</p>		
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	
<p>TAP Comments: The applicant is working with two lenders to secure financing.</p>		

H. Narrative
<p>Provide Additional narrative not covered in comments above: Pathway 2 Success will provide newly constructed rental housing for families in need of a stable home. The location provides renters access to St. Petersburg College, which is a 100 ft away. The development is near other community elements such as several eateries located in Midtown, The City of St. Petersburg and the Tampa Bay Rays have made an agreement to stay and build their new stadium here. That will be a huge economic rise to Midtown.</p> <p>This 27-unit community is in a quiet area of Midtown Saint Petersburg Florida. The unit mix consists of two (2) 3-bedroom units at 50% AMI, four (4) 2-bedroom units at 50% AMI, nine (9) 2-bedroom units at 120% AMI and twelve (12) 3-bedroom units at 120% AMI. The community will be fenced with private parking, central air, washer dryer hookups in units. The 3 bedrooms with 2 bathrooms units contain 1124 sq ft. and 2 bedrooms with 1 bathroom 936 sq ft. The 3 bedroom and 1 bath contain 1011 sq ft. Melrose Elementary is walking distance from the apartment complex. John Hopkins Middle is located a mile away, walking distance as well. Gibbs High School is located 2.5 miles away. There is a grocery store two miles away. There is a bus stop 200 feet away.</p>

I. Predevelopment Loan Request Budget	
Item	Amount
Appraisal	\$13,500
Architect/Engineer	\$175,000
Builders Risk Insurance	\$50,000
Loan Commitment Fees	\$60,000
Environmental Testing	\$8,000
Insurance	\$15,000
Legal Fees	\$15,000
Market Study	\$5,000
Survey	\$13,400
Title Insurance and Closing Costs	\$10,000
Permits	\$20,000
Impact Fees	\$35,000
Contingency	\$20,000
PLP Loan Total	\$439,900

J. Total Development Costs	
Acquisition costs not covered by PLP	\$60,000
Acquisition closing costs not covered by PLP	\$500
Other Predevelopment costs not covered by PLP	\$100,000
Hard Construction	4,720,000
Construction Contingency	\$312,816
Developer Fees	\$312,817
Other construction costs	\$420,078
Total Development Cost	\$5,926,211

K. Timeline		
Timeline Item	Date	Status
PLP Loan Approval	August 2024	Anticipated
Survey	Nov 2023	Complete
Site Acquisition	July 2020	Complete
Zoning Approval	October 2024	Anticipated
PLP Loan Closing	September 2024	Anticipated
Applying for Construction Financing	July 2024	Complete
Construction Start	January 2025	Anticipated
Construction Completion	January 2026	Anticipated
Lease-up	January 2026	Anticipated



July 30, 2024

Mr. Robert Dearduff
Florida Housing Finance Corporation
227 N. Bronough Street Ste. 5000
Tallahassee, FL 32301-1329
RE: Notre Maison PLP Loan Budget

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Bank of America

Thais Sullivan
Valley National Bank

CHIEF EXECUTIVE OFFICER

Ashon Nesbitt

This letter provides notice that Notre Maison PLP (2024-002P-09) has requested a revision to the approved PLP Budget for Notre Maison in Miami, FL (Miami Dade County). To date, the Borrower has expended \$217,229.43 of the \$500,000.00 loan which matures on June 25, 2027. The Borrower is requesting to reallocate PLP funds from Legal fees and Architect fees and to other line items that best align with the project's timeline and immediate needs. The revisions are outlined below:

Item	Approved Amount	Proposed Revised
Appraisal	\$0	\$5,500
Architect/Engineer	\$400,000	\$240,383
Credit Underwriting	\$27,411	\$27,411
Legal Fees	\$61,699	\$16,175
Market Study	\$0	\$6,700
Survey	\$10,890	\$14,260
FHFC Administration Fees	\$0	\$156,750
FHFC Extension Fees	\$0	\$32,821
PLP Loan Total	\$500,000	\$500,000

Appraisal: increase of \$5,500 for this new line item.
Architect/Engineer: decrease of \$159,617 which will be paid from other funds.
Legal Fees: decrease of \$45,524.
Market Study: increase of \$6,700 for this new line item.
Survey: increase of \$3,370 due to an increase in cost.
FHFC Administration Fees: increase of \$156,750 for this new line item.
FHFC Extension Fees: increase of \$32,821 for this new line item.

As TAP for this project, I am recommending approval of this request to revise the PLP Budget to reallocate expenses to allow for other line items and the change in the existing line items.

Should you need any further information please feel free to contact me at Kropp@Flhousing.org or call 352-422-3513.

Steve Kropp
Director of Affordable Housing Development
Florida Housing Coalition



August 2, 2024

Mr. Robert Dearduff
Florida Housing Finance Corporation
227 N. Bronough Street Ste. 5000
Tallahassee, FL 32301-1329

RE: Development Plan Approval for Mary Alice Brown Family villas, LLC
PLP 2024-006P-09

Dear Mr. Dearduff:

This letter provides notice that the Mary Alice Brown Family Villas project has my approval to go forward for consideration of FHFC approval of the loan amount of \$500,000 for the predevelopment expenses. Mary Alice Brown Family Villas, LLC will rehabilitate 10 buildings with 216 rental units, in Opa-locka, FL (Miami Dade County) for low- and moderate-income families. The PLP loan will be secured by a Second Mortgage. A Letter of Credit acceptable to Florida Housing Finance Corporation will be provided by the borrower if the PLP cannot be in the second mortgage position. 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 \$500,000 is sufficient to complete the proposed predevelopment activities for this project.

Should you need any further information please feel free to contact me at kropp@flhousing.org or call 352-422-3513.

A handwritten signature in blue ink that reads "Steve Kropp".

Steve Kropp
Technical Advisor

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Christine Ruiz
Bank of America

Thais Sullivan
Valley National Bank

CHIEF EXECUTIVE OFFICER

Ashon Nesbitt



Predevelopment Loan Program

Development Plan

Development Name	Mary Alice Brown Apartments
Development File Number	2024-006P-09

August 2024

A. General Information	
Applicant Entity Name	Mary Alice Brown Family Villas, LLC
Development Name	Mary Alice Brown Apartments
Development Address	13105 NW 30 th Avenue, Opa Locka, Florida
Tax Assessor Parcel Id Number	08-2128-021-0010
Development Co-Developers	N/A
Primary Contact	Willie Logan 305-687-3545 logan@tennorthgroup.com
Development Type	Rental <input checked="" type="checkbox"/> Homeownership <input type="checkbox"/>
Number of Buildings	9 Residential - 1 Clubhouse
Number of Units	216
Target Population	Family
Construction Type	New <input type="checkbox"/> Rehab <input checked="" type="checkbox"/> Both <input type="checkbox"/>
Applicant Comments: Comprehensive renovation of an existing 216 Unit Garden Style apartment Property, utilizing Low Income Housing Tax Credits (LIHTC'S) located in Opa Locka, Florida.	
TAP Comments: The PLP loan for this acquisition /rehab project will be secured by a second mortgage on the property. If the title commitment shows liens which prevent the PLP loan from being secured by a second mortgage the borrower has agreed to secure the loan with a letter of credit acceptable to FHFC.	

B. Development Finance Information	
PLP Loan Recommended Amount	\$500,000.00
Total Predevelopment Costs	\$725,000
PLP Loan Amount for Acquisition	N/A
Estimated Total Development Costs	\$75,926,632
Will the Development be pursuing Tax Credits or Bonds? Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>	
If "Yes" selected above, please state name of entity that will own the property?	Mary Alice Brown Family Villas, LLC
Applicant Comments: The acquisition and rehabilitation of Mary Alice Brown Apartments will include acquisition of an existing 216 Unit Garden style apartment property located in Opa Locka, Florida. Renovations will include new roofs and paint for each building and site landscaping, unit renovations to include updated electric and plumbing, new cabinets and hardware, new energy star HVAC, water heaters and appliances, low flow faucets and toilets countertops, drywall repair and unit painting.	
TAP Comments: The borrower has vast experience in multifamily rehabilitation in south Florida.	

C. Development Team		
	Vendor	Status
Developer	OLCDC dba Ten North Group	Under Contract
Co-Developer	N/A	N/A
Contractor	TBD	Proposals being reviewed
Architect	Flux Architects	Under Contract
Engineer	TBD	Proposals being reviewed
Consultant	Relocation	Proposal being reviewed
Property Management	Royal American	Under Contract
Other		
Applicant Comments: Contractors are currently being interviewed and bids are being analyzed		
TAP Comments: The borrower has the architect under contract and is working to select a general contractor for the project.		

D. Market/Feasibility		
Type of Study	Performed By	Status
Appraisal - April 8, 2024	Colliers International	Completed
Provide narrative of anticipated marketing and lease up of property: The subject property is currently 92% occupied. The comprehensive renovation plan will consist of a managed building by building renovation. Residents of the to be renovated building will be relocated until the renovation is complete, then residents will be relocated back to the same building, and so on until the completion of the renovation of the entire property. As the renovation goes forward marketing will continue. The property was Appraised by Colliers International on April 8, 2024, with a restricted value of \$39,600,000 and Market Value of \$48,700,000.		
Applicant Comments: N/A		
TAP Comments: The appraisal supports the need for renovated multifamily housing in the neighborhood.		

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)	_____ 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 _____ No
The Applicant has or will have prior to loan closing, a long-term lease on the site	<input checked="" type="checkbox"/> Yes _____ No
Are there existing liens on the property?	<input checked="" type="checkbox"/> Yes _____ No
If no liens exist, how was that verified?	Title Commitment being done
List all existing mortgages and liens on the property: M&T Bank – Mortgage \$21,575,000.	
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?	_____ 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.	
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).	Mary Alice Brown Family Villas, LLC
<p>Applicant Comments: Currently a mortgage is held on the property by M&T Bank totaling \$21,575,000 all and anticipated predevelopment expenses are out of pocket, due to the first lien position held by M&T Bank.</p> <p>TAP Comments: The PLP loan will be subordinated to the M&T loan which was used to payoff the existing debt on the property.</p>	

F. Development Readiness	
Item	Status
Current Zoning on Property	R-4 4500 Multi-Family – 4 Story
Current Use of Property	Garden Style Multifamily Apartments

Future Land Use Plan	MHDR 25-60 P/A
Site Plan Approval	Renovation of Existing Property
Property Survey	Completed
Soil Testing	Yes- Existing Property
Permits	In Process
Availability of Utilities to property	Yes – Florida Power and Light
Availability of Water to property	Yes – Miami Dade County
Availability of Sewer to property	Yes – Miami Dade County
Availability of Road access to property	Yes – NW 132nd St, Opa Locka, FL 33054
Environmental Assessments Performed	Yes
Appraisal	Yes, April 2024
Financial Statements available for review	Yes
Plans, Specs for Development	Yes
Applicant Comments: Subject property is an existing and operating 216 Unit Garden Style Apartment property situated on 8.964 Acres located in Opa Locka, Florida. All utilities, including sewer, water, electricity, cable and roads are currently supplied to the site.	
TAP Comments:	

G. Financing Sources		
Name of Source	Amount	Status
PNC Bank - Debt	\$26,000,000	Committed
PNC - Equity	\$29,790,749	Committed
Surtax Loan	\$5,400,000	Applied For
Mary Alice Brown Apartments, LLC Equity	\$15,000,000	Committed
Applicant Comments:		
Is the Applicant applying for any other FHFC financing? If so, has it been approved?	N/A	
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.	N/A	
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?	N/A
TAP Comments: Several loans including a SAIL loan were paid off by the refinancing with M&T when the loan closed in 2022. The borrower will sell the property to a SPE using tax exempt Revenue Bonds issued through Miami Dade along with 4% Housing Credits and a Sur Tax Loan from Miami Dade. Any gap in financing will be provided by seller financing or deferred developer fee.	

H. Narrative
Applicant Comments: Subject is the acquisition and rehabilitation of an existing and occupied 216 Unit Garden Style Apartment Community, situated on 8.964 Acres located in Opa Locka, Florida. It is the intent of the developer to utilize Revenue Bonds issued by Miami-Dade County and an award of 4% Low-Income Housing Tax Credits (LIHTC) to finance the acquisition, and renovation. The subject building-by-building renovation will include new roofs and painting of each building, including the clubhouse and re-landscaping of the site. Unit renovations will include HVAC, Electric, Water Heaters, Plumbing, Cabinets, Countertops, Appliances, Doors and Painting each unit.

I. Predevelopment Loan Request Budget	
Item	Amount
Bond Inducement Fee	150,000
Appraisal/Market Study	10,000
Architect/Engineer	105,850
Consultants	25,400
Capital Needs Assessment	20,000
Credit Underwriting Fees	50,000
Environmental Testing	19,150
Legal Fees	25,000
Resident Relocation	26,600
Survey	15,000
Green Building Consultant	5,000
Other – Permits	30,000
Other – MDFHA App Fees	18,000
PLP Loan Total	\$500,000.00

J. Total Development Costs	
Acquisition costs not covered by PLP	\$37,647,640
Acquisition closing costs not covered by PLP	\$355,700
Other Predevelopment costs not covered by PLP	\$250,000
Rehabilitation	\$15,487,302
Hard Construction	
Construction Contingency	\$2,323,095
Developer Fees	\$11,080,142
Other construction costs	\$8,782,753
Total Development Cost	\$75,926,632

Timeline		
Timeline Item	Date	Status
PLP Loan Approval	08/30/2024	Anticipated
Site Acquisition	09/15/2024	Anticipated
Survey	05/27/2022	Complete
Zoning Approval	Current Zoning in-Place	Complete
PLP Loan Closing	October 2024	Anticipated
Applying for Construction Financing	02/27/2024	Complete
Construction Start	12/2024	Anticipated
Construction Completion	12/2025	Anticipated
Lease-up/Sale	12/2025	Complete



August 6, 2024

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: Azalea Apartments
HOME Loan 2002-720H

Transfer of Ownership / Assumption of the HOME Loan Documents / Release and Replacement of Guarantors

Dear Mr. Fowler:

First Housing Development Corporation of Florida (“FHDC”, “First Housing”, or “Servicer”) has reviewed a letter, dated February 7, 2024, from a representative of Community Housing Partners Corporation of Florida, Inc. (“Borrower” or “Seller”) and a letter dated, February 7, 2024, from a representative of Florida Non-Profit Housing, Inc. (“FNP Housing”). The letters notified Florida Housing Finance Corporation (“Florida Housing” or “FHFC”) that an affiliate of FNP Housing, Florida Non-Profit Holdings, Inc. (“Buyer” or “FNP Holdings”) intends to acquire Azalea Apartments (“Development”) from the Borrower and requests FHFC approval of the transfer of the ownership, assumption of the existing HOME loan documents, and the release and replacement of the Guarantors. Florida Non-Profit Holdings, Inc. and Florida Non-Profit Housing, Inc. will execute any guarantees that Florida Housing deems necessary. The existing first mortgage will also be assumed.

First Housing has been requested to determine that FNP Housing and FNP Holdings have 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:

- Rule 67-48
- Credit Underwriting Report, dated February 11, 2004.
- Purchase and Sale Agreement, dated January 17, 2024.
- Development's Audited Financial Statement for year ended December 31, 2023 and December 31, 2022.
- HOME LURA, dated May 3, 2004, and First Amendment to HOME LURA, dated March 14, 2007.
- HOME Promissory Note, dated May 3, 2004.
- Rent Roll, dated May 31, 2024.
- FHFC's Occupancy Reports.
- Buyer's proposed organizational chart.
- FHFC Past Due Report, dated June 17, 2024.
- FHFC Asset Management Noncompliance Report, dated October 18, 2023.
- Annual Management Review, dated October 9, 2023.

Background

Azalea Apartments is an existing 40-unit multifamily development located at 861 Pleasant Way, Bowling Green, FL 33834 and consists of twenty (20) duplex buildings, plus one non-residential building. The Development contains eight (8) two-bedroom/one-bath units, twenty-four (24) three-bedroom/one-bath units, and eight (8) four-bedroom/two-bath units. The demographic commitment is Family.

The Development is financed with a first mortgage payable to Rural Development ("RD") under their Rural Rental housing Program in the original amount of \$1,143,503.11. The loan is payable in monthly installments of \$5,916, including principal and interest, before a subsidy of \$3,490, at the rate of 5.875% over the term of the loan which extends to May 3, 2034. The balance of the note as of December 31, 2023 was \$1,004,051.

The existing second mortgage is payable to FHFC under the HOME Program in the original amount of \$2,325,000. The HOME Loan is non-amortizing and non-interest bearing. Principal will be due at maturity on May 3, 2034.

The HOME LURA requires the following set-asides for a total term of fifty (50) years:

- 20% of the units (8 units) set aside as HOME Assisted Units at or below 50% AMI;
- 80% of the units (remaining units) set aside as HOME Assisted Units at or below 60% AMI.

Status of the Development Team Noncompliance/Past Due

The proposed development team was reported on Florida Housing's June 17, 2024 Past Due Report for the following:

- None

The proposed development team was reported on Florida Housing's October 18, 2023 Asset Management Noncompliance Report for the following:

- Azalea Apartments – Failure to provide required unit features and failure to provide required development amenities.

Based on the May 31, 2024 rent roll, the Development was 100% occupied. Based on FHFC's Occupancy Reports, the property was 100% occupied in February and March of 2024. Additionally, the property's occupancy averaged 98.96% for 2023.

An Annual Management Review was conducted on October 9, 2023 and found the Development to be in noncompliance. A Closeout Letter was not issued as the Development is still noncompliant. Receipt of a Closeout Letter is a condition to closing.

Transfer of Ownership

Current Ownership Structure:

The Development is currently owned by Community Housing Partners Corporation of Florida, Inc., a Florida nonprofit corporation.

First Housing received a Purchase and Sale Agreement, dated January 17, 2024, between Seller and FNP Housing. The purchase price of the Development shall consist of the assumption of the RD Loan and the FHFC HOME Loan. Closing shall occur within thirty days following satisfaction of the Closing Conditions in the Purchase and Sale Agreement. First Housing received an Assignment

of Purchase and Sale Agreement, dated March 4, 2024, between FNP Housing (“Assignor”) and FNP Holdings (“Assignee”).

Proposed Ownership Structure:

The Buyer is FNP Holdings which is a Florida nonprofit corporation created to acquire and own the Development. FNP Holdings is a subsidiary of FNP Housing. Formed in 1978, FNP Housing’s mission is to provide rental housing development and related services for low and very low income rural residents.

Experience and Financial Capability of Proposed Ownership Entities

FNP Holdings is a newly formed entity with no financials or experience. First Housing is relying on the information provided for FNP Housing which is the sole member of FNP Holdings.

First Housing received audited financial statements and supplementary information for Florida Non-Profit Housing, Inc., dated September 30, 2023. First Housing received 2021 and 2022 Form 990s for Florida Non-Profit Housing, Inc. First Housing received a bank statement for Florida Non-Profit Housing, Inc. Based on the statement of Financial Affairs forms, Florida Non-Profit Housing, Inc. does not have contingent liabilities. First Housing has requested trade references from the contacts provided but has not received a response at this time. First Housing has reviewed the information and found it to be satisfactory.

Florida Non-Profit Holdings, Inc. was recently formed in 2023 and does not have trade references, financials, or a bank statement. First Housing received a credit report for Florida Non-Profit Holdings, Inc. and Florida Non-Profit Housing, Inc., each dated June 26, 2024. First Housing has reviewed the information and found it to be satisfactory.

In recent years, the Development has needed cash from the Seller to support operations. In 2023, it was estimated that the Development had negative cash flow after debt service of \$68,542. Given that the Buyer has less net worth than the Seller, First Housing has recommended that an Operating Deficit Reserve (“ODR”) in the amount of \$125,000, which is approximately two years of the operating deficit in 2023, be established at closing. The ODR should be held by First Housing or FHFC. The ODR can be released upon achievement of a 1.15x debt service coverage ratio on the permanent first mortgage as determined by FHFC or the Servicer for a period equal to 12 consecutive months. Notwithstanding the above, the Operating Deficit Reserve shall not be released in the first five (5) years following the transfer of ownership. The Buyer intends to fund the ODR at closing from cash on hand.

Sources and Uses of Funds

The purchase price of the Development shall consist of the assumption of the RD Loan and the FHFC HOME Loan. The Buyer anticipates getting a loan in the amount of \$100,000 from the Housing Assistance Council in order to cover closing costs. It is anticipated that the loan will be secured through a subordinate lien position. It is expected to be 0% interest deferred payment loan with a 20 year term.

Management Company

The new management company will be Dimension One Management, Inc. (“Dimension One”). FHFC’s Asset Management Department will need to approve the selection of the new management company and is a condition to closing.

Since 1990 Dimension One has managed a portfolio of multi-family housing complexes located in Florida, Georgia, and South Carolina. The multi-family portfolio has primarily consisted of affordable housing with numerous funding programs such as USDA Rural Development 515, SAIL, Bonds, LIHTC, and HUD Section 8.

First Housing has received an executed Management Agreement with an effective date of May 1, 2024. Dimension One will be compensated for its services by monthly fees, to be paid from the General Operating Account and treated as a Project operation and maintenance expense. Each monthly fee will be in an amount approved by Rural Development. Increase in unit rate will be in accordance with approved RD and HUD changes, approved budget and Owner approval.

Recommendation

First Housing’s review indicates that the proposed ownership entities will fund an ODR in the amount of \$125,000 which will help to successfully own and operate the Development. First Housing recommends approval of the transfer of ownership to FNP Holdings, assumption of the existing HOME Loan Documents, release and replacement of the Guarantors, and the modification of any other loan documents required to effectuate the transaction, subject to the following conditions:

1. Florida Non-Profit Holdings, Inc. and its entities and principals (if applicable) 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. Florida Non-Profit Holdings, Inc. 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. Florida Non-Profit Holdings, Inc. and Florida Non-Profit Housing, Inc. to execute any guarantees that Florida Housing deems necessary.
4. 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 F.A.C., of an Applicant or a Developer).
5. Closeout letter for the Annual Management Review conducted on October 9, 2023.
6. Funding of an ODR in the amount of \$125,000 at closing which will be held by FHFC or First Housing.
7. Review of the documents for the loan from the Housing Assistance Counsel to ensure it meets the requirements of FHDC, FHFC, and Counsel and is consistent with the assumptions in this report.
8. Satisfactory resolution of any outstanding FHFC noncompliance and/or past due items.
9. Verification that all Insurance Certificates are current and acceptable to Servicer and FHFC.
10. 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.
11. Confirmation of approval of the transfer of ownership by all other lenders, if applicable.
12. Confirmation of FHFC Asset Management's approval of the selection of the management company, 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.
14. Prepayment of any required compliance monitoring fees and servicing fees.
15. Going forward the Borrower will pay compliance monitoring fees and servicing fees to Servicer.
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

SELTZER MANAGEMENT GROUP, INC.

17633 ASHLEY DRIVE
PANAMA CITY BEACH, FL 32413
TEL: (850) 233-3616
FAX: (850) 233-1429

July 30, 2024

VIA EMAIL

Mr. Todd Fowler
Director of Special Assets
Florida Housing Finance Corporation
City Centre Building
227 N. Bronough Street, Suite 5000
Tallahassee, Florida 32301

Re: Villa Aurora
Addition of Subordinate Debt
SAIL and 9% Housing Credit 2005-020CS / 2007-004CS

Dear Mr. Fowler:

On your behalf, Seltzer Management Group, Inc. ("SMG" or "Seltzer") has reviewed a request, dated April 19, 2024, from a representative of Villa Aurora, LLLP ("Villa" or "Borrower") requesting Florida Housing Finance Corporation's ("FHFC" or "Florida Housing") consent to the addition of subordinate debt for the above referenced transaction in order to repair and rehabilitate seventy-six (76) units at Villa Aurora.

At your direction, SMG has reviewed the request and formulated a recommendation. Seltzer's findings are presented below.

For purposes of this analysis, SMG reviewed the following:

1. Correspondence seeking Florida Housing's consent of the request outlined above
2. SAIL and 9% Housing Credit ("HC") Credit Underwriting Report ("CUR") dated July 12, 2007 prepared by SMG
3. Borrower Audited Financial Statement, prepared by Tidwell Group LLC, Independent Auditors, for the year ending December 31, 2023
4. FHFC 2024-2023 Occupancy Report from June 2023 - May 2024
5. Annual Management Review and Physical Inspection, performed October 10, 2023
6. Draft Capital Needs Assessment prepared by Dominion Due Diligence Group ("D3G") prepared for Carrfour Supportive Housing dated April 12, 2024
7. Structurally Sound Contractors Proposal dated July 9, 2024 totaling \$1,342,207.
8. FHFC Past Due Report dated June 17, 2024
9. FHFC Noncompliance Report dated October 18, 2023
10. SAIL Land Use Restriction Agreement ("LURA") dated December 4, 2007, SAIL First Amendment to LURA dated August 11, 2009, Second Amendment to LURA dated April 30, 2010, Third Amendment to LURA dated March 18, 2011, Extended Low-Income Housing Agreement ("ELIHA") signed December

Mr. Todd Fowler
Villa Aurora
July 30, 2024
Page 2

28, 2009, ELIHA First Amendment signed May 27, 2010, and ELIHA Second Amendment signed May 10, 2011

11. Draft City of Miami Community Development Block Grant (“CDBG”) Promissory Note in the amount of \$800,000 and email correspondence from Carrfour’s counsel, dated June 26, 2024, confirming the payment requirements.

The CUR, dated July 12, 2007, for the above referenced transaction was approved at Florida Housing’s July 27, 2007, Board of Director’s meeting. Permanent funding included a first mortgage State Apartment Incentive Loan (“SAIL”) in the amount of \$3,000,000, a second mortgage Miami-Dade County Surtax/HOME loan in the amount of \$899,489, a third mortgage Miami Dade County Supportive Housing Program Grant in the amount of \$375,000, Library funding in the amount of \$2,950,000 for the development of a library program, an annual allocation of Housing Credits in the amount of \$2,189,896 and Deferred Developer Fee in the amount of \$635,975. The Borrower correspondence requests the addition of a CDBG Loan with the City of Miami, secured by a Leasehold Mortgage and Security Agreement, in the amount of \$800,000. The CDBG funds will be subordinate to the State Apartment Incentive Loan (“SAIL”) funds and certain other existing financing.

Email correspondence from Carrfour’s counsel confirmed the principal of this Promissory Note shall bear an interest rate of a point seventy five percent (0.75%) from the first anniversary of the Close-Out of the Project until the repayment or cancellation of the Note. Each year the Developer must make a \$6,000 payment to the City of Miami, which represents a point seventy five percent (0.75%) interest rate. The Property must maintain the required affordability period for 30 years. The City of Miami may, at its sole discretion, forgive all remaining indebtedness and other sums due on the Loan and release all documents given as collateral security for no additional consideration at its maturity.

The annual interest only payments associated with the CDBG funds from the City of Miami will reduce Debt Service Coverage (“DSC”) from 5.976 to 4.269, which is over the maximum 1.50 DSC limit noted in the Rule. However, by Rule, in extenuating circumstances, such as when a Development has deep or short-term subsidy, the debt service coverage may exceed 1.50x if the Credit Underwriter’s favorable recommendation is supported by the projected cash flow analysis. In this case, the Subject Development has more than 15% of the total units (16 units out of 76 units, 21%) set-aside at or below 30% of the Average Median Income (“AMI”) and is considered to have “deep-subsidy”. Therefore, the Subject Development is exempt from the DSC 1.50 to 1.00 maximum limitation.

Operation of the Subject Development is restricted by terms and conditions detailed in the various Closing loan documents noted above. Set asides per the SAIL LURA are 21% of the units (16 units) rented to households who have a household income less than or equal to thirty percent (30%) of the AMI and the remaining units (60 units) rented to households who have a household income less than or equal to sixty percent (60%) AMI for 50 years. Set asides per the ELIHA Extended Use Agreement (“EUA”) are 40% of the units (31 units) rented to households who have a household income less than or equal to sixty percent (60%) AMI for 50 years.

The Borrower’s Audited Financial Statements, dated December 31, 2023, reflected the following:

Villa Aurora, LLLP:

Cash and Equivalents:	\$ 22,814
Total Assets:	\$ 17,757,747
Total Liabilities:	\$ 6,462,418

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Total Net Assets: \$ 11,295,329

The most recent annual Management Review and Physical Inspection was performed on October 10, 2023. A Close Out Letter issued on January 30, 2024 indicated all noted discrepancies were satisfactorily corrected.

The FHFC Past Due Report does not reflect any past due items.

The FHFC Noncompliance Report reflects two items. One related to Amistad for failure to meet uniform physical condition standards (“UPCS”) for common areas and for units. The Borrower has indicated the findings were the result of a fire. The Applicant provided Form 8823 - Low-Income Housing Agencies Report of Noncompliance or Building Disposition, dated June 4, 2024, indicating that all repairs were completed as of April 30, 2024. The second related to Liberty Village for failure to meet UPCS for Building Exterior. The Servicer for Liberty Village, Amerinat, provided a Closeout letter dated October 31, 2023 confirming all discrepancies were satisfactorily corrected. Amerinat also provided results from Liberty Village’s June 3, 2024 annual Management Review and Physical Inspection indicating noncompliant items associated with failure to provide required Features, Amenities, and Programs, ELIHA, failure to meet Uniform Physical Inspection Standards (UPCS) for Units, failure to meet UPCS: Building Systems and failure to meet UPCS: Health and Safety. The Applicant is still within the Cure period to resolve all items.

The FHFC Occupancy Report indicates a year-to-date average occupancy for Villa Aurora of 96.82%.

Based on the details noted above, SMG concludes that the additional CDBG funding from the City of Miami will not adversely impact the transaction and would have otherwise been approved if it had been included as a funding source during the credit underwriting process. Accordingly, SMG provides this analysis for FHFC’s consideration to approve the Borrower’s request, subject to the following:

- Review and approval of all loan documents consistent with the terms outlined above by Florida Housing’s Legal Counsel.
- Receipt of a non-refundable LURA renegotiation fee equal to half of 1%, if applicable.
- 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) and 67-21.0025(5) F.A.C., of an Applicant or a Developer).
- Satisfactory resolution of any outstanding past due and/or noncompliance items.
- All other due diligence required by FHFC and its Legal Counsel.

Should you have any questions please feel free to contact me directly.

Sincerely,
SELTZER MANAGEMENT GROUP, INC.



Frank Sforza
Senior Credit Underwriter

SELTZER MANAGEMENT GROUP, INC.

17633 ASHLEY DRIVE
PANAMA CITY BEACH, FL 32413
TEL: (850) 233-3616
FAX: (850) 233-1429

August 8, 2024

VIA EMAIL

Todd Fowler
Director of Special Assets
Florida Housing Finance Corporation
227 North Bronough Street
Tallahassee, Florida 32301

Re: Banyan Senior Apartments 2007 Supplemental Loan / Housing Credits (2007-190C)
General Partner (“GP”) and Limited Partner (“LP”) Transfer / First Mortgage Refinance /
Renegotiation of Supplemental Loan Terms / Assumption and Subordination of Supplemental
Loan Documents and Extended Low-Income Housing Agreement (“ELIHA”) / Change in
Management / Release and Replacement of Guarantors

Dear Mr. Fowler:

On your behalf, Seltzer Management Group, Inc. (“SMG”, “Seltzer” or “Servicer”) has reviewed a request sent March 27, 2024, prepared by a representative of Lincoln Capital Acquisition LLC (“LAC” or “Buyer”), on behalf of Banyan Senior Limited Partnership (“Borrower”), requesting Florida Housing Finance Corporation (“FHFC” or “Florida Housing”) to consent to the transfer of the current GP and LP’s ownership interests in the Borrower, the owner of Banyan Senior Apartments (the “Subject Development”) to LAC, or its affiliate, and the assumption of the Supplemental Loan Documents, and ELIHA. In addition, LAC, or its affiliate, is refinancing the existing first mortgage with a new first mortgage, which requires subordination of the Supplemental Loan Documents and the ELIHA, and requesting a change in the Subject Development’s management company. On June 26, 2024, the Borrower requested FHFC also consent to a change in the Supplemental Loan terms and on July 15, 2024, the Borrower requested FHFC consent to the release of all guaranties that remain outstanding for the benefit of FHFC in reference to the Subject Development. SMG has been requested to determine if LAC, or its affiliate (and its underlying principal owners) have the prerequisite financial strength and experience to successfully own and operate the Subject Development. Various provisions within the Supplemental Loan Documents 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; therefore, SMG will 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. Rule 67-48.0072, F.A.C. (the “Rule”)
3. Land Use Restriction Agreement (“LURA”) dated February 13, 2009, and First Amendment to LURA dated May 1, 2013
4. ELIHA dated January 7, 2009, and First Amendment to the ELIHA dated April 15, 2011

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5. Supplemental Loan Documents
6. Personal Financial Statement for Jeremy Bronfman, as of December 31, 2023, certified as “true and correct”
7. Purchase and Sale Agreement (“PSA”) dated March 13, 2024
8. First Amendment to PSA dated May 2, 2024 (“APSA”)
9. Second Amendment to PSA dated July 2, 2024 (“APSA2”)
10. First Amended and Restated Agreement of Limited Partnership of Banyan Senior Limited Partnership dated October 20, 2008 (“A&R LPA”)
11. Draft Form of the Assignment and Assumption of Partnership Interests
12. Draft Operating Agreements
13. FHFC Occupancy Reports
14. Annual Management Review and Physical Inspection, dated March 22, 2023
15. Appraisal dated May 20, 2024 completed by CBRE Valuation & Advisory Services
16. FHFC Past Due Report, dated June 17, 2024
17. FHFC Noncompliance Report, dated October 18, 2023
18. Proposed Organizational Chart reflecting new ownership entities, their ownership percentages, and their principal owners
19. Draft Management Agreement from Franklin Johnston Group Management & Development, LLC (“Franklin”)
20. Franklin’s Resume and Prior Experience Chart
21. Letter of Intent from National Equity Fund, Inc. (“NEF”) dated April 2, 2024, and subsequent email correspondence between Seltzer and NEF

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 an Elderly development located at 11390 US Highway 19, Port Richey, Pasco County, Florida, consisting of 96 multifamily rental apartment units located in three garden-style residential buildings. The current Borrower is Banyan Senior Limited Partnership. The current GP of the Borrower is Beneficial Banyan LLC (“GP Seller”), with 51% ownership interest, and the current Limited Partner of the Borrower is Beneficial Pines, LLC (“LP Seller”), with 49% ownership interest.

Originally, the Subject Development received a second mortgage Supplemental Loan from FHFC on February 13, 2009 in the amount of \$850,000. Per the A&R LPA, funding sources included a permanent first mortgage from Greystone Servicing Corporation at the time of closing estimated to be \$1,750,000, a third mortgage from Pasco County in the amount of \$505,000, 9% Housing Credits (“HC”) equity in the amount of \$12,351,174 and deferred Developer fee in the amount of up to \$2,057,456.

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In connection with the Supplemental Loan, the following entities and individuals provided Operating Deficit Guaranty, Environmental Indemnity Agreement, Guaranty of Recourse Obligations guarantees: RLI Beneficial Holdings 7, LLC, a Florida limited liability company, Beneficial Holdings II, LLC, a Florida limited liability company, RLI Beneficial Development 7, LLC, a Florida limited liability company, Paxton Family Holdings, LLC, a Florida limited liability company, and Donald W. Paxton, individually (collectively, “the OGs”).

Operation of the Subject Development is restricted by terms and conditions detailed in various documents, including but not limited to the LURA and ELIHA. Set asides for the LURA are 10% of the units (10 units) at 33% or less of Area Median Income (“AMI”) for 15-years. Set asides for the ELIHA are 20% of the units (19 units) at 33% or less of the AMI and 80% of the units (77 units) at 60% AMI for 50-years. According to the LURA, ELI Set Aside Units (33% or less of AMI) above the 10% threshold minimum requirement will, after the first 15 years, convert to serve households with a household income less than or equal to 60% of the AMI in accordance with the requirements of the ELIHA.

As of March 2024, the Subject Development reported occupancy at a rate of 97.92%. Average occupancy in 2023 was 99.04%.

The most recent annual Management Review and Physical Inspection reflected no compliance issues. The Closeout Letter was issued on May 15, 2023.

The FHFC Past Due Report reflects no past due items for the development team. The FHFC Noncompliance Report dated October 18, 2023 reflects the following noncompliance items for the development team:

- Cypress Oaks fka Montclair Oaks (Lincoln Avenue Capital LLC / Jeremy Bronfman) – 1. Failure to document eligibility upon initial occupancy
- Fox Hollow (Lincoln Avenue Capital LLC / Jeremy Bronfman) – 1. Failure to obtain/reconfirm utility allowance (HC); 2. Failure to document eligibility upon initial occupancy
- Huntington Reserve (Lincoln Avenue Capital LLC / Jeremy Bronfman) – 1. Failure to document eligibility upon initial occupancy; 2. Failure to obtain/reconfirm UA (HC)
- Lakeside Commons (Lincoln Avenue Capital LLC / Jeremy Bronfman) – 1. Failure to perform first anniversary income determination; 2. Failure to meet Regulatory Agreements (ELIHA); 3. Failure to meet required Features/Amenities/Programs; 4. Failure to meet UPCS for Units; 5. Failure to meet UPCS for Building Exterior; 6. Failure to meet UPCS for Site; 7. Failure to meet UPCS for Health and Safety; 8. Failure to meet UPCS for Common Areas

As of May 15, 2024, the reviews associated with the above-mentioned noncompliance items have been closed.

GP and LP Change

The PSA, APSA and APSA2 are between the Seller, GP Seller and LP Seller, and LAC, as Buyer, for a purchase price of \$7,850,000. The closing date shall occur no later than 30 days after the expiration of the Inspection Period. Per the APSA2, the closing date will occur on or before the earlier of (1) September 13, 2024 or (2) the sooner of (a) ten (10) calendar days or (b) seven (7) business days after (b1) FHFC approval and (b2) receipt of draft documents from FHFC counsel consistent with the FHFC approval for the assumption of the FHFC Loan, with confirmation of final documents on the Closing Date. Concurrently with closing,

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Banyan Senior GP LLC will replace the GP Seller as the new GP, with 0.01% ownership interest, and Banyan Senior Partners LLC will replace the LP Seller as the new LP, with 99.99% ownership interest.

LAC and its affiliates have extensive experience in the affordable housing sector. A corporate resume states LAC was created by the Bronfman Family as a dedicated real estate operation with a particular focus on affordable housing in the United States. LAC has recent experience as a GP or investor for over 50 properties, totaling over 10,700 units. LAC has over 20 properties in Florida.

Jeremy S. Bronfman is the manager of the Bronfman Family office. In this capacity, Jeremy oversees all aspects of operations and investment as well as direct oversight of Sixty Capital, an internal Hedge Fund. Before returning to his family business, Jeremy was CEO of Enigma Technologies Inc., a Big Data software company. Prior to Enigma he was an investment associate at both Island Capital (the parent entity of CIII Capital Partners) and JANA Partners. Jeremy began his career and became a partner at Iroquois Capital, where he identified investment opportunities in small cap public companies.

Guarantors

The OGs for the Operating Deficit Guaranty Agreement have previously been released as per the terms of the Operating Deficit Guaranty Agreement. Consequently, there are no “natural person” or guarantors to replace.

Seltzer reviewed a certified personal financial statement for Jeremy Bronfman, the individual identified to provide personal guarantees as needed, and a LAC balance sheet. The financials provided evidence of sufficient liquidity and financial strength to own and operate the Subject Development.

The new GP and new LP will execute new Environmental Indemnity Agreement and Guaranty of Recourse Obligations. The OGs will be released from all remaining guaranties.

Management Company

The proposed management company is Franklin. Franklin is a Foreign Limited Liability Company and registered in the State of Florida on February 9, 2018. Franklin was founded in 2013, is based in Virginia Beach, Virginia and focuses exclusively on the multifamily sector. Franklin manages 117 communities totaling 19,586 units ranging from Rhode Island to Florida.

The draft/unexecuted Management Agreement states that the commencement date will be the effective date of the agreement and end 12 months from this date. The term will automatically renew for a period of one (1) year unless terminated in accordance with Section 10 of the Management Agreement. The management fee is equal to 3.25% of gross operating revenues collected, which is calculated based on the preceding calendar month and due the first (1st) day of each calendar month, beginning the month after the month that the commencement date occurs. Approval of the selection of Franklin by Florida Housing’s Asset Management department is a condition to close. Continued approval will be contingent upon ongoing satisfactory performance.

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Sources and Uses

Sources	
NEF Loan	\$ 7,054,270
FHFC Supplemental Loan	\$ 850,000
SHIP Loan	\$ 273,540
Sponsor Equity	\$ 880,411
Total Sources	\$ 9,058,221

Uses	
Purchase Price	\$ 7,850,000
LAC - Legal Fees	\$ 25,000
LAC - Third Parties	\$ 25,000
LAC - Title & Recording	\$ 50,000
LACM Fee	\$ 450,000
Closing Costs	\$ 75,000
Contingency	\$ 50,000
Upfront Capex (Total)	\$ 240,000
NEF - Miscellaneous	\$ 25,000
NEF - Legal	\$ 35,000
NEF - Origination Fee	\$ 100,000
Real Estate Tax Escrow for 2024	\$ 84,022
Replacement Reserve	\$ 49,199
Total Uses	\$ 9,058,221

Overview of the Refinance

The new first mortgage lender, NEF, intends to provide a new first mortgage loan of up to \$7,054,270. The loan will bear an interest rate that will be fixed prior to closing, based on the 5-year Secured Overnight Financing Rate (“SOFR”) plus a spread of 3.29%. As of August 8, 2024, the 5-year SOFR was 3.95%, for an estimated all-in rate of 7.24%. The maturity date of the loan will be the earliest to occur of: (a) the date of any sale, refinancing, re-syndication or change in ownership of the Subject Development, (b) the date that is five years after the date of closing or (c) the acceleration of the loan by the lender as the result of a loan default. Throughout the term of the loan, the Borrower will make minimum monthly payments of \$42,543, or \$510,518 annually. The Borrower will also make quarterly payments of an amount equal to 90% of all cash flow from operations, net only of (1) the minimum monthly payment, (2) any required reserve funding set forth herein, and (3) expenses contemplated by the Subject Development operating budget approved by NEF, including debt service payments for the Pasco County SHIP loan not to exceed \$22,000 per year or otherwise permitted to the loan documents. NEF will charge an acquisition fee upon closing in the amount of \$100,000 and upon repayment, a disposition fee of \$50,000.

Renegotiation of Supplemental Loan Terms

On August 25, 2008 the Borrower submitted a Petition for Waiver of Rule 67-48.0075(7)(a)(1), Florida Administrative Code (“Waiver”) requesting a change in terms of the Supplemental Loan. The Waiver

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requested to waive the automatic forgiveness of the Supplemental Loan's principal balance and instead automatically extend the term of the Supplemental Loan an additional 30 years, if the extremely low income set-asides were maintained during the initial 15-year term, at which time the principal balance would be due in full. The Waiver was approved at the September 26, 2008 FHFC Board Meeting. Currently, the Supplemental Loan is non-amortizing, accrues interest at 0% per annum with all unpaid principal due at maturity on February 13, 2053.

On June 26, 2024, the Borrower submitted a request to convert the Supplemental Loan terms back to a forgivable loan. All other terms and conditions as outlined within the Supplemental Loan Documents would remain the same. According to the Borrower's request, the original Waiver was in response to tax concerns of the investor limited partner, which is no longer involved in the Subject Development. The Borrower further declares under the Rule, this loan was intended to be a forgivable loan, without the expectation of repayment. The new Supplemental Loan terms are non-amortizing, accrues interest at 0% per annum and shall be forgiven at maturity on February 13, 2039.

Summary and Recommendation

Seltzer's review indicates that LAC, through its principal owner and affiliated entities, has the prerequisite financial strength and experience to successfully own and operate the Subject Development.

Therefore, SMG recommends that FHFC consent to and approve the GP and LP change to LAC or its affiliate, assignment and assumption of the Supplemental Loan Documents, the ELIHA, the refinancing of the existing first mortgage loan, subordination of the Supplemental Loan Documents and ELIHA to the new first mortgage loan, the renegotiation of the Supplemental Loan terms, and modification of any other loan documents required to effectuate the transaction, subject to the following:

- Transfer of existing tax, insurance, replacement reserve and debt service reserve escrow accounts or establishment of new accounts in like or greater amounts satisfactory to FHFC prior to closing
- Confirmation of insurance reflecting the minimum insurance coverage requirements
- Review and approval of all Loan Documents consistent with the terms outlined above by FHFC, its Legal Counsel, and Servicer
- Guarantors will execute any guarantees required by FHFC
- Entities and principals (as 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 executed Management Agreement with terms not materially different from those provided during underwriting
- Payment of all costs and fees to Florida Housing, its Legal Counsel, and Servicer, as applicable
- Receipt of a non-refundable loan transfer fee of 1/10 of 1% of the loan balance at closing
- Receipt of a non-refundable Supplemental Loan Documents and ELIHA subordination fee of \$1,000 each
- Receipt of a non-refundable Renegotiation fee of ½ of 1% of the loan balance at closing
- Prepayment of any required compliance monitoring fees and servicing fees, as applicable

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- Approval of the selection of the Management Company by FHFC's Asset Management department
- Satisfactory resolution of any noncompliance and/or past due items
- Consent of the current limited partner and subordinate lenders, if applicable
- 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.



Barbara Smith
Credit Underwriter

Exhibit 1
Banyan Senior Apartments
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	\$1,123,512	\$1,145,982	\$1,168,902	\$1,192,280	\$1,216,126	\$1,240,448	\$1,265,257	\$1,290,562	\$1,316,373	\$1,342,701	\$1,369,555	\$1,396,946	\$1,424,885	\$1,453,383	\$1,482,450	
	Other Income:																
	Miscellaneous	\$46,340	\$47,165	\$48,108	\$49,070	\$50,052	\$51,053	\$52,074	\$53,115	\$54,178	\$55,261	\$56,366	\$57,494	\$58,644	\$59,816	\$61,013	
	Cable/Satellite Income	\$770	\$785	\$801	\$817	\$833	\$850	\$867	\$884	\$902	\$920	\$939	\$957	\$977	\$996	\$1,016	
	Gross Potential Income	\$1,170,522	\$1,193,932	\$1,217,811	\$1,242,167	\$1,267,011	\$1,292,351	\$1,318,198	\$1,344,562	\$1,371,453	\$1,398,882	\$1,426,860	\$1,455,397	\$1,484,505	\$1,514,195	\$1,544,479	
	Less:																
	Economic Loss - Percentage:																
	Physical Vacancy Loss - Percentage: 1.7%	(\$19,641)	(\$20,034)	(\$20,435)	(\$20,843)	(\$21,260)	(\$21,685)	(\$22,119)	(\$22,561)	(\$23,013)	(\$23,473)	(\$23,942)	(\$24,421)	(\$24,910)	(\$25,408)	(\$25,916)	
	Collection Loss - Percentage: 1.7%	(\$19,641)	(\$20,034)	(\$20,435)	(\$20,843)	(\$21,260)	(\$21,685)	(\$22,119)	(\$22,561)	(\$23,013)	(\$23,473)	(\$23,942)	(\$24,421)	(\$24,910)	(\$25,408)	(\$25,916)	
	Total Effective Gross Revenue	\$1,131,240	\$1,153,865	\$1,176,942	\$1,200,481	\$1,224,491	\$1,248,980	\$1,273,960	\$1,299,439	\$1,325,428	\$1,351,937	\$1,378,975	\$1,406,555	\$1,434,686	\$1,463,380	\$1,492,647	
EXPENSES	Fixed:																
	Real Estate Taxes	\$12,000	\$12,360	\$12,731	\$13,113	\$13,506	\$13,911	\$14,329	\$14,758	\$15,201	\$15,657	\$16,127	\$16,611	\$17,109	\$17,622	\$18,151	
	Insurance	\$86,286	\$88,875	\$91,541	\$94,287	\$97,116	\$100,029	\$103,030	\$106,121	\$109,305	\$112,584	\$115,961	\$119,440	\$123,023	\$126,714	\$130,515	
	Other	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
	Variable:																
	Management Fee - Percentage: 3.25%	\$36,765	\$37,501	\$38,251	\$39,016	\$39,796	\$40,592	\$41,404	\$42,232	\$43,076	\$43,938	\$44,817	\$45,713	\$46,627	\$47,560	\$48,511	
	General and Administrative	\$34,560	\$35,597	\$36,665	\$37,765	\$38,898	\$40,065	\$41,266	\$42,504	\$43,780	\$45,093	\$46,446	\$47,839	\$49,274	\$50,753	\$52,275	
	Payroll Expenses	\$158,962	\$163,731	\$168,643	\$173,702	\$178,913	\$184,281	\$189,809	\$195,503	\$201,368	\$207,409	\$213,632	\$220,041	\$226,642	\$233,441	\$240,444	
	Utilities	\$67,267	\$69,285	\$71,364	\$73,504	\$75,710	\$77,981	\$80,320	\$82,730	\$85,212	\$87,768	\$90,401	\$93,113	\$95,907	\$98,784	\$101,747	
	Marketing and Advertising	\$2,896	\$2,983	\$3,072	\$3,165	\$3,259	\$3,357	\$3,458	\$3,562	\$3,669	\$3,779	\$3,892	\$4,009	\$4,129	\$4,253	\$4,380	
	Maintenance and Repairs	\$48,853	\$50,319	\$51,828	\$53,383	\$54,984	\$56,634	\$58,333	\$60,083	\$61,886	\$63,742	\$65,654	\$67,624	\$69,653	\$71,742	\$73,895	
	Grounds Maintenance and Landscaping	\$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	
	Contract Services	\$49,642	\$51,131	\$52,665	\$54,245	\$55,873	\$57,549	\$59,275	\$61,053	\$62,885	\$64,772	\$66,715	\$68,716	\$70,778	\$72,901	\$75,088	
	Other-Pest Control	\$16,635	\$17,134	\$17,648	\$18,178	\$18,723	\$19,285	\$19,863	\$20,459	\$21,073	\$21,705	\$22,356	\$23,027	\$23,718	\$24,429	\$25,162	
	Reserve for Replacements	\$28,800	\$28,800	\$28,800	\$28,800	\$28,800	\$28,800	\$28,800	\$28,800	\$28,800	\$28,800	\$29,664	\$30,554	\$31,471	\$32,415	\$33,387	
	Total Expenses	\$566,666	\$582,435	\$598,669	\$615,382	\$632,590	\$650,305	\$668,544	\$687,323	\$706,656	\$726,561	\$747,919	\$769,908	\$792,548	\$815,858	\$839,858	
	Net Operating Income	\$564,574	\$571,430	\$578,273	\$585,099	\$591,901	\$598,675	\$605,415	\$612,116	\$618,772	\$625,375	\$631,057	\$636,647	\$642,138	\$647,521	\$652,789	
DEBT SERVICE	Debt Service Payments																
	First Mortgage - NEF	\$510,518	\$510,518	\$510,518	\$510,518	\$510,518	\$510,518	\$510,518	\$510,518	\$510,518	\$510,518	\$510,518	\$510,518	\$510,518	\$510,518	\$510,518	
	Second Mortgage - FHFC Supp	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
	Third Mortgage - SHIP	\$21,042	\$21,042	\$21,042	\$21,042	\$21,042	\$21,042	\$21,042	\$21,042	\$21,042	\$21,042	\$21,042	\$21,042	\$21,042	\$21,042	\$21,042	
	All Other Mortgages -	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
	First Mortgage Fees - NEF	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
	Second Mortgage Fees - FHFC Supp	\$3,970	\$3,970	\$3,970	\$3,970	\$3,970	\$3,970	\$3,970	\$3,970	\$3,970	\$3,970	\$3,970	\$3,970	\$3,970	\$3,970	\$3,970	
	Third Mortgage Fees - SHIP	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
	All Other Mortgages Fees -	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
	Total Debt Service Payments	\$535,530	\$535,530	\$535,530	\$535,530	\$535,530	\$535,530	\$535,530	\$535,530	\$535,530	\$535,530	\$535,530	\$535,530	\$535,530	\$535,530	\$535,530	
Cash Flow After Debt Service	\$29,044	\$35,901	\$42,744	\$49,569	\$56,372	\$63,146	\$69,886	\$76,587	\$83,242	\$89,846	\$96,527	\$103,117	\$109,608	\$116,092	\$122,579		
Debt Service Coverage Ratios																	
DSC - First Mortgage plus Fees	1.106	1.119	1.133	1.146	1.159	1.173	1.186	1.199	1.212	1.225	1.236	1.247	1.258	1.268	1.279		
DSC - Second Mortgage plus Fees	1.097	1.111	1.124	1.137	1.150	1.164	1.177	1.190	1.203	1.216	1.227	1.237	1.248	1.259	1.269		
DSC - Third Mortgage plus Fees	1.054	1.067	1.080	1.093	1.105	1.118	1.130	1.143	1.155	1.168	1.178	1.189	1.199	1.209	1.219		
DSC - All Mortgages and Fees	1.054	1.067	1.080	1.093	1.105	1.118	1.130	1.143	1.155	1.168	1.178	1.189	1.199	1.209	1.219		
Financial Ratios																	
Operating Expense Ratio	50.1%	50.5%	50.9%	51.3%	51.7%	52.1%	52.5%	52.9%	53.3%	53.7%	54.2%	54.7%	55.2%	55.8%	56.3%		
Break-Even Ratio	94.3%	93.7%	93.2%	92.8%	92.3%	91.9%	91.5%	91.1%	90.7%	90.3%	90.1%	89.8%	89.6%	89.4%	89.2%		

SELTZER MANAGEMENT GROUP, INC.

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August 2, 2024

VIA EMAIL

Mr. Todd Fowler
Director of Special Assets
Florida Housing Finance Corporation
227 North Bronough Street, Suite 5000
Tallahassee, Florida 32301

Re: Cutler Manor Apartments (SAIL 2001-036S) - Transfer of Ownership / First Mortgage Refinancing / Assumption and Subordination of the SAIL Documents / Release and Replacement of Guarantor

Dear Mr. Fowler:

On your behalf, Seltzer Management Group, Inc. ("SMG", "Seltzer" or "Servicer") has reviewed a request, dated May 1, 2024, from Preservation of Affordable Housing, Inc ("POAH"), requesting Florida Housing Finance Corporation ("FHFC" or "Florida Housing") to consent to the transfer of its ownership in Cutler Manor Apartments (the "Subject Development") from POAH Cutler Manor, LLC ("Seller" or "POAH CM") to POAH CM Redevelopment, LLC, the assignment and assumption of the State Apartment Incentive Loan ("SAIL") Documents. On May 28, 2024, a new request letter was sent to FHFC changing the new owner to POAH CM Landowner LLC ("Purchaser" or "POAH Landowner"). Both Seller and Purchaser are entities owned wholly by POAH. In addition, U.S. Department of Housing & Urban Development ("HUD") has approved Choice Neighborhood Initiative ("CNI") funding that will be used in the acquisition to satisfy a portion of the existing first mortgage with CitiBank, N.A. ("Citi"), which requires subordination of the SAIL Documents. POAH Landowner intends to use Sponsor Loans to satisfy the remaining balance of current first mortgage. It is also requested that FHFC consent to the release and replacement of all guaranties that remain outstanding for the benefit of FHFC provided by POAH CM in reference to the Subject Development.

Rule Chapter 67-48.010(15) F.A.C. requires that the refinancing of any loan superior to the SAIL be approved by Florida Housing's Board of Directors.

For the purposes of this analysis, SMG has reviewed the following:

1. Correspondence seeking Florida Housing's consent of the request outlined above
2. Rule 67-48.010(15), F.A.C. and 67-48.0105(5)-(6), F.A.C.
3. Correspondence to change the new owner to POAH CM Landowner LLC.
4. First Mortgage Refinance Credit Underwriting Report ("CUR"), dated March 6, 2019, prepared by Seltzer
5. Citi Multifamily Note dated May 23, 2019

Mr. Todd Fowler
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6. Corrective First Amendment to the Multifamily Mortgage Assignment of Rents, Security Agreement and Fixture Filing dated June 13, 2024
7. SAIL Promissory Note, Mortgage and Security Agreement, and Loan Agreement all dated December 23, 2008
8. SAIL Land Use Restriction Agreement (“LURA”) dated December 23, 2008
9. Subordination and Intercreditor Agreement for SAIL loan dated May 1, 2019
10. Audited Financial Statements for POAH Cutler Manor, LLC for years ending December 31, 2021 and 2022 along with draft audited financials for the year ending December 31, 2023
11. Audited Financial Statements for POAH for years ended December 31, 2023 and 2022, respectively
12. Miami-Dade County Acquisition Proposal to HUD dated June 11, 2024
13. Cutler Manor Choice Neighborhood Phase 1 Revised Commitment for Sponsor Loan and Term Sheet dated July 11, 2024
14. Capital Magnet Fund Sponsor Loan for Cutler Manor Choice Neighborhood Phase 1 Term Sheet dated April 1, 2024
15. FHFC Occupancy Reports
16. Annual Management Review and Physical Inspection (“Management Review”), dated September 1, 2023, performed by SMG
17. FHFC Past Due Report dated June 17, 2024
18. FHFC Noncompliance Report dated October 18, 2023
19. Proposed Organizational Chart reflecting new ownership entities and their principal owners
20. For Purchaser:
 - State of Florida Registration
21. For POAH, Inc:
 - Audited Financial Statement for the year ending December 31, 2023
 - 2023 Brochure available on company website, poah.org
22. Purchase Option Agreement (“Agreement”) with effective date of July 15, 2024

Our findings are as follows:

Background

The Subject Development is a multifamily property located at 10875 SW 216th Street in Miami, Miami-Dade County, Florida, consisting of 219 units in nine two-story garden style residential buildings. The current owner is POAH CM, a limited liability company, registered with the State of Florida on January 23, 2008. POAH, a Foreign Not for Profit Corporation registered to do business in the State of Florida on November 26, 2008, is the sole member.

On December 23, 2008, the Subject Development was purchased from an affiliate of Greater Miami Neighborhoods, Inc. The purchase was primarily funded through the proceeds of a Prudential Multifamily

Mr. Todd Fowler
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Mortgage, Inc. ("Prudential") first mortgage loan, Local Initiatives Support Corporation ("LISC") loan, FHFC SAIL, and a Miami-Dade County HOME Loan.

On May 23, 2019, POAH CM refinanced the first mortgage into a new loan with Citi in the amount of \$9,600,000. The terms of the Citi loan included a fixed interest rate of 4.84% and a maturity of June 1, 2024. On June 13, 2024, a Corrective First Amendment to the Multifamily Mortgage Assignment of Rents, Security Agreement and Fixture Filing was signed and notarized, extending the maturity date to January 1, 2025.

The terms of the LISC loan, in the amount of \$1,250,000 included an interest rate of 7.25% and a maturity of December 1, 2018. The loan was fully amortizing and paid in full. A Satisfaction of Mortgage was executed February 27, 2019 and recorded on May 24, 2019.

The SAIL in the amount of \$2,661,094.67 was non-interest bearing until December 23, 2013, at which time interest accrues at 1% through December 23, 2023. Annual interest payments are based on available cash flow ("ACF"). All required fees are paid annually. All outstanding unpaid interest and principal are due at maturity, December 31, 2026. The outstanding principal balance of the SAIL is \$2,661,094.67. As of December 31, 2024, the accrued interest is \$227,739.81.

In December 2008, POAH CM closed a Miami-Dade County HOME Loan in the amount of \$615,451 with an interest rate of 1% and a term of 18 years. The loan was non-interest bearing until December 23, 2013, at which time interest began accruing at 1% until maturity on December 31, 2026. As of December 31, 2023, the principal balance was \$615,451 and accrued interest totaled \$61,697.

Operation of the Subject Development is restricted by terms and conditions detailed in various loan documents, including, but not limited to, the SAIL LURA. Set asides for the SAIL LURA requires 15.5% of units (34 units) for tenants earning 33% or less of the area median income, 5% of units (11 units) for tenants earning 50% or less of the area median income and the remaining units for tenants earning 60% or less of the area median income for 50 years.

The POAH CM's 2023 draft audited financial statements reflect that the Subject Development did not generate sufficient income to meet operating expenses and to service all the mortgage debt and related fees. An affiliate of POAH has advanced funds to fund operating deficits. As of December 31, 2023, outstanding advances totaled \$1,204,685. The audit did indicate Substantial Doubt about the Company's Ability to Continue as a Going Concern related to the maturity of the Citi first mortgage. There were not adequate operating cash and reserves on hand and expected 2024 cash flow would not be sufficient to repay the outstanding debt. This refinancing addresses this concern.

The POAH CM's 2023 final audited financial statements are not yet available as they are awaiting confirmation from HUD regarding some reserves before they can finalize the audit.

The most recent Management Review and Physical Inspection performed September 1, 2023 reflected no compliance issues. The Closeout Letter was issued October 12, 2023.

As of May 2024, the Subject Development reported occupancy at a rate of 96.80%.

The FHFC Noncompliance Report reflects no noncompliance items for the development team.

The FHFC Past Due Report does not reflect any past due items for the development team.

Seltzer's internal records currently indicate the property is past due on the below financial monitoring requirements as of June 26, 2024:

Mr. Todd Fowler
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- 1) 2024 Mid-year and Year-end Budget
- 2) 2023 Year-end Actual Revenue and Expenses
- 3) Certified Rent Roll
- 4) 2023 Audited Financial Statements

Providing the past due items will be a condition to close.

Ownership Transfer

The Agreement is between POAH CM, as Seller, and POAH Landowner, as Purchaser, and states the total purchase price shall be equal to the sum of the outstanding principal, accrued interest, any prepayment penalty and any other amounts due under all mortgage documents relating to the Property, and the total amount of all other indebtedness of the Seller as of the date of the Closing. Per the Agreement, the closing date shall occur on or before September 1, 2024.

POAH Landowner was registered with the State of Florida on May 14, 2024. 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.

POAH Landowner, through its owner, POAH, has extensive experience in the affordable housing sector. POAH is a 501(c)(3) Foreign Not-for-Profit Corporation located in Boston, Massachusetts, formed on July 15, 1998 in the State of Illinois, and registered with the State of Florida on November 26, 2008, to transact business in Florida. POAH's primary mission is to preserve, create, and sustain affordable, healthy homes. They specialize in the preservation of existing affordable housing that is at risk of being lost due to market pressures or physical deterioration. POAH is an experienced Developer, Owner, and Manager of 121 properties and 11,943 affordable rental apartments in twelve states and the District of Columbia.

Seltzer reviewed the POAH Audited Financial Statements dated December 31, 2023 and found them to be satisfactory. Seltzer's review indicates that POAH Landowner, through its principal owner, POAH, has the prerequisite financial strength and experience to successfully own and operate the Subject Development.

Refinancing Overview

The refinancing of the existing first mortgage loan is permitted under the underlying SAIL Documents. However, FHFC Board approval is required. Rule 67-48.0105(5) states that the "Board shall approve requests for mortgage loan refinancing only if development cash flow is improved, the Development's economic viability is maintained, the security interest of the Corporation is not adversely affected, and the Credit Underwriter provides a positive recommendation."

The HUD CNI acquisition funds in the amount of \$6,200,000 will be loaned by Miami-Dade County and secured with a zero-percent interest mortgage and promissory note, and a Declaration of Trust/Restrictive Covenants in favor of HUD. The Purchaser will be obligated to redevelop, operate and maintain the property as HAP-assisted, mixed-income housing. Per email correspondence, dated July 12, 2024, with a representative from Miami-Dade Public Housing and Community Development, the term of the loan is fifty (50) years and there will be no payments required other than proportional payments required from the financial closings anticipated for the redevelopment of the Subject Development. The decrease to the

Mr. Todd Fowler
Cutler Manor
August 2, 2024
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loan amount and elimination of debt service for the first mortgage will significantly reduce operating cash flow deficit that will occur due to the reduction of units and corresponding income during redevelopment.

POAH will provide a Capital Magnet Fund (“CMF”) Sponsor Loan in the amount of \$1,000,000 at 5% interest. Payments will not be required through the term of the loan; however, simple interest will accrue if unpaid. The entire outstanding balance, any unpaid interest, and all other sums owed to the Lender, will be due in full upon the Maturity Date, which shall be five years after the Funding Date. A LURA requiring 72 residential rental units assisted with the CMF Sponsor Loan to be affordable to household with incomes up to 120% of the area media income (“AMI”) and at least 20% of the units to be affordable to households with income up to 80% of the AMI for ten (10) years.

POAH (“Lender”) will provide a Sponsor Loan in the amount of \$2,230,881 at 5% interest. Payments will not be required through the term of the loan; however, simple interest will accrue if unpaid. The entire outstanding balance, any unpaid interest, and all other sums owed to the Lender, will be due in full upon the Maturity Date, which shall be five years after the Funding Date.

Both of the POAH Sponsor Loans will be in a subordinate position to the CNI, Sail and Miami-Dade County HOME Loans. With the elimination of the first mortgage debt service and addition of the sponsor loans, the annual debt service including all debt is \$173,618, yielding a DSC of 0.047x to 1.00. When excluding the cashflow contingent debt, the annual debt service is \$12,074 for a DSC of 6.764x to 1.00. The Subject Development is considered to have deep-subsidy and is therefore exempt from the DSC 1.50x to 1.00 cap.

The SAIL is currently in a subordinate lien position behind the existing first mortgage. Resubordinating to the new CNI loan will not adversely affect Florida Housing’s position.

Sources and Uses

Cutler Manor Acquisition	
July 2024	
<u>Sources (in lien order)</u>	
HUD/Miami-Dade Choice Funds	6,200,000
SAIL Assumption	2,661,095
Miami-Dade HOME Loan	615,451
POAH CMF funds	1,000,000
POAH funds	2,230,881
	12,707,427
<u>Uses</u>	
Citi Mortgage	9,247,732
SAIL Assumption	2,661,095
Miami Dade HOME Loan Assumption	615,451
Closing costs/title	176,185
FHFC Fees	6,963
	12,707,426

Mr. Todd Fowler
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August 2, 2024
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Guarantors

POAH Landowner will execute new Environmental Indemnity Agreement, Operating Deficits Guaranty and Guaranty of Recourse Obligations.

Outstanding guaranties provided by POAH in reference to the Subject Development will remain unchanged.

Summary and Recommendation

Seltzer concludes that conditions for refinancing approval as set forth in Rule(s) 67-48.010(15) and 67-48.0105(5)-(6) F.A.C. have been met, subject to the conditions below. As shown on Exhibit A, Seltzer's analysis at this time indicates that no SAIL pay down is required.

Therefore, SMG recommends that FHFC consent to and approve the transfer of ownership of the Subject Development to POAH Landowner, assignment and assumption of the SAIL Documents, refinancing of the existing first mortgage loan, subordination of the SAIL Documents (as applicable) to the new first mortgage loan, the release and replacement of existing guarantor, POAH CM, and modification of any other loan documents that are required to effectuate the transaction, subject to the following:

- POAH Landowner and POAH, and their entities and principals (if applicable), as well as the withdrawing entities to execute any assignment and assumption documents and any other documents that FHFC and its Legal Counsel deems necessary to effectuate the ownership change
- Review and approval of all Loan Documents consistent with the terms outlined above by FHFC, its Legal Counsel, and Servicer
- Receipt of a non-refundable SAIL transfer fee of one-tenth (1/10) of one percent (1%) of the loan balance at closing
- Receipt of a non-refundable SAIL and SAIL LURA subordination fee of \$1,000 each
- Transfer of existing tax, insurance, replacement reserve and debt service reserve escrow accounts or establishment of new accounts in like or greater amounts satisfactory to FHFC prior to closing, if applicable
- Payment of any outstanding arrearages to FHFC, its Legal Counsel, Servicer or any Agent or Assignee of Florida Housing for Past Due issues applicable to the Development Team (Borrower or Developer or Principal, Affiliate or Financial Beneficiary, as described in 67-21.0025(5) and 67-48.0075(5) F.A.C., of a Borrower or a Developer)
- Receipt of all past due financial monitoring items required by Seltzer
- Consent of the subordinate lenders, if applicable
- Prepayment of any compliance monitoring fees and servicing fees, if applicable
- Satisfactory resolution of any outstanding past due and/or noncompliance items
- 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, and

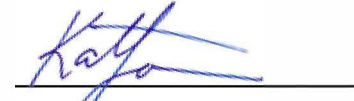
Mr. Todd Fowler
Cutler Manor
August 2, 2024
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- All other due diligence required by FHFC, its Legal Counsel and Servicer

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.



Kat Johnson
Credit Underwriter

Mr. Todd Fowler
 Cutler Manor
 August 2, 2024
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Exhibit A

SAIL Paydown Calculation

<u>SAIL Pay-down Calculation - Original First Balance</u>		
Original Balance First Mortgage	\$	9,600,000
Original Balance SAIL	\$	<u>2,661,095</u>
Total	\$	12,261,095
Original SAIL divided by total original first and S		21.70%
New First Mortgage Loan	\$	6,200,000
Current Balance First Mortgage	\$	<u>9,247,732</u>
Increase in First Mortgage Loan	\$	(3,047,732)
Less: Transaction Costs (est. 1% Purchase Price)	\$	<u>176,186</u>
Net Increase/Decrease	\$	(3,223,918)
Multiplied by:		21.70%
* Total Paydown Required		\$0
* Before confirming eligible transaction costs		
Current SAIL Balance	\$	2,661,095
SAIL after pay-down	\$	<u>2,661,095</u>

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August 9, 2024

VIA EMAIL

Mr. Todd Fowler
Director of Special Assets
Florida Housing Finance Corporation
227 North Bronough Street
Tallahassee, Florida 32301

Re: Gulf Breeze Apartments (2005-319 HR / 2007-520C)
Transfer of Managing GP Interest / Transfer of LP and SLP Interests / Assumption of RRLP Loan Documents and ELIHA / Release and Replacement of Guarantors

Dear Mr. Fowler:

On your behalf, Seltzer Management Group, Inc. ("SMG", "Seltzer" or "Servicer") has reviewed borrower correspondence, dated May 15, 2024 and May 17, 2024, from a representative of Gulf Breeze Apartments Partners, Ltd. ("Borrower"), an affiliate of Norstar Gulf Breeze, Inc. ("NGP"), requesting that Florida Housing Finance Corporation ("FHFC" or "Florida Housing") consent to the transfer of the existing interests in the current managing general partner from NGP to the current co-general partner, Gulf Breeze Apartments Partners, LLC ("HGP"), a Florida Limited Liability Company, an entity wholly owned by Punta Gorda Housing Authority ("HFA"), a public body, corporate and political, pursuant to Chapter 421, Florida Statutes. It is also requested FHFC consent to the transfer of the existing interest of the Limited Partner ("LP"), RBC Apollo 2007-B National Fund, L.P. ("RLP"), and Special Limited Partner ("SLP"), RBC Community Investments Manager II, Inc. ("RSLP"), to Gulf Breeze LP, LLC, ("HLP"), an entity also wholly owned by the HFA. It is also requested FHFC consent to the full release and replacement of all guaranties that remain outstanding for the benefit of FHFC provided by NGP, RLP, RSLP, and Richard Higgins individually, in reference to the Subject Development. Specifically, SMG has been requested to determine that HGP, through its principal owner(s), has the prerequisite financial strength and experience to successfully own and operate Gulf Breeze Apartments (the "Subject Development").

For the purposes of this analysis, SMG reviewed the following:

1. Correspondence seeking Florida Housing's consent of the request outlined above
2. Correspondence from a representative of the Borrower requesting consent of the request outlined above, dated May 17, 2024
3. Rental Recovery Loan Program ("RRLP") Underwriting Report ("CUR"), dated May 25, 2007
4. SMG Recommendation Letter for Additional Debt dated September 2, 2008
5. Borrower Audited Financial Statements for year ended December 31, 2023
6. Declaration of Restrictive Covenants dated October 31, 2007
7. RRLP Land Use Restriction Agreement ("LURA"), First Amendment to LURA, and Second Amendment to LURA dated October 31, 2007, October 23, 2009 and August 23, 2010, respectively
8. Multifamily Mortgage Revenue Bonds ("MMRB") LURA dated October 1, 2007 issued by the HFA

Mr. Todd Fowler
Gulf Breeze Apartments
August 9, 2024
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9. HFA MMRB Series 2007A Loan Agreement and Promissory Notes, dated October 1, 2007 and October 31, 2007, respectively (“MMRB Series A”)
10. HFA MMRB Series 2007B Collateralized Loan Agreement and Promissory Note, dated October 1, 2007 and October 31, 2007, respectively (“MMRB Series B”)
11. RRLP Mortgage and Security Agreement dated October 31, 2007
12. Affordable Housing Program Agreement dated December 20, 2007
13. Mirror Promissory Note and Fourth Priority Leasehold Mortgage and Security Agreement dated February 27, 2009
14. Extended Low-Income Housing Agreement (“ELIHA”) and First Amendment dated January 25, 2010 and March 4, 2010, respectively
15. Annual Management Review and Physical Inspection, performed September 18, 2023
16. FHFC 2024 Occupancy Report
17. FHFC Past Due Report, dated July 12, 2024
18. FHFC Noncompliance Report, dated October 18, 2023
19. Current and proposed organizational charts
20. Third Amended and Restated Agreement of Limited Partnership (“LPA”), and First Amendment to LPA (“A&R LPA”), dated October 1, 2007 and August 1, 2010, respectively
21. Audited Financial Statements for the HFA for period ending March 31, 2023

In addition, SMG has had various conversations with FHFC staff concerning the proposed GP and LP transfers. Seltzer’s findings are as follows:

Background

The Subject Development is a family development located on 12.13 acres at 340 Gulf Breeze Avenue, Punta Gorda, Charlotte County, FL 33950, consisting of 170 multifamily rental apartment units located in 49 residential buildings.

The Borrower was formed on January 6, 2005 and is governed by the LPA dated October 1, 2007 and an A&R LPA, dated August 1, 2010. The current co-general partners of the Borrower are NGP and HGP, with .0051% and .0049% ownership interest, respectively. The current LP of the Borrower is RLP with 99.989% ownership interest and the current SLP is RSLP with .001% ownership interest. According to Exhibit J of the LPA, the Borrower and the HFA entered into a Purchase Option and Right of First Refusal Agreement (“Purchase Option”) on October 1, 2007.

The Subject Development originally received HFA issued MMRB in the aggregate amount of \$14,000,000 (\$8,290,000 Series A MMRB and \$5,710,000 Series B MMRB). The Series A MMRB were issued in two separate tranches, Tranche 1 in the amount of \$5,590,000 and Tranche 2 in the amount of \$2,700,000. Tranche 1 bore interest at 5% per annum and was redeemed at maturity on July 1, 2010. Tranche 2 bears interest at 6.125% per annum and matures on January 1, 2045. The Series B MMRB bore interest at 5% per annum and was redeemed at maturity on July 1, 2010. The Subject Development also received a FHFC RRLP Loan consisting of a base loan in the principal amount of \$1,000,000 and a supplemental loan in the principal amount of \$1,300,000, for a total RRLP loan of \$2,300,000. A portion of the base loan (\$150,000),

Mr. Todd Fowler
Gulf Breeze Apartments
August 9, 2024
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and the supplemental loan, bears no interest with the remaining portion (\$850,000) of the base loan accruing interest at a rate of 1%. The entire base loan matures October 31, 2042. The supplemental loan had an original maturity date of October 31, 2023, with the option for an automatic extension to October 31, 2057.

Other funding sources included a Third Mortgage HFA loan in the original principal amount of \$12,150,000, 4% HC equity, and deferred Developer fee. Subsequent to the transaction closing on October 31, 2007, the co-General Partner received an additional \$500,000 in subsidy issued by SunTrust Bank, funded through the Federal Home Loan Bank Affordable Housing Program, and re-loaned to the Borrower as a Fourth. The Fourth Mortgage bears interest at a rate of 1.4% per annum with all unpaid principal and interest due at maturity on September 1, 2043.

Operation of the Subject Development is restricted by terms and conditions detailed in various loan documents, including but not limited to, the MMRB LURA, RRLP LURA and the ELIHA. Set-asides for the MMRB are a minimum of 40% of the units (68 units) at 60% of the area median income ("AMI") for a minimum of 15 years. Set-asides for the RRLP LURA are 98.8% of the total units (168 units) for a minimum of 50 years; for the first 20 years of the 50-year compliance period, 15.3% of the units (26 units) are designated for Extremely Low Income ("ELI") residents at 40% of the AMI or less and 83.5% of the units (142 units) are designated for Very Low Income residents at 60% of the AMI or less. For the remaining 30 years of the 50-year compliance period, 98.8% of the units (168 units) will be set-aside at 60% of the AMI or less. ELIHA set asides are 98.8% of units (168 units) of which 15.3% of units (26 units) are designated for residents at 40% of the AMI or less and 83.5% of the units (142 units) are designated for residents at 60% of the AMI or less.

The Borrower's Audited Financial Statements reflect total liabilities in excess of total assets, resulting in negative partnership equity. Due to accumulated depreciation in the amount of \$16,139,053, as of December 31, 2023, partnership equity is reflected as a (\$7,378,855). Overall, Gulf Breeze Apartments is generating sufficient revenue to cover operating expenses but not cover all soft debt requirements of the Third and Fourth Mortgage.

As of April 2024, the Subject Development reported occupancy at a rate of 100%.

The most recent Management Review and Physical Inspection conducted on September 18, 2023 noted a deficiency that has since been corrected and a Closeout Letter was issued on October 24, 2023. The Subject Development is managed by Norstar Accolade Property Management.

The FHFC Noncompliance Report dated October 28, 2023 does not reflect any noncompliance items.

The FHFC Past Due Report dated July 12, 2024 reflects no past due items.

Ownership Restructure

Per Section 6 of the Purchase Option, the agreement is subject to the prior written consent of FHFC. On March 20, 2024, a representative of the HFA provided email correspondence of the HFA's intent to proceed with exercising their purchase option. On May 17, 2024 a representative of the Borrower submitted the Borrower's formal request dated May 15, 2024, requesting FHFC consent to transfer NGP's co-general partnership interest to HGP, transfer RLPs interest to HLP, and transfer RSLP's interest to HLP. HGP has been a co-general partner since the property was built, and is a Florida Limited Liability Company formed on July 26, 2006. HGP and HLP are pass-through entities completely owned by the HFA.

Mr. Todd Fowler
Gulf Breeze Apartments
August 9, 2024
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The HFA is a public body, corporate and politic, established in 1965 pursuant to State law serving Charlotte County. The HFA operates the Public Housing program and Housing Choice Voucher program for low-income residents within its jurisdiction and is governed by a seven-member Board of Commissioners. The HFA has co-developed over 330 units, servicing the family and senior demographics within Charlotte County. In 2009, the Subject Development received the prestigious Charles L. Edison Tax Credit Excellence Award for Public Housing Revitalization. The current executive director of the HFA has been in his role since 2017 and has over 11 years in relatable property management experience, including oversight of the management of 2,113 units receiving various government or housing subsidy including Section-8 Rental Assistance, RAD Redevelopment, Public Housing and Low-Income Housing Tax Credits.

The HFA does not file taxes. The audited financial statement for the HFA reflects sufficient liquidity and financial strength to continue to operate the Subject Development.

Guarantors

The guarantors for the Operating Deficit Guaranty Agreement have previously been released as per the terms of the Operating Deficit Guaranty Agreement. Consequently, there are no “natural person” or guarantors to replace.

At closing, HLP and the HFA will execute new Environmental Indemnity Agreements and Guaranties of Recourse Obligations. NGP, Norstar Development USA, L.P., and Richard Higgins, individually, will be released from the current Environmental Indemnity Agreement and Guaranty of Recourse Obligations. HGP’s Environmental Indemnity Agreement and Guaranty of Recourse Obligations will remain in place.

Summary and Recommendation

Seltzer’s review indicates that HGP and HLP, through its principal owner(s) and affiliated entities, has the prerequisite financial strength and experience to successfully own and operate the Subject Development.

Therefore, SMG recommends that FHFC consent to the transfer of the existing interests of the managing general partner to the existing co-General Partner (HGP), the transfer of the existing interest in the LP and SLP to HLP, the release and replacement of the existing guarantors, and the assumption of loan documents as well as the modification of any other loan documents and regulatory agreements required to effectuate the transaction subject to the following:

1. New entities and principals (if applicable) as well as the withdrawing entities to execute any assignment and assumption documents FHFC deems necessary to effectuate the ownership restructure including, but not limited to, new and existing guarantees as determined by FHFC
2. Transfer of existing tax, insurance, replacement reserve and debt service reserve escrow accounts or establishment of new accounts in like or greater amounts satisfactory to FHFC prior to closing
3. Receipt of a non-refundable loan transfer fee equal to 1/10th of 1% of the loan balance
4. Review and approval of all loan documents consistent with the terms outlined above by FHFC and its Legal Counsel
5. Consent of the current LP and SLP, as applicable
6. Consent of other lenders, as applicable
7. Satisfactory resolution of any noncompliance and/or past due items, if applicable

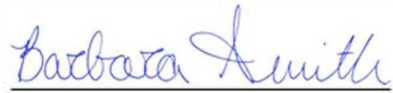
Mr. Todd Fowler
Gulf Breeze Apartments
August 9, 2024
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8. Payment of any outstanding arrearages to FHFC, its Legal Counsel, Servicer or any agent or assignee of FHFC for past due issues applicable to the development team (Borrower or Developer or Principal, Affiliate or Financial Beneficiary, as described in 67-21.0025(5) and 67-48.0075 (5) F.A.C., of a Borrower or a Developer)
9. All other due diligence required by FHFC, its Legal Counsel or 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.



Barbara Smith
Credit Underwriter

Exhibit 1

Gulf Breeze Apartments Partners, Ltd.
Current Ownership Structure

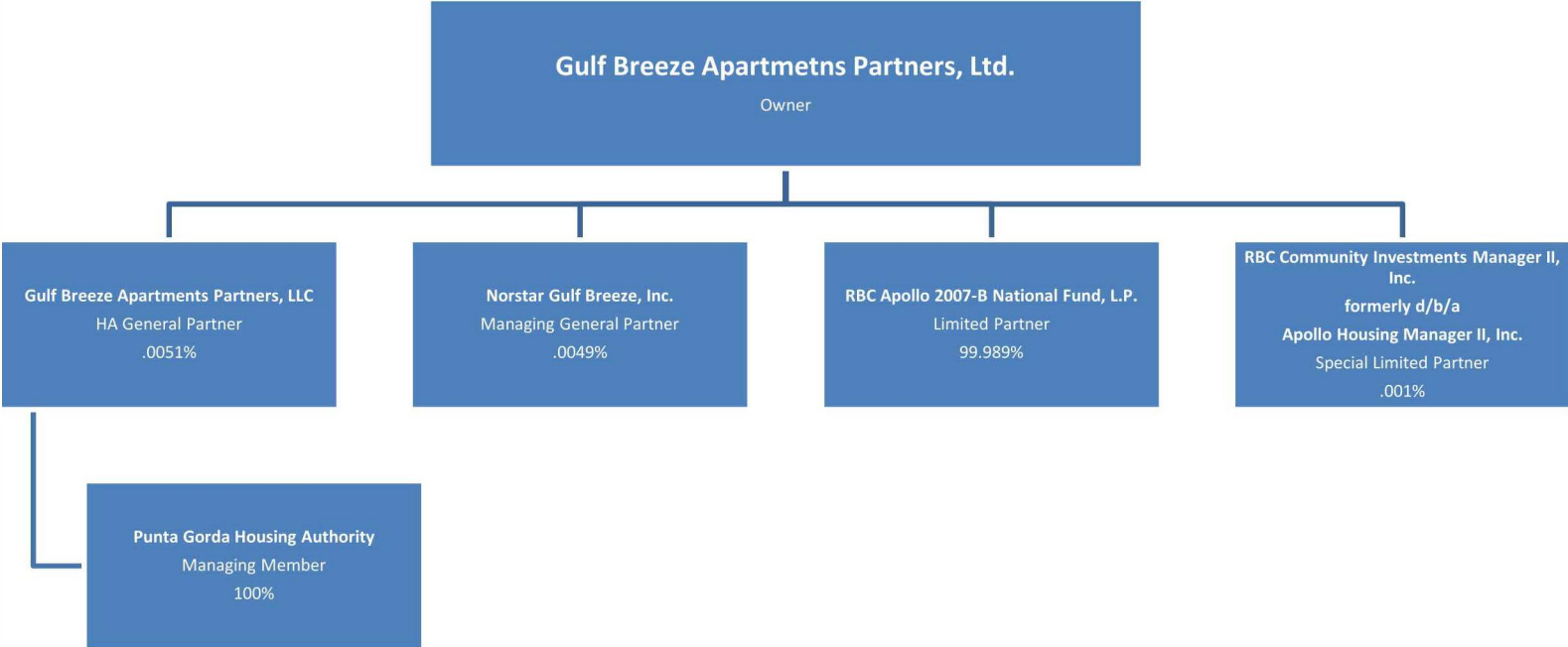
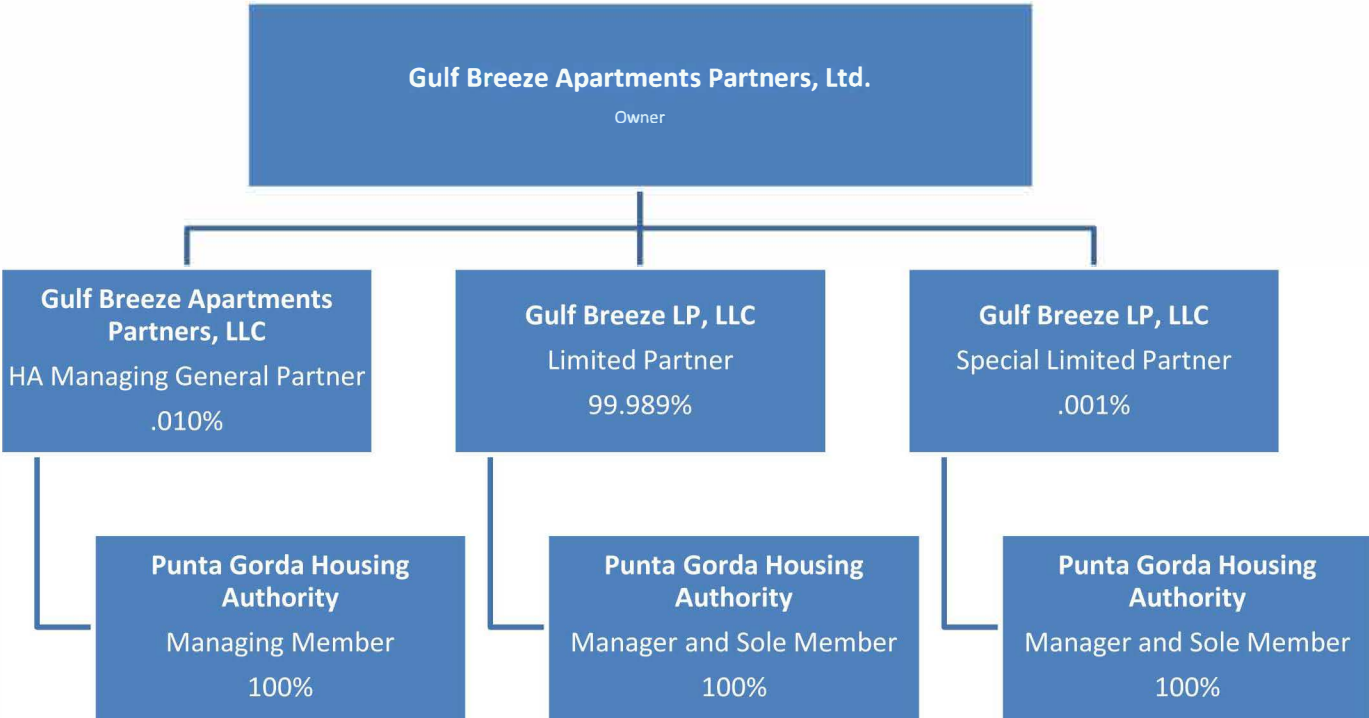


Exhibit 2

Gulf Breeze Apartments Partners, Ltd.

Proposed Ownership Structure





August 13, 2024

Mr. Todd Fowler
Special Assets Director
Florida Housing Finance Corporation
227 North Bronough Street, Suite 5000
Tallahassee, FL 32301-1329

RE: Oak Meadows Apartments ("Development")
FHFC RRLP 2006-310HR
Transfer of Ownership, Release and Replacement of Guarantors, Assumption and Subordination of the Rental Recovery Loan Program ("RRLP") Loan Documents and Extended Low-Income Housing Agreement ("ELIHA"), First Mortgage Refinance, and Extension and Renegotiation of RRLP Loan

Dear Mr. Fowler:

Florida Housing Finance Corporation ("Florida Housing" or "FHFC") has requested that AmeriNat® ("AmeriNat" or "Servicer") review the requests, dated May 1, 2023 and June 21, 2024, from a representative of Cocoa Leased Housing Associates II, LLLP ("Borrower"), to consent to the transfer of the ownership of Oak Meadows Apartments (the "Subject Development") to Cocoa Leased Housing Associates II, LLLP, a Minnesota Limited Liability Limited Partnership, authorized to transact business in the state of Florida, an affiliate of Dominion, assumption of the RRLP Documents, and the ELIHA, and the release of existing Guarantors from the various guarantees and replacement with new Guarantors.

Specifically, AmeriNat has been requested to determine that Cocoa Leased Housing Associates II, LLLP has the prerequisite financial strength and experience to successfully own and operate the Subject Development. The letter also requested that FHFC approve the restructuring of the above referenced transaction which will include a new first mortgage loan and subordination of the existing RRLP Documents and the ELIHA, extension of the RRLP loan to be co-terminous with the new first mortgage, if needed, all of which are requirements of the new first mortgage lender. The Borrower agrees to extend the affordability period by an amount of time equal to the loan extension, if an extension is needed.

Various provisions within the RRLP Documents require that the transfer of ownership must receive prior written consent from FHFC.

AmeriNat reviewed the request, performed certain due diligence, and formulated a recommendation. For purposes of this analysis, AmeriNat reviewed the following due diligence:

- Correspondence from representatives of the Borrower regarding approval of the request detailed above

- RRLP Credit Underwriting Report ("CUR") dated April 13, 2009, CUR Update Letter, dated July 28, 2022
- FHFC Occupancy Reports for May 2022 - 2024
- FHFC Past Due Report dated July 12, 2024
- FHFC Noncompliance Report dated October 18, 2023
- Amended and Restated Promissory Note for the RRLP loan, dated October 28, 2022
- ELIHA dated September 17, 2009
- RRLP Land Use Restriction Agreement ("LURA") dated December 20, 2007
- A Term Sheet ("Term Sheet") from Walker & Dunlap, dated May 10, 2024
- Appraisal Report from Apprise By Walker & Dunlop, dated July 11, 2024
- Rehab Source and Use of Funds
- Development's Operating Pro Forma for FY2023 and the trailing 12 months as of February 29, 2024
- Rent Roll for the Development dated as of March 19, 2024

Background

The Development is located at 809 Clearlake Road, Cocoa, Brevard County, Florida, and consists of 56 garden-style apartment units and 64 townhome units distributed in 17 residential buildings and one non-residential building.

The Borrower was formed on December 27, 2022, as a Minnesota limited liability limited partnership. The ownership with ownership percentages are as follows: Cocoa Leased Housing Associates II, LLC is the general partner ("GP") (.005%), Cocoa Leased Housing Associates LP II, LLC is a Class B Limited Partner (.005%), and Cocoa Leased Housing Associates LP II, LLC, is the initial investor limited partner (99.99%). Both the GP and the Class B Limited Partner entities have the same ownership structure and percentage ownership. Their ownership is as follows:

Polaris Holdings I, LLC (95.0000% Member), which includes the following members, Paul Sween (38.157900%), Mark Moorhouse (38.157900%), and Nick Andersen (23.684200%).

Dominium SVP Plan (PSMM), LLC (5.0000% Member) – which includes: Paul Sween (50.00% Member), Mark Moorhouse (50.00% Member), Tim Allen Class B Member and Jack Sipes Class B Member.

The GP and the Class B Limited Partner are Minnesota limited liability companies and are managed by a Board of Governors. The members of the Board of Governors and of the Class B Limited Partner and their respective voting rights as governors are as follows: Paul R. Sween (38.7500%), Mark S. Moorhouse (38.7500%), and Nicholas C. Andersen (22.5000%). The officers are Mr. Paul Sween (Chief Manager, President, Secretary, Treasurer), Mr. Mark Moorhouse (Senior Vice President), and Mr. Nick Andersen (Vice President)

Cocoa Leased Housing Development II, LLC is the Developer. Its ownership with ownership percentages is as follows:

Mr. Todd Fowler
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Polaris Holdings I, LLC (95.0000% Member), which includes the following members, Paul Sween (38.157900%), Mark Moorhouse (38.157900%), and Nick Andersen (23.684200%).

Dominium SVP Plan (PSMM), LLC (5.0000% Member) – which includes: Paul Sween (50.00% Member), Mark Moorhouse (50.00% Member), Tim Allen Class B Member and Jack Sipes Class B Member.

The Development was originally financed with Brevard County Housing Finance Authority (“BCHFA”) bonds (2007 Series A and B) in the amount of \$10,490,000, a FHFC RRLP loan of \$10,070,000, which consisted of a RRLP base loan of \$8,000,000 (the Non-ELI portion of the loan is \$6,000,000 and the ELI portion of the loan is \$2,000,000) and a Supplemental loan of \$2,070,000, an equity bridge loan of \$889,223 provided by Apollo Housing Capital, LLC (“Apollo”) and 4% Low Income Housing Tax Credits.

On July 28, 2022, FHFC consented to the transfer of the ownership interests in Oak Meadows Apartments to OHC/Little ELM, LTD, a Texas limited partnership, which is registered to do business in the state of Minnesota under the name Cocoa Leased Housing Associates I, LLLP (Dominium affiliates), and the assumption of the existing RRLP loan documents, and ELIHA; and changing the management company to Dominion Florida Management Services, LLC (“DFMS”). The transaction closed on September 28, 2022. The bonds were defeased and the first mortgage balance of \$1,261,635.30 was paid off, while the total existing RRLP loan of \$10,070,000 remained outstanding and moved to the first lien position. The intention was to obtain non-competitive 4% Housing Credits (“HC”) through a local County Bond issuance in order to rehabilitate the property. The property’s rehabilitation is currently being underwritten by AmeriNat on behalf of the BCHFA.

Operation of the Development is restricted by terms and conditions detailed in the RRLP LURA and ELIHA. According to the RRLP LURA and ELIHA, the set asides are to be not less than 25% of the units (30 units) set aside for tenants earning 35% or less of the Area Median Income (“AMI”) and 75% of the units (remaining units) set aside for tenants earning 60% or less of the AMI. These AMI restrictions are in place for the first 20 years of the set aside term of 50 years. For the subsequent 30 years, 100% of the units will be set aside for tenants earning 60% or less of the AMI, excluding any exempt management units, for the remaining 30 years of the 50-year period.

The most recent Annual Management Review and Physical Inspection is dated March 5, 2024. All noted discrepancies have been satisfactorily corrected, and the review was closed out June 5, 2024.

According to the Development’s unaudited financial statements for fiscal year 2023 and the 12-month trailing period as of February 29, 2024, Gross Potential Rental Revenue was \$1.33 million for each of the periods. The vacancy and loss percentage was 3% for the 12-month trailing period and 2% for the 2023 and the net operating income was \$648,408 for 12-month trailing period and \$617,127 for 2023.

Ownership Transfer

There is a Purchase and Sale Agreement (“PSA”) between Cocoa Leased Housing Associates I, LLLP (“Seller”) and Cocoa Leased Housing Associates II, LLLP (“Buyer”) for the Development, dated December 1, 2022, for a purchase price of \$20,075,000. This is not an arms-length transaction as Seller and Buyer have common principals. The closing date shall occur on or before September 1, 2024 (the “Closing Date”). Buyer will have the right, in its sole discretion, to extend the Closing Date for up to 2 additional 90-day

Mr. Todd Fowler
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August 13, 2024
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periods (each, a “Closing Date Extension”) by giving written notice to Seller prior to the Closing Date (as it may have been extended previously). For each Closing Date Extension, Buyer must pay to Seller an extension fee of \$10,000.00 (“Closing Date Extension Fee”). The Closing Date Extension Fees are nonrefundable, but the amounts paid will be credited or applied toward the Purchase Price upon Closing.

Guarantors

Included herein, is request for the release of the entities currently providing FHFC’s Guaranty of Recourse Obligations, Cocoa Leased Housing Associates I, LLLP, Cocoa Leased Housing Associates I, LLC, Dominion Holdings I, LLC and Dominion Holdings II, LLC, to be replaced with Cocoa Leased Housing Associates II, LLLP, Cocoa Leased Housing Associates II, LLC, Cocoa Leased Housing Development II, LLC and Mark Moorhouse.

Mr. Moorhouse submitted a personally prepared financial statement dated March 31, 2024. The majority of Mr. Moorhouse’s assets are via direct and indirect ownership interests in real estate properties and other investments through Polaris Holdings I, LLC, Dominion Holdings I, LLC and Dominion Holdings II, LLC. AmeriNat received and satisfactorily reviewed the 2022 and 2023 tax returns. AmeriNat found the financial statements satisfactory.

A Statement of Financial and Credit Affairs states there are no pending legal actions, bankruptcies, foreclosures, or unsatisfied judgments.

Renegotiation Overview

The Borrower proposes to finance the rehabilitation with a \$17,600,000 Multifamily Mortgage Revenue Bond issuance by the Brevard County Housing Finance Authority, 4% HC and the assumption of the RRLP loan included herein. Alliant Capital, Ltd., a Walker & Dunlop subsidiary, will syndicate the 4% HC. The construction contract for the rehabilitation totals \$4,846,429 or \$40,387 per unit.

According to a Term Sheet from Walker & Dunlap, dated May 10, 2024, and updated terms currently in underwriting, under the Fannie Mae DUS Program, known as MBS as Tax-Exempt Bond Collateral (MTEB) with FHA Risk Sharing, the projected permanent loan (“Loan”) will be \$11,175,000. The Loan’s repayment of principal and interest is based on a term of 15 years, 40-year amortization, and a 5.65% interest rate. The estimated interest rate is the sum of the current MMD index plus an indicative spread of 249 basis points. The loan-to-value is not to exceed 90% as determined by the lender, and the required minimum DSC is 1.15x. Currently, the outstanding debt is only the total RRLP loans of \$10,070,000 and accrued interest of \$100,356.61, as of June 30, 2024.

Included herein is the request to extend the RRLP loan to be co-terminous with the new first mortgage.

The Borrower has agreed to a negotiated principal payment of the RRLP Loan in the amount of \$1,500,000 plus all outstanding accrued interest at the time of closing of the transaction’s financing with BCHFA.

The resyndication is projected to result in paid developer fee of approximately \$2,519,071 (47%) and the resulting permanently deferred developer fee is projected to be \$2,788,430 (53%) per the Developer’s

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projections once the rehab is complete, the Development has reached stabilization and all the sources have been funded.

Based on a current appraisal (detailed below), the combined new First Mortgage loan and all outstanding FHFC debt LTV is 78.11%. The Debt Service Coverage (“DSC”) on the proposed First Mortgage is 1.11x and 1.00x for all debt, inclusive of FHFC loan fees (perm loan servicing, and compliance and financial monitoring).

As currently underwritten, the combined DSCR for the first mortgage and RRLP Loan is 1.00x. With respect to the minimum FHFC underwriting requirements, the combined DSC cannot be below 1.10x to 1.00 unless the Applicant defers at least 35 percent of its Developer Fee for at least six (6) months following construction completion. In such cases, the minimum debt service coverage shall be no less than 1.00 for the RRLP Loan, including all superior mortgages. This Development meets the preceding requirements, and the transaction has been underwritten accordingly.

Appraisal

AmeriNat received and reviewed a draft appraisal dated July 11, 2024 with a valuation date of April 19, 2024 prepared for Walker & Dunlop by Apprise By Walker & Dunlop.

The appraisal concluded the following values, (and 1st mortgage LTV, and all debt LTV, respectively), of the leased fee interest as of April 19, 2024:

As-Is with market rents - \$27,200,000 (41%, 78.11%)
As-Is with HC Restrictions - \$15,350,000 (73%, 138%)

Based upon the conclusions made in the draft appraisal and the survey of comparable properties, the proposed operating pro forma is as follows:

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FINANCIAL COSTS:		Year 1	Year 1 Per Unit
OPERATING PRO FORMA			
INCOME:	Gross Potential Rental Income	\$1,537,080	\$12,809
	Other Income		\$0
	Ancillary Income	\$48,000	\$400
	Gross Potential Income	\$1,585,080	\$13,209
	Less:		
	Physical Vac. Loss Percentage: 4.00%	\$63,403	\$528
Collection Loss Percentage: 1.00%	\$15,850	\$132	
Total Effective Gross Income		\$1,505,827	\$12,549
EXPENSES:	Fixed:		
	Real Estate Taxes	\$45,336	\$378
	Insurance	\$125,280	\$1,044
	Variable:		
	Management Fee Percentage: 4.50%	\$67,762	\$565
	General and Administrative	\$40,104	\$334
	Payroll Expenses	\$189,000	\$1,575
	Utilities	\$72,000	\$600
	Marketing and Advertising	\$3,600	\$30
	Maintenance and Repairs/Pest Control	\$66,000	\$550
	Grounds Maintenance and Landscaping	\$36,000	\$300
Reserve for Replacements	\$36,000	\$300	
Total Expenses		\$681,082	\$5,676
Net Operating Income		\$824,745	\$6,873
Debt Service Payments			
First Mortgage - FNMA	\$705,386	\$5,878	
Second Mortgage - FHFC RRLP	\$60,000	\$500	
Third Mortgage - FHFC RRLP - ELI	\$0	\$0	
First Mortgage Fees - Issuer, Compliance	\$38,999	\$325	
Second Mortgage Fees - RRLP	\$18,646	\$155	
Third Mortgage Fees - RRLP ELI	\$1,054	\$9	
Total Debt Service Payments	\$824,085	\$6,867	
Cash Flow after Debt Service	\$660	\$5	
Debt Service Coverage Ratios			
DSC - First Mortgage plus Fees		1.11x	
DSC - Second Mortgage plus Fees		1.00x	
DSC - Third Mortgage plus Fees		1.00x	
Financial Ratios			
Operating Expense Ratio		45.23%	
Break-even Economic Occupancy Ratio (all debt)		95.18%	

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Additional Information

As of June 30, 2024, the Development had 3 vacant units or 97.5% occupancy. Per the FHFC Occupancy Reports, historical occupancy in August for each of the past three years has been reported as follows:

May 2024 - 95.83%
May 2023 - 97.50%
May 2022 - 98.33%

According to the FHFC Noncompliance Report dated October 18, 2023, no noncompliance items exist for the proposed Development Team.

According to the FHFC Past Due Report dated July 12, 2024, no past due items exist for the proposed Development Team.

Recommendations

AmeriNat concludes that Cocoa Leased Housing Associates II, LLLP and Mark Moorhouse, through their affiliated entities, have the prerequisite financial strength and experience to successfully own and operate the Subject Development. Further, AmeriNat concludes that the restructuring meets Florida Housing's underwriting standards.

Therefore, AmeriNat recommends that FHFC consent to and approve the transfer of ownership from Cocoa Leased Housing Associates I, LLLP to Cocoa Leased Housing Associates II, LLLP and the assumption of the RRLP documents and ELIHA; the restructuring of the above referenced transaction which includes the refinancing of the existing first mortgage loan, loan renegotiation, loan extension of the RRLP loan, if needed, and subordination of the RRLP Documents and ELIHA (as applicable) to the new first mortgage loan, all of which meet the requirements of the new first mortgage lender, release of the existing Guarantors and the replacement with new Guarantors, and modification of any other documents required to effectuate the transaction subject to the following:

1. Receipt and satisfactory review of the final appraisal.
2. Receipt of the RRLP negotiated principal payment in the amount of \$1,500,000 at the time of closing.
3. Receipt of all outstanding accrued interest at the time of closing.
4. Review of final First Mortgage loan terms and confirmation that all FHFC underwriting requirements for approval have been met.
5. Confirmation of financing fees and closing costs prior to closing.
6. Payment of any outstanding arrearages to Florida Housing, its Legal Counsel, Servicer or any Agent or Assignee of Florida Housing for past due issues applicable to the Development Team (Borrower

Mr. Todd Fowler
Oak Meadows
August 13, 2024
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or Developer or Principal, Affiliate or Financial Beneficiary, as described in Rule Chapter 67-21.0025 (5), 67-48.0075 (5) F.A.C., of a Borrower or a Developer), if applicable.

7. Payment of all costs and fees to Florida Housing, its Legal Counsel and Servicer, as applicable.
8. Consent of lenders or tax credit syndicator, as applicable.
9. Receipt of a non-refundable Subordination of the Rental Recovery Loan Program Loan Documents and Extended Low-Income Housing Agreement. subordination fee of \$1,000 each on the date of the closing, if applicable.
10. The affordability period will be extended by an equal amount of time as the loan extension, if applicable.
11. Renegotiation fee of one-half of one percent of the loan balance.
12. Extension fee of one-tenth of one percent of the loan balance, if applicable
13. Satisfactory resolution of any outstanding past due and/or noncompliance.
14. Prepayment of any required compliance monitoring fee, and servicing fees, if applicable.
15. Review and approval of all Loan Documents by Florida Housing, its Legal Counsel and Servicer.
16. Transfer of existing tax, insurance, replacement reserve and debt service reserve escrow accounts or establishment of new accounts in like or greater amounts satisfactory to FHFC prior to closing, if applicable.
17. Any other requirement of Florida Housing, its Legal Counsel and Servicer.

Please do not hesitate to contact me if you need further assistance.

Sincerely,



Tom Loulodes
Senior Credit Underwriter

SELTZER MANAGEMENT GROUP, INC.

17633 ASHLEY DRIVE
PANAMA CITY BEACH, FL 32413
TEL: (850) 233-3616
FAX: (850) 233-1429

August 12, 2024

VIA EMAIL

Mr. Todd Fowler
Director of Special Assets
Florida Housing Finance Corporation
227 North Bronough Street, Suite 5000
Tallahassee, Florida 32301

Re: Huntington Reserve (MMRB 2006 Series C / 4% HC 2006-503C / 9% HC 1990L-041 / SAIL 1990-003S) - Transfer of Ownership / First Mortgage Refinancing / Assumption and Subordination of the MMRB LURA, SAIL LURA and ELIHAs

Dear Mr. Fowler:

On your behalf, Seltzer Management Group, Inc. ("SMG", "Seltzer" or "Servicer") has reviewed a request, dated July 10, 2024, from Huntington Reserve Associates, Ltd. ("Current Owner") and Huntington Reserve Preservation, Ltd. ("New Owner"), requesting Florida Housing Finance Corporation ("FHFC" or "Florida Housing") consent to the transfer of ownership in Huntington Reserve (the "Subject Development") from Current Owner to New Owner the New Owner, the assumption of the existing State Apartment Incentive Loan ("SAIL") Land Use Restriction Agreement ("LURA"), Multifamily Mortgage Revenue Bonds ("MMRB") LURA and Extended Low-Income Housing Agreements ("ELIHA"), the refinancing of the existing first mortgage and subordination of the existing MMRB and SAIL LURAs and ELIHAs to the new first mortgage.

For the purposes of this analysis, SMG has reviewed the following:

1. Correspondence seeking Florida Housing's consent of the request outlined above
2. Rules 67-21 and 67-48
3. MMRB, SAIL and 4% Housing Credit ("HC") Underwriting Report ("CUR"), dated December 20, 2005
4. Final Orange County Housing Finance Authority ("OCHFA") CUR, dated July 26, 2024
5. General Partner Transfer Recommendation Letter, dated January 17, 2013
6. Ownership Transfer Recommendation Letter, dated April 12, 2018
7. MMRB Mortgage and Security Agreement, Promissory Note and LURA, all dated March 16, 2006
8. SAIL LURA, First Amendment to LURA and Amended and Restated LURA, dated September 7, 1990, December 30, 2005 and March 16, 2006, respectively
9. SAIL and HC Assignment and Assumption Agreement, dated March 16, 2006
10. ELIHA (9% HC 1990L-041), dated July 19, 1991 and ELIHA (4% HC 2006-503C), dated December 28, 2006

Mr. Todd Fowler
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11. Annual Management Review and Physical Inspection (“Management Review”), dated May 7, 2024, performed by SMG
12. FHFC Past Due Report dated July 12, 2024
13. FHFC Noncompliance Report dated October 18, 2023
14. Proposed Organizational Chart reflecting new ownership entities and their principal owners
15. For New Owner:
 - State of Florida Registration
16. Purchase and Sale Agreement (“PSA”), dated May 8, 2023, First Amendment to PSA, dated April 9, 2024, Second Amendment to PSA, dated July 2, 2024 and Third Amendment to PSA dated July 15, 2024 (collectively, the “Agreements”)

Our findings are as follows:

Background

The Subject Development is a family development located at 2000 Rosecliff Circle, Sanford, Seminole County, Florida, consisting of 168 multifamily rental apartment units located in fourteen residential buildings.

The Subject Development was originally constructed in 1990 and was partially funded from the proceeds of SAIL in the amount of \$2,106,000 as evidenced by a SAIL Mortgage and Security Agreement and Promissory Note by and between Tompkins/Rosecliff, LTD. (“Maker”) and FHFC (“Holder”). The SAIL maturity date was September 7, 2005. On December 30, 2005, the maturity date was extended to September 7, 2006. On March 16, 2006, the maturity date was extended to September 1, 2050.

On March 16, 2006, the Subject Development was sold to Huntington Reserve Associates, LTD (“Huntington”). The sale was primarily funded through the proceeds of MMRB issued by FHFC, equity derived from the sale of accompanying “in-kind” 4% HC, and the assumption of the above discussed SAIL. The MMRB and SAIL were paid off September 30, 2019.

Huntington was originally formed in August 2005. Huntington Reserve Management, LLC, the (“Original GP”) with a 0.01% ownership interest, was an entity owned by Enhanced Affordable Development Company, LLC (“EADC”), and key principals were David Rubin and Mark Gelman.

In December 2009, EADC defaulted on the first mortgage for non-payment. In June 2010, 2000 Rosecliff Circle, LLC (“Former GP”), a Centerline Capital Partners (“Centerline”) controlled entity replaced the Original GP on account of the Original GP’s failure to meet its guaranty obligations.

Effective December 31, 2012, the Former GP transferred all of its ownership interest in Huntington to The Partnership, Inc. (“TPI” or “Current GP”). The 99.98% limited partner is Centerline Credit Enhanced Partners, LP – Series G (“Investor Limited Partner”). The 0.01% Special Limited Partner is CharterMac Credit Enhanced SLP, LLC – Series G (“SLP”). There is also a Class C Limited Partner, Huntington Reserve Management, LLC (Class C LP”), with no ownership interest. Subsequently, Centerline was acquired by or merged with Alden Torch Financial (“ATF”). Effective May 23, 2018, Current Owner closed on the Subject Development.

Operation of the Subject Development is restricted by terms and conditions detailed in various loan documents, including but not limited to the MMRB and SAIL LURA(s) and ELIHA. Set asides per the

Mr. Todd Fowler
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Page 3

MMRB LURA are 85% of the units (143 units) for tenants earning 60% or less of the area median income (“AMI”) for 50 years. Set asides per the SAIL LURA are 100% of the units for residents earning 60% or less of the AMI for 50 years. Set asides per the ELIHA are 100 of the units for residents earning 60% or less of the AMI for 30 years.

The Management Review and Physical Inspection noted four deficiencies and the review was closed out on July 8, 2024.

As of April 2024, the Subject Development reported occupancy at a rate of 100%.

The FHFC Noncompliance Report reflects no noncompliance items for the development team.

The FHFC Past Due Report does not reflect any past due items for the development team.

Ownership Transfer

The Agreements are between Current Owner as Seller, and New Owner, as Buyer. The Second Amendment to PSA, states a purchase price of \$39,500,000. The closing date is December 31, 2024. The PSA stipulates that Seller’s FHA insured indebtedness, including all accrued interest, if any, through the Closing Date, up to an aggregate amount of \$16,750,000.00, as modified by the Loan Modification, will be assumed by the New Owner.

New Owner was registered with the State of Florida on April 3, 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.

New Owner, though its owners, the Principals of Lincoln Avenue Communities LLC (“LAC”) including Eli Bronfman and Jeremy Bronfman have the required experience to successfully operate the subject property. LAC has developed or preserved over 17,000 affordable housing units.

Jeremy Bronfman is the manager of the Bronfman Family Office. In this capacity, Jeremy oversees all aspects of operations and investments as well as direct oversight of Sixty Capital, an internal Hedge Fund. Before returning to his family business, Jeremy was CEO of Enigma Technologies Inc., a fast-growing Big Data software company. Prior to Enigma he was an investment associate at both Island Capital (the parent entity of CIII Capital Partners) and JANA Partners. Jeremy began his career and became a partner at Iroquois Capital, where he identified opportunities in PIPE investments in small cap public companies.

Eli Bronfman is currently a principal within the Bronfman Family Office. He also is the managing member of Distillers Capital, a fundamental Market Neutral hedge fund firm. He previously worked on the equities team at IceFarm Capital, a global discretionary Macro Fund and Arrow Capital, an event driven Fund. He began his career at Goldman, Sachs & Co. in the Securities Division.

A review of Eli Bronfman’s Financials dated December 31, 2023, and an executed letter of No Change dated July 17, 2024 and Jeremy Bronfman’s Financials dated March 31, 2024, and an executed letter of No Change dated July 18, 2024, evidence sufficient liquidity and financial strength to own and operate the Subject Development.

Refinancing Overview

OCHFAs will issue up to \$34,373,650.36 of tax-exempt MMRB in two separate series. Up to \$28,373,000 of the tax-exempt MMRB will be underwritten and marketed by RBC Capital Markets, LLC (“RBC”) through

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a public offering (the “Series A Bonds”) and \$6,000,000 of the tax exempt MMRB will be structured as a tax-exempt note (the “Series B Note”) during the construction period to be sold to Huntington Reserve Associates, Ltd., the Seller of the property to the New Owner. The Series A Bonds will be the typical cash-collateralized bond structure with all or a portion of a U.S. Department of Housing and Urban Development (“HUD”) 241(a) loan from Harper Capital Partners, LLC in the amount of \$14,513,000 and all or a portion of a Truist Community Capital (“Truist”) taxable equity bridge loan in the amount of \$17,339,823 serving as collateral in the cumulative amount of up to \$28,373,000. OCHFA will utilize the \$6,000,000 Series B Note proceeds to make a loan to the New Owner as described below.

The New Owner will assume from the Seller an existing FHA-insured permanent first mortgage loan under the HUD Section 223(f) program originated by Dwight Capital LLC (“Dwight”), an approved HUD Multifamily Accelerated Processing (“MAP”) lender. The first mortgage loan currently encumbers the property in an amount currently estimated to be \$16,260,913. Truist will provide a taxable equity bridge loan to the New Owner in the amount of \$17,339,823. Of this amount, all or a portion of the proceeds will be deposited in the MMRB collateral fund over time to secure the Series A Bonds as MMRB bond proceeds are needed to pay construction costs. For each deposit of Truist equity bridge loan collateral, a like amount of MMRB bond proceeds may be released to pay acquisition/rehab costs. Remaining proceeds of the Truist equity bridge loan will be used to pay construction costs.

The New Owner will pay a fixed rate of interest on the Series A Bonds, which is estimated to be 3.80% based on current market conditions. The Series A Bonds will require semi-annual interest-only payments until the earlier of the maturity date, which is 24-36 months from the date of closing, or the date of redemption.

In addition, OCHFA will issue the \$6,000,000 Series B Note, to be sold to the Seller, and will loan the proceeds thereof to the New Owner, once the improvements are placed-in-service, the Series B Note will be converted to a Taxable Seller Note and the Series B Tax-Exempt Note will be tendered to the Trustee.

Summary and Recommendation

Seltzer’s review indicates that New Owner, through its principal owners, Eli and Jeremy Bronfman, have 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 ownership of the Subject Development to New Owner, the assumption of the existing MMRB and SAIL LURAs and ELIHAs the refinancing of the existing first mortgage, subordination of the existing MMRB and SAIL LURAs and ELIHAs to the new first mortgage and modification of any other loan documents that are required to effectuate the transaction, subject to the following:

- New Owner and Eli and Jeremy Bronfman, and their entities and principals (if applicable), as well as the withdrawing entities to execute any assignment and assumption documents and any other documents that FHFC and its Legal Counsel deems necessary to effectuate the transaction
- Review and approval of all Loan Documents consistent with the terms outlined above by FHFC, its Legal Counsel, and Servicer
- Receipt of a non-refundable MMRB LURA, SAIL LURA and ELIHAs, subordination fee of \$1,000 each on or before the closing date

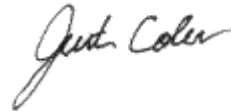
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- Receipt of a non-refundable MMRB transfer and assumption fee of \$ 2,500 on or before the closing date
- Transfer of existing tax, insurance, replacement reserve and debt service reserve escrow accounts or establishment of new accounts in like or greater amounts satisfactory to FHFC prior to closing, if applicable
- Payment of any outstanding arrearages to FHFC, its Legal Counsel, Servicer or any Agent or Assignee of Florida Housing for Past Due issues applicable to the Development Team (Borrower or Developer or Principal, Affiliate or Financial Beneficiary, as described in 67-21.0025(5) and 67-48.0075(5) F.A.C., of a Borrower or a Developer)
- Consent of the equity provider and subordinate lenders, if applicable
- Prepayment of any compliance monitoring fees and servicing fees, if applicable
- Satisfactory resolution of any outstanding past due and/or noncompliance items
- FHFC requires the Owner to waive the right to a Qualified Contract under the ELIHA (4% HC 2006-503C), such waiver to be in form and substance acceptable to FHFC, and
- Payment of all costs and fees to Florida Housing, its Legal Counsel and Servicer, as applicable
- All other due diligence required by 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.



Justin Coles
Credit Underwriter